Patent Mediation Guide

Federal Judicial Center

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Preface

Mediation can be an effective tool in resolving simple to complex patent litigation. As the volume of patent cases has increased around the country, the number of experienced mediators and parties that have participated in the mediation process has also increased. This guide collects the knowledge of experienced judges, mediators, counsel, and parties to promote cost-effective, time-effective, and constructive dispute resolution. Much of the practical information contained within this guide was derived from interviews with federal judges, patent litigators, and in-house attorneys familiar with conducting patent mediations. These sources are not quoted directly so as to preserve anonymity with regard to their views on particular issues.[1]

This stage-by-stage and issue-by-issue guide supplements the *Patent Case Management Judicial Guide* (PCMJG),[2] a comprehensive treatise developed for the federal judiciary. The PCMJG addresses the mechanics, timing, and considerations for effective mediations when judges are managing patent cases. This supplement addresses issues specific to mediators (magistrate judges and private mediators) and in-house and litigation counsel.

1. The authors are deeply grateful to the many colleagues who helped develop this guide through their conversations, substantive and editorial suggestions, and research. In particular, we thank Judge (and FJC Director) Jeremy Fogel (retired), Judge David Folsom (retired), Judge James Rodney Gilstrap, Magistrate Judge Paul Grewal (retired), Judge Faith Hochberg (retired), Magistrate Judge Edward Infante (retired), Magistrate Judge Elizabeth Laporte, Judge Paul Michel (retired), Judge James Ware (retired), Tony Baca, Marta Beckwith, Taj Clayton, Mike Gaddis, Shirish Gupta, Hannah Jiam, Mark Le Hocky, Gabriella Libin, Francisco Lozano, Alana Mannigé, Prachi Mehta, Thomas Melsheimer, Taufiq Ramji, Michael Rueckheim, Allison Schmitt, Noorossadat Torabi, Holly Victorson, and Andrew Xue. We also thank Maria Beltran and Amit Elazari for their excellent research assistance.

2. Peter S. Menell et al., Patent Case Management Judicial Guide (3d ed. 2016) (hereinafter cited as PCMJG), *available at* https://fjc.gov/content/321534/patent-case-management-judicial-guide-third-edition.

I. The Dispute Resolution Spectrum

Methods for dispute resolution without formal adjudication by a judge or jury, commonly known as "alternative dispute resolution" (ADR), vary in application and effectiveness. Recently, the term "alternative dispute resolution" has lost favor to the terms "appropriate dispute resolution" and "process pluralism," reflecting both the differences in dispute types and the wide range of alternatives to litigation.[3] Each of the three most prominent models—negotiation, mediation, and arbitration—offer differences with respect to control, cost, and time to resolution.

Figure 1. Spectrum of Dispute Resolution Options

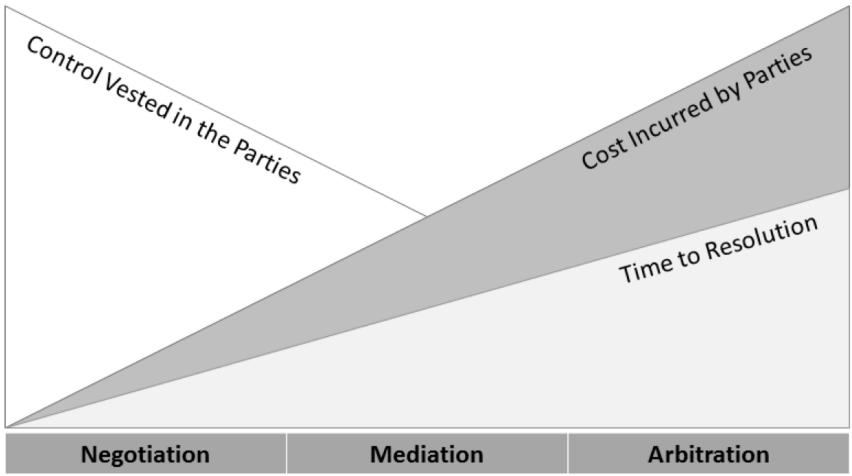

Table 1 compares the three principal ADR modes.

3. Carrie Menkel-Meadow, *Mediation, Arbitration, and Alternative Dispute Resolution (ADR)* (UC Irvine School of Law Research Paper No. 2015-59), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2608140.

Table 1. Comparison of ADR Modes

	Approach	Advantages	Disadvantages
Negotiation	Allows parties to reach a mutually beneficial outcome through collaborative discourse[4]	• Greater ability to keep proceedings confidential and privileged • Cheaper and faster than litigation • Improves communication between parties and opens a dialogue	• May disadvantage a party with less negotiating experience or expertise • Unstructured nature may increase tension and lead negotiations to be more adversarial than other forms of ADR
Mediation	Involves a third party to oversee the process, assist the parties, and facilitate in negotiations for settlement[5]	• Parties have greater control over the outcome of the dispute • Privacy and confidentiality are better preserved through mediation than in litigation • A skilled mediator can improve the likelihood of resolution • Cheaper and faster than litigation	• Mediator cannot decide the case and cannot force agreement between the parties • Typically requires a skilled mediator who has had experience as a judge, patent litigator, or senior in-house counsel • No formal process for discovery
Arbitration	May be binding, with limited review and appeal rights, depending on the arbitration agreement.[6] Enforcement relies on judicial remedies, by pursuing an action to "confirm" an award	• Can be cheaper and faster than litigation • Privacy and confidentiality are better preserved than in litigation • Parties may choose an arbiter with specific expertise in the subject area of the case	• More expensive than other ADR options • Discovery is more limited than in litigation, but significantly more expensive than in other ADR options • Fewer options for appeal than in litigation

4. Roger Fisher, William Ury & Bruce Patton, Getting to Yes (2011).

5. William E. Simkin, Mediation and the Dynamics of Collective Bargaining 23–25 (1971).

6. David Horton, Federal Arbitration Act Preemption, Purposivism, and State Public Policy, 101 Geo. L.J. 1217 (2013).

II. Benefits of Mediation

Mediation has grown as a means of resolving complex patent disputes.[7] While detailed empirical research on the effectiveness of ADR options in patent disputes is limited,[8] in-house counsel have been embracing mediation over other forms of ADR in growing numbers.[9] Many organizations, including the International Institute for Conflict Prevention & Resolution's Patent Mediation Task Force and the Sedona Conference Working Group on Patent Litigation Best Practices, have encouraged mediation in a wide variety of patent cases.[10] In 2005, the Federal Circuit created a mediation program that has achieved some success in encouraging settlements at the appellate level.[11] Much of the growing popularity

7. *See* Laura Fishwick, *Mediating with Non-Practicing Entities*, 27 Harvard J.L. & Tech. 331, 333 (2013).

8. *See* Eugene R. Quinn, Jr., *Using Alternative Dispute Resolution to Resolve Patent Litigation: A Survey of Patent Litigators*, 3 Marq. Intell. Prop. L. Rev. 77, 79 (1999) (concluding, based on settlement data and anecdotal survey evidence, that increased "reliance on various forms of ADR is responsible for both the dramatic increase in number of cases terminating during the pretrial process and the constant number of patent trials").

9. *See* Tom Stipanowich, *What Does the Fortune 1,000 Survey on Mediation, Arbitration and Conflict Management Portend for International Arbitration?*, Kluwer Arbitration Blog (Mar. 2013), http://arbitrationblog.kluwerarbitration.com/2013/03/14/what-does-the-fortune-1000-survey-on-mediation-arbitration-and-conflict-management-portend-for-international-arbitration/.

10. *See* Int'l Inst. for Conflict Prevention & Resolution, *Report of the CPR Patent Mediation Task Force: Effective Practices Protocol* (2013), https://www.cpradr.org/news-publications/articles/2013-01-28-report-of-the-cpr-patent-mediation-task-force-effective-practices-protocol; The Sedona Conference, Working Group on Patent Litigation Best Practices (WG10), *Commentary on Patent Litigation Best Practices: Patent Mediation Chapter* (Apr. 2017), https://thesedonaconference.org/system/files/sites/sedona.civicactions.net/files/private/drupal/filesys/publications/Sedona%20WG10%20Patent%20Lit%20Best%20Practices-Mediation%20Ch.%20%28Apr.%202017%20ed%29_04-06-17.pdf [hereinafter The Sedona Conference, *Commentary on Patent Litigation Best Practices*].

11. *See* U.S. Ct. App. Fed. Cir., Appellate Mediation Program Guidelines (Dec. 6, 2013), http://www.cafc.uscourts.gov/sites/default/files/Dec-2013-Revision/mediation%20guidelines_effective_12-6-2013.pdf.

of mediation is the result of the control it affords the parties, while also providing structure for advancing the discussions.

A. Control Over the Process

Mediation is a "non-binding *negotiation process* in which a neutral helps the litigants resolve a dispute."[12] Rather than focusing on a victor, mediation provides the parties with control over the process, allowing for non-binary resolutions beyond the findings and remedies available in the courts. If the parties in a patent dispute proceed with the litigation and eventually take their case to trial, a large body of rules, statutes, and case law govern the proceedings, and the parties typically have little to no freedom to tailor the proceedings.[13] In contrast, the mediation process is subject to significantly fewer rules and formalities, and the parties have much more power to tailor the proceedings to their needs.[14] For instance, parties in a mediation proceeding usually have control over the following aspects of the proceeding:

- **The mediator.** Assuming they can reach an agreement, the parties can choose a mediator to host the proceedings.[15] When choosing an appropriate mediator, the parties can weigh considerations such as the mediator's technical knowledge, patent law knowledge, temperament, and communication skills.[16]
- **The interactions between the mediator and each of the parties.** The parties have a significant amount of flexibility to structure how a mediator will interact with each party and

12. *See* Mary Pat Thynge, *Mediation: One Judge's Perspective (Or Infusing Sanity into Intellectual Property Litigation)*, *in* ADR Advocacy, Strategies, and Practice for Intellectual Property Cases 133, 138 (Harrie Samaras ed., 2011).

13. *See* Wayne D. Brazil, Effective Approaches to Settlement: A Handbook for Lawyers and Judges 4 (1988).

14. *Id.*; Craig Metcalf, *How Mediation of Patent Disputes Differs from Litigation* (Aug. 20, 2014), https://www.kmclaw.com/newsroom-articles-298.html.

15. *See* Brazil, *supra* note 13, at 5.

16. *See id.*

how the parties will interact with each other. In some cases, the mediator might speak to each party separately; in other cases, the mediator might have all the parties in the room together and moderate a discussion between the parties.[17]

- **Timing.** The parties to a mediation decide when to hold the mediation proceedings. This can be particularly helpful as events, such as the institution of an inter partes review at the Patent Office or exchange of contentions, may drive the parties to a resolution. The optimal timing for any particular mediation may be guided by the industry and relative positions of the parties, as discussed in Section IV below.
- **The number of sessions.** The parties to a mediation can tailor the number of sessions and the duration of each session to suit their needs. For example, the parties might wish to have a single day-long session, multiple shorter sessions, or a single main session with optional follow-up sessions to discuss ancillary details. This may be useful, for example, if any of the parties need to use the time between sessions to gather additional documents or other information.[18]
- **Location.** While a plaintiff in litigation may make decisions about forum based on how favorable a particular district is toward plaintiffs, that location might not be the most convenient mediation location for either party.
- **Participants.** Business people have more strategic options available with respect to who is involved in the mediation. By contrast, the day-to-day decisions of litigation are necessarily driven by lawyers. However, during mediation, business decision makers can have substantially more involvement in all aspects of the proceedings.

17. *See* Metcalf, *supra* note 14.
18. *See id.*

B. Ability to Reach Business-Driven Solutions

The remedies that can result from an adjudication in court are subject to several drawbacks. First, the judge and the jury are generally limited to a narrow range of remedies prescribed by law, such as monetary damages and injunctive relief.[19] In addition, judicial proceedings are typically perceived as a zero-sum game that produces a clear winner and loser,[20] and some parties may be unwilling to risk the possibility of being perceived as the loser in the case.

Mediation allows for a much wider variety of outcomes and remedies than litigation. Although the parties in a mediation can still agree to solutions that are analogous to damages and injunctive relief that a court may award (e.g., private contractual agreements to pay the other party or to stop engaging in certain conduct), they also have the ability to consider broader, business-driven solutions, such as licensing agreements, supply contracts, mergers, and assignments of technology. The ability to choose from a broader range of options increases the likelihood that mediation will produce a solution that can be integrated into the respective business strategies of both parties and does not simply produce a winner and a loser.

C. Cost Savings

One of the most obvious benefits of mediation is that it can lead to a settlement agreement and allow the parties to avoid paying the costs of continued litigation. In 2015, the median litigation cost, through discovery, for patent infringement suits worth $10–$25 million was $2.1 million; adding costs through trial brings the median cost up to $3.5 million.[21] By contrast, the median cost for mediation in such cases, in 2015, was $250,000.[22] Even where the plaintiff is a non-practicing entity, and

19. *See* 35 U.S.C. §§ 283–284.

20. *See* Brazil, *supra* note 13, at 11.

21. *See* American Intellectual Property Law Association (AIPLA), 2015 Report of the Economic Survey 37–38 (2015).

22. *See id.*

discovery costs are presumably lower, the median cost for litigation, where $10–$25 million was at stake, was $2 million.[23] Mediation costs for the same matters were one-tenth of that cost.[24] Apart from the direct costs associated with patent litigation, such as attorneys' fees and expert witness fees, early resolution also relieves the parties of the numerous indirect costs that drain corporate resources, including engineers' time directed to discovery-related investigation and the distraction of corporate decision makers.[25]

D. Confidentiality

Unlike judicial proceedings, which are usually on the public record and may attract significant media attention, the proceedings and result of mediation can often be kept confidential. If confidentiality is desired, participants should, at the outset of a mediation, enter a written agreement providing for strict confidentiality, nondisclosure, and inadmissibility of all mediation communications, including protections for mediation confidentiality and privilege.[26]

"Mediation confidentiality" has been defined by experienced practitioners as "the obligation of mediation participants to refrain from disclosing and/or using statements and information communicated in a mediation outside of the mediation."[27] Such confidentiality has been recognized as "essential to the integrity and success of the Court's mediation program, in that confidentiality encourages candor between the parties and on the part of the mediator" [28] and has been recognized in the Alternative Dispute Resolution Act of 1998 (ADRA).

Relatedly, the "Mediation Privilege" has been recognized by courts as a privilege similar to Federal Rule of Evidence 408, which generally

23. *See id.*

24. *See id.*

25. *See id*. at 2–3.

26. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 17.

27. *See id.*

28. *See In re* Anonymous, 283 F.3d 627, 636 (4th Cir. 2002).

prohibits the discoverability or admissibility of evidence relating to "compromise negotiations."[29] Absent express agreement by the parties, it is generally accepted that reports to the trial judge of anything other than procedural details about the mediation should be precluded.[30]

The mediation privilege, however, is not universally recognized. While several districts have conclusively recognized a federal mediation privilege—including the Northern District of California, the Central District of California, the Eastern District of Pennsylvania, and the Western District of Pennsylvania[31]—other districts (notably the Northern District of Texas and the District of Minnesota) have disavowed a mediation privilege.[32] The appellate courts have not resolved these inconsistencies.[33] Even in jurisdictions that have recognized a mediation privilege, its scope is not

29. Fed. R. Evid. 408; The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 16.

30. *See* PCMJG, *supra* note 2, at § 2.7.5 ("This same concern for confidentiality usually precludes reports to the trial judge of anything other than procedural details about the mediation, such as the dates of mediation sessions, or a party's violation of court rules or orders requiring participation."); *see also* Civil Trial Practice Standards § 23(e) (Am. Bar Ass'n 2007); Robert J. Niemic, Donna Stienstra & Randall E. Ravitz, Guide to Judicial Management of Cases in ADR 111–14, 163–64 (Federal Judicial Center 2001) ("An attorney-neutral should protect the integrity of both the trial and ADR processes by refraining from communicating with the assigned trial judge concerning the substance of negotiations or any other confidential information learned or obtained by virtue of the ADR process, unless all of the participants agree and jointly ask the attorney-neutral to communicate in a specified way with the assigned trial judge.").

31. *See*, *e.g.*, Microsoft Corp. v. Suncrest Enter., No. C03-05424 JF, 2006 WL 929257, *2 (N.D. Cal. Jan. 6, 2006); Folb v. Motion Picture Indus. Pension & Health Plans, 16 F. Supp. 2d 1164, 1175 (C.D. Cal. 1998), *aff'd*, 216 F.3d 1082 (9th Cir. 2000); Sampson v. Sch. Dist. of Lancaster, 262 F.R.D. 469, 476 (E.D. Pa. 2008); Sheldone v. Pennsylvania Tpk. Comm'n, 104 F. Supp. 2d 511, 513–18 (W.D. Pa. 2000).

32. *See, e.g.,* F.D.I.C. v. White, 76 F. Supp. 2d 736, 738 (N.D. Tex. 1999); E.E.O.C. v. Hibbing Taconite Co., 266 F.R.D. 260, 271 (D. Minn. 2009).

33. *See* Facebook, Inc. v. Pacific NW Software, Inc., 640 F.3d 1034, 1040–41 (9th Cir. 2011) ("A local rule, like any court order, can impose a duty of confidentiality as to any aspect of litigation, including mediation. But privileges are created by federal common law.") (citations omitted); *see also* Wilcox v. Arpaio, 753 F.3d 872, 877 (9th Cir. 2014); *In re* MSTG, Inc., 675 F.3d 1337, 1343 (Fed. Cir. 2012).

absolute.[34] While disclosure of settlement discussions is generally proscribed by the courts,[35] settlement agreements may be used to establish a reasonable royalty for damages.[36] Likewise, attorneys cannot use the mediation privilege as a shield against allegations of malpractice or other malfeasance.[37] With the uncertainty regarding the scope of privilege covering mediation discussions and disclosures, the parties should expressly proscribe any use of settlement information by written agreement.[38]

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34. *See Facebook, Inc.*, 640 F.3d at 1040–41 (district court held that local rules had created a "privilege" for "the parties' negotiations in their mediation"; appellate court rules that "[a] local rule, like any court order, can impose a duty of confidentiality as to any aspect of litigation, including mediation. But privileges are created by federal common law") (citations omitted).

35. ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860, 870–72 (Fed. Cir. 2010) (permitting reliance on settlement agreements to establish reasonable royalty damages because the settlement license was "the most reliable license in [the] record," but constraining its use to the proper context within the hypothetical negotiation framework); *but see* LaserDynamics, Inc. v. Quanta Comput., Inc., 694 F.3d 51, 77 (Fed. Cir. 2012).

36. *See LaserDynamics, Inc.*, 694 F.3d at 77 ("Despite the longstanding disapproval of relying on settlement agreements to establish reasonable royalty damages, we recently permitted such reliance under certain limited circumstances.") (citing *ResQNet.com, Inc.*, 594 F.3d at 870–72).

37. See, for example, Uniform Mediation Act § 6 (Nat'l Conf. of Comm'rs on Unif. State Laws 2003), codifying generally recognized exceptions to the mediation privilege, including for a mediation communication that is (1) in an agreement evidenced by a record signed by all parties to the agreement; (2) available to the public or made during a session of a mediation that is open, or is required by law to be open, to the public; (3) a threat or statement of a plan to inflict bodily injury or commit a crime of violence; (4) intentionally used to plan a crime, to attempt to commit or to commit a crime, or to conceal an ongoing crime or ongoing criminal activity; (5) sought or offered to prove or disprove a claim or complaint of professional misconduct or malpractice filed against a mediator; (6) except as otherwise provided in § 6(c) of the Act, sought or offered to prove or disprove a claim or complaint of professional misconduct or malpractice filed against a mediation party, nonparty participant, or representative of a party based on conduct occurring during a mediation; or (7) sought or offered to prove or disprove abuse, neglect, abandonment, or exploitation in a proceeding in which a child or adult protective services agency is a party, unless the case is referred by a court to mediation and a public agency participates.

38. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 17 ("Best Practice 5 – At the outset of the mediation, all participants in

1. State Confidentiality Provisions

Although patent mediation is grounded in federal question jurisdiction, participants should be familiar with state laws of the jurisdiction concerning the treatment of mediation confidentiality and privilege as they govern future claims, such as enforcement of terms under a settlement agreement or malpractice claims. As of June 2017, the Uniform Mediation Act (UMA), which includes confidentiality and privilege provisions, has been enacted in the District of Columbia, Hawaii, Idaho, Illinois, Iowa, Nebraska, New Jersey, Ohio, South Dakota, Utah, Vermont, and Washington.[39] Delaware, Florida, Maine, Montana, Nevada, Oregon, Virginia, and Wyoming have adopted similar bills.[40]

E. Non-Binding Facilitator

Unlike in an arbitration, the parties to a mediation are not bound by a decision maker's conclusion. The mediator cannot render a decision on the merits of the case or force the parties to reach an agreement. Nonetheless, the mediator can facilitate and advance discussions between the parties. As an independent, neutral participant, the mediator's loyalty is to the process, which ultimately benefits the parties.

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the mediation should enter into a written agreement providing for strict confidentiality, nondisclosure, and inadmissibility of all mediation communications, and, where appropriate, the parties should provide in their stipulated protective order for protection of mediation confidentiality.").

39. *See infra* Appendix B; *see also* Unif. Law Comm'n, *Legislative Fact Sheet—Mediation Act*, http://uniformlaws.org/LegislativeFactSheet.aspx?title=Mediation%20Act. Legislation for the adoption of the UMA has been introduced in Massachusetts and New York.

40. *See infra* Appendix B.

III. Negotiation Paradigms and Their Determinants

The success of a mediation is often determined before the process even begins. The respective postures of the parties—specifically their ability to compromise—may be the single most important factor in reaching a mutually agreeable resolution.

Attitudes toward alternative dispute resolution generally fit into one of two paradigms: the adversarial and the problem-solving.[41] The adversarial paradigm views dispute resolution as a zero-sum game. Adversarial parties perceive a narrow range of possible resolutions and behave strategically and competitively to achieve the best possible outcome within this range.[42] In effect, an adversarial party views mediation primarily as just an alternate forum for asserting and enforcing its rights and consequently behaves in the same manner as in court.

By contrast, the problem-solving paradigm aims to obtain value through the resolution process.[43] Problem-solving parties view the mediation as a collaborative mechanism by which both parties can advance their interests.[44] Therefore, in contrast to adversarial parties, problem-solving parties tend to be pragmatic and receptive to a broad spectrum of possible solutions.[45]

Parties should be wary of the adversarial paradigm. The adversarial mediator, or "forceful mediator," may pose the danger of causing "arguments to ensue, conversations to deteriorate and settlements to be lost."[46]

41. See generally Carrie Menkel-Meadow, Toward Another View of Legal Negotiation: The Structure of Problem Solving, 31 UCLA L. Rev. 754 (1984).

42. *See id.* at 819.

43. *See id.* at 801.

44. *See id.* at 794.

45. *See id.* at 819.

46. *See* Jeff Kichaven, *The Myth of the Forceful Mediator*, Law360 (Feb. 1, 2017, 12:56 PM), https://www.law360.com/articles/886357.

In practice, parties do not choose one paradigm or the other—individual personalities and preferences may influence each party's approach; business considerations may force a quick resolution or justify prolonging a losing battle; changing prognostications of the ultimate disposition of the case can induce a change in strategy. Negotiating strategies may be influenced by any number of external factors. Mediators should be attentive both to changes in strategy and to the underlying rationales for such changes. They should aim to structure the mediation to accommodate the parties' approaches and lead parties to an agreeable resolution.

A. Understanding the Technology and Value of the Case

Traditionally, experts have identified three primary reasons why settlement efforts fail: (1) different assessments by the parties of the strengths and weaknesses of their case; (2) failure of decision makers to properly assess risk if there is no settlement; and (3) different goals.[47] Sophisticated companies, particularly ones frequently involved in patent disputes, are able to overcome at least the first two of these obstacles as part of their internal early case assessments.

Many, if not most, positions taken by the parties will be motivated by the business implications of the legal issues to be decided rather than by the issues themselves. Consequently, mediators must understand not just what the accused technology is, but also the relative importance of the technology to each party's business and to the market as a whole.

Parties may be more inclined to take an "all-or-nothing" approach if they sense that they are likely to prevail on the merits, but might also adopt this approach if any compromise would threaten the continued sustainability of the business. Similarly, parties may be more receptive to mediation in order to avoid intrusive discovery and litigation costs over what may be only a minor component of the business.

A premediation statement from the parties can be a useful tool in understanding the business dynamics. In order to better evaluate the case

47. James F. Davis, *Putting ADR to Work in IP Disputes: When and How to Do It*, *in* ADR Advocacy, Strategies, and Practice for Intellectual Property Cases 11–14 (Harrie Samaras ed., 2011).

and determine whether a particular mediation plan may be more or less appropriate, mediators should require the parties to address at least the following questions as a starting point:

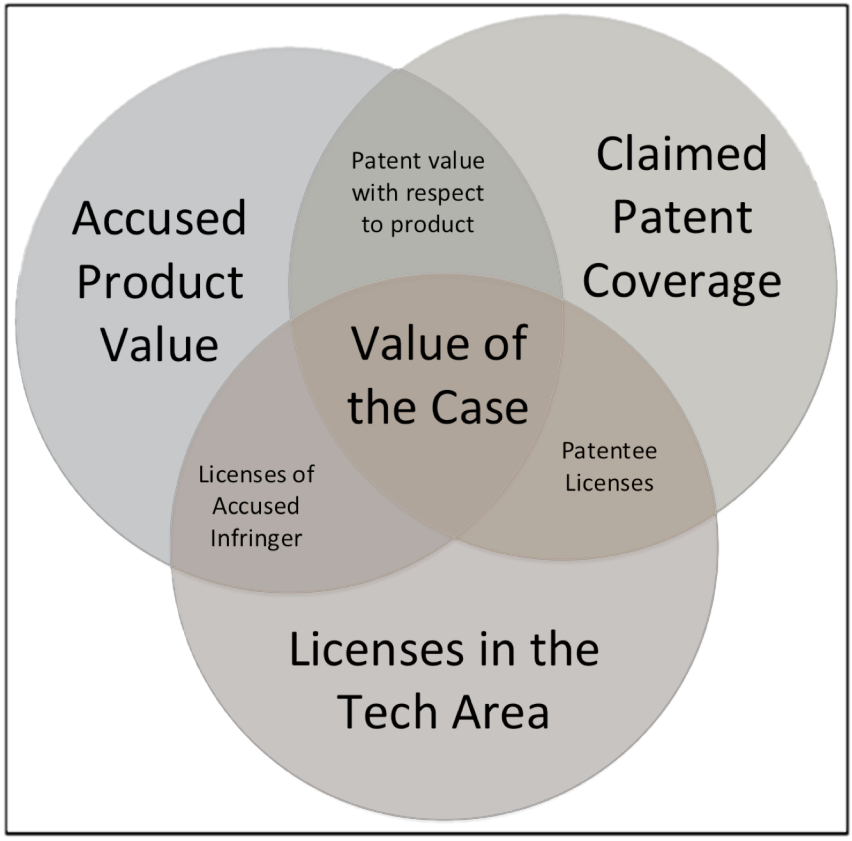
- Is the plaintiff accusing a component of a product manufactured, used, or sold by the defendant?
    - Can that component be easily replaced by a licensed or non-infringing alternative?
- Has the patent been licensed by other parties?
- What is the relative size of each party?
- What is the relative market share of the parties?
- What is the profitability of the product embodying the patent?
- How many other inventions go into the product embodying the patent?
- What is the relative importance of the accused product to the defendant's business?
- What is the procedural posture of the case?[48]
    - Has a complaint been filed? Have counterclaims been filed?
    - Have the patent claims ever been construed by any tribunal?
    - Are any of the patents in the case currently subject to an inter partes review (IPR) or other review at the PTO?
    - Have the patent claims been construed?
    - Have any motions been filed? Ruled upon?
- What is the business impact of the case?

48. For a more detailed discussion of these considerations, see Section V(B), *infra*.

- If the plaintiff is a non-practicing entity (NPE), where does this case fit into its assertion campaign? The NPE's approach, propensity to settle, and strategy will vary depending on whether this is the first case or a later case.
- Similarly, if the plaintiff is the licensing arm of an otherwise practicing company, where does this case fit into its assertion campaign?
- What, if any, comparable licenses exist?
- Has either party established a reserve for the case, and if so, how much is that reserve?
- Is the accused product standards-compliant?
    - Is the patent required to practice the standard?
    - Was the patent disclosed during the standard adoption process?

Once these basic questions are addressed, a mediator should be able to place the case into one or more categories, which will inform the issues and mediation strategy most likely to generate an eventual settlement between the parties. Ideally, as reflected in Figure 2, the case should be valued somewhere near an amount where the accused product value is modulated, based on the patent claims at issue and their relative importance to the product, in light of the licenses that exist in the technology field.

Figure 2. Scoping the Value of the Case



While each case will have its unique factors and considerations, litigants often face common issues in certain business and competitive environments. Table 2 summarizes the common types of patent disputes and the settlement issues that are often faced in these categories.[49]

49. *See* PCMJG, *supra* note 2, at § 2.7.8.

Table 2. Common Settlement Issues

Case Category	Settlement Issues
Large Enterprise vs. Start-Up/New Entrant	Settlement in such cases is often driven by the start-up's ability to accept the costs of litigation and by whether the patent-holding enterprise is aware of, or willing to accept, other competitors using the patented technology. The lawsuit may be timed to a critical event for the start-up (e.g., new product offering, additional investment, public stock offering, or merger), in which case potential windows for settlement are very early in the litigation or just after the event. Information that may drive resolution: • Are there third parties in the industry using the patented technology or an equivalent? • Has the patent holder formally requested an injunction or is the patent holder seeking damages to force the alleged infringer out of the industry? • What is the remaining term on the patent? • What is the ability of alleged infringer to afford payment at early stage?
Licensing Company vs. Large Enterprise	The likelihood and timing of settlement often depends on factors such as (1) the amount demanded; (2) the size of the licensing company's portfolio; (3) reputational effects (some companies, as a matter of policy, believe that settling such suits encourages additional licensing company litigation); (4) strategic alliances (against defendant's competitors). Information that may drive resolution:

Case Category	Settlement Issues
	• Early exchange of financial information to establish licensing rate • Exposure of the alleged infringer to other patents in the licensing company's portfolio • Licensing history of the alleged infringer—including evidence that establishes the company's policy regarding settlement agreements • Whether the patent-holder has targeted or otherwise approached competitors of the alleged infringer
Licensing Company vs. Start-Up Enterprise	Such suits often are timed to critical events for the start-up. Obtaining participation from senior start-up company officers while the critical event is pending can be difficult and may justify telephone or other non-traditional participation in the mediation. Mediations should be scheduled early to allow for resolution before critical events for the start-up. Information that may drive resolution: • Early exchange of financial information to establish potential damages
Serial Litigant: Patent Owner vs. First Alleged Infringer	Such patent owners face the collateral risk of inter partes review challenges; an adverse *Markman* order or other substantive ruling dooms not just the case, but the entire flotilla behind it. On the other hand, while a win cannot be used as collateral estoppel in subsequent suits, it can be persuasive in them, especially if they are brought in the same court. This may create settlement opportunities while important substantive rulings are pending.

Case Category	Settlement Issues
	One challenge to settlement is discoverability and relevance to establishing a royalty rate in future cases. *See* ResQNet.com, Inc. v. Lansa, Inc., 594 F.3d 860, 872 (Fed. Cir. 2010). This makes it difficult for the patent-holder to offer a significant "discount" to the first alleged infringer. Information that may drive resolution: • Early exchange of financial information to establish potential damages • Whether the patent-holder is accusing a standard-compliant technology • Whether the patent is encumbered by an obligation to offer licenses at a reasonable non-discriminatory rate • Prior art or other challenges to the validity of the patent
Large Enterprise vs. Competitor — Core Technology	Such suits are difficult to settle absent a significant risk to the patent owner (such as a counterclaim) or a strategic opportunity through a business agreement. Meaningful mediation is likely to require participation from senior officers of the parties. Agreement may present antitrust issues if the parties have large cumulative market share. In-house counsel and former federal judges have disagreed on the likelihood of settlement in competitor cases. However, generally parties that have unequal resources are more likely to settle rather than risk an extended legal war. The type of patented technology can also impact the likelihood of settlement. For example, a standards-essential patent case may be more difficult to settle if the parties have different views of what a "reasonable royalty" is or whether the patent truly is "essential." Furthermore, there are different considerations between

Case Category	Settlement Issues
	industries. Pharmaceutical competitors may have different approaches than high-tech focused competitors. Information that may drive resolution: • Whether the respective parties' objectives are to extract damages or drive a competitor out of a particular technology • Whether the patent-holder is accusing a standard-compliant technology • Whether the patent is encumbered by an obligation to offer licenses at a reasonable non-discriminatory rate
Large Enterprise vs. Competitor — Non-Core Technology	Such suits are likely to settle through mediation, potentially at an early stage of the litigation. Litigation may be the result of a failed effort to negotiate a license prior to litigation, with litigation intended to add additional negotiating leverage. Meaningful mediation is likely to require participation from senior officers of the parties. If the patent-holder is seeking only to monetize patents, then management needs to include the risk of a potential counterclaim. Information that may drive resolution: • Whether the respective parties' objectives are to extract damages or drive a competitor out of a particular technology • Early exchange of financial information to establish potential damages • Whether alleged infringer has asserted or will assert counterclaims
Pharmaceutical vs. Generic	These suits are often based on Hatch-Waxman Act provisions, which grant the generic a 180-day period of exclusivity after it enters the market. 21 U.S.C.

Case Category	Settlement Issues
	§ 355(j)(5)(B)(iv). These disputes are open to a range of creative settlement solutions. Because delaying actual market entry by the generic delays entry by all generics and because the economic loss to the pharmaceutical company after entry usually far exceeds the profit to the generic, some of these cases have been settled by "reverse payments," payments by the pharmaceutical company to the generic to remain off the market for a period of time. In *FTC v. Actavis*, 133 S. Ct. 2223 (2013), the Supreme Court held that under some circumstances, such settlements may violate antitrust law. The Court has held that settlement payments in consideration for avoided litigation costs or fair value for services reduces anticompetitive concerns. Accordingly, generic manufacturers often prefer to pursue early mediation and may suggest mediation at the Rule 16 scheduling conference. Since the *Actavis* decision, settlement agreements containing reverse payment provisions "decreased significantly."[50] But in such situations, there are a variety of resolutions that are amenable to both the patent-holder and the producer of the generic. One example is a negotiated entry date for the generics. In the year following *Actavis*, the vast majority of such patent disputes were resolved without compensation to the generic manufacturer and/or without restrictions on generic competition. Information that may drive resolution: • Expected legal fees and time to resolution of the dispute

50. *See* Fed. Trade Comm'n, Agreements Filed with the Federal Trade Commission under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Overview of Agreements Filed in FY 2014 (2016), https://www.ftc.gov/system/files/documents/reports/agreements-filled-federal-trade-commission-under-medicare-prescription-drug-improvement/160113mmafy14rpt.pdf.

Case Category	Settlement Issues
	• Acceptable period of delay for the entry of generics
Pharmaceutical vs. Pharmaceutical	Such suits are difficult and often impossible to settle, as industry economics are based on an exclusive position in marketing patent-protected drugs. In pharmaceutical cases, more business people tend to be involved, making the business aspect especially important. In addition, pharmaceutical cases tend to have high damage awards,[51] which may make a case less amenable to mediation.
Medical Device Industry	Historically the medical device industry had a large amount of patent litigation, so it is likely the litigants have a history of litigation against each other. As such, the parties may have other related or unrelated litigation in other courts, and they may have patent portfolios that threaten future litigation. Early settlement of the litigation is unlikely. Otherwise, like other "competitor vs. competitor" litigation (above), settlement will depend on whether the technology is "core" to a significant product. Disputes involving medical devices are increasing in frequency at the ITC,[52] and therefore mediation may need to occur without claim construction. In addition, medical device cases tend to have high damage awards,[53] which may make a case less amenable to mediation.

51. *See* Chris Barry et al., *2015 Patent Litigation Study: A Change in Patentee Fortunes* (2015), http://www.pwc.com/en_US/us/forensic-services/publications/assets/2015-pwc-patent-litigation-study.pdf.

52. *See* Shara Aranoff, *Recent Trends in Medical Device Patent Litigation at the ITC—Part 1*, Inside Medical Devices (Oct. 29, 2014), http://www.insidemedicaldevices.com/2014/10/29/recent-trends-in-medical-device-patent-litigation-at-the-itc-part-1/.

53. *See* Barry et al., *supra* note 51, at 11.

B. Understanding the Procedural Posture of the Case

As a corollary to timing the mediation correctly, mediators should also be aware of the impact the procedural posture of the case can have on the strategies employed by the parties. In particular, mediators need to pay attention to the effects of arguments already raised or potentially to be raised in future proceedings, subsequently issued precedents, interlocutory decisions and appeals, and attendant circumstances, especially with respect to injunctive relief, scope of discovery, and availability of remedies. Such arguments can limit the issues to be addressed by the parties and can orient settlement discussions around particular precedent.

- **Inter Partes Review.** The IPR procedure allows a party to petition the patent office, specifically the Patent Trial and Appeal Board (PTAB), to review the patentability of one or more claims in a patent on a ground that could be raised under 35 U.S.C. § 102 or 103, on the basis of prior art consisting of patents or printed publications.[54] It has become a key strategic resource leveraged by potential or actual litigants. District Courts have shown increasing willingness to stay pending litigation if the case is in its early stages and the PTAB has instituted proceedings.[55] An institution decision

54. 35 U.S.C. § 311 (2012).

55. *See*, *e.g.*, Security People, Inc. v. Ojmar US, LLC, No. 14-CV-04968-HSG, 2015 WL 3453780 (N.D. Cal. May 29, 2015) (Gilliam, J.); Hewlett-Packard Co. v. ServiceNow, Inc., No. 14-CV-00570-BLF, 2015 WL 1737920 (N.D. Cal. Apr. 9, 2015) (Freeman, J.); Unisone Strategic IP, Inc. v. Tracelink, Inc., No.3:13-CV-1743-GPC-JMA, 2015 WL 1606484 (S.D. Cal. Apr. 8, 2015) (Curiel, J.); Xilidev, Inc. v. Boku, Inc., No. 13CV2793 DMS (NLS), 2014 WL 3353256 (S.D. Cal. July 1, 2014) (Sabraw, J.); Universal Elecs., Inc. v. Universal Remote Control, Inc., 943 F. Supp. 2d 1028, 1031 (C.D. Cal. 2013); In Wonderland Nursery Goods Co. v. Baby Trend, Inc., No. EDCV14-01153-VAP, 2015 WL 1809309 (C.D. Cal. Apr. 20, 2015) (Phillips, J.); Oil-Dri Corp. of Am. Nestle Purina Petcare Co., No.15-CV-1067, 2015 WL 13650951 (N.D. Ill. May 5, 2015) (Darrah, J.); Va. Innovation Scis., Inc. v. Samsung Elecs. Co., No. 14cv00217 (E.D. Va. Nov. 18, 2014) (Davis, J.); *but see* Trover Grp., Inc. v. Dedicated Micros USA, No. 2:13-CV-1047-WCB, 2015 WL 1069179 (E.D. Tex. Mar. 11, 2015) (Bryson, J.); Straight Path IP Group, Inc. v. Vonage Holdings Corp., No. CIV. A. 14-502JLL, 2014 WL 4271633 (D.N.J. Aug. 28,

alone can significantly affect the settlement dynamic. Between September 2012 and March 2017, over 6,000 IPR petitions were filed.[56] Of the 70,060 claims that were challenged, IPRs were instituted on more than 30,000 claims.[57] Approximately 17% of claims survived the IPR process following institution.[58] Recent trends, however, show a higher claim survival rate.[59] Notably, the rate for institution of review proceedings by the PTAB has gradually dropped from 87% of petitions in 2013 to 63% in 2017.[60]

Since the timeline for an IPR is statutorily limited to one year from institution[61] and the proceeding could render key claims or the entire patent invalid, the IPR could have an impact on the best time to conduct a mediation. Moreover, if the patent survives IPR, the IPR petitioner will be estopped from later raising any ground of invalidity that it "raised or reasonably could have raised" during the IPR.[62] Therefore, the disputed issues between the parties are likely to narrow

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2014) (Linares, J.); NuVasive, Inc. v. Neurovision Med. Prods., Inc., No. CV 15-286-LPS-CJB, 2015 WL 3918866 (D. Del. June 23, 2015) (Burke, J.); Pragmatus Mobile, LLC v. Amazon.com, Inc., No. CV 14-436-LPS, 2015 WL 3799433 (D. Del. June 17, 2015) (Stark, C.J.); Copy Prot. LLC v. Netflix, Inc., No. CV 14-365-LPS, 2015 WL 3799363 (D. Del. June 17, 2015) (Stark, C.J.); Intellectual Ventures I LLC v. Toshiba Corp., No. CIV. 13-453-SLR/SRF, 2015 WL 3773779 (D. Del. May 15, 2015) (Robinson, J.).

56. *See* United States Patent and Trademark Office, Patent Trial and Appeal Board Statistics (Mar. 31, 2017) [hereinafter U.S.P.T.O. Statistics 2017], https://www.uspto.gov/sites/default/files/documents/AIA%20Statistics_March2017.pdf.

57. *See id.* The Supreme Court's decision in *SAS Institute, Inc. v. Iancu, Director, USPTO*, ___ S. Ct. ___ (2018), holds that the PTO must decide the patentability of all of the claims the petitioner has challenged if it institutes review.

58. *See* U.S.P.T.O. Statistics 2017, *supra* note 56.

59. *See id.*

60. *See* United States Patent and Trademark Office, Patent Trial and Appeal Board Statistics (Feb. 28, 2018), https://www.uspto.gov/sites/default/files/documents/trial_statistics_20180228.pdf.

61. 37 C.F.R. § 42.100(c) (2016).

62. 35 U.S.C. § 315(e) (2012).

after an IPR, whether or not the asserted claims survive the review.

- **Section 101 Motions.** After the Supreme Court's *Alice* decision,[63] litigants have increasingly filed motions challenging a patent's validity under 35 U.S.C. § 101, and many of those motions have been granted and affirmed.[64] While an accused infringer may pursue a § 101 invalidity motion at various points in the litigation, it will be helpful for the mediator to understand if such a motion has been filed or might be pursued. If no such motion has been filed but the patent-holder is concerned about eligibility of the subject matter of at least some claims, the patent-holder may be motivated to settle with the accused infringer early in the case. In some instances, if the defendant has invested resources in developing a § 101 motion, they may be unlikely to pursue a settlement until the motion is adjudicated. In other instances, uncertainty as to the outcome of a § 101 motion and its impact on a patent holder may motivate the parties to settle before the tribunal decides the motion. Several recent Federal Circuit decisions indicate that § 101 invalidity motions, especially early in the case, will be less likely to succeed.[65]

63. Alice Corp. Pty. Ltd. v. CLS Bank Int'l, 134 S. Ct. 2347 (2014).

64. *See*, *e.g.*, Mortg. Grader, Inc. v. First Choice Loan Servs., 811 F.3d 1314 (Fed. Cir. 2016); Vehicle Intelligence & Safety LLC v. Mercedes-Benz USA, LLC, 635 F. App'x 914 (Fed. Cir. 2015); Intellectual Ventures I LLC v. Capital One Bank (USA), 792 F.3d 1363, 1365 (Fed. Cir. 2015) (all affirming the district courts' determinations that claims at issue are drawn to patent-ineligible subject matter).

65. *See* Berkheimer v. HP Inc., 881 F.3d 1360 (Fed. Cir. 2018) (holding "[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact" and that disclosure of technology in a piece of prior art "does not mean it was well-understood, routine, and conventional"); Aatrix Software, Inc. v. Green Shades Software, Inc., 882 F.3d 1121 (Fed. Cir. 2018) (noting that claim construction might be necessary before a court can address some § 101 motions).

- **Decisions in the Technology Space.** Other decisions in the same technology space may narrow the band of potential settlement between the parties. In particular, because decisions determining a reasonable royalty for a portfolio of standard-essential patents must necessarily consider the patents within the context of the technical standard, such decisions may help the parties reasonably scope a license for other patents essential to the same technical standard.[66]
- **Jurisdiction, Venue, and Timing of the Litigation.** In considering the timing of the proposed mediation, mediators should pay particular attention to the forum in which the case is proceeding. For example, a plaintiff in an ITC proceeding may be more open to reaching a settlement during the window that opens after the closing of the ITC case record.[67] Moreover, the plaintiff's choice of venue may give the mediator insight into the ultimate goals of that party.
- **Phase of the Litigation.** As discussed in more depth in Section IV, as the litigation proceeds, the issues to be decided are necessarily limited. For example, a claim construction ruling by the court may lead to a narrower or broader scope of discovery than the parties can tolerate, or evidence excluded by the court may make proving damages impossible. Further, the tenor of a mediation can be affected by pending motions or a stay of proceeding.
- **Market for the Accused Product.** The actual market conditions at the time the mediation is planned may impact the likelihood of a successful mediation. For example, a changed

66. *See, e.g.*, *In re* Innovatio IP Ventures, LLC, 2013 U.S. Dist. LEXIS 144061, at *183–86 (N.D. Ill. Sep. 27, 2013) (comparing the royalty determination for a portfolio of WiFi standard-essential patents to other courts' determinations of royalties for the same or similar technical standards).

67. ITC Investigations are often viewed as too fast for effective mediation. The average time to trial from institution is 8–10 months. However, after the evidentiary hearing, there is an opportunity for mediation prior to the administrative law judge's initial determination.

marketplace may change the calculus on the equitability of an injunction, taking such a remedy off the table for the parties.

- **ANDA Proceedings.** Between October 2013 and September 2014, pharmaceutical companies filed 160 agreements with the Federal Trade Commission constituting final resolution of patent disputes between brand and generic pharmaceutical manufacturers.[68] Of those agreements, 21 final settlements potentially involved pay for delay because they contained both explicit compensation from a brand manufacturer to a generic manufacturer and a restriction on the generic manufacturer's ability to market its product in competition with the branded product.[69] Two-thirds of the final settlements restricted the generic manufacturer's ability to market its product, but contained no explicit or possible compensation.[70]
- **Multidefendant or Multiplaintiff Cases.** Patent infringement suits may involve multiple defendants or multiple plaintiffs. In these cases, it is essential that there be full transparency regarding the authority of one plaintiff or defendant to bind the others.[71] It is also important to promptly express any concerns over negotiations.[72] If a party is comfortable offloading settlement negotiations to a coplaintiff or codefendant, that party should also be comfortable with knowing that misleading action or inaction on its part could prevent it from later arguing that the settlement agreement reached is unacceptable.[73] Otherwise, the parties must be prepared to

68. *See* Fed. Trade Comm'n, *supra* note 50.

69. *See id.*

70. *See id.*

71. *See* Gaston Kroub, *Apparent Settlement Authority in a Paragraph IV Dispute*, Law360 (Jan. 10, 2017, 12:47 PM), https://www.law360.com/articles/877284.

72. *See id.*

73. *See id.*

participate in the negotiations, or raise immediate and vociferous objection if they ever encounter an unauthorized party negotiating on their behalf.[74]

For example, in *Horizon Pharma Inc. v. Actavis Laboratories Florida Inc.*,[75] the court analyzed two critical issues in deciding whether the settlement agreement between the defendant, Actavis, and the coplaintiff Horizon binds Pozen, the other coplaintiff.[76] First, the court concluded that Horizon had the apparent authority to bind Pozen.[77] Second, the court looked at whether an enforceable settlement agreement was reached between Horizon and Actavis, in view of the strong public policy in favor of settlements, and concluded that since the parties had agreed "to not only all the essential terms of the settlement, but to the finer details as well," the agreement was enforceable—even without all signatories having signed the agreement.[78] Ultimately, because Actavis reasonably believed Horizon had the authority to bind Pozen, and would have been prejudiced if forced to prepare for an imminent trial in a case it thought it had settled, the court granted Actavis's motion to enforce the settlement.[79]

74. *See id.*

75. *See* Horizon Pharma Inc. v. Actavis Lab. Fl. Inc., Civ. Action Nos. 13-3038; 15-3322; 15-8523; 15-8524; 16-4916; 16-426 (D.N.J. Dec. 22, 2016) (MLC).

76. *See* Kroub, *supra* note 71.

77. *See id.*

78. *See id.*

79. *See id.*

IV. Strategically Crafting a Mediation for Success

Mediation should be viewed as a process, not a single event.[80] Mediators should be flexible in their approaches to resolution to accommodate the myriad positions that may be taken by the parties. As discussed above, mediators may find it useful in some cases where the parties are congenial to simply facilitate a discussion between the parties directly. In other cases, the mediator may choose to be more active and direct all negotiation through him or herself. There are, however, some strategies about which there is broad consensus among experienced mediators.

First and most importantly, the parties should have someone with the authority to approve a resolution present during the negotiation. Where a party's representative lacks such decision-making authority, the other parties will be far less likely to view the negotiations seriously and will be reluctant to fully engage, leading to circuitous and inefficient discussions. Having decision makers present is therefore important not only to achieve a quicker resolution, but also to encourage opposing parties to adopt a more Problem-Solving approach.

Second, reaching an agreement on a smaller issue can lead to more productive discussions on larger issues. Especially in cases where mediation is involuntary, i.e., ordered by the court, reaching some consensus can demonstrate to the parties the value of the mediation process and encourage further efforts in subsequent talks. The particular approach taken can be adapted to the situation. For example, some mediators recommend only using joint sessions when both parties seem amenable to a solution, i.e., are in the Problem-Solving mode. When parties are Adversarial, however, the mediator might prefer shuttle diplomacy—meeting with the parties individually and acting as a go-between. This allows the parties to discuss their positions with the mediator openly, without the animosity that can result from being in the room with the opposing party. Flexibility, however, is often key to a successful mediation. With

80. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10.

the input and assistance of a solution-oriented mediator, the parties can usefully shift from the Adversarial to the Problem-Solving mode, which in turn justifies a return to holding joint sessions.

More controversial is the question of whether the mediator should address the merits of the case. Many mediators are former judges and some even have extensive experience with patent cases. Some of these mediators have opined that, whereas having the parties discuss the merits of the case can be at best ineffectual and at worst counterproductive, having the mediator express his or her opinion can be constructive in modulating the parties' expectations. Others, however, believe that mediation is best done by the parties, not the mediator, and that the role of the mediator should be limited to helping each party understand the perspective of the other. Mediators should adapt to the particular needs of the situation, but should keep in mind that neither style is necessarily superior. Consistency from mediation to mediation may be a more desirable quality, especially for private mediators who may be sought by parties based on their reputation for using a particular approach.

A. Matching a Mediator to the Business Issues of the Case

In general, the mediator's role is to organize and shape the mediation process, facilitate communication between the participants, explore the underlying interests of the parties, and generate potential solutions that could result in settlement. There are conflicting views on the best style and approach for mediation in patent cases. In a facilitative mediation, a mediator should not articulate judgments about the merits of the case of each party's respective position.[81] A mediator should be "an independent, non-judgmental neutral whose loyalty is to the process, and who, through interactions with the parties, serves them jointly and each party separately."[82] This style assumes the parties are intelligent, able to work with their counterparts, and capable of understanding their situations better than either their lawyers or the mediator. "For these reasons, the

81. *See* Brazil, *supra* note 13, at 18.
82. *See* Thynge, *supra* note 12, at 148.

facilitative mediator assumes that his principal mission is to enhance and clarify communications between the parties in order to help them decide what to do."[83]

In other cases, a mediator may find that the situation demands a more judgmental opinion on where each party stands. If a mediator wants to take an evaluative approach, he or she assumes that the participants want and need the mediator to provide some direction as to the appropriate grounds for settlement—based on law, industry practice, or technology. The participants also assume that the mediator is qualified to give such direction by virtue of his or her experience, training, and objectivity.[84]

In the private sessions, a mediator's initial objective is to help each party identify his or her situation in the dispute.[85] Mediators then help parties consider their goals or objectives for the mediation.[86] After each party has thought about his or her objectives and various ways to achieve them, mediators must facilitate and clarify communication between the parties.[87] A mediator should take care to clarify the positions of each party and explain the rationale that supports a particular position.[88] By identifying common elements between the parties' respective positions, a mediator can help the parties move toward common ground.[89]

When selecting a mediator, parties consider a number of factors that emphasize the objectivity and expertise of the candidate. Experience in mediation or adjudication of patent cases, knowledge of patent law, and the ability to find out what the parties really want are all qualities of good mediators. Parties should also consider whether the mediator has good communication skills, a reputation for preparation, business acumen and familiarity with organizational dynamics, patience and persistence,

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83. *See* Leonard L. Riskin, *Mediator Orientations, Strategies and Techniques*, 12 Alternatives to High Cost Litig. 111, 111–14 (1994).

84. *See id.*

85. *See id.*

86. *See id.*

87. *See id.*

88. *See id.* at 112.

89. *See id.*

ability to dissect the issues, and a familiarity with the subject matter.[90] Most mediators in patent cases are chosen by reputation or prior working experience.

The type of mediator can also have a strong effect on the process. If a sitting judge serves as the mediator, the "power of the robe" increases the likelihood that parties will be more accommodating in the exchange of premediation information and ensuring that the appropriate client representatives participate.[91] There is a concern that a sitting judge may not be able to conform his or her behavior to the wholly nonjudgmental ideal.[92] However, if parties want their mediator to articulate judgments about the strengths and weaknesses of their respective positions, a sitting judge may be an ideal neutral for the mediation.[93] Private mediators can be influential during the process because they bring prestige and deference to the mediation.[94] Furthermore, parties have more choice in a private mediation because the parties usually have mutually decided that a resolution is desired and mediation is the preferred format.[95] The costs associated with hiring a private mediator as opposed to a "free" judicial mediator encourage the parties to work towards resolution.[96]

Different jurisdictions also have varying requirements as to the qualifications of a mediator.[97] For example, the Northern District of California requires that mediators have been admitted to practice law for seven years and be knowledgeable about civil litigation in federal court.[98] Other districts, like the Eastern District of Texas, have fewer requirements.[99]

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90. *See* Thynge, *supra* note 12, at 148.
91. *See id.*
92. *See* Brazil, *supra* note 13, at 22.
93. *See id.*
94. *See* Thynge, *supra* note 12, at 149.
95. *See id.*
96. *See id.*
97. *See infra* Appendix A.
98. N.D. Cal. Loc. ADR R. 2-5(b)(2).
99. E.D. Tex. Civ. R. App'x H § III ("Any person may serve as a mediator who has been ordered by the court to serve as a mediator or is approved by the parties.").

B. Attendees

Successful mediation requires certain participants. Local ADR Rules and mediation orders list required mediation participants.[100] While such rules set forth the minimum requirements, they do not address the dynamics of the mediation session.

1. Client Representatives

It is common for mediators to require the attendance of a "person (other than outside counsel) who has final authority to settle and who is knowledgeable about the facts of the case."[101] Where required participants are not available in person, participation by phone or availability on "standby" is often required.[102] Notably, the Mediation Plan of the Eastern District of Texas provides the mediator with the discretion, if he or she does not believe that a case is being reasonably evaluated by the client representative, to "request the analysis that has gone into the evaluation of the case, including the names and authority of the individual involved in the analysis."[103]

The active participation of a business representative is often helpful to the discussion. Sophisticated in-house counsel can serve an important role in mediation. In some companies, these individuals are very knowledgeable about the relative strengths of a case as well as the broader business goals of the client. Mediators should be mindful about the costs imposed upon the parties and their respective employees. They should avoid imposing too many requirements regarding the position or seniority of a required business representative. While some in-house counsel may be perceived as being "too close" to the dispute, or lacking sufficient

100. *See*, *e.g.*, N.D. Cal. Loc. ADR R. 6-10; E.D. Tex. Court-Annexed Mediation Plan R. VII(B).

101. N.D. Cal. Loc. ADR R. 6-10(a)(1); *see also* E.D. Tex. Court-Annexed Mediation Plan R. VII(B) ("a person or persons, other than outside or local counsel, with authority to enter into stipulations, with reasonable settlement authority, and with sufficient stature in the organization to have direct access to those who make the ultimate decision about settlement").

102. N.D. Cal. Loc. ADR R. 6-10.

103. E.D. Tex. Court-Annexed Mediation Plan R. VII(B).

settlement authority, rigid requirements regarding attendance may not result in the most productive mix of participants. Rather, emphasis should be placed on representatives being open to creative resolution, while having a realistic understanding of the merits of the underlying dispute.

This presents a challenge when an inventor, with an emotional attachment to his or her claimed invention, is also serving as a business representative. Inventors are often counterproductive to the mediation process.[104] In some circumstances, the inventors, not the lawyers, need to be convinced of the limitations of their claims. In other circumstances, an inventor's participation may result in truly "outside the box" resolutions, such as a commitment to support a particular technology or charity.[105] The parties and the mediator should carefully consider whether participation of an inventor would be an impediment or an aid to resolution. Therefore, it may be appropriate to hold a teleconference with parties prior to the mediation itself.

2. Litigation Counsel

Litigation counsel offer a breadth of knowledge and experience to the process. Some mediators, however, have promoted the use of at least some sessions that include only the mediator and party principals. Outside counsel typically oppose such sessions.

3. Experts

Participation of experts in the mediation process is usually unhelpful. While experts may be useful in providing counterpoising damage valuations, the presence of experts during the mediation may lead to less productive arguments focusing on technical details rather than on the optimal business outcome.

104. *See* Thynge, *supra* note 12, at 154.
105. *See id.* at 154–55.

Certain jurisdictions prescribe requirements for meditation participants.[106] Parties should always bring the client to a conference when the mediator and parties expect the client to appear.[107] If a party fails to bring an expected client, it creates the impression that the party is not willing to negotiate in good faith.[108] The client or the representative of the client should be someone who has "full authority to resolve the litigation and to make any kind of commitment that might become part of a settlement package."[109]

C. Timing

Like other aspects of patent litigation, the ideal time to conduct a mediation typically varies with the nature of the parties and the dispute. As recognized in the *Patent Case Management Judicial Guide* (Table 2.10: Settlement Considerations), while every case presents its own unique issues, patent cases often fall into similar patterns that present analogous issues affecting the timing of mediation.

Two factors determine the ideal date to plan for and conduct a mediation: litigation costs and knowledge about the case. There is no question that companies would prefer to avoid the high cost of a protracted litigation. The desire to save on litigation costs gives the parties an incentive to settle as early as possible in the process.[110] However, as a case proceeds—through initial infringement and invalidity contentions, claim construction, potential inter partes review, fact and expert discovery, and summary judgment on select issues—the parties collect more detailed knowledge about the facts of the case and the particular issues and facts in dispute. Mediation is more likely to succeed in the later stages of a case

106. *See* Brazil, *supra* note 13, at 212.

107. *See id.* at 213.

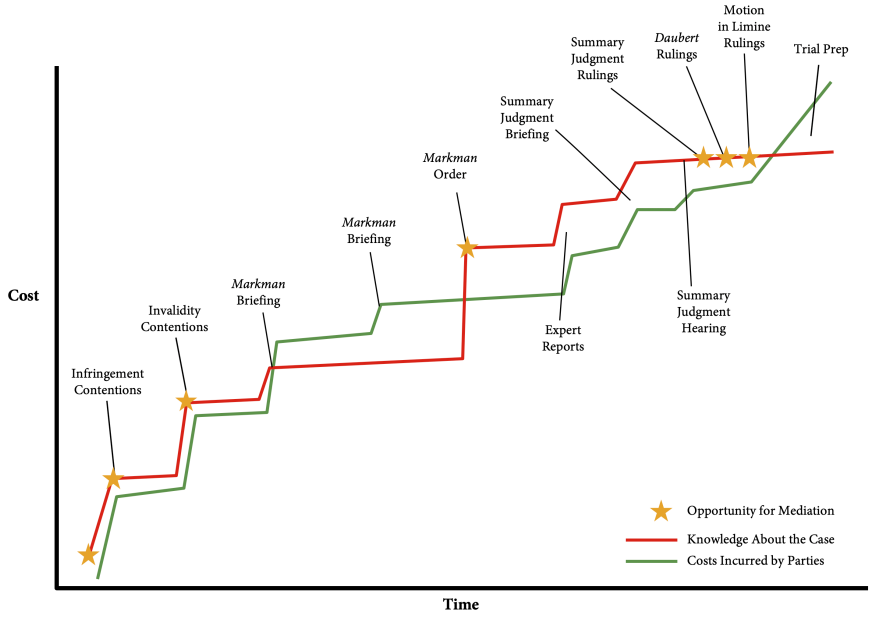
108. *See id.*

109. *See id.* at 236.

110. *See* Jeff Kaplan, *IP: Four Tips for the Successful Mediation of Patent Cases*, Inside Counsel (Mar. 19, 2013), https://www.jamsadr.com/files/uploads/documents/articles/kaplan-patent-cases-2013-03-19.pdf; *see also* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10.

because each party is better able to discern the relative strength of its position as the case proceeds through these stages.[111] Figure 3 summarizes the relative knowledge of the parties and cost of the litigation during the basic stages of patent litigation. Good opportunities for mediation occur where the parties have a relatively high level of knowledge about the case and have incurred relatively little cost. The risks and benefits to conducting mediation at each stage are discussed below.

Figure 3. Knowledge of Case and Cost to Parties During Phases of Patent Litigation



111. *See* Hildy Bowbeer, *Preparing to Successfully Mediate an Intellectual Property Dispute*, *in* ADR Advocacy, Strategies, and Practice for Intellectual Property Cases 165, 168–75 (Harrie Samaras ed., 2011); Thynge, *supra* note 12, at 142–46; Kaplan, *supra* note 110.

The following subsections provide more detail of the benefits and drawbacks of conducting mediation at various stages of the litigation process.

1. Conducting Mediation at the Onset of a Case

Experienced mediators have suggested that "earlier is better."[112] While the optimal time for mediation varies from case to case, early mediation reduces entrenchment and encourages parties to discuss creative settlement options before incurring major financial costs. While some attorneys oppose early mediation as providing "free discovery," information that would be exchanged between the parties would be discoverable in any event.[113] Also, the early exchange of key information can eliminate factual misunderstandings that otherwise paint an unrealistic picture of the likely outcome of the litigation absent a settlement.

Moreover, there is growing pressure on parties to provide more detail concerning infringement and invalidity theories in their initial pleadings.[114] Notably, some industries prefer early mediation. It is common for generic pharmaceutical companies to seek mediation shortly after the Rule 16 scheduling conference. Other industries are more resistant to mediation until certain events, such as claim construction, better define the scope of the dispute. This is because there is a risk of a party shifting allegations in response to information learned during mediation.[115]

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112. *See* Thynge, *supra* note 12, at 142; The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 4.

113. *See* Thynge, *supra* note 12, at 145.

114. *See* Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007); Ashcroft v. Iqbal, 556 U.S. 662 (2009); RainDance Techs. Inc. v. 10x Genomics, Inc., 2016 WL 927143 (D. Del. Mar. 4, 2016).

115. *See* Integrated Circuit Sys., Inc. v. Realtek Semiconductor Co., 308 F. Supp. 2d 1106, 1107 (N.D. Cal. 2004) (*quoting* Atmel Corp. v. Info. Storage Devices, Inc., 1998 WL 775115 at *2–3 (N.D. Cal. Nov. 5, 1998) ("The [Patent Local] rules are designed to require parties to crystallize their theories of the case early in the litigation and to adhere to those theories once they have been disclosed.")).

2. *Conducting Mediation After Initial Infringement and Invalidity Contentions*

The parties can initiate mediation as soon as they exchange preliminary infringement and invalidity contentions, because these documents usually provide sufficient information for the parties to evaluate each other's cases.[116] While holding a mediation at this early stage has the benefit of providing significant cost savings to the parties, the financial savings come at the risk of not taking much (if any) discovery, resulting in uncertainty about how the dispute might ultimately resolve. Also, if the parties come to the table at such an early stage, mediation is more likely to succeed because the parties' views of the case have yet to be "hardened by the emotion and . . . hostility [of] litigation."[117]

Conducting mediation at an early point in the case is most likely ideal in the situations described in Table 3.

Table 3. Cases Ideal for Early Mediation

Case Category	Notes on Mediation
Competitor vs. Competitor—Non-Core Technology	Such suits are likely to settle through mediation at some point in the case. It is in the parties' best interest to come to a business agreement through mediation early to avoid the expense of litigation.
Large Enterprise vs. Start-Up/New Entrant	Such suits are likely to settle at some point if other competitors exist (other than the two competitors in the dispute). Early mediation may be necessary to keep the new entrant alive

116. *See* Kaplan, *supra* note 110; The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10.

117. *See* Int'l Inst. for Conflict Prevention & Resolution, Report of the CPR Patent Mediation Task Force: Effective Practices Protocol (2013), https://www.cpradr.org/news-publications/articles/2013-01-28-report-of-the-cpr-patent-mediation-task-force-effective-practices-protocol, *supra* note 10.

	until some critical event (e.g., new product offering, public stock offering, merger) occurs.
Licensing Company vs. Large Enterprise	While the particular circumstances surrounding the parties' dispute may vary greatly, early mediation may be ideal in the following circumstances: 1. The amount demanded by the licensing company is small; 2. The large enterprise anticipates this suit is just the beginning of a series of suits as part of the licensing company enforcing its large portfolio of patents relevant to the large enterprise's business; and 3. The licensing company and the large enterprise may be able to join forces against the large enterprise's competitors.
Licensing Company vs. Start-Up Enterprise	Early mediation may be ideal in this case, especially where neither party desires to see the litigation to completion.

3. Conducting Mediation After Claim Construction Hearing

Postponing mediation until after the parties research and submit *Markman*[118] briefs has the benefit of forcing the parties to truly consider the benefits and drawbacks of their proposed constructions. After the *Markman* hearing, the parties will be well-versed in the law and facts supporting the proposed construction on either side. Therefore, the parties have the ability to rationally address the weaknesses in their respective posi-

118. The Supreme Court held, in *Markman v. Westview Instruments*, 517 U.S. 370 (1996), that the construction of patent claim terms is a question of law for the court to determine. Generally, the parties brief their proposed constructions to the court, and the court holds a *Markman* hearing for the parties to present their construction arguments before making a claim construction order. *See* PCMJG, *supra* note 2, at §§ 5-5 to 5-6.

tions, making it possible to come to a settlement at this point. Additionally, if the court, during the hearing, indicates an inclination to issue the claim construction order in favor of one party or the other, the parties may prefer to conduct mediation before the order is issued. In particular, if the patent holder anticipates that an impending *Markman* order will be favorable to the defendant, it might be highly motivated to settle the case after the hearing, in order to avoid the issuance of an adverse construction order. While such an order cannot be used as collateral estoppel in subsequent suits, it can be persuasive in them, especially if subsequent suits are brought in the same court.

Conducting mediation after the *Markman* hearing is most likely ideal in the situation described in Table 4.

Table 4. Cases Ideal for Mediation After Claim Construction Hearing

Case Category	Notes on Mediation
Serial Litigant: Patent Owner vs. First Alleged Infringer	Such patent owners face the collateral risk that an adverse *Markman* or other substantive ruling dooms not just this case, but the entire flotilla behind it. On the other hand, while a win cannot be used as collateral estoppel in subsequent suits, it can be persuasive in them, especially if they are brought in the same court. This may create settlement opportunities while important substantive rulings are pending.

4. Conducting Mediation After Claim Construction Order

Because *Markman* rulings are usually issued before discovery begins in earnest, mediation after claim construction also comes with the potential for significant cost savings to the parties. The parties' knowledge about the case increases a great deal, without incurring most of the cost of discovery. In addition to the knowledge-related benefits gained by the parties during claim construction briefing, postponing mediation until after

the court issues its *Markman* order has the additional benefit of significantly narrowing the disputed issues between the parties during mediation. The increased certainty of the parties' positions allows them to more accurately assess the strengths and weaknesses of their infringement arguments.[119] Accordingly, parties should address the timing of *Markman* hearings, and their impact on mediation during the Rule 16 scheduling conference.

Conducting mediation after the *Markman* ruling is most likely ideal in the situation described in Table 5.

Table 5. Cases Ideal for Mediation After Claim Construction Order

Case Category	Notes on Mediation
Large Enterprise vs. Competitor— Non-Core Technology	If a dispute between competitors over a non-core technology advances to claim construction, the parties should attempt to mediate after a *Markman* order, when the positions of the litigants will be somewhat more settled. Representatives from the company with negotiation and settlement authority must be present in the mediation.

5. Conducting Mediation After an Inter Partes Review Filing

If the defendant files an inter partes review (IPR) to challenge the validity of the patent being asserted, the patent-holder may be especially motivated to mediate the case so as to avoid the risk of an invalidity ruling.[120] An IPR filing can be an especially powerful form of leverage in mediation proceedings against patent owners who assert the same patent (or portfolio of patents) in different lawsuits.

119. *See* Kaplan, *supra* note 110.

120. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10.

6. *Conducting Mediation After the Close of Discovery and/or After the Court Rules on Summary Judgment Motions*

Any mediation that occurs after the court rules on summary judgment motions has the benefit of taking place when the parties' positions are relatively well-defined as a result of claim construction, discovery, and summary judgment, which allows the parties to make informed decisions.[121] The parties may be hesitant to reach a settlement at this stage because they will have already spent a large amount of money. Nevertheless, mediation is worth considering even in this late stage of the litigation, for example, to avoid further burdening management with trial, to avoid public events at trial that might result in bad public relations for one or both of the litigants, or simply to avoid the cost and burden of a trial that may have a foregone result as a consequence of summary judgment orders or evidence that comes to light during discovery.

The likelihood of a successful mediation at this stage is highly dependent on what business and technological issues the litigants care most about. In this situation, the litigants must decide whether they want to incur the additional cost of trial in order to achieve some certainty. If the parties are willing to live with the uncertainty of whether the accused products infringe the asserted patents at this stage in the litigation, mediation may still be a possibility.

Conducting mediation after the close of discovery or after summary judgment orders from the court is most likely ideal in the situations described in Table 6.

121. *See* Kaplan, *supra* note 110.

Table 6. Cases Ideal for Mediation After Summary Judgment or Close of Discovery

Case Category	Notes on Mediation
Large Enterprise vs. Competitor—Core Technology	Meaningful mediation requires participation from senior officers of the parties. While, generally, agreement may not be likely in such a scenario, the nature of the dispute may be resolved after the close of discovery of a summary judgment order from the court on a disputed issue. For example, a standards-essential patent case may be easily resolved if the court issues an order determining whether the patent is truly "essential." Large enterprises may also be particularly sensitive to the perception that may result from a contentious public trial that is covered by the media.

7. Conducting Mediation After an Inter Partes Review Determination

Mediation that occurs after a determination by the PTAB on a petition for inter partes review has benefits similar to a partial summary judgment ruling. An initial institution decision introduces some uncertainty regarding the validity of the claims subject to review. A decision not to institute also provides some non-dispositive guidance concerning invalidity.

D. Premediation Submissions

As discussed more fully in Section V below, it is advisable for the parties to submit a premediation statement. As an initial matter, the mediator should inform the parties of when the mediation statement is due (usually one to three weeks before mediation) and the page limit for the statement (typically ten to fifteen pages). Common topics include[122]

- the parties
- representatives for mediations
- factual background of the dispute
- key liability issues, evidence, and damages
- issues whose early resolution would reduce significantly the scope of the dispute
- discovery necessary for meaningful settlement negotiations
- prior settlement efforts
- settlement proposal

The mediator should also inform the parties about whether the mediation statement will be read by the mediator only, shared with the other parties, or both (e.g., one statement shared by the parties with a supplemental briefing submitted only to the mediator).

E. Sessions and Duration

1. Presession Conferences

Following the formal written submissions, mediators should hold at least one premediation conference. In addition to helping set the parties' expectations in advance of the mediation session, presession conferences provide the mediator with an early assessment opportunity. Presession conferences can provide the mediator with a better understanding of the

122. N.D. Cal. ADR Local R. 5-8 (Written ENE Statements); U.S. Dist. Ct. Del., Form Order Governing Mediation Conferences and Mediation Statements, http://www.ded.uscourts.gov/sites/default/files/Chambers/LPS/Forms/Form_Order_Governing_Mediation_Conferences_And_Mediation_Statements.pdf.

party dynamics. Such conferences also afford the mediator an opportunity to seek additional detail that may not have been provided in the mediation statements.

2. *Opening Session*

There is a recent trend to avoid opening statements in patent mediations.[123] In particular, if the parties are uncooperative, then opening statements should not be used, or if they are used, then the mediator should instruct the parties ahead of time to refrain from posturing and to focus on resolving the issues.[124] Nonetheless, some mediators consider such opening statements as an opportunity to vent, which, if ultimately focused on resolution, may facilitate settlement.[125]

3. *Mediation Sessions*

If both parties are willing and able to settle when they enter the mediation, an agreement can usually be reached in one day. However, a particularly complicated case with many unresolved issues might benefit from a session that spans multiple days. Some mediators suggest that parties allow for the mediation to last for two days, to maximize flexibility.[126] For example, setting aside two days ensures that none of the people involved reserves an evening flight, which allows the mediation to continue into the evening of the first day.[127] Similarly, if the parties make progress on the first day, they can use the evening and a portion of the following day to gather additional information before reconvening to come to a final agreement.[128] Among the issues to be addressed in presession discussions, the mediator and parties should decide the duration of the mediation.

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123. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 28.

124. *See id.*

125. *See id.*

126. *See* Bowbeer, *supra* note 111, at 184.

127. *See id.*

128. *See id.*

F. Location

Mediation sessions should be held at the location that is most convenient to the participants. Mediation proceedings are typically held at the offices of one of the parties' law firms. However, if the parties or the mediator prefer to hold the mediation in a neutral location, several other options are available. The International Trade Commission (ITC) and the World International Property Organization (WIPO) both provide rooms in their headquarters for mediations of patent disputes.[129] Private dispute resolution services (like JAMS, AAA, or Judicate West) also provide facilities for use in mediation proceedings.

Regardless of where the mediation is held, the parties should reserve three rooms: one room for joint sessions with the parties and the mediator and one room for each of the parties.[130] If there are additional parties whose settlement interests might not be aligned, then the litigating parties might need to reserve additional rooms for those parties.[131]

129. *See* WIPO, *Role of the Center*, http://www.wipo.int/amc/en/center/role.html (last visited Jan. 12, 2018) ("If the parties wish, [WIPO] arranges for meeting support services, including hearing rooms and caucus rooms. Where the procedure is held at WIPO in Geneva, the rooms are provided free of charge. A charge is made for any other support services that may be required. This charge is separate from the Center's administrative fee.").

130. *See* Bowbeer, *supra* note 111, at 182.

131. *See id.*

V. Preparing for Mediation—For Mediators

A. Mediation Statement—An Opportunity for Early Case Assessment

It is standard practice for mediators to require a written statement by the parties in advance of mediation sessions.[132] The goal of the mediation statement is more than simply conveying the issues of the case—the mediation statement should ideally identify any potential for resolution. While the content of the statement may change from case to case, the requested information should focus on the merits of the case, often referred to as an "Early Case Assessment," but should allow for an expression of peripheral information that will help the mediator understand the context of the dispute.

As discussed above, effective mediation depends upon confidentiality and candor. The mediator should set forth, either by way of ground rules or agreement, that the contents of the mediation statement shall remain confidential, shall not be used in the present litigation nor any other litigation, and shall not be construed, nor constitute an admission.[133] Moreover, the mediation statements should not be provided to the trial judge and should not become part of the record in the litigation. Absent express agreement to the contrary, the mediation statement should not be exchanged among the parties. However, there are certain categories of information that drive discussions and may help the parties set appropriate expectations for the mediation session to follow. By contrast, a failure to exchange substantive mediation statements may leave decision makers in entrenched positions, guided only by their own side of the story. Hence, in most instances, a mediator should encourage the parties to exchange the following information.

132. *See*, *e.g.*, N.D. Cal. ADR Rule 5-8.

133. *See*, *e.g.*, Magistrate Judge Thynge, *Order Governing Mediation Conferences and Mediation Statements* (2014), http://www.ded.uscourts.gov/sites/default/files/Chambers/MPT/Forms/Order_Governing_Mediation_Confs_Statements.pdf [hereinafter Thynge, *Order Governing Mediation*].

1. The Parties, Their Businesses, and Their Dispute History

A description of the parties' businesses can provide a context for the scope of the dispute. Is this a bet-the-company case? Does the party need to maintain a certain revenue stream for future cases? Have the parties previously had a business relationship? Have the parties had any prior disputes concerning intellectual property, regardless of whether a litigation was formally filed? Does either party have an industry reputation relating to settlement that they need to maintain for other matters?

2. Infringement Contentions

To frame the scope of the dispute it is necessary for the patent-holder to identify the asserted claims and accused products. These disclosures should include, at a minimum

- an identification of each claim of each patent in suit that is allegedly infringed by each opposing party[134]
- an identification of each accused apparatus, product, device, process, method, act, or other instrumentality of which the party is aware[135]
- a chart identifying specifically where each limitation of each asserted claim is found[136]
- whether the infringement allegations are premised upon the practice of an industry standard, including whether the patent-holder is, or has been, a member of the relevant standard-setting organization
- whether indirect and/or willful infringement is being alleged, and the basis for such claims
- claimed priority date for each of the asserted patents

134. *See* N.D. Cal. Pat. R. 3-1.
135. *See id.*
136. *See id.*

This infringement-based information is the same as the type of information that must be exchanged between the parties either in accordance with local rule requirements or in response to common discovery requests. Indeed, such information is often exchanged by the parties during pre-suit discussion. Accordingly, mediators should encourage parties to exchange this information with other parties to the mediation. Such an exchange would provide an opportunity for the defending party to raise significant errors or flawed assumptions that underlie the patent-holder's infringement claims, and to set appropriate expectations for the mediation session to follow.

3. Invalidity Contentions

The corollary to the infringement contentions is the defending party's identification of relevant prior art and other bases for alleging invalidity. These disclosures should include, at a minimum

- the identity of each item of prior art that allegedly anticipates each asserted claim or renders it obvious
- whether each item of prior art anticipates each asserted claim or renders it obvious
- a chart identifying where specifically in each alleged item of prior art each limitation of each asserted claim is found
- any grounds of invalidity based on 35 U.S.C. § 101 or 112

This invalidity-based information is the same as the type of information that must be exchanged between the parties either in accordance with local rule requirements or in response to common discovery requests. Mediators should also encourage a discussion of whether the defendant expects to file for IPR or other administrative review by the Patent and Trademark Office.

4. Claim Constructions

To the extent that there are claim constructions that are dispositive to the dispute, they should be included in the mediation statement. Again,

to the extent that these constructions will facilitate resolution of the dispute, the mediator should encourage their exchange among the parties.

5. *Financial Information*

Both parties must have a realistic sense of the remedies at stake in the litigation.[137] As such, the parties should be prepared to exchange present damages contentions that address (i) sales and profitability data, (ii) relevant licenses and agreements (including settlement agreements with other parties), (iii) proposed reasonable royalties, (iv) claimed lost profits, and (v) any other considerations affecting possible remedies. [138]

6. *Other Information to Be Exchanged*

- the identities of any non-parties with an interest in or influence on the litigation[139]
- any ancillary litigation[140]
- the status of discovery[141]

7. *Addressing Concerns Regarding "Early Disclosure"*

Some parties may express concern regarding "early disclosure" of such information. Only information that would otherwise be subject to discovery should be exchanged during the course of mediation. As noted

137. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 23–24.

138. *See id.*; Kaplan, *supra* note 110.

139. Thynge, *supra* note 12, at 150.

140. *See id.*

141. *See id.*

above, there is some risk of a party shifting allegations in response to information learned during mediation.[142] However, the growing trend following the Supreme Court decisions in *Iqbal* and *Twombly*, the abrogation of Federal Rule of Civil Procedure 84 and elimination of Form 18, as well as the adoption of local patent rules, has required parties to commit to positions early in a case.[143] Further, the information disclosed during the mediation is subject to the mediation privilege and mediation confidentiality protections. Accordingly, the risk of so-called early disclosure is outweighed by the value of such information to successful, early resolution through mediation.

8. Information that Should Only Be Provided to the Mediator

Certain information should not be exchanged between the parties, but is important for the mediator's ability to cut through any posturing. Examples of this kind of information include

- each party's analysis of the strong and weak points of the opponent's argument
- confidential settlement proposal
- fees and costs—some mediators require a confidential submission of "(i) attorneys' fees and costs incurred to date; (ii) other fees and costs incurred to date; (iii) good faith estimate of additional attorneys' fees and costs to be incurred if [the]

142. *See* Integrated Circuit Sys., Inc. v. Realtek Semiconductor Co., 308 F. Supp. 2d 1106, 1107 (N.D. Cal. 2004) (quoting Atmel Corp. v. Info. Storage Devices, Inc., 1998 WL 775115 at *2–*3 (N.D. Cal. Nov. 5, 1998) ("The [Patent Local] rules are designed to require parties to crystallize their theories of the case early in the litigation and to adhere to those theories once they have been disclosed.").

143. *See*, *e.g.*, Ashcroft v. Iqbal, 556 U.S. 662 (2009); Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007); Raindance Techs., Inc. v. 10x Genomics, Inc., No. CV 15-152-RGA, 2016 WL 927143 (D. Del. Mar. 4, 2016); E.D. Tex. Pat. R. 3-1 & 3-3; N.D. Cal. Pat. R. 3-1 & 3-3.

matter is not settled; and (iv) good faith estimate of additional other fees and costs to be incurred if [the] matter is not settled"[144]

- how the parties define "progress"

While all of the above-listed information is important, many in-house counsel have found that the best mediators in patent disputes are those who have a good understanding of the merits of the case, both from a technological perspective and from a legal perspective. Many mediators at least skim the patent(s) in suit, although the level of attention given to the patent(s) varies. Understanding the merits of the case builds trust between the parties and the mediator, and can help the parties believe in the mediation process and the possibility of a fair and principled resolution. In addition to understanding the merits of the case, mediators should also focus on unearthing business information from the parties, as knowledge of the parties' business motivations is useful for arriving at creative solutions.

In addition to reading the mediation statement, the mediator must prepare by encouraging the proper exchange of information before the mediation begins. If there is no such exchange of information, the mediation frequently becomes focused solely on outlining procedures for the proper exchange of information. Some mediators, however, simply ask that the parties be prepared with the above information as opposed to encouraging that the parties actively exchange the information. These mediators prefer that each party identify the information that they need from the other party, rather than the mediator identifying that information for the party. The rationale behind this policy is that insisting on the exchange of such information may create a dispute where in fact no dispute needs to exist.

Mediators have used serial teleconferences,[145] premediation emails, and in-person meetings to both obtain relevant information and encourage the exchange of information before the mediation. These tools allow the mediator to follow up with the parties regarding topics discussed in the mediation statement and also allow the mediator to ensure that the

144. *See* Thynge, *Order Governing Mediation*, *supra* note 133.

145. *See* Thynge, *supra* note 12, at 150.

parties are exchanging information. For example, a premediation email may be used to address logistical issues, such as the timing for the exchange of information and whether the parties would like to provide opening statements (although, as noted earlier, some mediators have found opening statements to be counterproductive, as they may raise emotions and encourage posturing). Encouraging the parties to exchange this information in a premediation email can set the stage for cooperation and informed decision making later on in a mediation session.

In-person premediation meetings are another successful technique used by mediators to ensure the proper exchange of information and ultimately even shorten the length of the mediation session itself.[146] For example, simply giving each party four hours to educate the mediator on the important issues could help the mediator identify what information the parties need to exchange in order to reach a resolution. Premediation meetings may benefit from the presence of in-house counsel or the client, since those individuals may be able to identify internal client obstacles to settlement and non-monetary terms that are important to the client.[147] Another benefit of in-person premediation meetings is that they are especially helpful for ensuring that the mediator is a good fit for the case.

B. Defining the Format and Structure of the Mediation

Section IV addresses the mechanics of structuring the mediation. In the context of preparation, defining the format and structure of the mediation starts with premediation communications. Premediation conferences (either in person, by email, or via phone) are a good opportunity for the mediator to explain the mediation process to the parties and to set ground rules.[148] The length of the mediation itself may depend in large part on successful premediation communications, which can be used to "front load" much of the work by encouraging exchange of information and adequate preparation.[149] The mediator should have a flexible plan for

146. *See* Int'l Inst. for Conflict Prevention & Resolution, *supra* note 10, at 16.

147. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 24.

148. *See id.*

149. *See id.*

the format and structure of the mediation, based on premediation interactions.

As noted above, the premediation interactions should give the mediator an understanding of the dynamics between the parties and the level of emotions involved in the case, and this may affect whether most of the mediation occurs in private caucuses or joint sessions, and whether opening statements would be useful. When the parties appear to be diametrically opposed and inflexible, allocating most of the time to private caucuses may be appropriate. When the parties appear open to mediation and have a desire to settle, allocating most of the time to joint sessions may be more fruitful. Further, premediation discussions provide the mediator with an opportunity to get additional details that were not included in the premediation statements.

Moreover, mediators should consider how their own introductory remarks can affect the tenor of the mediation. On one end of the spectrum, the mediator can provide a short introductory session introducing the participants, reiterating the confidential nature of the proceedings, and explaining the procedural framework for the days' sessions. Alternatively, a mediator can present a neutral description of the parties' positions. Carefully presented, this approach can reaffirm the mediator's neutrality, establish knowledge of the dispute, and provide the parties with a feeling that their issues have been acknowledged.

VI. Preparing for Mediation—For Parties and Counsel

A. Obtaining the Necessary Information

While the mediator must prepare for mediation in a way that ensures the proper exchange of information, the parties and counsel must prepare by actually collecting that information such that it can be shared with the mediator and/or the other parties. Obtaining this information allows the parties to consider how much money they would be willing to put on the table in order to avoid litigation. Making this determination requires collecting and analyzing information such that the client and counsel know what the client wants to achieve through mediation. The following types of information should be obtained by counsel:[150]

- The client's overall business objectives, including:
    - if the client is the patentee, whether the goal is exclusivity for the patented technology, a license agreement, or some other business relationship[151]
    - how relevant the patent at issue is to the business objectives
    - what the impact of litigation could be on the business objectives
    - whether discovery would be disruptive to the client and its employees
    - whether the client has any hidden agendas
    - the client's perception of the relevant industry and its future
    - the feasibility of a design-around and how that would affect customers and supply chains
- The objectives of the other party

150. *See* Thynge, *supra* note 12, at 158–59.
151. *See* Bowbeer, *supra* note 111, at 167–68.

- The history between the parties, including:
    - how the parties have negotiated previously
    - prior and present business relationships
    - prior and present dealings, contracts, and licenses
- The risk of future litigation with the opposing party
- Each party's smallest sellable unit[152]

In addition, in-house counsel must identify what information they need from the other parties (e.g., financial information). Creating a discrete list of necessary information is often preferable to hurtling headlong into full discovery. Once a discrete list of the necessary information is created, the parties should turn to alternatives to litigation discovery in order to exchange information.[153] The following techniques have been identified as ways to encourage less formal exchanges of information:

- Clients should understand the substantial cost of full litigation discovery, compared to the more modest cost of disclosing information solely for mediation.
- Counsel should try to persuade their adversary to provide necessary information voluntarily and, if necessary, seek the assistance of the mediator in this effort.
- Counsel should execute a bullet-proof confidentiality agreement that limits the use of the information exchanged solely for the mediation.
- Counsel should determine what information is publicly available and use that fact as leverage to request additional information from their adversary.

152. *See* LaserDynamics, Inc. v. Quanta Comput., Inc., 694 F.3d 51, 67 (Fed. Cir. 2012) (quoting Cornell Univ. v. Hewlett-Packard Co., 609 F. Supp. 2d 279, 283, 287–88 (N.D.N.Y. 2009) ("Thus, it is generally required that royalties be based not on the entire product, but instead on the 'smallest salable patent-practicing unit.'")).

153. The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 5–6.

- Counsel should consider providing information, such as financial data, in summary form (i.e., not all of the information that would be disclosed in discovery), with the agreement that any settlement agreement would include a representation as to the accuracy of the financial data.
- Counsel should consider having the mediator review confidential financial information (e.g., marginal costs, profits) *in camera*.
- If confidential information is required to perform an infringement or invalidity analysis, counsel should consider having the confidential information disclosed to a neutral third party (other than the mediator), such as a technical advisor, who can then render an evaluation without disclosing the information (this approach is particularly helpful if the confidential information is computer source code).
- Counsel should consider only allowing outside counsel to see confidential information.[154]
- Counsel could suggest limiting the disclosure of confidential information to one key person at the mediation and to the mediator.
- If a premediation exchange is not possible and the dispute is the subject of active litigation, counsel should consider pursuing focused discovery rather than the broad discovery common in patent cases and should consider mediating after documents are exchanged or after the taking of limited depositions.[155]

154. It is often helpful, however, to allow outside counsel to communicate on any prior licenses or settlements that might be used as benchmarks for settlement in the case being mediated.

155. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 5–6.

The techniques described above allow for less costly and more informal exchanges of information, either through the mediator or between the parties themselves. The reliability of informal discovery responses can be buttressed by including in the settlement agreement a guarantee of the accuracy and completeness of the information exchanged.[156] A carefully prepared confidentiality agreement will also encourage the informal exchange of information.[157]

B. Analyzing the Necessary Information

Once counsel has collected the relevant facts, counsel should consult with the client in order to reaffirm the goal of mediation. For example, the goal could be settlement, positioning for the case, or simply delivering a message to the other side. Mediators have found that parties are less likely to benefit from mediation when those parties have not clearly defined their goals. Once the goals are defined, the parties should be prepared with a checklist containing the important terms for settlement.[158] For example, Judge Thynge has recommended that the checklist include the following:

- the scope of any license
- payment amounts and the terms (e.g., whether the payments are "up-front or in installments with or without interest, running royalty percentage and the base to which it applies, and any minimum payments or caps")
- the terms of any future business relationship
- tax issues ("who pays and whether settlement is net of foreign taxes")
- admissions (e.g., admissions of validity, infringement, or enforceability)

156. *See* Bowbeer, *supra* note 111, at 170.

157. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 6.

158. *See* Thynge, *supra* note 12, at 159.

- any most favored nation (MFN) clause
- how future disputes will be handled
- confidentiality
- marking of patented products[159]

Even after a party has all the necessary information for creating the aforementioned settlement terms checklist, there is still the hurdle of analyzing that information in a meaningful way in order to arrive at specific settlement terms. This requires discussions between counsel and the client's decision makers, such that a range of possible acceptable business outcomes can be identified, and counsel can seek authorization for those outcomes before mediation. The team participating in the mediation should be made aware of the stage of the litigation, the costs incurred thus far, and projected future costs (including outside vendor costs, such as e-discovery and experts).[160] Other information to be shared with the team may include what has been learned in discovery, how the party's witnesses performed during deposition, and the strengths and weaknesses of each party's case.[161] Based on this discussion with the team, counsel should have prepared a "Best Alternative to a Negotiated Agreement" (BATNA) and a "Worst Alternative to a Negotiated Agreement" (WATNA) (both for the client and the opposing party).[162] Counsel should also analyze the "return on litigation investment."[163]

For evaluating business options, both Early Case Assessment (ECA) and Decision Tree Analysis (DTA) can be helpful because they provide decision makers "[o]bjective criteria for evaluating the settlement proposals offered by the other side."[164] ECA consists of a cost-versus-risk analysis that provides parties with information to help them reach a settlement decision, and it is most commonly used to determine how the

159. Important terms for settlement may also include whether claims are to be dismissed with or without prejudice.

160. *See* Bowbeer, *supra* note 111, at 193.

161. *See* id.

162. *See id.* at 194.

163. *See id.*

164. See Int'l Inst. for Conflict Prevention & Resolution, *supra* note 10, at 10.

costs and burdens of discovery compare to the cost and burdens of settlement.[165] DTA focuses on identifying the costs of various litigation outcomes and the likelihood of those outcomes actually occurring.[166] One way to encourage settlement is to have a third-party neutral provide the probabilities of various outcomes occurring in the DTA.[167] Ultimately, these preparation efforts should result in the identification of a range of acceptable outcomes for the client, along with in-house counsel's clear authority to advance those outcomes.[168]

C. Preparing and Educating the Participants in the Mediation

Counsel will need to explain the mediation process to the team participating in the mediation, and counsel should ideally have taken a course in negotiation. At the most basic level, the client should understand the mediation process and how it is different from litigation. Research has indicated that clients who receive more preparation for mediation are more likely to settle and feel that the process was fair, compared to clients who receive less preparation.[169]

For example, the team should be informed that a mediator is not the same as a judge or arbitrator, and that mediation is a process in which parties mold a solution different than they would have achieved in litigation, in order to avoid risks of the litigation process. Therefore, the team

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165. *See id.* at 9–10.

166. *See*, *e.g.*, David P. Hoffer, *Decision Analysis as a Mediator's Tool*, 1 Harv. Negot. L. Rev. 113, 115 (1996).

167. *See*, *e.g.*, Marc B. Victor, *Resolving A Dispute by Getting a Neutral to Provide Probability Assessments*, 31 Alternatives to High Cost Litig. 36, 36–38 (2013).

168. *See* Thynge, *supra* note 12, at 196.

169. *See* Sarah R. Cole & Craig A. McEwen, Mediation: Law, Policy and Practice § 3:5 (1994), "Practices in Mediation and Their Potential to Overcome Barriers to Effective Negotiation." As one scholar has noted: "[a]n unprepared client may feel exposed and vulnerable when questioned by the mediator and may distrust the mediator and the process as a result. A well-prepared client will understand the process and view the mediator's questions as a natural part of the process of building trust and developing creative solutions." Karen K. Klein, *Representing Clients in Mediation: A Twenty-Question Preparation Guide for Lawyers*, 84 N.D. L. Rev. 877, 880–81 (2008).

should be informed that counsel will not be playing an "attack dog" role and that the mediator will not be attacking the other side.[170] The team should also be informed that the mediation may progress slowly and that there may be downtime while the mediator spends time alone with the other party.[171]

Counsel should speak with the team about any strong emotions concerning the case and what realistic expectations are for the mediation, as many mediators have noted that when emotions or expectations run high mediation is less likely to be successful. The American Bar Association recommends identifying what the other party might say or do to make the client upset and what the client may say or do to make the other party upset, as well as avoiding causing any unnecessary distress.[172] For example, if one side feels betrayed because a key employee left the company for the opponent's company, those emotions should be addressed before the mediation.[173] The individual personalities of those on the team may also be discussed—for example, if the business decision maker is volatile, then careful preparation regarding that person's speaking role may be required.[174] Regarding expectations, one study has suggested that when negotiators have higher aspirations there is a higher risk for impasse.[175]

D. The Mediation Statement

The mediation statement is another important tool that encourages the proper exchange of information and can be used to educate not only the

170. *See* Bowbeer, *supra* note 111, at 192.

171. *See id.*

172. *See* American Bar Association, Section on Dispute Resolution, Preparing for Mediation 5 (2012), http://www.americanbar.org/content/dam/aba/images/dispute_resolution/Mediation_Guide_general.pdf.

173. *See* Thynge, *supra* note 12, at 195–96.

174. *See id.*

175. *See* Russell Korobkin, *Aspirations and Settlement*, 88 Cornell L. Rev. 1, 57–58 (2002) ("While high aspirations provide negotiators with the benefit of an improved chance of obtaining a more favorable settlement, they carry with them a significant cost for litigants, as they make it more likely that settlement negotiations will fail when the potential for a mutually beneficial accord exists.").

mediator, but also the other party. As explained in Sections IV and V, the contents of the mediation statement are usually dictated by the mediator. However, counsel should always give thought to additional information that may aid the process, and those suggestions are typically welcomed by experienced mediators. The mediation statement should inform the mediator of where the case is procedurally and should identify overriding legal issues, damage models, and the strong and weak points of each side. Additionally, any case law that is particularly on point should be discussed in the mediation statement. In addition to relevant business information, the mediation statement should include a history of the parties and previous settlement efforts.[176] In order to encourage a cooperative attitude, some mediators ask each party to include in the mediation statement a presentation of the case from the other party's perspective, identifying the issues where the other side may have a stronger position. The statement may be accompanied by presentations, models, videos, and expert testimony, but these supplements should only be used if the settlement process would benefit from them.[177] Importantly, parties frequently devote too much attention to the legal issues and neglect detailing the party's business interests.[178] One major purpose of the mediation statement is to suggest possible resolutions of the dispute, which requires more than simply outlining one's own legal argument.[179]

Finally, even when mediation statements are exchanged in advance—via court requirements or the request of the neutral—experienced mediators often allow for supplemental statements "for the mediator's eyes only." These separate statements may contain additional insights, concerns, or suggestions that counsel deem too sensitive or potentially incendiary to put into a shared statement, but may give the mediator additional perspective to help prepare for the session. Assuming

176. *See* Thynge, *supra* note 12, at 156.

177. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 26–27.

178. *See* Thynge, *supra* note 12, at 156 (noting that the "mediation statement is not intended to be a blueprint for case-dispositive motions").

179. *See* The Sedona Conference, *Commentary on Patent Litigation Best Practices*, *supra* note 10, at 27.

such separate statements are allowed, the bulk of each party's presentation should be included in the shared statement, so as to help the decision makers on the other side set appropriate expectations prior to the commencement of the mediation session.

Appendix A: Tables of Mediation Rules by Jurisdiction

Central District of California (C.D. Cal)

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
ADR proceedings are mandatory. L.R. 16-15.1. Some cases are also assigned to judges who participate in the Court-Directed ADR Program. Civil L.R. 26-1(c). **The parties have a duty to consider ADR, confer, and report**. General Order No. 11-10, § 5.2.	Offers three ADR options: 1) a **settlement conference** with the district judge or magistrate judge assigned to the case; 2) a **mediation** with a neutral selected from the court mediation panel; or 3) **private mediation**. Civil L.R. 16-15.4; General Order 11-10. Parties must advise the court which ADR procedure is best suited to their case and when the ADR session should occur. Civil L.R. 26-1(c). Cases in the Court-Directed ADR Program are presumptively referred to mediation (either the court's mediation panel or private mediation). Civil L.R. 26-1(c).	A neutral may be on the mediation panel if he or she was **previously a judge or is in good standing with the C.D. Cal. Bar with at least 10 years of legal practice, significant experience with civil litigation in federal court, and significant experience in at least one of the specific areas (patent is one of them)**. General Order No. 11-10, § 3.	All documents related to the mediation and anything that happens during the mediation shall be **treated as confidential information and not disclosed to the judge(s)**. General Order No. 11-10, § 9.1. There are limited exceptions to confidentiality: disclosures may be stipulated by the parties or required by the court if violations come to light. Id. at § 9.2.	"**Each party shall appear at the mediation in person or by a representative with final authority to settle the case** . . . A corporation . . . satisfies this attendance requirement if represented by a person who has final settlement authority and who is knowledgeable about the facts of the case." General Order No. 11-10, § 8.5.

Eastern District of California (E.D. Cal.)

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
In every action, the parties must meet and confer to consider participating in the Voluntary Dispute Resolution Program (VDRP). L.R. 240(a)(17); L.R. 271(d)(1).	The VDRP is governed by L.R. 271. May include **mediation**, **negotiation**, **early neutral evaluation**, and **settlement facilitation**, determined by the neutral. L.R. 271(a)(1). Parties retain the power to seek private ADR services. L.R. 271(a)(3).	The court keeps a list of neutrals who are "trained and otherwise qualified to serve" and "whose background, training, and skills satisfy the requirements that the Court establishes for VDRP." L.R. 271(e)(1). Other neutrals may be nominated by the parties, and as long as they are not disqualified by 28 U.S.C. § 455 or other professional conduct standards, they can generally serve. L.R. 271(e)(2), 271(f)(1).	Unless stipulated or ordered by the court "after application of pertinent legal tests that are appropriately sensitive to the interests underlying VDRP confidentiality," "**all communications made in connection with any VDRP proceeding . . . shall be privileged and confidential** to the fullest extent provided by applicable law." L.R. 271(m). The neutral's VDRP Completion Report reports "only the date on which the parties completed the VDRP process." L.R. 271(n)(1).	"**All parties** and their lead counsel, **having authority to settle and to adjust pre-existing settlement authority** if necessary, are **required to attend the VDRP session in person** unless excused." L.R. 271(l)(1).

Northern District of California

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
"At any time after an action has been filed, the Court on its own initiative or at the request of one or more parties may refer the case to one of the Court's ADR Programs, or to a judicially hosted settlement conference." L.R. 16-8(a). **Joint case-management statements must include "[p]rospects for settlement, ADR efforts to date, and a specific ADR plan for the case**, including compliance with ADR L.R. 3-5 and a description of key discovery or motions necessary to position the parties to negotiate a resolution." General Order 64, Attachment C: Contents of Joint Case Management Statement. There may be automatic assignment of "appropriate" cases to ADR by the clerk, or if the judge decides to refer the case to the program on his or her own initiative. ADR L.R. 3-3.	Litigants in "appropriate" civil cases may be assigned to the ADR Multi-Option Program by the clerk when the complaint is filed. ADR L.R. 3-3(a). Cases can also be assigned to the ADR Multi-Option Program by stipulation of all parties, on motion by a party under Civil L.R. 7, or on the judge's initiative. ADR L.R. 3-3(b)-(c). The ADR processes offered by the court are settlement conference, mediation, and early neutral evaluation (ENE). ADR L.R. 3-4(a). A private ADR procedure can also be substituted if the parties stipulate. ADR L.R. 3-4(b). Settlement conferences are ordinarily conducted by magistrate judges.	Generally, the neutral must be a member of the N.D. Cal. bar or a member of an accredited law school and complete initial and periodic training. ADR L.R. 2-5(b). There are additional requirements for ENE evaluators (admitted to practice for at least 15 years and have considerable experience with civil litigation in federal court), and mediators (admitted to practice for at least 7 years and knowledgeable about civil litigation in federal court). *Id.*	**Early neutral evaluation:** "Unless one of the exceptions set out in the ADR Local Rules applies or all parties agree to disclosure, communications made in connection with an ENE may not be disclosed to the assigned judge, to other court personnel outside the ADR program, or to anyone else not involved in the litigation." May 2018 ADR Handbook at 6. **Mediation:** "Unless one of the exceptions set out in the ADR Local Rules applies or all parties agree to disclosure, communications made in connection with a mediation may not be disclosed to the assigned judge, to other court personnel outside the ADR program, or to anyone else not involved in the session." *Id.* at 9. **Settlement Conference:** "Communications made in connection with a settlement conference ordinarily may not be disclosed to the assigned judge or to anyone else not involved in the litigation,	**Early neutral evaluation:** "The following individuals are required to attend in person: clients with settlement authority and knowledge of the facts; the lead trial attorney for each party; and insurers of parties. Requests to permit attendance by phone rather than in person may be made to the ADR Magistrate Judge at least 14 days in advance of the scheduled ENE session. Such requests will be granted only if personal attendance would impose an extraordinary or otherwise unjustifiable hardship. Clients are strongly encouraged to participate actively in the ENE session to maximize the value of the process." May 2018 ADR Handbook at 6. **Mediation:** "The following individuals are required to attend the mediation session: clients with settlement authority and knowledge of the facts; the lead trial attorney for each party; and insurers of parties. Requests to permit attendance by phone rather than in person may be made to the ADR Magistrate Judge at least 14

			unless otherwise agreed." *Id.* at 10.	days in advance of the scheduled mediation. Such requests will be granted only if personal attendance would impose an extraordinary or otherwise unjustifiable hardship. Clients are strongly encouraged to participate actively in the mediation to maximize the value of the process." *Id.* at 8–9. **Settlement Conference:** "Settlement judges' standing orders generally require the personal attendance of lead counsel, the parties, and any insurers. This requirement is waived only when it poses a substantial hardship, in which case the absent party may be required to be available by telephone. Persons who attend the settlement conference are required to be thoroughly familiar with the case and to have authority to negotiate a settlement." *Id.* at 10.

Northern District of California (cont'd.)

Southern District of California

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
The parties must conduct an Early neutral evaluation (ENE) Conference with a judicial officer. Civ. L.R. 16.1.c; Patent L.R. 2.1.a.	If the parties cannot reach a settlement at the ENE conference, the judicial officer may discuss the parties' willingness to agree to non-binding arbitration or mediation (governed by General Order #387) where the judicial officer thinks it might resolve the lawsuit, or where the parties have indicated interest in arbitration or mediation. Civ. L.R. 16.1.c.2. If the parties continue to go forward with the case, the judicial officer will discuss ADR alternatives at the case-management conference, held within 30 days after the ENE conference. Civ. L.R. 16.1.d.1, 16.1.c.2.	The court maintains a list of qualified attorneys who agree to serve as arbitrators or mediators, or the parties can select their own. General Order #387 R. 600-2(a); 600-3(a). Any person may be approved to serve as an arbitrator or mediator if the person 1) has been for at least 5 years a member of the bar of the highest court of any state or D.C.; and 2) is a member of the S.D. Cal. bar. Id. R. 600-3(b).	**ENE:** "The ENE conference will be informal, off the record, privileged, and confidential." Civ. L.R. 16.1c1b. **Arbitration and mediation:** "This court, the mediator, all counsel and parties, and any other persons participating in the mediation process shall treat as confidential all written and oral communications made in connection with or during any mediation session." General Order #387 R. 600-8(c).	**ENE:** counsel and the parties are required to attend. Civ. L.R. 16.1c1. **Arbitration:** parties must attend. R. 600-5. **Mediation:** attorney and clients must personally attend. R. 600-7c.

District of Delaware

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
During initial Rule 16(b) scheduling conference ADR options are discussed, and the district judge may refer case to magistrate judge in case management order. "All civil cases, except prisoner petitions and habeas proceedings, may elect to use ADR." Parties may opt out of ADR process participation only by consent of court. Overview of Mediation/ADR Processes.	Magistrate judges run judge-hosted settlement conferences, mediation, arbitration, early neutral evaluation, and summary trials (jury and non-jury). Rule 72.1(a)(1). If district court judge refers case to magistrate for ADR, parties have a teleconference to determine form of ADR to be used, procedures, and timing.	Magistrate judges conduct various ADR processes. Rule 72.1(a)(1).	"Information disclosed to the magistrate judge during mediation, including the contents of any written submissions, are confidential and may not be disclosed to another party without consent of the disclosing party/side. Further, such information may not be used in the present litigation nor any other litigation, absent a court order. Violation of confidentiality may subject the violator to sanctions." D. Del. Website, http://www.ded.uscourts.gov/judge/chief-magistrate-judge-mary-pat-thynge ("Mediation" tab).	"Trial counsel, counsel who is familiar with the case and representatives or decision-makers of the parties, who have full authority to act on the party's behalf, including the authority to negotiate a resolution of the matter and to respond to developments during the mediation process, must attend." D. Del. Website, http://www.ded.uscourts.gov/judge/chief-magistrate-judge-mary-pat-thynge ("Mediation" tab).

Southern District of Florida

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
Some types of civil cases do not require mediation. See L.R. 16.2c. In all civil cases except for those listed in L.R. 16.2c, Court shall enter order of referral. L.R. 16.2d.	**Mediation:** Also, "A Magistrate Judge may be designated by a District Judge to serve as a special master in appropriate civil cases in accordance with 28 U.S.C. § 636(b)(2) and Federal Rules of Civil Procedure 53."	To be certified as a mediator, the individual must 1) be an attorney who has been admitted for at least 10 consecutive years to one or more state bars or the bar of the district of Columbia, 2) currently be a member in good standing of the Florida Bar, 3) have substantial experience either as a lawyer or mediator in matters brought in any U.S. district court or bankruptcy court, 4) have been certified and remain in good standing as a circuit court mediator under the rules adopted by the Supreme Court of Florida, and 5) have substantial experience as a mediator. L.R. 16.2(b)(3).	"All proceedings of the mediation shall be confidential and are privileged in all respects as provided under federal law and Florida Statutes § 44.405. The proceedings may not be reported, recorded, placed into evidence, made known to the court or jury, or construed for any purpose as an admission against interest." L.R. 16.2(g)(2).	"Unless otherwise excused by the presiding judge in writing, all parties, corporate representative, and any other required claims professionals (insurance adjusters, etc.), shall be present at the mediation conference with full authority to negotiate a settlement." L.R. 16.2(e).

Northern District of Illinois

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
Voluntary Mediation Program (VMP) for Lanham Act cases. L.R. 16.3	VMP for Lanham Act cases (only, apparently). L.R. 16.3. Parties assigned to VMP are not required to participate in the program but are strongly encouraged to do so. L.R. 16.3 App'x B, V.	For VMP for Lanham Act cases, individual neutrals need 5 or more years of experience in the practice of Lanham Act law or 3 or more years of experience as a neutral (in any field); organizations need at least 3 years providing ADR training and involvement, and affiliation with at least two individuals who meet the individual neutral criteria. L.R. 16.3 App'x B, III.B.	**VMP:** "All mediation proceedings, including any statement made by any party, attorney or other participant, shall, in all respects, be privileged and not reported, recorded, placed in evidence, made known to the trial court or jury, or construed for any purpose as an admission. No party shall be bound by anything done or said at the conference unless a settlement is reached, in which event the settlement shall be reduced to writing and shall be binding upon all parties." L.R. 16.3(c). **ADR Proceedings Generally:** "Pursuant to 28 U.S.C. § 652(d), all non-binding alternative dispute resolution ("ADR") proceedings referred or approved by any judicial officer of this court in a case pending before such judicial officer, including any act or statement made by any party, attorney or other participant, shall, in all respects, be privileged and not reported, recorded, placed in evidence, made	"The following individuals shall attend the mediation conference unless excused by the mediator: (1) each party who is a natural person; (2) for each party that is not a natural person, either (a) a representative who is not the party's attorney of record and who has full authority to negotiate and settle the dispute on behalf of that party, or (b) if the party is an entity that requires settlement approval by a committee, board or legislative body, a representative who has authority to recommend a settlement to the committee, board or legislative body; (3) the attorney who has primary responsibility for each party's case; and (4) any other entity determined by the mediator to be necessary for a full resolution of the dispute referred to mediation." L.R. 16.3 App'x B, VI.G.

			known to the trial court or jury (without consent of all parties), or construed for any purpose as an admission in the case referred or in any case or proceeding. No participant in the ADR proceedings shall be bound by anything done or said at the ADR conference unless a settlement is reached, in which event the settlement shall be reduced to writing or otherwise memorialized and shall be binding upon all parties to the settlement." L.R. 83.5.	

Northern District of Illinois (cont'd.)

District of Massachusetts

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
The parties must consider ADR options and are encouraged to participate in at least one of the ADR alternatives available. L.R. 16.4(a)–(b).	Offers the following court-sponsored ADR options: 1) early neutral evaluation, 2) mediation, 3) mini-trial, 4) summary jury/bench trial, 5) consent to jury trial or court trial before a magistrate judge, 6) settlement conferences conducted by district judge or magistrate judge, 7) special masters, 8) private ADR, and 9) state court multi-door courthouse. Alternative Dispute Resolution Plan (June 1, 2000), Section II.	The court maintains a list of neutrals that includes judicial officers and ADR "Panel Members." To be on the ADR panel, a neutral must have at least 10 years of experience, including litigation or dispute resolution experience. A neutral need not be an attorney, but must possess specialized knowledge, skill, education, or training relevant to the subject matter. ADR providers must have completed a court-approved ADR training program or demonstrate equivalent training or ability. Alternative Dispute Resolution Plan (June 1, 2000), Section III.B.1.	**Mini-trial:** "Neither the advisory opinion of an impartial third party nor the presentations of the parties shall be admissible as evidence in any subsequent proceeding, unless otherwise admissible under the rules of evidence. Also, the occurrence of the mini-trial shall not be admissible." L.R. 16.2(c)(2). **Summary jury trial:** "Neither the panel's advisory opinion nor its verdict, nor the presentations of the parties shall be admissible as evidence in any subsequent proceeding, unless otherwise admissible under the rules of evidence. Also, the occurrence of the summary jury trial shall not be admissible." L.R. 16.2(c)(3)(d). **Mediation:** "Any communication related to the subject matter of the dispute made during the mediation by any participant, mediator, or any other person present at the mediation shall be a confidential communication to the full extent contemplated by Fed. R. Evid.	**Mini-trial:** "Unless the parties agree otherwise, the advisory opinion of the impartial third party is not binding." L.R. 16.2(c)(2)(d). **Summary jury trial:** "Unless the parties agree otherwise, the advisory opinion is not binding and it shall not be appealable." L.R. 16.2(c)(3). **Mediation:** not explicitly stated in local rules.

			408. No admission, representation, statement, or other confidential communication made in setting up or conducting the proceedings not otherwise discoverable or obtainable shall be admissible as evidence or subject to discovery." L.R. 16.2 (c)(4)(f).	

District of Massachusetts (cont'd.)

Southern District of New York

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
Governed by "Procedures of the Mediation Program for the Southern District of New York." In all civil cases other than Social Security, habeas corpus, and tax, mediation may be used. In all eligible cases, "each party shall consider the use of mediation and shall report to the assigned Judge at the initial Rule 16(b) case management conference, or subsequently, whether the party believes mediation may facilitate the resolution of the lawsuit. Judges are encouraged to note the availability of the mediation program before, at, or after the initial Rule 16(b) case management conference." "The Board of Judges may, by Administrative Order, direct that certain specified categories of cases shall automatically be submitted to the mediation program." Certain cases may be exempted with or without the request of the parties. L.R. 83.9(d)(2). In all other cases, assigned judge/magistrate judge	Mediation (listed under Local Civil Rule 83.9—Alternative Dispute Resolution).	Individuals can serve as mediators once they have been certified by the Chief Judge or designee to "be competent to perform the duties of a mediator for this Court." In the first year of service, mediators participate in apprenticeships and observe mediations, co-mediate with other panel members, and undergo supervision/assessment before independent mediation is permitted; mediators must attend one CLE program on mediation per year, participate in ongoing assessment, and mediate at least two cases per year. Procedures of the Mediation Program, § 12.	Under "Procedures of the Mediation Program" guidelines, any communications with mediator are confidential unless all parties agree to disclose, disclosure is required by law, or communications are relevant to complaint against mediator/mediation program. Parties may agree to disclose information to the court while in further settlement negotiations with district/magistrate judge. Parties may disclose terms of settlement if either party seeks to enforce terms.	Each party must attend mediation. Parties other than natural people (e.g., corporations, associations) may be represented by a decision maker "who has full settlement authority and who is knowledgeable about the facts of the case." "Full settlement authority" means authority to agree to opposing side's settlement offer.

"may determine that a case is appropriate for mediation and may order that case to mediation, with or without the consent of the parties, before, at, or after the initial Rule 16(b) case management conference." L.R. 83.9(d)(3). Parties can inform judge of their desire to mediate at any time. L.R. 83.9(d)(3).				

Southern District of New York (cont'd.)

Southern District of Texas

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
"Before the initial conference in a case, counsel are required to discuss with their clients and with opposing counsel the appropriateness of ADR in the case." L.R. 16.4.B.	"The Court approves the use of the following ADR methods in civil cases pending before district, magistrate, and bankruptcy judges: mediation, early neutral evaluation, mini-trial, summary jury trial, and, if the parties consent, non-binding arbitration pursuant to 28 U.S.C. § 654 (1998) (collectively, 'ADR'). A judge may approve any other ADR method the parties suggest and the judge finds appropriate for a case." L.R. 16.4.A.	"To be eligible for initial listing as an ADR provider, the applicant must meet the following minimum qualifications: (i) membership in the bar of the United States District Court for the Southern District of Texas; (ii) licensed to practice law for at least ten years; and (iii) completion of at least forty hours training in dispute resolution techniques in an alternative dispute resolution course approved by the State Bar of Texas Minimum Continuing Legal Education department." L.R. 16.4.E(3)(b). Neutrals must complete five hours of ADR training per calendar year to maintain a listing as an ADR provider. L.R. 16.4.E(3)(d).	"All communications made during ADR proceedings (other than communications concerning scheduling, a final agreement, or ADR provider fees) are confidential, are protected from disclosure, and may not be disclosed to anyone, including the Court, by the provider or the parties. Communications made during ADR proceedings do not constitute a waiver of any existing privileges and immunities. The ADR provider may not testify about statements made by participants or negotiations that occurred during the ADR proceedings. This provision does not modify the requirements of 28 U.S.C. § 657 (1998) applicable to non-binding arbitrations." L.R. 16.4.I.	"All parties or party representatives shall be present at the mediation. Where attendance of a party is required, a party other than a person satisfies the attendance requirement if it is represented by a person or persons, other than outside or local counsel, with authority to enter into stipulations, with reasonable settlement authority, and with sufficient stature in the organization to have direct access to those who make the ultimate decision about settlement. In addition, if an insurance company's approval is required by any party to settle a case, a representative of the insurance company with significant settlement authority shall attend in person." Court-Annexed Mediation Plan § VII.

Eastern District of Texas

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
"Any civil suit may be referred to mediation through the agreement of the parties and or by order of court." Court-Annexed Mediation Plan § VI.	**Mediation:** "private process in which an impartial third party, the mediator, facilitates communication and negotiation and promotes voluntary decision making by the parties to the dispute." Court-Annexed Mediation Plan § II.	"Any person may serve as a mediator who has been ordered by the court to serve as a mediator or is approved by the parties. Any person selected as a mediator may be disqualified by the court." Court-Annexed Mediation Plan § III.	"All proceedings of the mediation, including statements made by a party, attorney, or other participant, are privileged and confidential in all respects. The mediation process is to remain confidential. Mediation proceedings may not be reported, recorded, placed in evidence, made known to the trial court or jury, or construed for any purpose as an admission against interest. A party is not bound by anything said or done at a mediation conference unless a settlement is reached. A mediator shall protect confidential information obtained by virtue of the mediation process and shall not disclose such information to anyone else. Notwithstanding the foregoing, a mediator may disclose information (1) that is required to be disclosed by operation of law; (2) that he or she is permitted by the parties to disclose or; (3) that is related to an ongoing or intended crime or fraud. If confidential information is disclosed,	"All parties or party representatives shall be present at the mediation. Where attendance of a party is required, a party other than a person satisfies the attendance requirement if it is represented by a person or persons, other than outside or local counsel, with authority to enter into stipulations, with reasonable settlement authority, and with sufficient stature in the organization to have direct access to those who make the ultimate decision about settlement. In addition, if an insurance company's approval is required by any party to settle a case, a representative of the insurance company with significant settlement authority shall attend in person." Court-Annexed Mediation Plan § VII.

			the mediator shall advise the parties that disclosure is required and will be made." Court-Annexed Mediation Plan § VIII.	

Eastern District of Texas (cont'd.)

Eastern District of Virginia

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
"The Court encourages the parties to meet and consult with each other to achieve settlement. Pursuant to 28 U.S.C. §§ 651, 652, and 653, as amended by the Alternative Dispute Resolution Act of 1998, the use of mediation as an alternative dispute resolution process in all civil actions, including adversary proceedings in bankruptcy, is authorized. Before the initial pretrial conference or in the scheduling order, litigants in all civil cases shall be advised of the availability of mediation and may request it. The continued utilization of settlement conferences as a form of mediation is also authorized." Local Civil Rule 83.6.	Defined as "settlement and alternative dispute resolution" in rule; referred to as mediation throughout rule. Local Civil Rule 83.6.	All district judges, magistrate judges, and bankruptcy judges are authorized to act as mediators/neutrals, and to appoint mediators/neutrals who may be any "appropriately trained non-judicial person" (appointing order sets compensation). Local Civil Rule 83.6.	"The substance of communication in the mediation process shall not be disclosed to any person other than participants in the mediation process; provided, however, that nothing herein shall modify the application of Federal Rule of Evidence 408 nor shall use in the mediation process of an otherwise admissible document, object, or statement preclude its use at trial." Local Civil Rule 83.6(E).	By order, a district judge, or a magistrate judge to whom a case has been referred on consent or for settlement conference, may provide that counsel and/or a party representative with full settlement authority shall attend a settlement conference at any time the judge considers appropriate.

District of New Jersey

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
"Each Judge and Magistrate Judge may, without the consent of the parties, refer any civil action to mediation. The parties in any civil action may, with consent of a Judge or Magistrate Judge, agree to mediation and, if such consent is given, select a mediator. Notwithstanding the above, no civil action described in L. Civ. R. 72.1(a)(3)(C), may be referred to mediation." Civ. Rule 301.1(d).	**Mediation:** neutral evaluation by mediator may be done. Civ. Rule 301.1, 301.1(e)(4).	The chief judge may designate as many mediators as are necessary under the Civil Rules. Mediators have terms up to 3 years, and terms can be extended. Mediators must have been members of the bar in the highest court in a state or in D.C. for 5 years before appointment, must be admitted to practice before this court, must be competent to be mediators in the view of the chief judge, and must participate in a training program. Civ. Rule 301.1(a).	"All information presented to the mediator shall be deemed confidential unless requested otherwise and shall not be disclosed by anyone, including the mediator, without consent, except as necessary to advise the Court of an apparent failure to participate. The mediator shall not be subject to subpoena by any party. No statements made or documents prepared for mediation shall be disclosed in any subsequent proceeding or construed as an admission." Civ. Rule 301.1(e)(5).	"Counsel and the parties (including individuals with settlement authority for specific individuals) shall attend all mediation sessions unless otherwise directed by the mediator." Civ. Rule 301.1(e)(4).

Federal Circuit

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
"Participation in the court's mediation program is mandatory for all cases selected for participation in the program. The Circuit Executive, through the Office of General Counsel, contacts principal counsel in cases selected for mediation to determine whether the case is a good candidate for mediation and seeks the opinion of counsel regarding participation in the program. If at the outset it appears to the designated court officials that mediation will not be fruitful, then court mediation efforts cease. Additionally, counsel may jointly request that a case be included in the mediation program." Appellate Mediation Program Guidelines (Dec. 6, 2013).	**Mediation:** "The mediation program provides a confidential, risk-free opportunity for parties to resolve their dispute with the help of an experienced volunteer neutral, third-party mediator, or a magistrate judge. Mediation, unlike arbitration where a decision that may be binding is issued, will result in a settlement only if all parties agree on that resolution." Appellate Mediation Program Guidelines § 1.	"The court has selected a roster of outside mediators, including magistrate judges and volunteer mediators." Interested parties may apply to be volunteer mediators but cannot be in active practice. Appellate Mediation Program Guidelines § 4.	"Confidentiality is ensured throughout the mediation process except as noted in these guidelines . . . All mediators must protect the confidentiality of the substance of all proceedings and are prohibited from complying with subpoenas or other requests for information about mediated cases except in response to a final court order requiring such disclosure. All communication with the court about mediation matters is between the mediator and the Circuit Executive or members of the Office of General Counsel staff. The substance of mediation is confidential and may not be disclosed by any participants, except that the duty of non-disclosure does not cover disclosure or use in the course of litigation concerning enforceability of any agreements reached through mediation, which may be separately addressed by agreement or otherwise under legal standards not addressed here. The fact that a case is in mediation is not confidential. For	"The court requires that the principal attorney for each party attend all sessions and that at the initial session a party representative with actual settlement authority also attend. 'Actual settlement authority' does not simply mean sending a person allowed to accept or offer a minimum or maximum dollar amount. Rather, the party representative should be a person who can make independent decisions and has the knowledge necessary to generate and consider creative solutions. These requirements may be modified or waived by the mediator if circumstances dictate." Appellate Mediation Program Guidelines § 6.

			example, any motions for extensions of time that are filed because the parties are engaged in mediation are part of the public file. Section 7 sets forth the procedures for seeking extensions of time." Appellate Mediation Program Guidelines § 5.	

Federal Circuit (cont'd.)

International Trade Commission[180]

ADR Requirements for Civil Cases	Type of ADR Program	Requirements for Neutrals	ADR Reporting/ Disclosure/Confidentiality	Required Participants in ADR/Settlement Authority
All § 337 investigations are eligible for participation in the mediation program. An administrative law judge may nominate a particular § 337 investigation for inclusion in the program or the litigating parties may individually or jointly request to participate. Further, certain administrative law judges include required mediation in their ground rules.[181]	**Mediation:** "The Mediation Program offers a risk-free, inexpensive, confidential and quick mechanism to evaluate whether settlement can be achieved in these cases. Even if settlement of all claims and issues is not possible, mediation may help narrow issues and claims in the investigation."[182]	The mediators are outside experts and consultants experienced in both patent litigation and mediation. The Commission maintains a roster of mediators who have agreed to serve in a pro-bono capacity for Commission investigations and who have been pre-screened by the Commission. Most of these mediators have served in a similar capacity for the U.S. Court of Appeals for the Federal Circuit. The Commission also maintains an open list of private mediators. Mediators and applicants to be mediators must not be in active practice. For purposes of these guidelines, "not be in active practice" means that the applicant or mediator is not appearing, and will not appear while a member of the Commission's mediation roster, as a counsel for a party or amicus in any matter before the Commission or from the Commission.	Mediation communications are confidential as provided by law, by non-disclosure agreement, by the Standing Commission Protective Order for Mediation, by the protective order of the administrative law judge, and by program design. Neither the Commission investigative attorney, the administrative law judge, any member of the Commission, nor any member of the Office of the General Counsel may conduct, participate in, or have knowledge of the mediation proceedings, other than the fact that an investigation is in mediation.	The mediator may require the attendance at the mediation of a person with actual settlement authority. "Actual settlement authority" does not simply mean sending a person allowed to accept or offer a minimum or maximum dollar amount. Rather, the party representative should be a person who can make independent decisions and has the knowledge necessary to generate and consider creative solutions, i.e., a business principal. These requirements may be modified or waived by the mediator if the circumstances dictate and the parties concur.

180. Int'l Trade Comm'n, Section 337 Mediation Program, Second Update, Pub. No. 4275 (Nov. 2011), https://www.usitc.gov/intellectual_property/documents/Mediation_ Brochure_FINAL_Pub4275.pdf.

181. *See*, *e.g.*, Int'l Trade Comm'n, Ground Rules for Section 337 Investigation, Rule 7.

182. *See* Int'l Trade Comm'n, *supra* note 180, at 3.

Appendix B: Exemplary Mediation Confidentiality State Provisions*

State	Statutes
California	Cal. Evid. Code §§ 703.5, 1115, 1119–1128
Connecticut	Conn. Gen. Stat. § 52-235d (West. Supp. 2001)
Delaware	Del. Ch. Ct. R. 174
District of Columbia	D.C. Code §§ 16-4201 to 16-4207 (UMA)
Florida	Fla. Stat. §§ 44.401–44.406 (2012)
Hawaii	HRS § 658H–5(b) (UMA)
Idaho	Idaho R. Evid. § 507; Idaho Code Ann. §§ 9-801 to 9-808 (2011) (UMA)
Illinois	Ill. Comp. Stat. Ann. 35/8 (UMA)
Iowa	Iowa Code Ann. § 679C.2 (UMA)
Louisiana	La. Rev. Stat. Ann. § 9:4112
Massachusetts	Mass. Gen. Laws Ann. Ch. 233 § 23C
Maine	Me. R. Evid. § 514
Missouri	Mo. Ann. Stat. § 435.014 (West 1992)
Montana	Mont. Code Ann. § 26-1-813 (1999)
Nebraska	Neb. Rev. Stat. § 25-2930 (2003) (UMA)
Nevada	Nev. Rev. Stat. Ann. § 48.109 (1996)
New Jersey	N.J. Stat. tit. 2A Ch. 23C § 4 (2004) (UMA)
Ohio	Ohio Rev. Code §§ 2710.01–2710.07 (2005) (UMA)
Oregon	Or. Rev. Stat. §§ 36.220–36.238 (2015)

* UMA = Uniform Mediation Act.

Pennsylvania	Pa. Cons. Stat. Ann. § 5949 (1996)
Rhode Island	R.I. Gen. Laws § 9-19-44 (2012)
South Dakota	S.D. Codified Laws §§ 19-13A-1 to 19-13A-8 (UMA), 25-4-59 to 25-4-60 (1996)
Texas	Tex. Civ. Prac. & Rem. Code Ann. § 154.073 (Vernon 1997 & Supp. 2000)
Utah	Utah Code Ann. § 78B-6-208 (2008) (UMA)
Vermont	Vt. Stat. Ann. tit. 12 Ch. 194 (2005) (UMA)
Virginia	Va. Code Ann. § 8.01-581.22 (2013)
Washington	Wash. Rev. Code § 7.07.030 (2005) (UMA)
Wisconsin	Wis. Stat. Ann. § 904.085(4)(e)
Wyoming	Wyo. Stat. Ann. § 1-43-103

The Federal Judicial Center

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