

VENABLE[®]_{LLP}

The Life of an IP Lawyer – Servicing Client Needs, Driving Business, Problem Solving and Helping Foster Technology and Creativity

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Agenda

- Introduction to Venable LLP
- Introduction to Legal Areas
 - Impacting an Intellectual Property Legal Practice
- Questions



Venable LLP

- ❑ With over 500 attorneys
- ❑ One of the top 100 law firms in the USA
- ❑ Counsel to individuals, governments, non-governmental agencies, small and large corporations in the world and Fortune 500 companies
- ❑ Over 110 years in business – meeting the modern needs of each era
- ❑ 7 offices, including Baltimore, Washington, D.C., New York, and Los Angeles



Structured for “Full Service” Relationships

- ❑ Able to provide a broad spectrum of legal services
- ❑ Well established US presence and strong contacts in Europe and Japan
- ❑ Looking to expand in the Middle East



Washington Experience

U.S. Attorney General

**3 Members of the
U.S. Congress**

**U.S. Secretary of
Transportation**

**General Counsel of the
Treasury Department**

**General Counsel, Executive
Office of the President**

**Director and Associate Chief
Counsel for Drugs, U.S. Food
and Drug Administration**

Senior House and Senate Staff

**Chief of Federal
Communications Commission,
Wireless Bureau**

**2 Chiefs of the Environmental
Crimes Section of the U.S.
Department of Justice**

9 Assistant U.S. Attorneys

**4 members of the U.S.
Securities and Exchange
Commission,
Enforcement Division**

**Two Associate Counsel to the
President**



Legal Areas Impacting an Intellectual Property Legal Practice

- 4 Core Legal Areas
 - Intellectual Property & Technology
 - Government Affairs, Regulatory Compliance and Trade Matters
 - Corporate Law & Financing
 - Litigation & Dispute Resolution



Intellectual Property & Technology

Cover all areas of technology and life sciences

Multi-lingual professionals

Strategic counseling in all areas of Intellectual Property from concept to commercialization

Interdisciplinary practice groups providing depth of representation



50 Patent Practitioners in All Areas of Technology

•ELECTRICAL
ENGINEERING

•COMPUTER
SCIENCE

•SOFTWARE
ENGINEERING

•MECHANICAL
ENGINEERING

•PHYSICS

•PHARMACEUTICAL

•CHEMISTRY

•CHEMICAL
ENGINEERING

•BIOTECHNOLOGY



Success at the U.S. Patent and Trademark Office

Over the past 12 years, approximately 2/3 of all patent applications Venable filed at the U.S. Patent and Trademark Office issued as U.S. patents.

In 2008 and 2009, Venable's allowance rate was 64% and 62%, compared to the U.S. Patent and Trademark Office's allowance rate of 44% and 42%.



Pro Bono

Together for Iraq, Inc. (TFI)

- Founded by Dr. Hadi Al-Khalili
- Iraqi-American all volunteer membership having academic and professional expertise in a number of committees, e.g., law
- Counterpart committees organized under the Iraqi Ministry of Education

Public Interest Intellectual Property Advisors (PIIPA)

- *Founder is a Venable Attorney*
- *Management is done out of Venable*
- *Promoting the public interest in innovation and creativity in developing countries by providing access to intellectual property expertise*



Bar and Professional Associations

American Bar Association (ABA) – Intellectual Property Law (IPL) Section

Patent, Trademark and Copyright Section (PTC) of the Bar Association of the District of Columbia (BADC)

Intellectual Property Owners (IPO) Association
American Intellectual Property Law Association (AIPLA)



IP PROCUREMENT

Procurement – identifying an invention and asset and obtaining a patent, trademark or copyright

IP practitioners

Who we are

- Trademark, Copyright and Trade Secret Attorneys and Litigation, Business and Regulatory Attorneys
 - Law school graduate
 - Admitted to a State Bar

- Patent Agents and Attorneys
 - Science degree
 - Registered to practice before the United States Patent and Trademark Office (USPTO), i.e., Patent Bar Examination



IP PROCUREMENT

What we do

- Assist Clients with formulating IP strategies
 - Determining the IP landscape and need for protection and procurement
 - Creating IP portfolios (a collection of procured IP, i.e., multiple US and foreign applications)
 - Managing the IP portfolios

How we do it

- Past – what has been done before
- Present – what is the current state of the art, competitors, etc.
- Future – in 5, 10, 15 or 20 years, what does the market look like, who are the players and what might the technology be



IP PROCUREMENT

- ❑ Procurement
 - Draft, Prepare and File Patent Applications
 - Determine how many and where to file Patent Applications
 - Prosecute cases – Examination and obtaining issued Patents

- ❑ Product Development
 - Provide patentability opinions – determine novelty of invention
 - Provide freedom-to-operate opinions
 - Product - research, analysis and development
 - Risk from infringing third-party rights
 - Provide validity and infringement opinions – to assess competitor patents



IP PROCUREMENT

Due Diligence, Licensing and Litigation

- Conduct due diligence and intellectual property audits
 - analyzing company, competitor and marketplace patent assets
 - assessing and providing strategic recommendations for development and licensing of IP
- Assist with patent litigation
 - performing legal and technical research,
 - conducting prior art searches, reviewing file histories and developing litigation theories, and drafting memoranda summarizing results



IP PROCUREMENT

Factors to Consider (Subject Matter and Jurisdiction)

- ❑ Different Technology
 - Pharmaceutical, Biotechnology and Chemical
 - Mechanical/device, electrical and computer/software
 - Business Methods
- ❑ Jurisdiction Specific
 - Offices - Country Specific Patent, Trademark or Copyright
 - Regional Offices – Europe, GCC, etc.
 - Different laws, rules, court systems, practices of procurement – subject matter specific, e.g., in US can claim treatment of human body but in other countries, cannot. In the US there is an exception for doctors to using medical procedure – they cannot be sued



IP PROCUREMENT

Factors to Consider (Client and Products)

- ❑ Strategy is client specific and dependent on their needs
 - Individual – resources, cost, whether to sell or license
 - University – advance technology, generate revenue from licensing, publication
 - Government Agency – promote good health, publication
 - Corporate – local versus worldwide, protect product sales and markets, deter competitors and protect from third party enforcement
- ❑ Market
 - Need for new Products
 - Existing Products
 - Sales and Projections
 - Competitors
 - *Third parties interested in none-core technology*



IP PROCUREMENT

Factors to Consider (Cost)

- ❑ Cost is always an issue – is the investment worth eventual gain
 - Procurement of IP
 - Expense – US patent may cost over to \$50,000 to obtain and maintain
 - Worldwide - at least \$100,000 for each
 - Large portfolios in the Millions \$ to maintain yearly
 - Other Cost – Product Specific
 - Research and Development
 - Manufacture and Sales
 - Regulatory costs



Government Affairs, Regulatory Compliance and Trade Matters

U.S. Perspective: Intellectual Property flourishes in structured environments governed by the rule of law

Predictable, open, government structure

- Formation of governing laws and regulation
- Application of regulations
- Dispute resolution



Government Affairs & IP

Laws are established by U.S. Congress with Presidential approval.

- Open process
- Includes: Patent, tariff and tax laws

Regulations *promulgated* by PTO, with public notice and comment.

Regulations *administered* by PTO, with ability to challenge in independent judiciary, request Congress to amend.



IP Regulatory Compliance

Regulations applicable to IP are found in a number of federal agencies:

- Patent and Trademark Office grants rights to ownership
- Federal Trade and Federal Communication Commissions police the fair use of property ownership.
- Open process, all parties able to participate



Trade Regulation & IP

Tariff treatment – Customs and Border Patrol, Department of Homeland Security

Tax treatment – Internal Revenue Service, U.S. Treasury
In-bound investment – Committee on Foreign Investment in the U.S., Treasury

Export – Bureau of Industry and Security, Commerce Department & Directorate of Defense Trade Controls, State Department

Treaties – Bi- and multi-lateral
Exchange Controls



Corporate Issues

- Choice of entity
- Finance
- Governance
- Ownership



Choice of entity

- Sole Proprietorships
- Corporations
 - Tax Considerations
- Partnership Entities
 - Partnerships
 - LLCs



Finance

- Debt
- Equity
- Types of Investors
 - Friends and Family
 - Institutions Investors



Governance

- ❑ Controlled by organizational documents
- ❑ Often involves board elected by owners
- ❑ May have blocking rights to protect the interests of minority holders



Ownership

- ❑ Must ensure ownership of assets by the proper vehicle
- ❑ Important to think of entity as a distinct entity from any of the owners or employees



Litigation & Dispute Resolution



The Process of Patent Litigation

Cease and desist letter

Complaint

Preliminary Motions practice

Answer

Discovery

- Depositions
- Document Production
- Interrogatories
- Inspections

Markman hearing

Experts

Summary Judgment Motions Practice

Trial

Post Trial

Appeal



Skills Needed

Organization

Understanding of the industry

The ability to prioritize

- Claims construction
- Understanding of damages
- Tell a story



How to Resolve Patent Issues

License

Early mediation

Arbitration

Litigation



Difficulties of Patent Litigation in the United States

Discovery

Bad patents

Patent trolls

“American Rule”

- Each party must pay its own attorney’s fees except for limited circumstances.



Conclusion

An Intellectual Property Regime that will attract investment has certain attributes:

- Transparency
- Rational laws and regulations
- Balanced and enforceable business codes
- Access to capital at free market rates
- Trustworthy dispute resolution

Questions?



The Role of IP Professors

- ❑ Engage the Society
 - Introducing Intellectual Property and how it effects people's life
 - Promoting the benefits of an appropriate IP system
 - incentivize and advance technology and creativity
 - build reliable business relationships and attract investment
 - foster industry, jobs and strong economies
 - Bridging the divide between the IP system of the west and those of developing countries
 - Helping establish a system that fits Iraq's society and economic needs and realities



The Role of IP Professors

- ❑ Engage and bridge together the Legal Community
 - Legal Framers – executive, legislature and courts
 - Practitioners – attorneys and agents, and legal associations
 - Business Community – corporations, professional associations, special interest groups
 - Ordinary People – the consumers and the citizen special interest groups
- ❑ Engage the International Community



The Role of IP Professors

- Establishing and Maintaining the System
 - In the Class Room
 - Simulated real-life scenarios, such as the negotiation case study
 - In the School
 - Pro Bono clinics to help those in need
 - Bar associations, blogging, publications, etc.
 - analyzing the laws, rules and court decisions
 - framing and driving the debate
 - informing the community
 - Collaborating with the International Community



Thank You

