

LITIGATORS CORNER:

The Secret to Winning: Don't Represent Jerks



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What determines the success of a patent lawsuit? Good facts are important. You need to be able to establish infringement, not with certainty, but only by a preponderance of the evidence. If you can't show that the defendant's product or method does not include all the elements of at least one claim, there's no point in going forward with any suit. You also need to be able to defeat any invalidity attacks that a defendant will make. You can only "control" the facts by being selective about the cases you take, so you must choose your cases carefully.

You need good thinking. You must think about how the defendant may endeavor to construe the claims, and how to prove infringement. You need to consider how the prosecution history of the patent can be construed or warped, and how you will combat the defendant's interpretation. You may not be able to predict what arguments will be made about anticipation and obviousness before the suit begins, because you do not know what prior art the defendant may cite. After a suit begins, and you see what prior art the defendant dredges up, you can deal with it. But sometimes the

defendant will unintentionally help you. As the adage goes, sometimes it's better to be lucky than good. The defendant may help you defeat its obviousness arguments by using hindsight to analyze the prior art and the invention. Anybody who reads the law knows that hindsight cannot be used when deciding whether an invention would have been obvious to one of skill in the art when the invention was made. That may of course change once we get the results of the Supreme Court's latest foray into patent law, when we get its decision in *KSR*. Here, your "control" is limited to what you actually know before the suit begins.

But there is something that is even more important than good facts and good thinking — something that didn't become apparent to me until I had been through a number of contingent fee cases. And, with respect to this factor, you definitely have control. What I am talking about is choosing an effective, cooperative, helpful client. This one factor will make or break a contingent fee case. This is something you can control before any suit begins.

Over the years, our firm has successfully represented numerous contingent fee clients, but one of the most memorable of these for me was a case we did on behalf of Noel Atkinson, an independent inventor. I first wrote about this case — and about what made Mr. Atkinson such a stellar contingent fee client — in *A Contingent Fee Victory* (May, 1999). Although this case was not our biggest money-maker, it convinced me then, and convinces me even more now, of the importance of picking the right client.

Noel Atkinson was an engineer from Indianapolis who began working independently after twice losing jobs in the 1980s because his employers were successively bought out by the same Japanese company. Having been burned twice, he formed his own company and continued developing technology for communications, including improvements for scanning radios. These radios are now computer-controlled, and they are used by hobbyists, news organiza-

tions, and others to search for radio transmissions involving aircraft, police, fire, and other services. A scanner radio can store hundreds of frequencies and search across many bands, such as FM radio, television, aircraft, police, etc.

What made Noel Atkinson the ideal contingent fee client? First, he was committed to the success of his case. Even though he was an entrepreneur, he took time off from his business, turning down projects so that he would have adequate time to help us. He explained the technology to us, gathered documents regarding his activities, helped prepare for and attended depositions, analyzed documents produced by the defendants, and came to Chicago to meet with us whenever necessary. He was our expert on radio technology and circuitry. Best of all, he was an excellent witness: friendly and knowledgeable, all in the low-key midwestern salt-of-the-earth mold. He could explain the intricacy of a phase-locked loop circuit — a part of one of his trade secrets — using simple analogies, like the use of a household thermostat to control a furnace and the temperature of a room. He was indeed the "right client" for this contingent fee case.

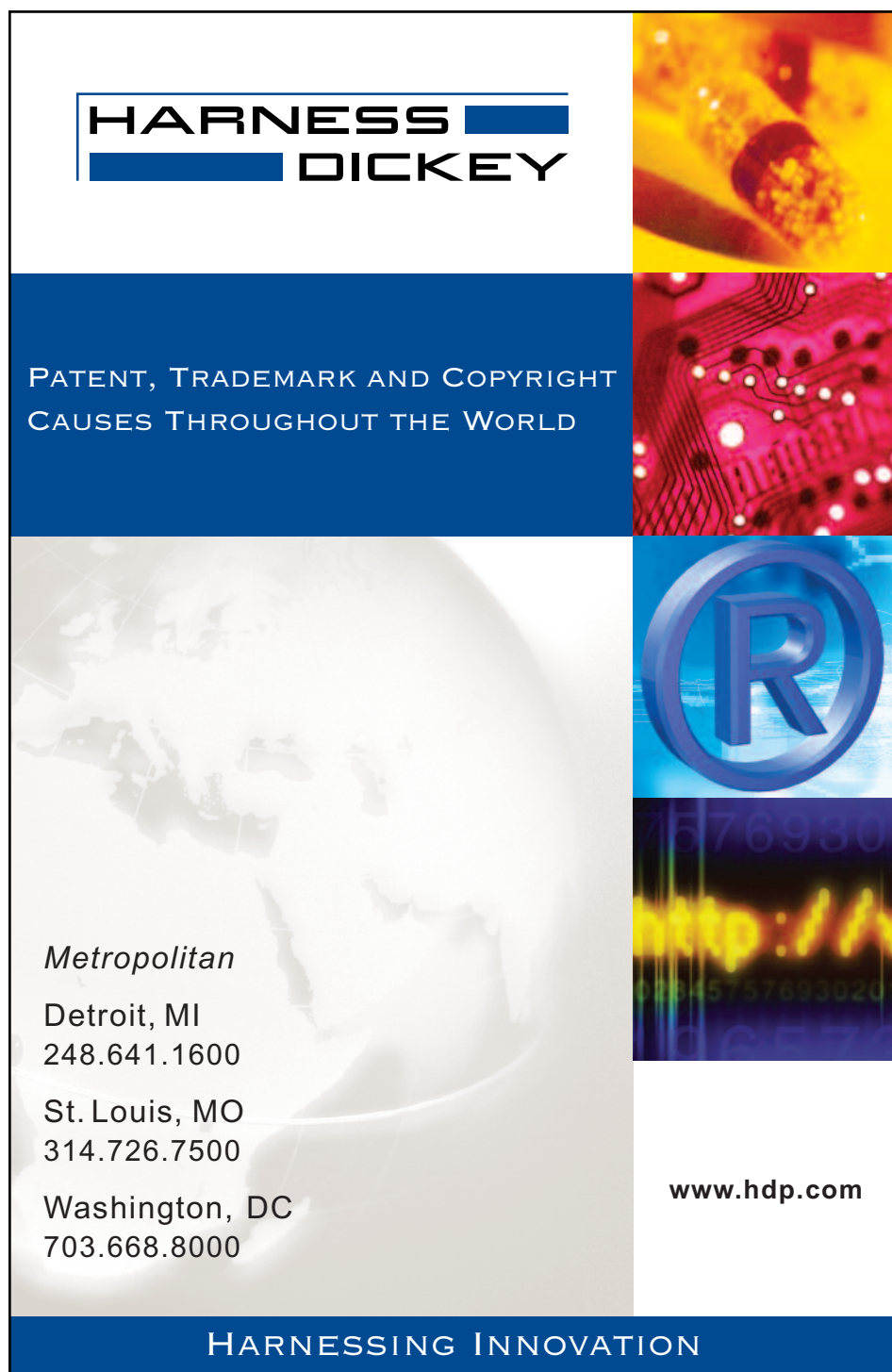
Mr. Atkinson laid the right foundation before he ever came to see us. Several years earlier, he had consulted an attorney in Indiana for guidance on how to conduct his consulting business, as well as to prosecute some patents, one of which was related to our case. The same attorney helped him formulate a license agreement with a Japanese company — who turned out to be a defendant in our case — that had asked Noel to provide consulting services. When he ultimately came to us, he needed our help to pursue a breach of that license agreement by the Japanese company. The purpose of the agreement was for Noel to provide consulting services to the Japanese company (we'll call it XYZ) in order to develop high-speed scanner radios. Noel licensed XYZ to make and sell commercial products using a portion of his technology, described in a pending patent application. While the agreement also provided that Noel would disclose additional technical information about scanner radios, XYZ was only allowed to evaluate the remainder of the technology, and could not use it in any other way. That technology had to be kept in confidence, and was supposed to be returned to Noel if the relationship ended.

Noel therefore kept control of the bulk of his technology. Also, he retained his ownership of the copyright protecting the computer software that was used to operate a prototype radio designed for the Japanese company.

A more recent case involves an equally outstanding client. Since we are in litigation for him right now, I won't name him. He is a prolific inventor, and came up with an ingenious idea. Like Mr. Atkinson, he did many of the right things before coming to us. He disclosed his invention to his employer, and negotiated a release so that he could pursue a patent and license it on his own. That eliminated what might otherwise have been a major issue in any subsequent lawsuit. Our client's preparation for depositions was thorough and relentless. When his deposition came about, he prepared for over two weeks. It did not matter when we had a question; he would always respond immediately, and take whatever time was needed to give us a thorough answer. He would review and research documents, and do whatever was necessary to help his case succeed. He listens to what we have to say.

So I have come to the conclusion that a good client is very important — just as important as good facts and as good thinking on the lawyers' part. My conclusion is confirmed by experience I have had with clients who did not measure up, even though their cases had merit. Those clients were not as successful, despite having meritorious facts and good lawyers. One such client was a businessman who "knew it all." At the height of the dot.com bubble, before it burst, he was convinced that another, equally arrogant businessman had ripped him off. He would not accept our viewpoint that the adversary in the lawsuit had defenses based on a prior business relationship between the two companies. He treated it as a personal, not a business matter, thus demonstrating bad judgment.

He didn't cooperate either. When we needed an expert for a claim construction hearing, we were promised the help of one of his key employees. We didn't get it. I had to prepare the witness to testify in a late evening automobile ride from the airport to the hotel. When we needed to prepare our businessman-client for a deposition, one of our lawyers had to threaten to crush his cell phone if he answered it one more time during preparation. When we had a settlement



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conference with a magistrate judge in a related case, we were ordered to bring people with complete settlement authority to the settlement conference. I conveyed these instructions to our businessman-client and was assured the right people would be there. But, when we met with the court, our client's representatives had to run to the telephone several times to talk to the businessman-client, who was not present. It reminded me of school children getting permission to go to the bathroom. We

finally told our businessman-client to go elsewhere for representation. This isn't the only businessman I saw who was afraid to participate in a settlement negotiation.

I have more such stories, both good and bad. But you get the idea. You need good facts. You need good thinking. But, even more important, you need a good client. With a good client, you are likely to get good preparation, a good infringement case, and a lot of help just when you need it most in a contingent fee lawsuit. **IPT**