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What Are Your IP Litigation Landmines?

Law360, New York (September 11, 2015, 7:09 PM ET) -- Scorched-earth tactics, "misunderestimating" juries, and playing "cutesy" when responding to discovery were but a few of the litigation landmines discussed recently by IP Law360's Voices of the Bar panel. One top litigator even took to poetry to share her thoughts on the subject ...

Question: What tactics or strategies are landmines that litigators should avoid when trying intellectual property cases?

Padmaja Chinta, Cittone & Chinta LLP

Short of lying on the record and abusively hiding the ball, I do not think of any single tactic as being a recipe for disaster. But there are some practices and strategies that are better to avoid if you want successful litigation results. First, which is specific to patents, is oversimplifying the invention without taking the time to understand the patent. There is a distinction between understanding the complexities of the technology well enough to simplify it, and glossing over the details to present a simple story. When litigators do the latter, and it happens often, it always comes back to bite them, whether you are the defendant or the plaintiff. Second, which applies to most IP, is waiting too late in discovery to hire a damages expert. Accounting books, especially at large companies, can be complicated. Since litigations are mostly about the bottom line, the sooner you understand the financial story, the better off your client is. Third, which applies to all cases, is failing to establish credibility. Litigations have lingered on for years simply because litigators lost the trust of their opposing counsel. So always keep your promises.

Paul H. Roeder, Hewlett-Packard Co.

In my experience, some jurors decide who is “right” or “winning” by counting “points” during the trial. Two places where points are scored are in cross-examination and in closing arguments. We understand this, of course, but what we fail to appreciate is that points scored on non-essential issues are as important as points scored on key issues, because many jurors never connect the dots of our case. Rather, in answering verdict questions, jurors may “vote for the winner” rather than truly understand the specific question (e.g., does a particular reference anticipate). And thus two errors often arise. First, we struggle to drop alternative ways to win. We can’t give up on that third non-infringement theory because, you know ... “it’s right!” But, the points the other side scores in rebutting that theory (especially in closing) may cost us the entire case. Second, we fail to appreciate the harm done by cross-examination of witnesses on “irrelevant” issues. A mistake or logical error by an expert on a trivial issue may swing a juror as to which side is “right” or “winning.”

Michael P. Sandonato, Fitzpatrick Cella Harper & Scinto

Over-promising in an opening statement is a potential landmine that can easily blow up. Opening statements are a wonderful opportunity to tell your client's story to the jury, and to talk about the evidence that they will see and what you will prove. But you must be certain that the evidence that you say they will be seeing will be admitted, and that you will be able to prove the things that you say you will be proving. A skilled adversary will be attuned to the promises that you make, and will be quick to point out in her closing any gaps between what was promised and what was delivered. And even if the gap relates to a non-critical issue, the simple failure to deliver on a promise can cause you to lose credibility with the jury, and undermine your case. It's often best to err on the side of caution in an opening, realizing that you will have the opportunity to discuss the evidence in your closing arguments, after it has been admitted.

Floyd A. Mandell, Katten Muchin Rosenman LLP

From the standpoint of trademark litigation, while some of these strategies would appear to be self-evident, I have seen experienced lawyers lose clients or cases by not following some of these elementary rules:

- Do not send a cease-and-desist letter asserting a likelihood of confusion unless/until you are certain that your client has superior rights, and do not threaten litigation unless your client understands the risk of a declaratory judgment action.
- If defending, explore insurance coverage early.
- Before you seek a TRO or preliminary injunction, assess the merits/need and your judge's past decisions, and recognize that delay in bringing the motion can be fatal to success.
- Have a game plan, together with probable costs and risks at the outset, and update that plan regularly with your client as the case progresses.
- Always be as civil and as professional as possible to opposing counsel; there is no advantage to being rude, and it likely will hurt as opposed to help you and your client.
- Never use a mediator that you or someone you trust has not used, and do not wait until the close of discovery or worse yet, the eve of trial to explore mediation.

Maya M. Eckstein, Hunton & Williams LLP

A typical landmine for IP litigators — particularly patent litigators — is losing the forest for the trees. Patent litigators often get caught up in the minutia of what they are trying to prove or disprove, forgetting the bigger picture. No matter the technical details, even patent cases require a story; cases are lost without a big picture storyline. Patent litigators who get lost in the minutia of the technical case may have the right technical arguments, but still lose the case because they failed to focus on the larger storyline, i.e. they lost the forest for the trees.

Krish Gupta, EMC Corp.

One of the biggest mistakes I see some IP litigators make is the use of scorched-earth tactics in every case, for every issue, without considering whether the particular dispute has any importance to the

litigation overall. Litigators should always try to “win the case” within the bounds of the rules of ethics and the needs of the client. That means that litigators should focus first and foremost on pursuing strategies that will actually advance the case on the merits. Too often, I see lawyers being distracted by irrelevant and tangential discovery disputes that will have no impact on the ultimate outcome. Not only are such detours costly for the client, but, by shifting focus away from what really matters, they can place the ultimate success on the merits in jeopardy. Knowing what is important, and what is not, is a skill that takes time and experience to develop. But it is a skill that, effectively deployed, can be case dispositive.

Andrew W. Stroud, Hanson Bridgett LLP

In trial, IP litigators should try to avoid “misunderestimating” the intelligence of juries. Because IP trials sometimes involve new technologies or concepts that can be very complex, many litigators tend to believe jurors will never understand the technology, as if they are just “rocks in the box.” This can lead to many hours of testimony spent trying to make juries understand the technology itself. That can be a real mistake. In my experience, all jurors bring different intelligences with them. Many may not understand the full complexity of your technology and how it works but most will understand what it is meant to do and why it exists. Rather than focusing your energy on trying to make the jurors understand how a certain algorithm works, focus instead on why the algorithm is important to your client’s business. Very few jurors can understand the workings of the internal combustion engine but every juror can tell you why a car is important in their life. This does not mean they are dumb; it means they focus on what is important to them. Spend your valuable time showing juries the car, rather than trying to make them understand the engine.

Mark L. Hogge, Dentons

The late jurist Sam Ervin III of the Fourth Circuit once cautioned, "You have to choose the ditch you're going to die in." In IP trials this is particularly sound advice. Choose your best patent claim, defense or argument and then dig in and fight for your position. The high-risk nature of IP trials can foster the desire for lawyers to hedge and maintain as many issues as possible, but that usually leads to biting off more than you can chew. Since IP cases often involve shifting burdens on the merits, this is particularly dangerous. If the theories are overly complex, if there are too many patent claims asserted against too many products, or if there are too many defenses asserted, then every step of the trial becomes overly burdensome and the focus of the case will drift from the actual evidentiary conflict that is to be tried.

Christine E. Lehman, Finnegan Henderson Farabow Garrett & Dunner LLP

Lack of preparation is one of the biggest landmines in IP litigation. Every aspect of litigation can be improved by preparation or doomed by a lack of it, but the beginning and the end are particularly important. Filing a complaint should always be preceded by preparation, especially when filed at a fast-track forum such as the ITC or the Eastern District of Virginia. Clients are often in a hurry to file, but pre-complaint preparation, including retaining expert witnesses, interviewing inventors, checking assignments, and even preparing documents for production can give you the upper hand from the very beginning of the case. It is a huge advantage as the plaintiff and you only have it once. Trial preparation may seem obvious, but it is often given short shrift due to last-minute settlement negotiations. If settlement negotiations are heating up before trial we will often have a different team of lawyers handle settlement, so the trial team can focus on trial preparation. We are able to negotiate the settlement from a position of strength because we are ready to go to trial. And when a settlement falls through, we are ready and focused on trial.

Barry S. Goldsmith, Miles & Stockbridge PC

The biggest landmine (at least in terms of potential cost) that IP litigators need to avoid is the risk of triggering the awarding of attorney fees. In view of the Supreme Court decision of Octane Fitness, the risk of the opposing side requesting attorney fees, and succeeding, has risen tremendously. Therefore, a patent holder needs to do everything possible with available public information to show infringement before filing a lawsuit. That can mean doing a thorough search on the Internet for all information, and/or purchasing the accused product, if applicable. A detailed claim chart should be prepared, and if any critical claim construction outcomes are needed to show infringement, or avoid invalidity, there should be a reasonable explanation to justify the claim construction. Input from a technical expert for complex technology is also helpful. All of this evidence will be extremely valuable if the case goes bad and attorney fees are now being requested. Of course, if the case is determined to be weak based on the prefiling investigation, it should not even be filed. Hopefully, Octane Fitness and some other recent patent developments will enforce this behavior.

Gary A. Rosen, Law Offices of Gary A. Rosen PC

When I began litigating cases for IP owners in the late 1980s and early 90s I would, whenever remotely possible, seek a TRO, preliminary injunction, or other form of expedited relief right out of the box. The odds were favorable — irreparable harm was readily presumed, courts were reasonably well-disposed to hear and grant such motions, and the leverage thus obtained was invaluable, often immediately decisive. Even where the motion was denied, the advantages of seizing the initiative usually made the effort worthwhile. Any adverse findings were not preclusive, legally or practically. Over time, changes in the law (eBay v. MercExchange, e.g.) and the steady drumbeat of attacks on weak patents, over-reaching IP owners, and trolls in the popular media turned the calculus upside down. Other than in cases of outright piracy, the chances of obtaining interlocutory relief became slim and the practical consequences of losing the motion more severe. Judges seemed increasingly inclined to treat it as your one bite at the apple, throwing up procedural hurdles that made it more difficult to reverse the outcome on a full trial record. “Landmine” might not be the right metaphor — such motions now feel like a hand grenade more likely to blow up in your face than hit your target.

Jane Shay Wald, Irell & Manella LLP

A strategy too oft' ignored?
Civility. I'm often floored

By energy some lawyers waste
Dispatching emails in poor taste

To threaten motions with no basis
(Adding billings to weak cases?)

The court won't like you any better
If you send a pompous letter

Citing Shakespeare to explain
Your client thinks that mine's insane

A tactic: Focus on the facts,
And law. Just skip the snide attacks.

Robert Stoll, Drinker Biddle & Reath LLP
Former USPTO Commissioner of Patents

Patent litigation pitfalls parallel mistakes in any litigation. Most important is to know all of the facts surrounding the patent you are handling. This helps to minimize surprises. Equally important is to know the most recent court cases relevant to the issues in your case as the law has been evolving quickly in the field of patents. Beyond the generally applicable golden rules that are basic to any litigation, there are some considerations particular to patent litigation. Firstly, in conducting your due diligence on the patent and its progeny, check to see whether the patent application or related applications have been rejected in other countries. Prior art found in related foreign cases has bitten many an unwary litigator. Also, closely study the file history of the patent application; many of the issues for litigation originate there. Develop a well-supported claim construction that is convincing. That sets the table for the entire litigation. If opposing a patent, consider using one of the several post grant proceedings against it at the USPTO. The new AIA procedures have become a regular part of patent litigation strategy. But, as mentioned earlier, it is still most important to know the patent and patent law.

Hiroyuki Hagiwara, Ropes & Gray LLP

Complexity of your trial themes and presentation is a landmine to avoid. Most IP cases involve a complex set of facts as well as multiple claims and defenses. The winning party often successfully distills the case to a clear, simple and compelling story. Another landmine to avoid is appearing not completely forthcoming and honest before the jury. In patent cases, accused infringers sometimes bet the case on plaintiff's failure of proof of infringement. That strategy could backfire if the plaintiff offers evidence sufficient to get past a directed verdict motion. The defendant then could get stuck with lack of disclosure of the factual basis for noninfringement, ultimately leading to lack of evidence to effectively rebut the allegation of infringement with its own evidence. It is a risky proposition to rely entirely on the defense of "plaintiff has not proved infringement" and not be able and ready to argue and prove that "we do not practice the patent and do our business completely differently — and here is how we do it differently." And a trial story not including the latter statement would lack power of persuasion.

Kenneth R. Adamo, Kirkland & Ellis LLP

In a PTAB trial/oral hearing, assuming that stare decisis exists. There is no legal precept recognized by the PTAB establishing a usual precedential system of controlling law between PTAB decisions, save Standard Operating Procedure 2. That onerous procedure insures that there never will be precedential effect based upon the vast majority of PTAB opinions. As a work-around, remember law of the case; learn Title 5 of the APA backwards and forwards, starting with 5 USC § 706; and rely upon the Office Patent Trial Practice Guide, 37 CFR Part 42, that binds all panels, as do the Federal Rules of Evidence.

In a jury trial, assuming that trial evidence proceedings will be tolerated by the jurors. Evidentiary sidebars rapidly get old, particularly if the courtroom has a "white noise" generator that gets turned on during a sidebar. Any accompanying improper in limine motion practice will only heighten juror annoyance. As a work-around, try hard to take care of all evidentiary issues outside the jury's presence.

Richard Baker, New England Intellectual Property LLC
Former Director of IP Licensing for 3Com Corp.

The biggest landmine in patent litigation today is a single-minded focus on infringement and validity aspects of the case without paying attention to the damages case. The technical-only strategy worked before eBay Inc. v. MercExchange LLC removed most injunctions, but today, without the threat of injunctions, a solid damages case needs to be planned and developed in conjunction with the technical aspects of the case. Plaintiffs need to assign specific attorneys to handle the damages case, assuring that damages experts are hired early, financial discovery is collected, and damages are integrated into the overall strategy from the start. Failure to pay attention to damages leads to victories that do not cover the cost of the litigation.

Naomi Jane Gray, Harvey Siskind LLP

As a young litigator, I was taught by a mentor not to "play cutesy" in responding to discovery — in other words, not to assert hypertechnical or baseless objections, or provide evasive answers. This advice applies with equal, if not greater, force to core, merits-related issues in IP litigation. For instance, a trade dress plaintiff must clearly define the trade dress that it seeks to protect, so that the parties can assess the threshold issues whether the trade dress is nonfunctional and distinctive. Similarly, in trade secret litigation, the plaintiff must identify the trade secrets at issue. In California, the plaintiff must do so with "reasonable particularity" before it can commence discovery relating to the trade secrets. Such issues should be thoroughly examined in light of the available evidence well before filing a complaint. A plaintiff's failure to do so can be fatal to its claims.

Steven Wong, The Home Depot Inc.

Every IP litigation is unique in one way or another, and the law is frequently changing. So it can be difficult to paint broad strokes for landmines. That being said, there are a few general practice tips that stand out to me. First, be respectful and professional to each other during litigation. I get the impression that some attorneys just enjoy being hostile for the sake of it. I understand the need to zealously advocate, but we all know when someone is being unbearable and sophomoric when we see it. It's a small world, and IP attorneys can have long memories. Second, have a good plan that lays out the strategy for the litigation and do your homework. Be sure to understand the specific facts and technology about the case. Be sure to understand the local rules of procedure and rules of evidence. Be sure to understand what evidence you need and which witnesses should be deposed. The lack of a plan is also a sure-fire way to go over-budget, and that can cause great consternation with the client. Lastly, set realistic expectations at the beginning of the litigation and revise those expectations as necessary at each significant change in the litigation. It's easy to get bogged down by the minutia of the litigation and to become emotional during a contentious battle. But understanding the expectations and making decisions under that backdrop can help ensure that the litigation progresses according to the clients' best interests.

Garrard R. Beeney, Sullivan & Cromwell LLP

Trying IP cases presents several unique challenges. First and most obviously, IP cases may involve complex technologies. Resist the temptation to address the technology without providing a broader context. Convince the jury that a decision for your client will make their lives better. Whether protecting innovation and the befits of improved products or, on the other hand, ensuring that invalid IP rights don't impede the benefits of competition, don't end the technology story with the technology — find a broader context. Also with respect to technology, don't be condescending or talk down to the jury from a "superior" position of knowledge. It's the lawyers job to simplify, and make sure you (and your witnesses) convey in ways the jury can understand what needs to be understood. IP law also has a tendency to look backward — e.g., the date of first infringement or disclosures or errors in prosecutions

or applications. Don't allow that focus to distract you from making your clients' rights significant to the future. What happens next will be far more significant to the trier of fact than what happened six years ago. Finally, IP lawyers sometimes forget the need at trial to tell a cohesive and compelling story. While addressing necessary complexities and details, don't forget that even the most complicated facts and law need to be distilled into a persuasive narrative.

John A. Dragseth, Fish & Richardson PC

As an attorney who focuses on appeals, I see many trials in which a party got so focused on a big-picture theme that they forgot to prove every element of a claim on which they bore the burden of proof. It is way too common for experts (whose testimony is central to any patent case) to skip relevant points, shade them, or fail to recognize that the opposing team used wordsmithing to get the expert to admit away a case. Certainly, you don't want a trial to be a mind-numbing checklist of legal elements, but good attorneys present an interesting case that is also complete.

Patricia Martone, Law Office of Patricia A. Martone PC
NYU School of Law Adjunct Professor

Volumes have been written on trial practice. My short list of mistakes to avoid includes:

1. Failure to plan for trial and evidentiary submissions. As early as possible, you should prepare an order of proof for trial, identifying in summary form your key case themes, the facts to be proven, the witnesses you intend to call and the key documents on which you plan to rely. Update as the case proceeds.
2. Failure to conduct jury research prior to a jury trial. Jury research at the place of trial is a must.
3. Incessant disputes with opposing counsel. This is not the time for squabbles. Demonstrate to the court that you are an officer of the court whose word and deed can be trusted.
4. Trying too many issues. Simplicity connotes strength.
5. Talking down to jurors. Treat the jury with the respect they deserve.
6. Lengthy cross-examination of experts. They will not admit that their conclusion is wrong, and you underscore the importance of their testimony.
7. Personal attacks on the parties. Try the case, not the parties.
8. Failure to timely make JMOL motions and preserve objections to jury instructions and evidence. Make sure you understand local practice.

Larry W. McFarland, Kilpatrick Townsend & Stockton LLP

I have found that one of the biggest tactical mistakes that litigators make is in failing to retain survey experts at the beginning of the case and further failing to have these experts conduct early surveys. This leads to numerous problems. First, by the time trial approaches, you might very well find that the top survey experts have already been retained or are conflicted. At best, you may be faced with a situation where you have to settle for who is available rather than who you want. Second, an early survey can help you shape your case for trial whether you are a plaintiff or a defendant. I understand that the option of conducting early surveys might not always be possible due to budget constraints or client instructions, but in my opinion this is money very well spent. It can change your whole approach to the case and to the trial. Third, early surveys may enable you to avoid trial altogether by settling the case.

Objective third-party evidence is extremely helpful in evaluating the strengths and weaknesses of your case, and the sooner you have this information the better.

David L. Suter, Harness Dickey & Pierce PLC
Former Associate General Counsel for Patents, Procter & Gamble Co.

In my view, the landmines ignored in the run-up to litigation — in a patentee's IP prosecution and enforcement strategy, or in an accused infringer's risk avoidance strategy — may affect the ultimate outcome more than the particular tactics employed once one is in a litigation posture. That said, a troublesome feature in much litigation is the seeming willingness of parties to assert thinly supported positions or engage in guerilla tactics in the name of zealous representation. While such tactics take a toll on the opposition, and might meet with some success, they frequently undermine the credibility of counsel and parties in the ultimate resolution of litigation by settlement or in court, and needlessly inflate the costs for all concerned. Furthermore, such tactics, which many would assert are a hallmark of "patent troll" litigation, do not well serve the IP community in general. Indeed, the harassment factor of patent litigation has certainly been a motivation for many of the legislative and judicial constraints recently imposed on patentability and enforcement. Broader concerns about tactics are not going to drive the decisions made in any given suit. But they reflect landmines that have been laid far outside the context of any specific IP litigation.

Jeff Van Hoosear, Knobbe Martens Olson & Bear LLP

One potential landmine in IP cases is the strategy of relying solely on legal arguments to exclude testimony or other evidence from the case. As we all know, evidence of prior art in a patent infringement case, or evidence of prior use of a trademark in a trademark infringement case, can quickly snuff out a plaintiff's case. It could be a case-ending mistake, if the litigator's only strategy for winning is to exclude damning evidence by arguing its inadmissibility due to legal theories such as lack of foundation, lack of authentication, or lack of corroboration. If the litigator is unsuccessful, and the judge allows the evidence during pretrial or at the trial itself, then the chance of winning the case or reaching a reasonable settlement will be in serious jeopardy.

D. Bartley Eppenauer, Shook Hardy & Bacon LLP
Former Chief Patent Counsel for Microsoft Corp.

IP Litigators need to avoid the trap of diving so deep into the merits of infringement or validity issues that they fail to develop a compelling story. Facts about patents and technology in the abstract are very difficult to follow and invite jurors to tune out, much the same way that someone stops reading a history book that relays dates and events without delivering them in an engaging story. Litigators should present their case as an interesting story with a beginning, middle and end, and illustrate it in a way that shows there was a struggle or challenge that the technology overcame. That story should artfully be aligned with the coverage of the asserted patent. Great historical writers like Walter Isaacson nail this — especially in his latest book "The Innovators."

John C. Jarosz, Analysis Group Inc.

The vast bulk of IP litigators are incredibly smart and exceptionally hardworking. Through many months of developing a case, they often come to know and love the appeal of their case. The very best litigators, however, also come to know and fully appreciate the appeal of their opponent's position. Full appreciation involves addressing head-on the best and most compelling positions of the other side. To the trier of fact, it shows respect and balance. And it acknowledges that most matters that go all the

way through protracted litigation are tough cases. It is a tactical error for a litigator to simply speak loud, or in great volume, or with the message that there is no merit to the other side's position. Triers of fact typically are open books. Understanding that they are very likely to see at least some appeal in the other side's case and need assistance in balancing conflicting facts and positions, litigators should avoid the landmine of blinded advocacy.

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Looking for more insight from IP Law360's Voices of the Bar? Read what the panel had to say about the proposed rule changes to the America Invents Act.

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