



# Intellectual Property Law Section

## State Bar of Texas

### Special Issue - 2007 Advanced Patent Litigation Course

## Texas Litigators Go To Lake Tahoe

Reporting by Jordan T. Fowles and Tung T. Nguyen. Photography by Tung T. Nguyen.

For the third time, the Texas patent litigation bar assembled around Lake Tahoe in California's Squaw Valley resort for the annual Advanced Patent Litigation Course held July 12 and 13.



Squaw Valley.

### Thursday Morning

The guests awoke to pristine, crisp blue skies and beautiful High Sierra landscapes untouched by recent fires. After a stirring welcome by Dan Perez, the course director for this year's CLE, Steve Malin of Sidley Austin intrigued us with a discussion on getting "whacked" by inadequate pre-suit investigations, and introduced his Malin "Rule of Reason" for the pre-suit investigation. Other panel members, including Glenn Thames of Potter Minton



Lake Tahoe in the distance.

and Judge Layn Phillips of Irell & Manella, shared valuable insights regarding the discoverability of pre-suit investigations as well as proper timing to file for sanctions for such investigations (or lack thereof). Then Umesh Desai of AT&T Knowledge Ventures and Jim Etheridge of EDI discussed the emerging trend of companies towards monetization and revenue generation as the end goals of patent protection, as opposed to market share protection and domination as the end goals ten years ago.

Bob Haslam of Latham & Watkins then moderated a judges' panel on local patent rules with Judge Ron Clark from the Eastern



Glenn Thames, Hon. Layn Phillips and Steve Malin discuss pre-suit investigations.



Dan Perez, Hon. Ron Clark, Hon. Ed Kinkeade and Robert Haslam prepare for discussion of patent rules.

District of Texas and Judge Ed Kinkeade from the Northern District of Texas. Among other things, both Judges agreed that infringement and invalidity contentions must be specific, highlighting the need for parties to “do it right the first time” or face entering “dangerous waters” where they will only allow amendments for “good cause,” meaning an unexpected *Markman* ruling or previously unknowable material. In addition to mentioning the possibility of Outer Mongolia as a convenient patent forum (because neither the Russians nor the Chinese can own property there), Judge Kinkeade emphasized that he is trying to make Dallas a desirable venue for patent lawsuits in the future, and invited everyone to file suit there. Then, the pre-lunch panel focused our attention on the details and nuances of the ever more complex business of e-discovery.

Over lunch, Thomas Goldstein of Akin Gump dazzled us with stories of *KSR*, abortion, and raccoons in the Supreme Court during the last term. Goldstein had argued the *KSR* case on behalf of Teleflex and shared helpful insights he learned from that experience about the Court and the Justices relating to intellectual property before the Supreme Court. The buffet lunch was delicious, and the speech a hearty complement.



Thomas Goldstein

## Thursday Afternoon

After lunch, Hilda Galvan of Jones Day and Bart Showalter of Baker Botts shared with us their combined insights regarding using reexamination proceedings as a “time-out” during patent litigation. Patent litigators would do well to consider the so-called *DataTreasury* stipulation (from several



Dan Perez, Bart Showalter and Hilda Galvan discuss how to stay a patent case.

cases pending before Judge David Folsom in Texarkana) when litigating a case where the patents are in reexam. After learning how to take a “time-out” from the trenches of patent litigation, CLE participants took a “time-out” from the hotel conference room to participate in the annual Tahoe Golf Tournament, an integral part of the CLE proceedings. Then, participants gathered to swap stories at a reception in the shadows of the majestic Sierras as the sun set in the Western sky.



Participants prepare for the annual golf tournament.





Thursday evening social.

### Friday Morning

Friday morning started with Jay Johnson of Texas Instruments leading a distinguished panel of foreign lawyers through a lively discussion of foreign jurisdictions in which to bring your patent suit. Koichi Tsujii of Nakamura & Partners in Tokyo, Japan provided the audience with an explanation of the Japanese Court system as it relates to patent and intellectual property cases.



Jay Johnson, Koichi Tsujii, Hilary Pearson, and Richard Schlötter discuss patent suits in foreign jurisdictions.

While certainly fast with a pendency of only 13.5 months (in 2005), the likelihood of having your patent rendered invalid is substantial (60% were held invalid in 2005). Richard Schlötter of Jones Day in Munich, Germany followed with a discussion of patent litigation in Germany, which accounts for 60-70% of all European patent litigation. Interestingly, the German Courts consider only infringement. Invalidity must be raised in a separate action, either an opposition or a nullity proceeding. Hilary Pearson of Bird & Bird in London, England wrapped up with a discussion of patent litigation in the U.K.

Courts, where decisions can be obtained in as quickly as nine months.

After hearing Judge Lee Yeakel's thoughts on expert witnesses and expert reports, participants heard from a panel on damages and other equitable relief. Tom Walsh of Fish & Richardson provided an analysis of the practical effects of the Supreme Court's



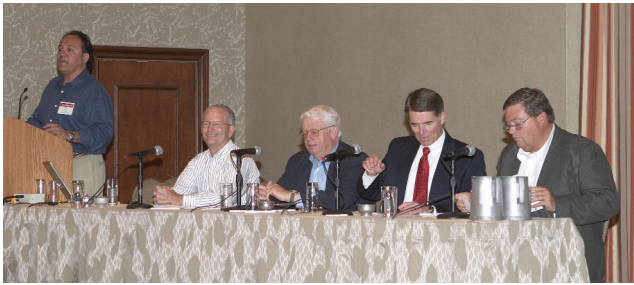
Doug Cawley and Hon. Lee Yeakel.

*Ebay* decision: of the seven post-*Ebay* cases in the Eastern District of Texas, injunctions were denied in three cases and granted in four cases. Stephen Lundwall of Howrey discussed proposed changes to the damages statute, and Roger Carlile of FTI Consulting provided a practical explanation of the entire market value rule and the role of apportionment in determining damages.

The final panel before lunch focused on *Markman* hearings and provided the participants with practical tips on arguing a *Markman* hearing, including a number of "credibility checks" to avoid losing credibility with the Court.



Tom Walsh, Jerry Selinger, Brandon Baum and Jordan Fowles discussing *Markman* hearings.



Dan Perez introducing Clyde Siebman and a panel of East Texas Judges: Hon. Ron Clark, Hon. T. John Ward, and Hon. Richard Schell.

### Friday Luncheon

At lunch, participants were treated to a panel of Eastern District of Texas Judges. Moderator Clyde Siebman questioned the Hon. Ron Clark, the Hon. T. John Ward, and the Hon. Richard Schell on a number of topics near and dear to those practicing in the Eastern District of Texas. The judges emphasized the importance of getting along with opposing counsel, including conferring in good faith and granting reasonable extensions when asked.

### Friday Afternoon

After lunch, participants were treated to excerpts of opening statements presented by Morgan Chu of Irell & Manella from the *Immersion* trial and Steven Zager of Akin Gump from the *Hexion* case. Judge Lee Yeakel, Morgan Chu and Steven Zager then discussed the importance of establishing your trial theme early and staying on message throughout the trial.



Morgan Chu giving the audience a taste of his opening statement in *Immersion v. Sony*.

The final panel provided the audience with in-house counsel's perspectives on patent litigation. Course director Dan Perez



Dan Perez questions in-house counsel panel of Joe Dearing, Chad Hanson, and Anthony Peterman.

questioned in-house attorneys Joseph Dearing, Chad Hanson and Anthony Peterman on their pet peeves and suggestions for improving the relationship between in-house and outside counsel.



### Mark Your Calendar

**The 23rd Annual Institute on IP Law** will be held October 4-6, 2007 at Moody Gardens in Galveston, Texas. The [brochure](#) and registration information is available at [www.hipla.org](http://www.hipla.org).

**The 45th Annual IP Law Conference** will be held November 12-13, 2007 at The Center for American and International Law in Plano, Texas. Program details and registration information is available at [www.cailaw.org](http://www.cailaw.org).

**The State Bar of Texas 126th Annual Meeting** will be held on **June 26-27, 2008** in Houston, Texas. On Friday June 27th, our section will once again offer a full day of high-quality CLE. Block out June 26-27 on your calendar now, and make plans to attend the Annual Meeting in Houston – we look forward to seeing you there!