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BOOK NOTE

WHAT CORPORATE AND GENERAL PRACTITIONERS SHOULD KNOW ABOUT INTELLECTUAL PROPERTY LITIGATION

By Raphael V. Lupo[1] and Donna M. Tanguay.[2]
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INTRODUCTION

With the advent of the information age, a company's ability to protect its technical innovations often means the difference between success and failure. When companies spend millions of dollars developing technology, they cannot afford to allow their competitors access to it for free. In light of these considerations, companies have relied increasingly on intellectual property rights to protect their interests.[3] The number of patent applications filed per year has increased from 105,000 in the early 1980s to about 175,000 in 1991.[4] Similar trends have been observed in the other intellectual property areas of copyrights, trademarks, and trade secrets. This widespread growth in intellectual property protection has dramatically increased the likelihood of companies coming in contact with disputes arising from intellectual property rights. Additionally, as young industries such as biotechnology and computers begin to mature, the associated intellectual property rights become more clearly defined, inducing companies in these industries to make the litigation investments needed to enforce their rights.

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3. *See* Martin Zimmerman, *High-Tech Firms Pull in Reins on Patents*, CHI. TRIB., Oct. 14, 1990, at 11B.
4. *See* David Bowermaster, *Salary Survey*, U.S. NEWS & WORLD REP., Oct. 29, 1992, at 106.

While some firms have handled the increase in intellectual property litigation by calling on general litigators to perform intellectual property litigation, others have started their own intellectual property departments.[5] This creates the problem that general practitioners and corporate counsels are likely to find themselves involved in intellectual property disputes without the experience or background necessary to handle them effectively. As the title indicates, *What Corporate and General Practitioners Should Know About Intellectual Property Litigation* ("*IP Litigation*")[6] attempts to address the problem. Although the title implies that the book pertains only to litigation, it actually addresses alternative forms of dispute resolution including settlements, arbitration, and mini-trials as well.

The purpose of *IP Litigation* as put forth in the preface is to provide "basic" information primarily for attorneys who have had limited contact with intellectual property litigation in the past. The book is "not intended to be a definitive text on the subject" (p. ix). Regardless, it still may be a valuable resource even for attorneys with experience in intellectual property litigation. In addition to providing some general strategies and overviews of the major types of intellectual property litigation, it serves as a convenient resource to track down other sources of information concerning more specific areas of such litigation.

FORM AND CONTENT

IP Litigation is organized well. The table of contents, which is arranged in an outline format with general topics, headings, and subheadings, allows the reader quickly to determine the hierarchical relationships between the many topics covered with just a glance at the contents page. Moreover, the index and reference tables make locating any particular topic very easy. The book itself is divided into eight separate sections, the first being a general introduction and overview that includes background information applicable to all types of intellectual property litigation.

The bulk of the material on the different types of intellectual property

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5. Karen Lloyd, *Patent Infringement: Big Firms Boost Their Intellectual Property Practices at Boutiques' Expense*, RECORDER, Jan. 8, 1991, at 1.

6. RAPHAEL V. LUPO & DONNA M. TANGUAY, WHAT CORPORATE AND GENERAL PRACTITIONERS SHOULD KNOW ABOUT INTELLECTUAL PROPERTY LITIGATION (1991).

is contained in sections two through five. These four self-contained units describe the different aspects of litigation for patents, trademarks, copyrights, and trade secrets, respectively. Each section begins with a general description of the particular type of intellectual property discussed in that section. Typically, the information covered includes topics such as: how the intellectual property right is defined, what the requirements for obtaining the right are, and which government agency regulates the right. This is followed by an examination of the substantive litigation issues for the type of intellectual property right in question, including what constitutes an act of infringement, what the risks and benefits of litigating are, and what types of remedies are available. Immediately following is a description of the procedural aspects of litigation, including jurisdictional and venue requirements. That description also addresses the question of whether there is a right to a jury trial and how to determine when a jury trial would be advantageous to a particular case. Finally, in each section, the authors discuss what defenses and counterclaims are available and how the appeals process functions.

This scheme, which answers the same questions on different types of intellectual property in the same order and manner in each section, is a definite advantage for the overall organization of the book. After learning how one section is organized and how to locate information in that section, the reader can quickly locate information in any of the other sections. Since a typical case usually involves a single type of intellectual property, describing each type of property right completely in its own self-contained unit makes the book much easier to use. Moreover, there are many issues that only apply to certain types of intellectual property, and this format consisting of "stand alone" units reduces the chances of confusing these issues (p. 4). Although some of the subsections, such as those on jurisdiction and venue, repeat the same information, the gain in ease of use makes the repetition worthwhile.

Alternative forms of dispute resolution and alternative tribunals are examined in sections six and eight. Section six covers tribunals such as the U.S. Customs Service, the U.S. Patent and Trademark Office, and the International Trade Commission, while section eight explores various dispute resolution alternatives such as arbitration, mini-trials, and settlements. These two sections describe how various forums function differently from the federal district courts and explain some of the nuances of litigating a case in a non-traditional courtroom.

The seventh section is perhaps the most interesting portion of the book.

It describes strategies and techniques for litigation that apply to the different types of intellectual property. This section provides some ideas about how to determine the costs, benefits, and risks of litigation and how to go about deciding whether to litigate the case, to push for a settlement, or to drop the case altogether. The section also includes strategies concerning efficient discovery techniques and the use of experts. Although these strategies are in no way a substitute for experience, they may be especially valuable to attorneys who are new at litigating intellectual property rights. In fact, even experienced intellectual property litigators may find some of the more subtle strategies and observations helpful.

SUBSTANTIVE REVIEW

All of the sections except for section seven contain generally noncontroversial and basic information about intellectual property litigation. These sections describe the creation of patents under the Constitution, the creation of trademarks under the Lanham act, and the creation of copyrights and trade secrets under the Copyright Act and Uniform Trade Secret Act. Although many other sources contain the same information, what makes *IP Litigation* unique is that it attempts to put all of this basic information in one place in an organized fashion—and for the most part, it succeeds.[7]

The writing, although clear compared to most legal writing, is not extraordinarily captivating or exciting due to its very factual nature. The authors do add some color and life by providing a good supply of examples and by referring to interesting cases. Although each individual section is fairly well-organized, it is very helpful to read each section completely before referring to a subsection because reading the complete unit maps out the large picture that provides the appropriate context for the details. Furthermore, the authors often refer to ideas that are not elaborated until a later part of a section. For example, the beginning of the patent section mentions that a risk of litigation is that a patent may be declared invalid, but the concept of invalidity is not explained until the end of the section.

IP Litigation performs its purpose of communicating the "basic

7. See *infra* for a description of some of the other works that deal with intellectual property litigation and a comparison of some of those works with *IP Litigation*.

information" well, but it really does not go much beyond that. The information offered can be found easily and in much greater detail in other sources. For example, *Copyright Law in Business and Practice*[8] also may be very helpful because it explains all of the basics, but unlike *IP Litigation*, it goes further to explore the finer details of the copyright practice. Similarly, there are other works that cover the topics of patent, trademark, and trade secret litigation in much greater detail than does *IP Litigation*. *Patent Litigation*,[9] the two-volume work put forth by the Practising Law Institute, provides answers to many of the questions that remain unanswered in the patent section of *IP Litigation*. For example, this section states that "there are other technical definitions of prior art that could negate the granting of a patent" (p. 24). Unfortunately, the details about those other technical definitions are never revealed. The Practising Law Institute also publishes two works that cover the other types of intellectual property litigation in more detail than *IP Litigation*: *Technology Licensing and Litigation*[10] and *Copyright, Trademark, and Unfair Competition*.[11] Together, these two works cover the basic information and litigation questions concerning patents, copyrights, trademarks, and trade secrets that *IP Litigation* discusses, but they go much further in addressing the antitrust and unfair competition issues that often arise in intellectual property litigation.

Although *IP Litigation* is a useful resource for locating other sources of information, it could be improved with some simple changes. In order to locate additional sources, the reader has to spend considerable time and effort looking through footnotes in an attempt to discern which sources contain what types of information. One improvement would be to add a small subsection at the end of each section that would delineate other sources of information for particular topics in more detail. This change would also be very helpful to new attorneys, who might raise some more complex questions after having familiarized themselves with the basic information that *IP Litigation* provides.

One limitation in the litigation strategy section is that the authors create

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8. JOHN W. HAZARD, JR., COPYRIGHT LAW IN BUSINESS AND PRACTICE (1989). Those seeking much more detail should consult some of the multi-volume works such as the five-volume *Nimmer on Copyright* or the three-volume *Copyright* by Goldstein. *See* MELVILLE B. NIMMER, NIMMER ON COPYRIGHT (1992); PAUL GOLDSTEIN, COPYRIGHT (1992).

9. PRACTISING LAW INSTITUTE, PATENT LITIGATION (1991).

10. PRACTISING LAW INSTITUTE, TECHNOLOGY LICENSING AND LITIGATION (1992).

11. PRACTISING LAW INSTITUTE, COPYRIGHT, TRADEMARK, AND UNFAIR COMPETITION (1990).

some confusion by attempting to separate the general intellectual property strategies from the specific, but not doing so completely. An example of this is that the "make it simple," strategy is presented as being specific to patent litigation (p. 134). This strategy is actually very practical for all types of intellectual property litigation, not just patent litigation. Admittedly, it is more important to keep things simple in patent litigation because that tends to be quite complicated, but the strategy is equally effective for litigating trade secrets, trademarks, and copyrights as well. Furthermore, this principle of keeping the presentation simple is so far-reaching that it even applies to general litigation outside of intellectual property.[12] Placing the strategy of making things simple under the heading of specific patent litigation strategies is confusing because it might lead readers to conclude erroneously that it only applies to patent litigation and not to litigation in the other intellectual property areas. Similarly, there are other strategies that are designated as applying only to a specific type of intellectual property right that actually apply to all or many of the different types of intellectual property litigation. Some advice given in the trademark section is to consider the fullness of the dockets if there is a choice of forum. It is also suggested that one should take account of the discrepancies in rulings in different circuits to determine which circuit seems most favorable to the case. Both of these are general litigation strategies, not specific trademark litigation strategies. Since the authors have attempted to separate the general strategies from the specific, strategies that apply to all types of intellectual property litigation should be noted as such to avoid any confusion.

A second limitation in the litigation strategy section is that the strategies are presented on a rather simplistic level without sufficient detail on how to implement them. In the case of keeping patent litigation simple, for example, the only specific advice the authors supply is to use "handles," or short-term names (p. 134). Beyond this, they only recommend ensuring that every step of the litigation is kept simple. A useful procedure that the authors might have mentioned to determine whether the case is being presented simply enough is the process of a

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12. One attorney commented, for example, that in complex tax litigation, "[t]he risk for practitioners of losing a case will increase if they are unable or unwilling to state the facts of the case as simply as possible and to support its position with concise and understandable legal and economic analysis." Kevin Dolan, *International Taxes, 'Sunstrand' Said to Reflect Intolerance of 'Traditional' Litigation Strategies*, DAILY REP. FOR EXECUTIVES, July 1, 1991, at G-5.

mock trial. Mock trials may be used to determine whether certain questions in intellectual property litigation are too complex to present to a jury. Subsequent jury questionnaires can help determine how issues can be rephrased to make them simpler and easier for the lay person to comprehend.[13] Mock trials are only one of the many possible methods that can be used to determine whether a case has been sufficiently simplified, but *IP Litigation* explores neither this nor other methods. Furthermore, *IP Litigation*'s analysis of when to invoke the aid of experts is very cursory. It states that "although, it is not necessary to consult with experts prior to the institution of litigation, if funds permit and the case is important enough, this would be a good idea" (p. 125). This advice gives no specifics on when to use experts, but it does seem to imply that using experts early in the process may incur more costs overall. Some research has supported a contrary notion that the early use of experts may actually save money by allowing attorneys to make better decisions about when to litigate and when to settle,[14] but *IP Litigation* does not address this possibility.

In spite of these two limitations, the litigation strategy section does supply useful advice. Although *IP Litigation* does not provide the detailed procedures for carrying out its strategies, it does furnish many ideas that serve as good starting points for attorneys developing their own strategies. General advice such as humanizing the author in copyright cases, using surveys in trademark cases, and even simplifying presentations for patent cases often provides food for thought and sparks other ideas, even if it does not supply all of the essential details.

CONCLUSION

Before deciding whether to add *IP Litigation* to the firm library, one must keep in mind that it only covers disputes. Possible preventive measures such as methods for avoiding infringement and techniques for prosecuting patents that may reduce future litigation are mentioned only in passing. Perhaps they should have been given a little more attention

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13. In a recent commercial insurance dispute, an insurance company used a mock jury to determine whether a waiver/estoppel issue was too complicated for a jury to understand. *See* Neal R. Novak, *Coverage Litigation Strategy: Mock Trials Allow Insurers to Test the Water Prior to Facing a Real Jury*, BUS. INS., May 18, 1992, at 36F.

14. *See* Gary J. Summers & David D. McDonald, *Techno-Consultants Aid in Early Discovery*, RECORDER, Sept. 27, 1991, at 6.

because the book does stress the importance of avoiding litigation expenses, and the extra costs taken in litigation prevention often save far more money in the long run.[15]

Although *IP Litigation* does not provide the detail needed to give a full understanding of the nuances of intellectual property litigation, it can be very useful for attorneys who are new to the field. It provides a good overview of the major topics as well as a background for proceeding. Its usefulness for experienced intellectual property litigators is more limited, but it is still very convenient as a quick reference source because it contains all of the basic information on each type of intellectual property in one location. Additionally, it may be useful in providing clients who are interested in the process with general information concerning intellectual property rights. *IP Litigation* is probably most helpful for firms that are creating or expanding their intellectual property department, because it provides a quick way to familiarize new attorneys with the basics of intellectual property litigation.

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15. RAMON D. FOLTZ, PROTECTING SCIENTIFIC IDEAS & INVENTIONS 28, 122 (1990).