BOOK NOTE

THE ANTITRUST COUNTERATTACK IN PATENT INFRINGEMENT LITIGATION

By Section of Antitrust Law: American Bar Association.[1]
United States: American Bar Association. 1994.
Pp. 234. $60.00 (softcover).

Patent infringement suit claims of inequitable conduct before the Patent Office and claims of patent misuse are staple affirmative defenses in patent practice. Defendants' frequent invocation of the inequitable conduct and patent misuse doctrines causes patentee-plaintiffs to consider the possibility that a court will find the patent unenforceable in accord with those doctrines. The authors of *The Antitrust Counterattack in Patent Infringement Litigation* ("*The Antitrust Counterattack*") offer another reason to contemplate the possible effects of a claim of fraud in patent procurement or bad-faith enforcement: the same actions that lead to a finding of inequitable conduct or patent misuse may also satisfy the requirements for a treble damages recovery under antitrust law.

Courts in the *Walker Process*[2] and *Handguards*[3] cases established that enforcing a patent obtained through fraud on the Patent Office and enforcing a patent known to be invalid may both give rise to antitrust liability (p. 1). Of course, inequitable conduct and patent misuse are affirmative defenses to patent infringement suits and an antitrust counterclaim or an independent action alleging antitrust injury is a separate matter entirely (pp. 48-49). However, when an antitrust counterattack is launched the facts and law apposite to the patent infringement suit are inexorably tied to the resolution of the antitrust claim as well.

The Antitrust Counterattack, published by the ABA Antitrust Law Section as a part of its Antitrust Practice Handbook Series is an excellent primer on the confluence of patent and antitrust law in antitrust counterattacks to claims of patent infringement. Chapters One and Two provide

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1. Richard G. Schneider, Task Force Chair, Elizabeth C. Benton et al., eds.
2. Walker Process Equip., Inc. v. Food Mach. & Chem. Corp., 382 U.S. 172 (1965).
3. Handguards, Inc. v. Ethicon, Inc., 743 F.2d 1282 (9th Cir. 1984).

a thorough, but brief overview of the relevant patent and antitrust laws. These chapters could stand alone as a useful pamphlet to acquaint the novice to the ground rules of the conflict and put major issues in perspective. The remaining chapters detail nuances of antitrust-patent suits that would be clear to an expert in antitrust and patent litigation, but could be inadvertently overlooked even by one acquainted with the basics of antitrust and patent law.

The editors state that *The Antitrust Counterattack* is targeted at the practitioner who, while engaged in an antitrust-patent suit, is expert neither in patent nor antitrust law (p. xi), however, the editors are overly modest. This work would also be useful to the savvy practitioner engaged in an patent-antitrust suit, unless the practitioner had acquired experience in both patent and antitrust separately. Furthermore, the book might hold a few gems even for those who have moderate patent and antitrust expertise but have never before encountered an antitrust counterattack.

While such gems and important insights abound in this book, the book's brevity (234 pages) attests to the fact that it is clearly not a comprehensive treatise. The work serves its intended purpose best by shedding light on major issues and not by authoritatively resolving them. This work more resembles a guidebook than an atlas and serves to ensure that one sees all the sights without overlooking important paths that one would later regret bypassing.

The Antitrust Counterattack contains very few wasted words and almost no wasted paragraphs. Repetition is kept to a minimum. Doctrines and key concepts are distilled to their essences, but references grow thickly in the footnotes to provide a springboard for additional research on issues that pertain to the facts of a contemplated or pending case.

Each of the twelve chapters is capable of standing alone as an introduction to a particular subject. This makes the transitions a bit awkward and the conclusion abrupt (the book simply ends), but the work is intended as a practical handbook and it serves that purpose well. Perhaps the best description of the book is accomplished by a summary of its individual chapters. All the chapters are described below, though the descriptions do not appear in the order chapters appear in the book.

Chapter One provides a doctrinally-oriented overview of patent law principles, the patent prosecution process, patent infringement, affirmative defenses to infringement claims, and remedies. Experienced patent practitioners should skip this chapter.

Chapter Two builds a similar foundation for antitrust law. It describes *Walker-Process* claims and *Handguards* claims. *Walker-Process* claims attack attempts to enforce patents fraudulently procured (pp. 53-57). *Handguards* claims attack attempts to enforce patents in bad faith with knowledge of invalidity or noninfringement (pp. 58-59). Those with basic knowledge of antitrust should skim the chapter if the elements of *Walker-Process* and *Handguards* claims are not readily recalled.

Chapter Five describes considerations in the choice to rely on opinions of counsel to combat the antitrust claim by establishing good faith. By so relying, a client may at least partially waive the protections of the attorney-client and work-product privileges (p. 113).

Chapter Six counsels the practitioner on choosing, working with, and preparing expert witnesses for deposition and trial (pp. 120-36). The advantageous use of nontestifying witnesses is also discussed (pp. 136-37).

Damages are the subject of Chapter Eight, particularly expenses incurred (pp. 159-60) and market damages (measured by lost future profits and diminution in the going-concern value of an enterprise) (pp. 160-64) caused by the patent plaintiff's bad-faith infringement suit. Note that litigation expenses incurred to defend the infringement claim are trebled as antitrust damages, but antitrust suit expenses are not (p. 159).

Two particularly important settlement considerations are detailed in Chapter Eleven. First, if handled improperly, a settlement agreement could be an agreement in restraint of trade. Such an agreement could be the foundation for an antitrust action against all settling parties by a third party and could lead to joint and several liability (p. 191). Cross-licensing is particularly dangerous in this context (pp. 192-95). Second, the parties should give thought to the desired res judicata effect of the consent decree (pp. 195-200).

The remaining chapters are a grab bag of relevant topics, though Chapter Nine on trial tactics and case management will likely be thoroughly familiar to experienced litigators. The remaining chapters discuss: making preparations when contemplating or facing a contemplated antitrust-patent suit (Chapter Three); matters of practical significance when procuring protective orders (Chapter Four); arguments for and against bifurcation of the trial by trying the patent issues and the antitrust issues seriatim (Chapter Seven); alternative dispute resolution (Chapter Ten); and appeals to the Federal Circuit (Chapter Twelve).

Through each of the chapters, *The Antitrust Counterattack* treats the infringement plaintiff and the antitrust plaintiff equally. Typical

arguments and suggested tactics for both sides are presented whenever useful.

Any criticisms of this work would have to be directed at the decision of the editors to pursue a practitioner handbook format instead of a more substantial hornbook or treatise form. If it is not deep enough, it is because of the editors' choice of format. If it does not thoroughly discuss antitrust and patent policy, it is because of the editors' choice of format. For such treatments, a reader should seek other resources. This work fills its niche well. In fact, the only apposite criticisms are trivial ones. First, there is some unnecessary foreshadowing in Chapter III of topics treated fully in later chapters. Second, there are some stylistic inconsistencies that understandably occur in an agglomeration of the work of many authors. The most amusing stylistic variation is the decidedly out-of-place quip about the captain of the Titanic and icebergs.[4] By any measure, criticisms are few.

Undoubtedly, picking nits about trivial stylistic variations, especially in a work with numerous contributors, is hardly a substantial criticism. *The Antitrust Counterattack* is a solid, well-researched introduction to the confluence of the antitrust and patent laws and a practical handbook for practitioners facing an antitrust-patent suit. Even expert counsel could benefit by seeing that more junior members of their antitrust-patent litigation teams browse the book to chart the waters and alert them to icebergs that could sink even the most titanic of cases.

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4. Choosing experts and coordinating their work must be done with consideration of what may occur in discovery. The details can be tedious, expensive and can seem like overkill. This, however, is what the captain of the Titanic must have thought while looking none too carefully for icebergs from the bridge of that ill-fated ship (pp. 119-20).