

IP Group Of The Year: WilmerHale

By **Melissa Lipman**

Law360, New York (January 10, 2011) -- In one of the most important patent cases of 2010, WilmerHale convinced a federal appeals court that Philips Corp.'s joint efforts to develop standard technology for recordable compact discs with Sony Corp. did not amount to patent misuse, just one of the reasons the firm earned a spot among Law360's Intellectual Property Groups of 2010.

Philips had sued Princo Corp. at the U.S. International Trade Commission for infringing two patents describing a way to make the recordable CDs, a method that was eventually adopted as the standard for the technology. Princo responded by accusing Philips and Sony of agreeing not to license another patent, belonging to Sony, that covered an alternative method for encoding data on recordable CDs.

The ITC rejected Princo's claims, but a 2009 panel decision from the the U.S. Court of Appeals for the Federal Circuit revived the company's allegations of patent misuse.

In an August en banc decision, the appeals court sided with Philips and WilmerHale, endorsing a narrow view of the patent-misuse defense that allows companies engaged in joint ventures more latitude to pursue their own best interests without worrying about facing successful claims of patent misuse, according to WilmerHale partner David Bassett. The decision also means that defendants claiming misuse will have to argue that the patent owners put improper conditions on the patent-in-suit, rather than on another patent.

"At the end of the year, you look back and say, 'That was pretty amazing that we were involved in that,' and it's very gratifying that we were able to head off a panel result that would have dragged this case out even longer for our client, and also would have been a very bad development in the law," said Bassett, who served as chair of the firm's IP litigation group until the end of 2010.

Though the Princo decision was the most high-profile ruling WilmerHale's IP group won last year, it was only the tip of the iceberg for the 160-attorney litigation practice, one of the driving forces for the firm's success.

WilmerHale boasted major IP wins in a bevy of jurisdictions and industries in 2010, especially in the

health and technology sectors.

The firm scored a victory for another major tech client, Broadcom Corp., in April, when a Federal Circuit panel affirmed the ITC's findings that SiRF Technology Holdings Inc. had infringed six of Broadcom's GPS satellite patents

With WilmerHale, Broadcom has had an "unbroken string of victories" in this long-running litigation battle, according to Bassett. The dispute has continued, as SiRF has begun importing products it says are designed around the patents but that Broadcom maintains still infringe its intellectual property.

In a separate case a few weeks after the Broadcom victory, the firm won a reversal of \$4.4 million in sanctions against Medtronic Navigation Inc.

After a nearly decadelong effort to enforce several patents for surgical navigation devices against BrainLab Inc., a district court tossed Medtronic's \$51 million damages verdict and granted BrainLab judgment as a matter of law.

The judge then ordered the company to pay BrainLab's costs and fees, because he found that Medtronic's attitude was "what can I get away with?," and that Medtronic's trial counsel proceeded "with full awareness that their case was without merit."

In April, the Federal Circuit reversed that order, reasoning that Medtronic's suit was not objectively baseless, both because the judge refused BrainLab's early efforts to toss the case and because of the favorable jury verdict.

Beyond saving Medtronic millions on the fee award, the decision also clarified the standard for those types of sanctions, allowing litigators the freedom to ethically pursue creative strategies without having to worry that failure at trial will also subject clients to sanctions.

WilmerHale's other victories in 2010 underscore the firm's abilities beyond the ITC and the Federal Circuit.

In February, the firm won a \$4.7 million jury award for Smith & Nephew Inc., which had accused rival Arthrex Inc. of infringing a patent for a button used to hold tissues in place for knee reconstruction surgery. The judge overseeing the case in the U.S. District Court for the Eastern District of Texas later granted Smith & Nephew's request for a permanent injunction, and also awarded the company interest and costs.

The decision marked a win in a "particularly tough case," and also demonstrated the value of having a number of IP litigation partners with expertise in the Texas federal court, like partner Mark Matuschak, who worked on the Smith & Nephew case, according to Bassett.

"Mark Matuschak has developed quite a favorable reputation down in the Eastern District of Texas, which is a pretty amazing thing for a trial attorney from Boston and New York," Bassett said. "He is

considered almost one of the locals down there now, and that's a pretty awesome thing for us to have available for us and our clients."

The IP group notched another victory, for clients F. Hoffmann-La Roche Ltd. and Roche Molecular Systems Inc., in a cross-licensing dispute with Digene Corp. over patents for a test to diagnose the human papillomavirus that began in arbitration and spilled into the U.S. District Court for the Southern District of New York.

WilmerHale helped Roche to prevail over Digene's efforts to win an injunction and \$60 million in damages for Roche's alleged breach of a cross-licensing agreement in international arbitration. After a 10-day trial, the arbitration panel rejected all of Digene's claims and awarded Roche more than \$3.1 million in attorneys' fees.

In August 2009, Digene — now Qiagen Gaithersburg Inc. — filed a petition in New York state court seeking to vacate or modify the final award, while Roche asked the Southern District to confirm the award.

The cases were consolidated in federal court, which in August 2010 upheld the entirety of the arbitration award, including the attorneys' fees.

"It was a particularly hard-fought case, and not only was there the arbitration award that was very favorable to our client, but the losing party tried to challenge [the] arbitration award in court. ... [T]he court not only affirmed both the awards, but awarded attorneys' fees, so that was a decisive victory for our client at both the arbitration level and in court," Bassett said.

Despite the group's strong year in 2010, WilmerHale is not content to rest on past success. At the end of the year, Bassett passed the reins of the litigation practice to new co-chairs Mark Selwyn in the firm's Palo Alto, Calif., office and Lisa Pirozzolo in its Boston office, and the firm plans to continue to expand its ranks in New York and California in 2011 and 2012.

"Fortunately, our IP litigation practice has continued to expand and to grow every single year," Bassett said. "Even through the economic downturn, it continues to be one of the driving forces of the success of this firm."

With stand-alone IP litigation practices in five different U.S. offices, the group prides itself on the breadth of its success in terms of the jurisdictions in which it practices and the variety of attorneys who have contributed to its victories, according to Bassett.

"We believe we have gotten to the point where we are still going to have one of the top IP litigation practices not just in 2011, but hopefully in 2015, in 2020, and beyond," Bassett said. "That's what we're focused on here ... across the practice group, across the court system, and it's from trial to appellate, cradle to grave, an A to Z kind of success. That's been our goal, and we believe we've gotten there and hopefully will continue to stay there."

Methodology: In mid-November Law360 solicited submissions from over 300 law firms for its practice group of the year series. The more than 400 submissions received were reviewed by a committee of four editors. Winners were selected based on the number of significant wins the group had in litigation or the size, number and complexity of deals the group worked on in 2010.

--Additional reporting by Evan Weinberger, Ryan Davis and Richard Vanderford

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