IP LAW360

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Q&A With Sterne Kessler's David K.S. Cornwell

Monday, Oct 29, 2007 --- Patent examiners work on a production system, but they should be held accountable for the quality of their work product without artificial production goals, says Sterne Kessler's David K.S.Cornwell in our series of chats with high-profile IP lawyers.

Q. What's the most challenging IP case you've worked on, and why?

A. I have litigated many cases in which I had to endure bad facts and an angry and "challenging" opposing counsel. However, the most challenging case for me involved a $200 million patent and trade secret misappropriation case brought against our client by Stutz Motor Car Company.

During the course of that case, I deposed the former president of Stutz. The deposition took place in his home because he was struggling with cancer. After the deposition, he insisted on talking with me alone (with the reluctant permission of his "challenging" lawyer). He gave me a beautiful book showing the history of the company he had built and thanked me for treating him with respect and dignity during the deposition. I realized that there are sometimes very good people on the opposite side of a litigation. Our client won that case on summary judgment and at the Federal Circuit.

Q. What's the most ridiculous IP lawsuit you've defended a client against?

A. I have a few that are pending! As for resolved cases, there are several cases that come to mind. The first is a patent lawsuit which was filed by a woman who sued our client for patent infringement. Remarkably, she did not have a patent. To remedy this minor defect she also sued the USPS and the Patent Office that conspired to keep her patent application from being properly filed.

A second case that comes to mind involved a man who sued Reebok for patent infringement claiming that Reebok infringed his patent by selling THE PUMP shoes. The patent had expired seven years before the case was filed. This case makes my list because the patent related to an inflatable helmet. The inventor claimed that an inflatable shoe was merely an inflatable helmet for the foot. It took the Supreme Court denying certiorari before he gave up.

Finally, I had one case in which the defendant filed a brief in the U.S. Supreme Court accusing me of sending subliminal messages to the Federal Circuit during oral argument. I have never mastered the art of hypnosis.

Q. Which aspects of IP law do you think are in need of reform, and

why?

A. I would like to see patent infringement lawsuits be less expensive. Patent-holding companies have a particular advantage under the current system of litigation. If they are allowed unlimited discovery, including discovery of documents that add little value to the case, they are in a position to extract settlements even if the case is frivolous.

While I am a fan of the jury system, I would like to see how blue-ribbon patent judges would handle patent cases. In addition, implementing an opposition procedure at the USPTO may relieve some of the expenses that are due to patent-validity challenges in district court.

I also have another personal pet peeve. It is unfortunate that patent applications must be filed in the name of the inventor and not the name of the owner. It is often difficult and expensive to determine inventorship in a collaborative environment. In addition, inventorship is often a source of litigation. In the rest of the world, a patent application may be filed in the name of the owner. While some have raised constitutional concerns about the authority of Congress to pass laws to allow companies to file for patents, I am not convinced by such an argument.

Q. If you were the head of the USPTO, what changes would you make?

A. First and foremost, I would do what I could to encourage, not deter, innovators from filing patent applications. Therefore, I would not support artificial limits on the number of applications or claims that an inventor can file. Obviously, the new patent rules would not be implemented if I were the head of the USPTO.

As a former patent examiner, I am concerned that patent examiners work on a production system. While it makes sense for examiners to be responsible for managing their workloads, it is unfortunate that they are measured by the quantity of cases which are examined. As the head of the USPTO, I would demand quality and hold examiners accountable for their work product without artificial production goals.

Q. Where do you see the next wave of IP cases coming from?

A. The current wave of litigation is coming from patent-holding companies. The next wave will come from large multinationals who will take the model of the patent-holding companies and use unused patents against their competitors. In other words, the large multinationals will mine for and purchase unused intellectual property and enforce patents. In terms of technology, the new black is green (clean technology and energy).

Q. Outside your own firm, can you name one IP lawyer who's impressed you and tell us why?

A. There are many fine lawyers. One is Peter Harvey of Harvey Siskind in

San Francisco. I have worked on a variety of cases with Mr. Harvey, including several patent cases and a trade secret misappropriation case. He is one of the smartest lawyers I have worked with, but he always listens to and helps implement the best ideas whether or not they were his. I have also worked with many other great lawyers who deserve mention, such as Fred Bartlit, Bill Lee and Bob Krupka.

Q. What advice would you give to a young lawyer who's interested in getting into IP?

A. First and foremost, I would tell young lawyers to follow their passion and not be drawn into any job because of the financial rewards.

If a young lawyer wants to litigate patents, I would advise him or her to learn how to do prosecution. Much of our litigation is won because an expert in patent prosecution identified a winning strategy. If a young lawyer wants to prosecute patents, I would advise him or her to participate in patent litigation. I think it was Mark Twain who said something to the effect that "if you hold a cat by the tail, you learn things you can learn in no other way." I would encourage a young lawyer to grab a few cats by the tail.

Q. I'm a general counsel with a Fortune 500 company facing a major patent lawsuit. Why should I hire your firm?

A. I am happy to share our "recipe" because other firms do not have SKGF's ingredients. We take a few of our 61 Ph.D.s, add several of our 100 patent experts, add a trial expert and a former Supreme Court clerk. We then form a focused team asking every member to leave their ego at the door and be dedicated to achieving our client's objectives. We win our cases with creativity, expertise and technical know-how. We do not have a team of associates who draft unneeded and expensive memos.

A very famous trial lawyer once said to me, "David, you will never become a famous litigator if you keeping winning cases on summary judgment."

"No," I responded, "but I will have happy clients who will always return because we gave them great value."

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