



# Law & Management Institute

Practical Strategies, Tactics and Tips for the Optimization of IP Assets in a Dynamic Business Environment

November 4<sup>th</sup> – 6<sup>th</sup>, 2012

Paradise Point Resort & Spa, San Diego, CA



Sunday, November 4<sup>th</sup>, 2012

**11:00 - 1:30** Registration

**1:30 – 1:45** Welcome Address & Opening Remarks

**1:45 – 3:15** **A Whole New World? The America Invents Act: USPTO and In-House Counsel Perspectives**

*On September 16, 2011, the Leahy-Smith America Invents Act was signed into law by President Obama. This law brings sweeping change to the current U.S. patent system, and these changes reflect many years of debate between various stakeholders. The “first-to-file” provisions of the AIA take effect on March 16, 2013, a few short months after this program takes place and IP Counsel need to be fully aware of the impending changes and how they will affect them. The next two sessions will equip IP Counsel with insights into how the USPTO is implementing elements of the AIA as well as what this means for IP Counsel on a practical level.*

**1:45 – 2:30** **Examining the USPTO Implementation of the America Invents Act**



**David Kappos, Under Secretary of Commerce for Intellectual Property and Director of the USPTO**

- How is the USPTO preparing to implement the American Invents Act?
- Substantive discussion of the USPTO’s proposed rules governing the implementation of various provisions of the AIA
- Overview of proposed cost increases
- Costs for the new Post Grant Review, Inter Partes Review and Derivation proceedings

**2:30 – 3:15** **What Does this Mean for In-House Counsel?**



**Phil Petti, Chief IP Counsel, USG CORPORATION**

*While the provisions of the Act take effect over a range of time, it is important for in-house counsel to understand now how the various provisions will affect their current patent practices and how they can prepare for the changes. Specifically, this session will discuss the anticipated impact on in-house patent portfolio development, overall patent strategy, and business strategy.*

- What are the implications to businesses from the AIA?
  - Have companies changed their strategic approach?
  - How to educate your business counterparts about the changes and implications
- Developing an appropriate data management and storage policy in the new global patent regime of first-to-file
- The importance of staying on top of recently granted U.S. patents with an eye to potential opposition due to the brief post-grant opposition period
- What are the budget implications of the AIA?



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- In light of derivation proceedings, what should companies do with laboratory notebooks?
- What are the implications of virtual patent marking?
- How should patent litigation strategies change?

**3:15 – 5:15 Business Meetings**

**5:15 – 6:00 Ensuring Effective Alignment of Your Patent Strategy with Corporate Strategy**



**Inger Eckert, Chief Counsel, IP, INTERNATIONAL PAPER COMPANY**

*Building a strong patent portfolio that mirrors your overall corporate strategy and exploiting the value of that portfolio in key ways will enable your company to better position itself in an increasingly competitive marketplace. In the dynamic world of IP, it is important for IP executives to develop a strategic and proactive approach to portfolio management, continually review their position and make positive adjustments to their strategy. This session will explore the following issues:*

- Monetization of patents
- Building a successful licensing program
- Finding a buyer for your patents
- Patenting in a disruptive market vs. a mature market
- Competitive monitoring
- Communicating the value of IP to the business

**6:00 – 9:00 Cocktail Reception & Dinner**

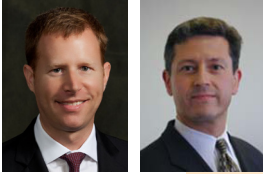


## Practical Strategies, Tactics and Tips for the Optimization of IP Assets in a Dynamic Business Environment

Monday, November 5<sup>th</sup>, 2012

7:30 – 8:30 Breakfast

8:30 – 9:15 Freedom to Operate: Strategic Considerations in a Post-AIA World

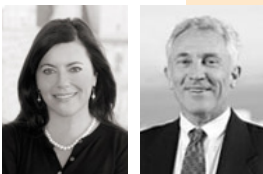


Justin Oliver, Partner, FITZPATRICK CELLA  
Michael O'Neill, Partner, FITZPATRICK CELLA

*The America Invents Act implements a number of changes that will affect and reinvigorate the approach to freedom-to-operate practice. While there has been much discussion concerning the AIA's codification of the Seagate decision, less attention has been paid to how post-Seagate case law will be interpreted under the new statutory language. In addition, other AIA provisions will affect how companies attack their freedom-to-operate issues. This presentation will discuss the ways in which the AIA will affect freedom-to-operate practice, including:*

- Submissions of prior art to the USPTO, both before issuance and in post-grant challenges
- Prior user rights and their expansion beyond the realm of business methods
- Prioritized examination and the increased potential for "submarine" patents
- Opinions of counsel in the willfulness equation in view of post-Seagate case law and 35 U.S.C. § 298
- Considerations regarding when the expanded prior art provisions will apply

8:30 – 9:15 Maneuvering in the Cloud: Containing E-Discovery Costs and Avoiding Sanctions in an Evolving Legal Framework



Katie Clune, Partner, CROWELL MORING  
Mark Jansen, Partner, CROWELL MORING

*E-discovery continues to present a broad spectrum of challenges for companies involved in IP litigation. A common concern is the rising cost of responding to broad requests for email, especially in matters with asymmetrical production burdens. And as technology-savvy litigants demand greater volume of relevant ESI from an increasing number of sources, including social media and internet-based applications, companies are seeing their litigation budgets disproportionately balloon because of e-discovery. These challenges are compounded by the potential exposure to court sanctions due to the lack of clear guidance from the Federal Rules and courts on meeting the duty to preserve. This presentation will help companies navigate these challenging issues by addressing the following:*

- Steps parties need to take to comply with their duty to preserve
- Practical tips for significantly reducing the attorney work and costs associated with pre-production document collection, review and production
- Streamlining collection and review of relevant ESI from non-traditional sources like social media and other cloud applications
- Factors that expose a party to sanctions for failing to preserve, including a discussion of recent cases where sanctions were imposed and an adverse inference instruction was given to the jury
- Engaging an increasingly sophisticated Federal bench to mitigate the e-discovery burden



## Practical Strategies, Tactics and Tips for the Optimization of IP Assets in a Dynamic Business Environment

### 9:15 – 10:00 Ensuring Freedom of Operation – Strategies for Avoiding Disruptive Assertions by Non Practicing Entities



Dan McCurdy, CEO, ALLIED SECURITY TRUST

*No matter how you look at the data, whether the number of Non Practicing Entities (NPEs) in operation, the number of litigations by NPEs against operating companies, or the cost of such litigations – the NPE business continues to grow. The bad news is more than 25,000 defendants have been sued by NPEs in U.S. Courts alone. The good news is there are proactive steps that can be taken to minimize this risk. Many NPEs increasingly base their lawsuits on acquired patents; the number of patent assets for sale at any given time is staggering, and operating companies ignoring these sales do so at their peril. This session will address:*

- Current NPE trends by industry
- How to minimize financial risks posed by NPEs?
- How to efficiently manage the volume of patent sales on the secondary market?
- How to efficiently determine what assets might affect your company's products?
- How to efficiently determine whether your company is named in patent sale marketing materials, thereby focusing NPEs on your company?
- How to accomplish these objectives at a modest cost

### 9:15 – 10:00 Crafting an Effective Patent Strategy that Optimally Aligns with Regulatory Laws and Provides the Best Market Protection for Medical Products



Li Westerlund, VP, Global IP, BAVARIAN NORDIC

*In heavily regulated industries such as the pharmaceutical, biotechnology and medical device industries, it is crucial to understand the impact of regulatory decisions on patent lifecycle management and to develop a patent strategy that anticipates and accommodates the changing regulatory landscape. While managing patent term is very important in the healthcare industry, where the patent term is usually the most valuable in its last days, any product with a long market life should consider managing patent term as art of its strategy.*

- The pathway for follow-on biologics and the patents under the Patient Protection and Affordable Care Act ("PPACA")
- Status of guidelines relating to the FDA/EMA approval process for biosimilars – Biologic License Application (BLA) v. 'mini-BLA'
- Laboratory developed tests and assays in the regulatory process and the complexity of the 'infringement' safe harbor
- Remaining uncertainty regarding the scope of patent term extension and how it will play out in the biosimilar context - infringement or go free
- Proactive approaches to the new patent infringement procedure - the untested patent dance between the innovator and the follow-on biologic

### 10:00 – 12:00 Business Meetings



**12:00 – 1:00 Networking Lunch**

**1:00 – 1:45 Honing Your Transactional Acumen: Best Practices in Drafting and Negotiating a Myriad of Agreements**



**Kenya Pierre, AGC, Patents, KIMBERLY-CLARK CORPORATION**

*As IP Leaders, you are responsible for drafting and negotiating a myriad of agreements with entities and individuals both in the U.S. and outside the U.S. Whether the agreements are mutual confidentiality agreements, consulting agreements or master service agreements, you need to ensure that you are protecting your IP and your company adequately.*

- Addressing some key issues:
  - o Confidentiality
  - o Publication Rights
  - o IP Ownership
  - o Dispute Resolution
- Different approaches in academia versus industry
- Different approaches in the U.S. and outside the U.S.
- Licensing strategies:
  - o Co-existence agreements
  - o Trending concerns in in-bound and out-bound licenses
  - o Current status of Open Source software license enforcements

**1:00 – 1:45 A Complaint Shows Up – Voilà, You’re a Defendant. What Do You Do in the First 24 Hours?**



**Alicia Griffin Mills, Director, Legal Affairs – Intellectual Property, IMATION**

*Many IP Counsel have encountered situations in which a complaint appears and the company finds itself in the position of having to defend its IP asset[s]. Often, successful resolution is dependent upon your response in the first 24 hours. This session will provide a highly practical and tactical guide for the actions that much be taken to ensure that you are well positioned to respond.*

- Check service date, and figure out when response is due
- Prepare litigation hold memorandum
- Identify accused products, similar products, and products in development that may be accused
- Determine who manufactures those products or their key components
- Review agreements, to look for indemnification rights
- Provide notices of indemnification rights, as appropriate
- Meet with business people to review past and projected revenues and business plans
- Evaluate possible pre-existing licenses with same or related parties
- Check files for information or opinions relating to the asserted patents, design-arounds, etc.



### 1:45 – 2:30 There is an Infringer Out There: What are Your Next Steps for Preparing to Enforce Your Patents?



Hildy Bowbeer, Assistant Chief IP Counsel, 3M

- Due diligence in the pre-suit investigation
- Developing and implementing a timely litigation hold
- The importance of clear business objectives
- Early dispute resolution: considerations on whether, when, and how to approach the alleged infringer
- Finding the right outside counsel and negotiating the right fee agreement
- Managing client expectations and communications

### 1:45 – 2:30 Best Practices for Time Sensitive M&A Patent Due Diligence and Analysis



Bob Little, VP, Marketing, INNOGRAPHY

*Intellectual property is often a key driver in technology-focused mergers, acquisitions and takeovers. Because of the time sensitive nature of these transactions, due diligence around patents and intellectual property is often rushed providing an incomplete, and often inaccurate picture of the company in question. In this session we will demonstrate how organizations can fast track patent due diligence, as well as present a check list for time sensitive IP analysis.*

- Organizing IP assets and properly documenting them
- Competitive intelligence and industry monitoring
- Using patents to create value in unconventional ways – bargaining leverage in deal negotiations
- Best practices for IP due diligence in transactional context
- Identifying critical IP issues that could affect acquisition decisions
- Valuation and value realization of IP portfolios in view of the large, public prices paid for high-tech patent portfolios

### 2:30 – 4:30 Business Meetings

### 4:30 – 5:15 GTC LAW SESSION



## Practical Strategies, Tactics and Tips for the Optimization of IP Assets in a Dynamic Business Environment

### 4:30 – 5:15 Navigating Patent Enforcement Systems and Winning Strategies in Cross-Border Patent Litigation: Spotlight on China, Asia Pacific and Emerging Patent Markets



**John Flaim, Head, Global IP Practice Group, BAKER & MCKENZIE**  
**Say Sujinyata, Partner (Bangkok), BAKER & MCKENZIE**  
**Loo Shin Yann, Partner (Hong Kong), BAKER & MCKENZIE**

*This much requested and anticipated session will provide an overview of patent infringement, enforcement and litigation in key jurisdictions, focusing on remedies and strategies that work in China and other emerging markets in Asia Pacific. The speakers will discuss a comparative analysis of patent enforcement systems and effective cross-border litigation and enforcement strategies, focusing on China and key markets in the Asia Pacific region.*

### 5:15 – 6:00 Staying Ahead of the Game – Managing CEO Expectations



**J. Bruce Schelkopf, VP, DGC & Chief IP Counsel, INGERSOLL RAND**

*Last year, Nortel auctioned off its patents to a consortium of technology companies for \$4.5 billion. Earlier this year, Google acquired Motorola Mobility for \$12.5 billion. In light of these transactions, there is growing pressure on in-house counsel to leverage their intellectual assets any way they can. Heads of IP often have to answer a common query from their CEOs and CFOs: How much are our patents worth?*

- How do you determine a patent’s worth?
- Explaining the value of patents that serve instead to mitigate risk, provide freedom of action or enhance client and vendor relationships
- Determining the parameters for measurement
- Assessing the legal and business aspects
- Justifying the cost of having a portfolio – to your CFO and Board

### 6:00 – 7:00 Free Time

### 7:00 – 10:00 Cocktails & Dinner





Tuesday, November 6th, 2012

7:30 – 8:30 Breakfast

8:30 – 9:15 **“We’ve Just Been Sued, What’s our Exposure?” Using the Litigation Damages Model to Assess Potential Exposure for Your CEO**



Bryan Butler, Counsel, IP Law, IBM CORPORATION

*Patent litigation is on the rise. While in the past, litigation began only after long negotiations, in today’s environment it is virtually impossible to have a fruitful discussion on infringement without reaching the level of threat of litigation necessary to meet the low standards for declaratory judgment. That fact, coupled with the tactical advantage plaintiffs have in a “rocket docket” venue has caused many patentees to dispense with the traditional pre-litigation “dance” and go right to notice and service of process. Defendants need to be able to react quickly and decisively, often at a moment’s notice. The first question out of any CEO’s mouth after receiving a complaint is always “What’s our exposure?” The IP Counsel, of course, needs to be able to give a fast accurate answer that will stand the scrutiny of the company’s finance experts. Likewise, if you’ve decided on a strategy of negotiating a settlement, the side with the best knowledge of the potential damages will win the negotiation.*

*Here is a step by step approach to assessing damages exposure. While this model is essentially independent of changes in the law, the presentation will also cover the latest federal circuit and Supreme Court decisions affecting patent infringement damages. In particular, we will cover recent Federal Circuit emphasis on the “gatekeeping” role of trial court judges.*

*You will walk away with an objective litigation-based damages exposure assessment model you can use to advise your client, the CEO being sued for patent infringement; and a checklist of common plaintiff damages vulnerability points you can use in settlement negotiations to reduce your exposure.*

- Can we be shut down?
  - o What is the likelihood of the patentee succeeding in getting a temporary or permanent injunction?
  - o How to respond to the patentee argument “I’m going to shut you down with an injunction”
- How long has the meter been running?
  - o Can the patentee successfully argue for six years of past damages?
  - o What are the defenses to that argument?
- What is the damages base? How to respond to the patentee argument “I’ll collect damages for your total worldwide sales of all your products and services”
- What is the reasonable royalty “floor” for our exposure? How to respond to the patentee argument “You will have to pay me at least 25% of your profits”
- Can the patentee collect the larger “lost profits” damages? How to respond to the patentee argument “You’ll have to recompense me for my lost profits”
- Enhanced damages:
  - o Is there a risk of further enhanced damages such as willful infringement?
  - o What effect has AIA had on enhanced damages?
  - o How to respond to the argument “And you will be facing treble damages!”
- Are there limitations on damages?
  - o Indemnification?
  - o Joint Infringement

9:15 – 10:15 Business Meetings



## Practical Strategies, Tactics and Tips for the Optimization of IP Assets in a Dynamic Business Environment

### 10:15 – 11:00 The Innovation Eco-System for Technology-Centric New Business Creation: From Assets to Exit



**Damon Matteo, VP & Chief IP Counsel, PALO ALTO RESEARCH CENTER**

*This session will take a holistic look at the broader eco-system for technology-centric new business creation, including startups, spinouts and M&A – with a focus on creating value and preserving options. We will explore this innovation eco-system from the choice of innovation assets to develop/acquire, company funding and operational strategy, to exit paths for the technology and/or the enterprise.*

- Assets: creating/acquiring IP assets with the greatest potential to realize business value, and how to position them to create business options
- Funding: mapping business opportunities to funding opportunities (e.g. VC, Angel, iBank, & Private Equity)
- Strategy & Positioning: exploring various strategies for positioning technology in the market for customers, and the firm in the market for companies (e.g. IPO or M&A)
- Exits: not just a fait accompli afterthought; anticipating multiple exit paths and how to dynamically optimize between them as the enterprise matures

### 11:00 – 11:45 Strategies to Mitigate Your Risk of Trade Secret Theft



**Stephen Adams, Managing Director, Global Litigation & Confidential Asset Management, APPLIED MATERIALS**

*According to a study of Trade Secret Litigation, between 1988 and 1995, trade secret theft doubled and between 1995 and 2004, trade secret theft doubled again; it is expected to double again by 2017.*

*No company is immune; the combination of the recession, the explosion of new, innovative ideas, the ease of taking property on laptops, portable devices and over the Internet, increased employee mobility and the interest in such cases amongst traditional plaintiff's law firms, means that trade secret theft is more common than many people realize, with far reaching implications, including the loss of money, competitive advantage and a negative impact on employee morale. Since there is so much more at stake, trade secret litigation cases often turn into bet-the-company lawsuits, as patent cases have been in the past.*

- Developing a preemptive strategy, including:
  - o Procedures & practices
  - o Protection policies
    - Employee confidentiality agreements – what relief can you seek to prevent breach?
    - Employee non-compete agreements – are they enforceable?
    - Employee non-solicitation agreements – are they effective?
- Developing a foolproof litigation strategy
- Tips and tactics on how to manage and succeed in trade secret litigation

### 11:45 – 12:00 Closing Remarks

### 12:00 – 1:00 Closing Lunch