

Q&A With Jackson Walker's Carl C. Butzer

Monday, Oct 01, 2007 --- The bubble of patent infringement litigation has probably peaked, Carl C. Butzer tells Law360 in our series of Q&As with the heads of leading IP practice groups.

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

A. Several cases that the firm has worked on come to mind, and each was uniquely challenging.

In *Mobility Electronics v. Formosa* — one of more than a dozen patent cases Jackson Walker has handled in the Eastern District of Texas over the past two years — our firm represented Mobility, a leading provider of mobile electronic devices, in a dispute with a Taiwanese manufacturer. The case was filed on the heels of Mobility's ITC action against Formosa involving the same patents, which related to variable output power adapters for portable computers and other mobile electronic devices.

After the lawsuit migrated from Washington, D.C., to Texarkana, the case was resolved on the eve of trial. This was also after a Markman hearing, in connection with which Judge David Folsom issued a claim construction order construing the vast majority of claims in Mobility's favor.

The David and Goliath aspect made challenging the case of *Sendo v. Microsoft*, in which Jackson Walker represented a British mobile-phone manufacturer.

Sendo claimed damages of hundreds of millions of dollars, alleging that Microsoft misappropriated its Smartphone technology trade secrets and breached contracts relating to the development and marketing of a Smartphone handset device. Microsoft responded to the lawsuit, filed in federal court in Texarkana, by moving to dismiss the case, moving to transfer venue, and asserting counterclaims for breach of contract, fraud and copyright infringement.

Jackson Walker successfully defeated Microsoft's attempt to transfer the case to Seattle and defeated Microsoft's motion to dismiss. Jackson Walker lawyers conducted intensive deposition discovery in Seattle, defended depositions of our client in London and deposed third parties in Canada and Europe, while simultaneously reviewing and processing millions of pages of electronic and hard-copy documentation produced during discovery.

I spent much time in London during this case but did not see many of the sights. The case settled on favorable terms, following grueling discovery.

Finally, several years ago, I was on the Jackson Walker trial team that represented Oprah Winfrey in federal court in Chicago. Two professional photographers who had taken photographs of the Oprah Winfrey Show sued Oprah Winfrey and her production company alleging copyright infringement after the photographs appeared in a book co-written by Winfrey, titled “Make the Connection.” The case was resolved during trial, following my partner’s vigorous cross-examination of the first plaintiff.

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

A. A Jackson Walker lawyer once defended the owner of the Star Trek copyrights against a claim by an individual who contended that the creators of Star Trek misappropriated his designs for a working spaceship.

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

A. Two areas that have been in need of reform for quite some time – the bar for issuing patents and apportionment of damages – are being addressed. Among other things, whether the Supreme Court’s decision in KSR or the proposed legislation are appropriate remains to be seen.

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

A. The PTO is woefully underfunded, but a substantial share of the fees paid by applicants are transferred from the PTO to the federal government’s general funds. If the PTO could keep itself funded, it could hire more examiners and obtain more resources, which would create both more thorough examinations of applications and speedier turnaround times.

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

A. Due to the reform efforts being handed down by the courts and underway in Congress, I think the bubble of patent infringement litigation has probably peaked.

Too many have invested in bundles of patents, and despite KSR and other changes, patent aggregators, some of which are publicly traded companies, will continue to attempt to get the favorable returns for their investors.

Investments in patent bundles will decrease. Keep an eye on the patents resulting from the wave of Internet and Internet broadband patent applications filed in the 1990s. There may be a considerable amount of litigation related to these patents, and a focal point of these cases may be whether the inventions were non-obvious.

Additionally, there may be a large number of lawsuits filed in the next several months as patentees try to secure their choice of venue before the changes

to the venue provision contained in the proposed patent reform legislation become effective.

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

A. David Foster of Latham & Watkins in Chicago. He is always on top of the subject matter of a case but can communicate in a way that is understandable to juries and judges with a liberal arts background. He is highly professional, and he has a model temperament.

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

A. Take as many IP courses as you can and learn how to communicate your knowledge so that others can understand what you're saying.

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

A. We are the go-to firm for IP (and particularly IP litigation) in Texas. We have the whole state covered and a wealth of experience in each jurisdiction, with offices in Dallas, Houston, Austin, San Antonio, Fort Worth and San Angelo.

We are very familiar with the Eastern District of Texas. The judges there know us, and we have relationships with local counsel. As of one month ago, the firm had 10 active patent litigation cases in that infamous district.

Also, in April, the United States District Court for the Northern District of Texas, Dallas Division, in the hopes of attracting more patent litigation, adopted case-management rules for patent cases. More than a dozen recently filed patent cases have been eligible for application of these new rules. Jackson Walker's patent litigation experience and our knowledge of these courts will serve our clients well.

Carl C. Butzer is a partner in the litigation, technology and intellectual property sections at Jackson Walker LLP. He is chair of the Dallas office intellectual property group and co-chair of the firm's e-discovery group.