

Encroachment by Large GP Firms into IP Arena Not a Worry for Tony Figg and His Firm

Representing Mylan Pharmaceuticals in 1998, attorney Anthony Figg carefully and incisively cross-examined the expert witness for the opposition, the giant drug manufacturer Schering-Plough Corp. Through a series of penetrating questions, the litigator and co-founder of the Washington intellectual property boutique Rothwell, Figg, Ernst & Menbeck, P.C., essentially turned the expert inside out.

"Tony's always had the uncanny ability to transform opponents' expert witnesses into witnesses for his own client," says Joe Hynds, a partner with the firm who's worked with Figg for 17 years. "On that day, he was able to get the expert witness disqualified from testifying in many areas, which essentially led to a very favorable outcome for our client. His cross-examination turned the case, but then he's always the smartest guy in the room."

Figg's smarts are one reason why this 40-person firm has been able to flourish in the increasingly competitive IP marketplace. After all, in recent years the profession has seen the dissolution of several IP boutiques—Pennie & Edmonds, Lyon & Lyon, Fish & Neave, and Cushman Darby—that had been successful, go-to firms for many

Fortune 500 companies for their patent, trademark, and copyright matters.

Although, many factors contributed to the demise of these, and other IP specialty shops, the recent incursion of the large general practice firms into the IP arena clearly put pressure on those partnerships. The big firms continue to make inroads into an area of the law that for years was the domain of highly skilled, nimble boutiques.

Rothwell Figg has, well, figured out not only how to survive among the giants now competing for its business but also to thrive. To hear Tony Figg tell it, the partnership nonchalantly brushes aside any competitive threats.

What's more, if patent law reform legislation pending in Congress passes, Rothwell Figg may be in an even better position to service those clients that it has, the ones it usually gets, and even those usually outside its traditional market.

Recently, *Of Counsel* talked with Figg about his career, the IP practice area, the reform leg-

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Of Counsel Profile

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isolation, and other topics. The following is that excerpted interview.

Of Counsel: You graduated from college with a degree in chemistry, which is, of course, atypical of most practicing attorneys. What path led you to the legal profession?

Anthony Figg: That's an interesting question. The answer in my instance is probably different from my contemporaries, and it's far different from the young people who are coming out of science and engineering programs today. I say that because, when I graduated from engineering school with a degree in chemistry, most chemists had never heard of patent law, had no inkling of going to law school. Those who did, more or less, did it by accident.

In my case, I had actually worked for awhile as a student-intern chemist, and one of the projects that I had gotten involved in was doing some experimental work in support of some patent litigation. I got to meet the company's patent lawyers and its trial lawyers. I got to meet its expert witnesses, and it all sounded very interesting. I went on to work as a chemist in the laboratory for several years after that, but I had law school in mind. Of course, I did go to law school, but when I entered law school, I didn't have patent law in mind as a career.

Most patent lawyers who are contemporaries of mine have something unique that led them to patent law, or it was purely just an accident. Most people did not go into science with the idea of becoming a patent lawyer.

Today, I think that patent law is much more well-known, and there are people who decide, while they're in either undergraduate or graduate school in a science curriculum, that patent law sounds like an interesting career choice.

OC: After you graduated from law school at Indiana University, where did you go from there?

AF: I worked for six years as an in-house corporate lawyer at a company called International Minerals and Chemicals. I then went to [another company] where I did a lot of pharmaceutical and bio-tech work.

OC: You then decided to enter private practice.

AF: Yes, I came to Washington and joined the predecessor of my current firm, and I've been at this firm for my entire career in private practice. It was then called Bernard & Brown and only had about six or seven lawyers. Frank Rothwell came over about a year later, and then a few years later in the late 1980s Frank and I and a couple of other people acquired all the equity in the firm; that laid the foundation from which we built our firm.

Practice-Changing Legislation

OC: You mentioned the 1980s. In that decade, Congress passed the Hatch-Waxman Amendments. How did the passage of this legislation affect your practice? Of course, this is a big question, but could you address that?

AF: When that statute was enacted, a lot of us recognized that it was going to have a big impact on the way that patents were enforced and dealt with in the pharmaceutical industry. I remember that I was asked to give a talk within a year after the enactment of that statute. One of the things that I did before that seminar was prepare a flow-chart showing all of the different scenarios that I could think of for how an application for approval and patent litigation would flow through the system, how various exclusivities would apply, and so forth. I remember thinking, "This flow-chart sure looks busy and complicated."

Well as it turns, it probably wasn't nearly as complicated as it should have been. But even then, we recognized that it was a pretty complex statute.

We got involved in Hatch-Waxman litigation very early on both the brand side and the generic side of the pharmaceutical industry. We represented Burroughs Wellcome Co. in a Hatch-Waxman case involving their AIDS drug AZT. I also represented a small division of Dupont as a defendant

in a Hatch-Waxman case early on, in 1986 or so. Shortly thereafter, we started representing Mylan Pharmaceuticals. At that time, it was the most preeminent generic company and probably still is. It's had a big impact on my career, as well as on the careers of other patent attorneys who specialize in pharmaceuticals and biotechnology.

OC: What about now? What are the new laws that are affecting your practice or bills that may become laws that will impact your practice?

AF: There always are changes that occur as a result of legislation and court decisions that affect the way we practice law. Currently, there is pending legislation that would drastically change the way patent law is practiced. It's referred to generally as the patent law reform legislation. It was introduced first in the House a little more than a year ago. Most recently, this past August, a version was introduced in the Senate. Neither version has gone too far, but I think that there's an expectation that sooner or later there will be some major patent law reform.

OC: So to what extent, and how will it change the IP practice?

AF: Well, let me put it this way: I gave a talk to a group of students at a local law school, and I told them that, if this passes, it levels the playing field. They will know as much about patent law as the old-timers do [chuckles].

The most profound change would be that it would change our system from a first-to-invent system to a first-to-file one.

OC: Wow! That carries some deep implications.

AF: Wow is right. You obviously understand what that means. A lot of people's eyes glaze over when they hear that. And yes, it certainly does carry some deep implications. It will change the way patents are procured, the way they are litigated, and there will be new definitions that we'd all have to learn.

There are many facets to this legislation. Probably the other big one is that it would bring in what is referred to as a post-grant review process, meaning a system for opposing patents short of litigation. Now, you have the choice of reexamina-

tion, which is limited in the ways that you can use to ask to have a patent reexamined, and you have litigation in federal court, which everyone knows is very time consuming and expensive.

This is designed to be a system that will give some of the advantages of litigation. It will open it up to more issues that can be decided by a tribunal in the Patent and Trademark Office. It will allow people who want to challenge patents to avoid the costly expense of court, but they won't have quite as many of the tools available to them as are available in court litigation, such as extensive discovery.

That will be a big change as well, and I suspect that there will be a scramble among attorneys to understand that system, both procedurally and substantively, and really to establish a specialty practice.

OC: Speaking of scrambling, would it also speed up the whole process? In other words, will companies, especially young companies, that are working on inventions move more quickly to call their in-house attorneys, if they have them, or seek outside counsel to get to that filing stage faster?

AF: First-to-file definitely will have that impact. One of the arguments that proponents of the first-to-file system make is that most other countries of the world, in fact all other countries, have first-to-file systems. Thus, in many industries where foreign patent protection is very important, it's already a priority to get the patent application on file as soon as possible. Because, if you delay and there's a publication, you could lose your patent rights, even if the publication occurs only one day before your filing.

In the United States, of course, we have a very different system: the first-to-invent system and grace period. For those industries in which they file only in the United States, this reform legislation would have a big impact, causing them to speed up their filing applications as fast, as early, as they can.

GP Firms Shoulder Their Way In

OC: Just to shift gears, what was your reaction when you saw IP firms like Pennie &

