

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 &

No Us-Versus-Them

Edmonds and Fish & Neave and Lyon & Lyon dissolve? I guess this is a two-part question: What was your reaction to the death of those firms? Second, how do you react to the increasing encroachment of general practice firms into the IP arena?

AF: To answer the first part of your question, I was not happy to see that development. I had a lot of friends in those firms, and they have been firms in the IP area for most of my career. So I wasn't happy to see that happen. My feeling was that the partners in those firms who made the decisions to fold their firms into larger firms or to disband them had their own reasons for doing so. I didn't react to them the way that some people did, or the way that the media might have, which was that it reflected some growing sickness among IP specialty firms. I just think that those firms had their own reasons for doing what they did.

As to my reaction of seeing more general practice firms get into this business: (1) It doesn't surprise me. (2) It's somewhat amusing to me, because I go back far enough that I can remember when IP law was considered a specialty that many of the large firms did not want to be involved with.

OC: It really wasn't so long ago, was it?

AF: It's really not, since I'm so young [laughs]. What has happened is that patents and other forms of intellectual property have become extraordinarily important assets of businesses in the United States and around the world. So the law involved in procuring and enforcing those assets has taken on a greater standing in our society. Consequently, general practice firms that previously did not want to get into this area suddenly found that patent law, patent litigation, and IP law in general were very sexy areas of the law, and they wanted to be involved in them. They also saw it as a lucrative area of the law.

It's kind of interesting that with general practice lawyers—and I see this with judges—once they get into patent cases they are amazed at how interesting and challenging they are. It's a very rewarding area of the law, both intellectually and otherwise. It's not surprising that the larger firms want to be players.

OC: That gives rise to another question. Given that the market has become more competitive because large firms in New York, Washington, and other cities are delving into the IP arena, what's the key for a firm like yours to not only survive this incursion but also to thrive? What's making your firm successful?

AF: I'm always reluctant to get into this us-against-them mentality. Clearly, there are IP groups within large firms that are now our competitors. Previously, they may have been lawyers with other IP firms, and they were our competitors then. I don't think that those lawyers who decide to move their practice to general practice firms have changed that much. If they were good lawyers, they're still good lawyers, and they still represent competition.

I think it's a question of where individual lawyers feel most comfortable practicing. We don't have a problem competing with those lawyers whether they are at IP firms or general practice firms. The key to success for all lawyers, no matter where they practice, is to provide quality service to their clients. That's what we try to do. Hopefully, the clients come back to us and tell other people about our quality work.

It's not much more complicated than that. As a consequence, our firm continues to achieve our goal to be an IP specialty firm but provide full-service in the IP area. We handle a lot of litigation for our clients, a lot of patent and trademark and copyright procurement, prosecution, contracts, and licensing. We advise our clients about due diligence and so forth.

OC: At any point did you and the other leaders in the firm get together and say, "We need a strategic meeting. We have to see if we need to reposition ourselves because of the resources that these other large general practice firms bring"? If so, what was said in that meeting?

AF: I honestly can't think of an occasion where we said, "We have to sit down and decide how we're going to meet the competition coming from IP lawyers in general practice firms." We've always been in a competitive environment. Twenty years ago, perhaps our biggest competitors were other IP firms, such as Cushman Darby

and Fish & Neave and other firms. Well, the lawyers in those firms have decided to go elsewhere, but they're still our competitors.

What's on our agenda is how to attract the best young associates. Do we have holes in our practice that we need to fill with quality lateral hires? How do we continue to provide quality service to our clients?

Recruiting Technophiles

OC: Well, one couldn't ask for a better end of answer to segue into this next question, which is about recruiting. When you recruit, whether it's a law school grad or a lateral attorney, to what extent do you look for those candidates to have experience and training in the sciences as you did with your chemistry background?

AF: That's one of the things that will always be important to an IP specialty firm. You're going to want people who can understand the sorts of technologies that we deal with. People who have good technical backgrounds are important.

Something I've said often is that one of the characteristics of a good patent attorney is an interest in technology, someone who likes science, enjoys reading and learning about it. If it's drudgery to an individual, that person will not, in my view, do a good job as a patent lawyer. That doesn't necessarily mean that a person must have a degree in science. There are a lot of people who are fascinated with science and learned it later in life, who didn't go to school to get a degree in it. But it's important to enjoy dealing with the people who are making innovations, creating new intellectual property.

Over the years we've also recruited people who don't have technical backgrounds. We find that a patent litigation team that includes people who aren't hard-core scientists or engineers brings a lot to the table because ultimately what you have to do in patent litigation is explain something that may be technically complex to a judge or jury that don't have any sophisticated science background. Having someone on your team who is more in the position of that of the judge or jury is important. We hire very good attorneys; some have formal technical experience and some don't.

—Steven T. Taylor



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