

Nineteen Hundred and Twenty-two

NYIPLA

The New York Intellectual Property Law Association

BULLETIN

June 2002

PRESIDENT'S CORNER

One of the President's responsibilities is to schedule a monthly meeting of the Association's officers and board members. These meetings have a fixed agenda during which the officers report on the activities for which they are directly responsible and a varying agenda during which issues that confront the Association are acted upon—or not. These meetings have been a joy to me as both a participant and an observer. I have marveled at the collegiality of the officers and board members, their forceful, yet respectful presentations of their views, and their willingness to compromise to reach a consensus. I will miss these meetings and the regular company of the Association's officers and board members.

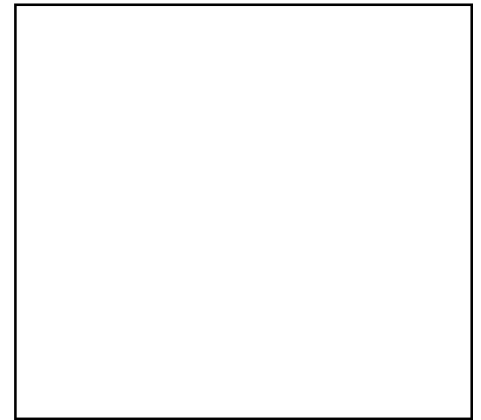
As for the state of the Association, we are in remarkably good shape. According to our Treasurer, Marylee Jenkins, our finances are sound. Dues collections from our 1500 members are current and the Judge's Dinner once again made money. Our stature as a bar association continues to grow, attributable in large measure to the reputations of our officers, board members and members, the Judge's Dinner and the superb Continuing Legal Education programs that we hold once a month.

As we have in the past, the Association sponsored Fordham Law School's International Intellectual Property Law and Policy Conference and, through Ira Levy and Anthony Giaccio, helped plan and organize the Seventeenth Annual Joint Seminar Program Patent Practice Update. More than 500 lawyers attended this program. Finally, the Association

sponsored a luncheon at the AIPLA's Spring Meeting held this year in New York City. Our former president, Judge Conner, was the featured speaker at the luncheon. Judge Conner captivated the audience with a speech that outlined, from his unique perspective, the evolution of patent law and practice over the past 50 years.

As the legal landscape has changed, so too has the Association. The most significant change the Association made this year was to engage Star Consulting to administer most of the affairs of the Association. Star Consulting will provide the organizational infrastructure that the Association needs to maintain and improve upon the services that we offer to our members.

I thank the members for the privilege of serving as the Association's President and



look forward to supporting Rich DeLucia in his presidency.

Respectfully,

Robert Neuner

CALENDAR OF EVENTS

- | | |
|-------------------|--|
| June 21, 2002 | NYIPLA CLE Luncheon Meeting, The Cornell Club, New York, NY |
| June 26-30, 2002 | ABA-IPL Section, 2002 Summer IPL Conference, Loews Philadelphia Hotel, Philadelphia, PA |
| July 15-19, 2002 | Franklin Pierce Law Center Eleventh Annual Advanced Licensing Institute, Concord, New Hampshire. For information contact Carol Ruth (603) 228-1963 ex. 1108; e-mail: cruh@piercelaw.edu. |
| August 8-14, 2002 | ABA-IPL Section, 2002 ABA Annual Meeting, Washington, DC |

MEET THE NEW *FESTO*: SAME AS THE OLD *FESTO*?

by Lawrence B. Ebert¹

In a revealing paragraph from the May 28, 2002 *Festo* decision, the Supreme Court compared its newly-created rebuttable presumption to the now-obsolete complete bar of the en banc Federal Circuit:

This presumption is not, then, just the complete bar by another name. Rather, it reflects the fact that the interpretation of the patent must begin with its literal claims, and the prosecution history is relevant to construing those claims. When the patentee has chosen to narrow a claim, courts may presume the amended text was composed with awareness of this rule and that the territory surrendered is not an equivalent of the territory claimed. In those instances, however, the patentee still might rebut the presumption that estoppel bars a claim of equivalence. The patentee must show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent.

If it were clear that the Supreme Court's decision were a major change from the en banc Federal Circuit decision, such text would not have been needed. In fact, although the Supreme Court did vacate the Federal Circuit decision, it did not return patentees to the status quo ante of the flexible bar of *Hughes-I* but rather projected them into a new, and previously unknown, world wherein "the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question."

Thus, where the Federal Circuit effectively had a conclusive, or irrebuttable, presumption that a narrowing amendment related to patentability as to a claim element foreclosed equivalents as to that claim element, the Supreme Court opened the door that while a "patentee's decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the

amended claim," "[t]here are some cases, however, where the amendment cannot reasonably be viewed as surrendering a particular equivalent." The effective difference between the Supreme Court holding and the Federal Circuit holding resides in the identity of these "some cases" and the ease by which the patentee can establish that the presence of one of these "cases."

Of guidance on the identity of these "some cases," the Supreme Court wrote:

The equivalent may have been unforeseeable at the time of the application; the rationale underlying the amendment may bear no more than a tangential relation to the equivalent in question; or there may be some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question. In those cases the patentee can overcome the presumption that prosecution history estoppel bars a finding of equivalence.

Of these three situations, the Court summarized (or possibly re-stated the third situation) in the following paragraph of the decision [also mentioned above]: "The patentee must show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent."

There are no footnotes which provide insight into the origin of these three situations. Elsewhere in the Supreme Court decision, there is text:

By amending the application, the inventor is deemed to concede that the patent does not extend as far as the original claim. It does not follow, however, that the amended claim becomes so perfect in its description that no one could devise an equivalent. After amendment, as before, language remains an imperfect fit for invention. The narrowing amendment may demonstrate what the claim is not; but it may still fail to capture precisely what the claim is. There is no reason why a narrowing amendment should be deemed to relinquish equivalents unforeseeable at the time of the amendment and beyond a fair interpretation of what was surrendered. Nor is there any call to foreclose claims of equivalence for aspects of the invention that have only

a peripheral relation to the reason the amendment was submitted. The amendment does not show that the inventor suddenly had more foresight in the drafting of claims than an inventor whose application was granted without amendments having been submitted. It shows only that he was familiar with the broader text and with the difference between the two. As a result, there is no more reason for holding the patentee to the literal terms of an amended claim than there is for abolishing the doctrine of equivalents altogether and holding every patentee to the literal terms of the patent.

There are no footnotes to this text.

Arguably, these new tests came from amici briefs. Separately, it may be the case that these tests may not be easy ones for the patentee to meet. If so, then the "new" *Festo* may not be significantly different from the "old" *Festo* in practice, and patent applicants who amend claims may still be at significant risk.

Of the tests, the Supreme Court may have looked to suggestions within both the brief of the Solicitor General and of the IEEE. The suggestions within the SG's brief were as follows:

1. A patent holder should be allowed to assert that an accused device infringes under the doctrine of equivalents if the court finds that the assertedly equivalent element is itself an innovation that was not known to persons of ordinary skill in the art at the time the applicant amended his claim.
2. A patent holder should be entitled to assert that an accused device infringes under the doctrine of equivalents if the court concludes that, owing to the nature of the subject matter at issue, it was not possible for one of ordinary skill in the art to draft a claim amendment that literally encompassed the allegedly equivalent element while disclaiming the surrendered subject matter.

These suggestions are not helpful in finding DOE for patentee on the facts of *Festo*. Of the first suggestion, as to the Stoll patent, the mention of the claim element "magnetizable sleeve" both implies that a non-magnetizable sleeve was known and that it was not part of the invention. The problem confronting us is whether the claim encompasses through DOE a non-magne-

tizable sleeve that comprises ferromagnetic impurities insufficient to render the sleeve magnetizable (in the commonly-understood meaning of the term) but which provides some of the functional benefits of the magnetizable sleeve. Of the second suggestion, I believe it was possible for one of ordinary skill to draft a claim or amendment that literally encompassed the allegedly equivalent element; in the *Festo* case, there was no need to disclaim anything. As to the claim of the Stoll patent, wherein the patentee combined elements from several dependent claims to form a new independent claim, it is doubtful that the patent applicant intended to surrender any equivalent scope as to any individual claim element; the applicant was requiring the presence of each of the added elements.

The amicus brief of the IEEE opposed the absolute bar of *Festo* and proposed a bar based on foreseeability. (see also "Foreseeability in Patent Law," 16 Berkeley Tech. L.J. 1045 (Fall 2001) and PIONEERING, INNOVATION, AND FESTO LAST LOOKS, Intellectual Property Today, 12 (June 2002)). The foreseeability test would hold that, notwithstanding a patentability-related amendment to a patent's claims during prosecution, the doctrine of equivalents will be applied UNLESS the limiting effect of the amended language with respect to the accused device would have been foreseeable at the time of the amendment to a reasonable person skilled in the art. The brief further stated: "a foreseeable bar asks the trial judge only whether the limiting effect of an amendment's language as applied to exclude an accused device from literal infringement was foreseeable at the time of the amendment."

The brief of the IEEE did not apply its "foreseeable bar" to the facts of the *Festo* case. As noted above, an issue in *Festo* as to the Stoll patent is the meaning of the word "magnetizable." The claim element "a cylindrical sleeve made of magnetizable material" would seem to indicate that the patentee said not to use "a cylindrical sleeve made of non-magnetizable material." Would it be foreseeable that a cylindrical sleeve made of aluminum (a non-magnetizable material) which contained some ferromagnets was given up by the patent applicant? *Festo* does not think so, and the jury that decided this question (earlier) probably would not think so. SMC certainly does think so. If one adds a claim element

requiring a "magnetizable sleeve," one would foresee, predict, and believe that the applicant intentionally surrendered the universe of "non-magnetizable sleeves." The exclusion of non-magnetizable sleeves was foreseeable. The foreseeable bar does not advance resolution of this case.

Separately, the foreseeable bar might be in conflict with *Graver Tank & Mfg. Co. v. Linde Air Products*, 339 U.S. 605, 85 USPQ 328 (1950). Therein, manganese ion was found to be an equivalent of magnesium ion, even though manganese ion was taught in the prior art, and thus its use was clearly foreseeable. In *Graver Tank*, the majority wrote: "It is difficult to conceive of a case more appropriate for application of the doctrine of equivalents. The disclosures of the prior art made clear that manganese silicate was a useful ingredient in welding compositions." *Graver Tank*, 85 USPQ at 332. Justice Black, in dissent, wrote: "But the similar use of manganese in prior expired patents, referred to in the Court's opinion, raises far more than a suspicion that its elimination from the valid claims stemmed from fear that its inclusion by name might result in denial or subsequent invalidation of respondent's patent." *Graver Tank*, 85 USPQ at 333. Both from prior art disclosures and from disclosures in the specification, the use of manganese as a substitute for alkaline earths was known and thus foreseeable, and thus to be excluded from the purview of the doctrine of equivalents under the foreseeable bar. Yet, the Supreme Court in *Graver Tank* found the foreseeable manganese to be an equivalent. It is separately true the Supreme Court in *Halliburton Oil Well Cementing v. Walker*, 329 U.S. 1, 13 (1946) suggested that unknown or later discovered equivalents were not within the purview of the doctrine of equivalents, again in contrast to the foreseeable bar. In reviewing the law at the time, the *Halliburton* court said:

The alleged infringer could have prevailed if the substituted device (1) performed a substantially different function; (2) was not known at the date of Walker's patent as a proper substitute for the resonator; or (3) had been actually invented after the date of the patent.

Along this line, a scientist [non-lawyer] wrote to me of the foreseeable bar: "An inventor cannot count among his invention

that which was not demonstrably known to him at the time of his invention – and the teachings and claims of his patent comprise the legal record of his knowledge at that point."

The current tests to rebut the presumption of surrender seem both to be distinct from past Supreme Court cases and contrary to our understanding of the quid pro quo of the patent system. At present, there are no equivalents for what was known at the time of application (but narrowed during prosecution or inadvertently unclaimed) but there are equivalents for what was unknown and unforeseeable. Patent protection is extended to what was unknown and unknowable at the time of application.

Even with this, however, one does not get an initial impression that patentees will have great success in rebutting the Supreme Court's presumption. It is likely that in many cases the sought-after equivalent will be found to have fallen within the scope of a properly-drawn (but hypothetical) amended claim at the time of amendment, so that patentee can not show "at the time of the amendment one skilled in the art [or his patent attorney] could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent." Until the case law on the presumption evolves, the wisest course remains a cautious course as to claim amendments, even under the regime of the new *Festo*.

¹ Lawrence Ebert is counsel at Reed Smith LLP's Princeton office. Viewpoints expressed herein are those of the author and not of Reed Smith LLP or of its clients. The author may be reached at Lebert@ReedSmith.com or at ebert@lawyer.com.

NEWS FROM THE BOARD OF DIRECTORS

by Edward E. Vassallo

The Board of the NYIPLA met on April 9, 2002, at the Rockefeller Center

Club. Robert Neuner presided, and Richard L. DeLucia, John D. Murnane, Marylee Jenkins, Mark J. Abate, Thomas H. Beck, Dawn Buonocore, Rory J. Radding, Christopher A. Hughes, Anthony M. Santini, and Edward E. Vassallo attended. Also present were William H. Dippert, Anthony Giaccio, and Bruce Wexler. The Minutes of the meeting of the Board of Directors held on March 12, 2002 were accepted as distributed.

The Board agreed that the March 22 Judges' Dinner was a resounding success. There were 3,069 attendees at the Dinner, including 157 Honored Guests and 125 guests of the Honored Guests – each figure a record breaker. Guest Speaker David Halberstam provided a thought-provoking and timely speech relating to our post September 11, 2001 world. In addition, the Board was pleased by the improved decorum during the Dinner, particularly during Mr. Halberstam's speech.

Ms. Jenkins summarized the Treasurer's Report. She reported that the Association's assets total in excess of \$720,000, but most of the cost of the Judges' Dinner had not yet been paid. The Association is in sound financial condition.

Mr. Neuner reported that Star Consulting has agreed to substantially lower its price from that set forth in its written proposal to expand the role of Star Consulting in supporting the activities of the Association. For an agreed-upon annual sum, Star Consulting will continue to coordinate the Judges' Dinner and the Association's CLE activities, and now also will coordinate publication of the Newsletter and the Greenbook, improvements to the Association's website, and collection of members' dues as well as certain other functions of the Treasurer. The Board agreed that a formal contract (for a term of one year) should be prepared and signed by the Association and Star.

Mr. Murnane reported that the Annual Dinner is scheduled for May 22, 2002. Judge Newman of the Court of Appeals for the Federal Circuit will be the keynote speaker. The Inventor of the Year has not yet been selected. Notice of the meeting must be mailed by April 22, 2002.

The New York Conference of Bar Leaders sent the Association a letter dated March 5, 2002. The letter indicated that the Conference has as its objective to help bar leaders become more effective in their

roles. The Executive Counsel is seeking to fill vacancies in the 1st, 6th, 8th and 10th Judicial Districts, as well as two At-Large Representatives and one Executive Director Representative. Mr. Garner will respond to the Conference on our Association's behalf.

The Association also received a letter dated March 28, 2002 from the Clerk of the Court of the New York Court of Appeals. The Court is seeking applications for an appointment to the Board of Law Examiners to fill a vacancy to occur in November 2002. The position requires attendance at regular meetings of the board in Albany and the preparation and grading of bar exams given twice a year. Members are paid \$53,385 per year, plus expenses. The Association decided to publish the opening in the *Bulletin*.

Bruce Wexler reported that counsel for Enzo had requested that the NYIPLA file an amicus brief in support of rehearing in banc in *Enzo v. Gen-Probe*, No. 01-1230 (Fed. Cir. Apr. 2, 2002), involving the written description requirement. The Association will attempt to prepare and file an amicus brief pointing out that the decision may conflict with prior precedent. ■

STRATEGIC DEMONSTRATIVE EVIDENCE IN A MARKMAN HEARING: STORYTELLING IN THE WAKE OF THE *FESTO* DECISION

by Philip K. Anthony, Ph.D. and
Lorrie Messinger, *DecisionQuest*¹

INTRODUCTION

Some five years ago, *Markman* came into existence. It was followed shortly by *Hilton-Davis* and most recently by the United States Supreme Court's decision in *Festo*. *Festo*, in particular, brings into focus what *Markman* really means to patent

holders and patent lawyers across the country.

The purpose of this article is to discuss what these recent decisions mean for *Markman* Hearings and what steps patent attorneys can take to protect their clients and strengthen their cases via the use of visuals, presentation technology and mock *Markman* Hearings. The Principals at DecisionQuest (DQ) have been working with a variety of clients on *Markman* Hearings, and we have come up with some innovative methods of discerning what the judge may understand and by using that information to exert some control over the hearing, persuade the judge and ultimately win the case.

MARKMAN BACKGROUND

The *Markman* case has had a profound impact on the strategic and practical considerations for litigating all patent infringement actions. The Supreme Court confirmed the Federal Circuit Court's holding that the interpretation of patent claims is now an issue of law for a trial judge, not a jury, to decide.

Hence the advent of the *Markman* Hearing where patent attorneys work to convince a judge of the correctness of their clients' claim construction. Several years after the landmark *Markman* case, the Supreme Court announced its unanimous decision in *Hilton-Davis*, which involved the application of the "doctrine of equivalents" in patent law. This decision was meant to prevent the practice of "free riding" whereby infringers make insubstantial changes to what is disclosed in the patent and then hide behind the gaps in technical wording. Unfortunately, the doctrine makes it difficult to read a patent and know with certainty what would or would not constitute infringement. The Federal Circuit Court's decision in *Festo v. Shoketsu Kinzoku Kogyo Kabushiki Co. Ltd.* sought to provide certainty to competitors to the apparent detriment of patent owners in a decision which profoundly limited the doctrine of equivalents.

The Supreme Court's subsequent decision in *Festo*, while maintaining the "doctrine of equivalents" theory, also states that amending a patent claim creates a rebuttable presumption that the amendment was intended to narrow the claim. Thus, *Festo* casts some doubt as to whether any nar-

rowing amendment to a patent can still allow expansion under the doctrine of equivalents. However, viewpoints differ on what this means for *Markman* Hearings and patent law.

In its decision, the Supreme Court sought to clarify the effect an amendment has on the doctrine of equivalents. However, there is some uncertainty about the practical effect of this clarification. Whereas some members of the patent bar believe that, to a great extent, *Festo* reaffirmed the validity of the doctrine of equivalents, others believe that it has created a presumption that is nearly impossible to overcome.

The basis of the doctrine of equivalents under *Festo* derives from a problem with the English language: it is difficult to capture the essence of an invention in a patent application. A truly new concept may not easily be described in words. However, a patentee and his/her attorney are expected to write patent claims encompassing readily known equivalents. Thus, to the extent that claims or amendments demonstrate that the patentee was at some point capable of accurately defining the invention, the reason behind the doctrine of equivalents may be inapplicable and the scope of the claims should be ascertainable. The problem for existing patents is that they were not prosecuted with this concept in mind.²

Markman was reasonably clear, but the additions of *Hilton-Davis* and *Festo* have muddied the waters to the point that it is difficult to know what is and what is not a patent infringement. *Festo* to a substantial degree expands what a *Markman* Hearing is all about and makes it an even more crucial event in the litigation process.

NEW LIFE FOR EXPERT TESTIMONY?

Because of the uncertainty of the law and the increasing complexity of the subject matter, a number of *Markman* Hearings have been reversed upon appeal. This makes the entire patent process more confusing even for judges. Of course, judges are people, too, and they need as much help as they can get in figuring out how to make decisions about the plain meaning of patent claims during these hearings.

To that end, the courts have been paring back the amount of time that they are willing to devote to the *Markman* Hearing.

Some judges are shortening the hearing by curtailing or eliminating outright the testimony of experts. This could be due in part to the fact that each side's expert adds layers of complexity to an already complex process and that expert testimony adds days and hours to an increasingly lengthy process. *Festo* may be a basis to reverse this trend. The Supreme Court indicated that the "patentee must show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent." It is difficult to imagine how this would be efficiently proven in a *Markman* proceeding without a patent expert. *Markman* instructed district court judges that a patent was a contract and should be definable. Few, if any, district court judges have experience drafting patent claims, let alone knowing what could reasonably be expected of a patentee in preparing a patent.

It remains to be seen if the shift continues post *Festo*. Without expert testimony, a *Markman* Hearing becomes little more than an oral argument coupled with some demonstrative exhibits that don't rely upon expert testimony to be explained. Thus it falls along the lines of an opening statement or a closing argument.

The judges' use of intrinsic and extrinsic evidence is also of immeasurable interest in a *Markman* Hearing. Intrinsic evidence includes patent claims, specifications and file history. Extrinsic evidence might include expert testimony or information from the inventor. What may or may not be included in a *Markman* is at the sole discretion of the judge as is the timing of the hearing. A recent study (Figure 1) indicated that most of the claim construction rulings (58%) were issued after the close of discovery but before trial. A large number of rulings (22%) were issued during the course of discovery and about 12% were issued during trial. Only a few of the rulings (8%) were issued before discovery had commenced.³

However, these changes in the court and in the *Markman* Hearings them-

selves have implications for patent lawyers worldwide. They also offer some interesting possibilities.

The *Festo* decision, along with the evolution of the *Markman* Hearing itself, has created a hybrid event which is in its simplest form a session of storytelling. This hybrid presents great opportunities for patent lawyers and trial consultants because this means that they are in a position—just as they are with jury trials—to determine what the ideal story is.

What's the story that's going to make the most sense in terms of describing to the court which claims are at issue? And, in turn, this has great implications for the demonstrative exhibits in the case because the attorney's job in today's *Markman* Hearing is to take highly technical information and convey it in a manner that makes sense and that is understandable by the judge.

MARKMAN SUCCESS—PART 1: MOCK HEARINGS

How attorneys approach a *Markman* Hearing depends in some part on which side they are on. In general, plaintiff lawyers have a patent that they believe is being infringed. Usually, the goal is to show that their claim is as broad as possible to snare infringers, and they will want to employ the "doctrine of equivalents" if possible. With the advent of *Festo*, many plaintiff attorneys will need to overcome a presumption that any amendments to the application did not narrow the claim or, if they

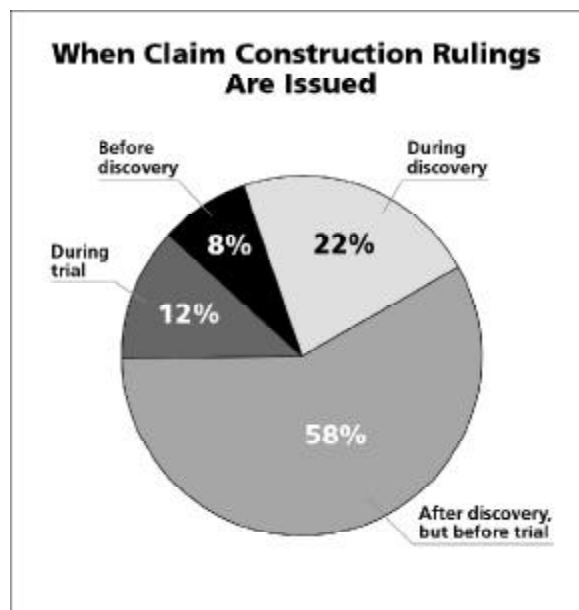


FIGURE 1

did, the change to the claim could not have covered an unforeseeable subsequent modification.

On the other hand, attorneys for the defense will want to narrow the claim as much as possible. Their argument is that they are not really infringing because the patent claim does not encompass their device or method.

Our experience comes both from the defense and the plaintiff sides in the *Markman* equation. What the Principals at DecisionQuest do is two-fold. First, we use empirical research just as we do for cases involving jury trials. We find out what judges are likely to understand and not understand about what the client (whether plaintiff or defendant) is trying to convey during the *Markman* Hearing.

Second, given their findings about what the judge is likely to understand, we work to present the client's case and patent data in a way that is understandable and useable for the judge without being too technical.

Mock *Markman* Hearings

For example, in a recent manufacturing industry case involving the patent of a hair dryer, we convened a panel of surrogate judges and experts in the field, and then we brought the panel in and put on a mock *Markman* Hearing presenting the elements of the patent claims. The panel gave written and verbal feedback on the strengths and weaknesses of the two briefs and on the main themes regarding the construction of the two claims. In addition, they gave a detailed explanation of which side they would find for and why.

In this particular case, we found that:

- The panel thought that the introduction to the issues was too long. They recommended that the attorney introduce three key points at the beginning to guide the judge's understanding of the argument.
- The attorney's modest, unpretentious style appealed to the panel.
- The panel found that it was very useful to have a packet of demonstratives as a leave-behind for consideration during their deliberations.
- The use of layperson's terms was cited as a key reason that the panel found in the client's favor.

- While the panel understood the demonstrative evidence, they suggested that the attorney find a more lively way to present the information. They suggested using some sort of animation or creating a PowerPoint presentation.
- A key part of the other side's case was a dispute over technical language, but the panel felt that this interpretation of a particular part of the invention was a small part of the invention's overall uniqueness. They felt that the language issue was almost unimportant.
- The psychology research in the field suggested that the best way to get the client's version of the arguments accepted was to use a sort of preemptive "inoculation" approach. That is, the attorney offers the other side's arguments and then explains why they won't work so that the judge would know how to dispute these same points when the points are offered by the other side.
- The panelists suggested specific terminology to emphasize and particular phrases to use or not use in the actual *Markman* Hearing.
- The expert testimony was—in this case at least—more likely to hurt the client than help him.
- According to the panel, the client's reliance on intrinsic evidence was in keeping with their leanings.
- The panel suggested that the trial team use color coding on figures for clarity and to underscore key ideas in claim construction.

Methodology for Mock *Markman* Hearings

We have found a research methodology that works based on the firm's experience with *Markman* and numerous other types of administrative hearings. Our personnel find a suitable number of former Federal judges or other experts in the field to serve as panelists in the mock hearing. Using closed-circuit cameras set up inside the room, observers can watch the panelists talk without being intrusive in any way. We also videotape the proceedings so that the mock Hearing can be watched a number of times. The graphic artists often watch the proceedings to see the reactions to each

graphic exhibit or document being tested. Preferably a neutral site such as a hotel room or another off-site location is used to set up the mock hearing. After a shortened version of the case is presented, we debrief the panel individually and then as a group.

This methodology, which can be customized for each specific situation, has worked well for our clients in the five years since the *Markman* decision.

Elements of Storytelling

Storytelling is a very effective tool in a jury trial, and it can work in a *Markman* Hearing as well. Why is story telling an appealing way to persuade an audience? It works because it is possible to wrap the story around the claims in the case. In effect, the story explains how the claims came about and what they mean.

In addition, storytelling appeals because it nurtures whole brain learning. A story has elements that appeal to both sides of the brain. Cognitive psychologists have long known that the right brain, with its artistic and creative side, responds to the thematic and aesthetic story concepts that evoke emotions, while the left brain is satisfied by the temporal and organizational structure in a story. A good trial story should contain both thematic appeal and a narrative structure.

Storytelling is an essential element of persuasion not only because of its explanatory power but also because it allows judges to transcend the case and place themselves in the case scenario. The lawyer must tell a *complete* story—which includes compelling themes, a specific narrative structure and narrative elements—at the outset if he or she is to get judges to form a favorable story of the case.

Using Themes

What are themes? They are not facts; they are not legal definitions; and they are not cute sayings. They are abstractions, concepts that help judges define "the case story." The relationship between a trial story and its themes is akin to the relationship between a folk tale and the moral messages it illustrates. Themes are the three to possibly four aspects of the case that judges will retain after the hearing's completion. Themes also allow judges to reach conclusions about the parties' respective motives.

Themes are an important part of the story because they promote unity, tying the characters in the case together and creating consistency between the plot and subplot. They are the organizing principles or touchstones of the case story. We worked on a patent case where an important theme which we drove home—foolish as it may seem at first—was that in a claim interpretation arising in an equivalents case “two does *not* equal one!” Such simple devices can often yield amazing results.

Themes have an important additional function since they serve as significant cues in the hearing when the judge’s attention wanes or the other side creates a fog of technical data. In the same way that the exit sign or familiar landmark brings a daydreaming driver back into focus, themes serve as signposts reminding judges of the client’s key points. In developing a legal case story, themes must be clear before the attorney writes the story.

The effective use of themes, narrative structure and the elements of a good story have the potential to elevate the advocate’s case in the minds of judges. A presentation that follows this structure is more interesting and holds judges’ attention, enabling judges to remember key facts and arguments. Themes are like the RNA molecules that replicate the key points and arguments throughout the hearing.

MARKMAN SUCCESS—PART 2: DEMONSTRATIVE EVIDENCE

Once the strategies and themes have been developed for the case, the next step is to determine how to visually communicate the elements of the claim to the court in the most effective manner. This can be done in a wide variety of ways, depending on what the issue is that attorneys are trying to explain. Developing a visual strategy is two-fold: first, decide what to present and second, decide how best to present it.

How to Develop Visual Strategies for Markman Hearings

Develop the visual strategy in conjunction with the presentation strategy:

- Incorporate key themes into graphics. This ensures that what the judge is seeing and hearing forms a cohesive and persuasive story.

- Identify areas of confusion. This begins the process of thinking visually about the case.

Some things to consider are the following:

- Judge’s approval of demonstrative and presentation equipment.
- Time allotted.
- Types of evidence: i.e., photos, documents, video, patent drawings, file wrappers, etc.
- Are there witnesses?
- Document heavy or light.
- Number of patents and claims involved.
- Technology comfort level of the attorney or witness.

Computer-Based Presentation Technology

Computer-based technology is currently popular in jury trials, but it can also be used in *Markman* Hearings. The capabilities of the computer in terms of storage, speed and available software have brought the cost of developing and creating computer presentations to a level most hearings can afford.

In a recent DQ case involving a programmable VCR recorder, the *Markman* Hearing addressed numerous patents, each having many claims. The attorney needed a way to show over 60 demonstrative exhibits, in excess of 100 pages of patent language and videotaped depositions. By using a computer-based method of presentation, we were able to accomplish the following:

- Synchronize the videotaped deposition to its transcript,
- Retrieve specific segments of the deposition,
- Access any document or exhibit in any particular order,
- Enlarge and highlight any part of the exhibits and documents, including enlargement of specific claims for easy viewing, and
- Show documents side by side.

Animation

Clearly, animation is a very useful tool, especially in patent cases, because complex

processes can be shown and explained in a short period of time with minimal technical language. One consideration in developing animation is cost.

The best way to control cost in animation is to define the scope of the project up front. In the world of computer animation, this is defined as creating a “story board.” A storyboard is a still graphic that defines all of the illustrations and movements that are intended for the final animation.

The storyboard is the client’s opportunity to make sure the artist understands what is to be developed. Clearly this is an investment that will save a significant amount of money by avoiding rework and changes to a completed animation or even work in progress. These still images are a more cost-effective means of revision, rather than at the more expensive animation step.

The most effective way to control the cost of animation is to accurately determine whether the animation needs to be developed and move in a two-dimensional (2-D) or three-dimensional (3-D) mode. Two-dimensional animation is significantly less expensive than 3-D. While many animations may require 3-D modeling in some part, that does not mean the entire animation should be 3-D.

For example, an illustration could use 2-D animation if all that is required is size change or horizontal/vertical direction. If, however, it is crucial to the understanding of the patent to show rotation, multiple views, etc., then 3-D must be used.

Several other aspects affect the cost and development of computer animation. These other issues are length, technical precision, visual fidelity and availability of video and photographs to augment the use of animation. The issue of length and the ability to utilize existing video or photography may be more obvious.

Visual fidelity refers to the concept of how visually precise some or all of the objects need to be. As an example, does the car in the animation need to look specifically like a Ford Taurus or will a simple car do? The use of animation can immediately clarify technical points in the case, but—as with all other visual elements—it must be strategic to the overall case.

CONCLUSION

At the present moment, *Markman* Hearings are not very different from jury trials in the sense that, unless judges have an enormous amount of background with the subject matter, attorneys are presenting something that is alien to them and outside of the scope of their day-to-day experience. The attorney's goal then is to present the information as clearly and concisely as possible and in a manner that is going to convey the importance of the client's case.

As the Principals of DQ have demonstrated, attorneys can do that using overall case strategy, storytelling and visuals. In the end, it is the most compelling story, not the most exhaustive data, that will win *Markman* Hearings and patent cases.

¹ Dr. Philip K. Anthony is Chief Executive Officer of DecisionQuest, Inc. A pioneer in the field of trial consulting, Dr. Anthony has 25 years of experience, and has been involved in more than 1,000 civil trials in all 50 states. Lorrie Messinger is Senior Vice President and head of the New York office of DecisionQuest, Inc. She has 10 years of experience working with trial teams to develop persuasive demonstrative exhibits for complex civil cases in various venues throughout the country.

² Special thanks to Rick Fuentes, Galina Zeigarnik Davidoff and Michael E. Cobb and to David B. Abel of Squiers, Sanders & Dempsey for their contributions to this article.

³ The survey was carried out by the American Bar Association's Section of Intellectual Property Law.

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ENGAGEMENT LETTERS – PART 2

Further to the earlier notice regarding engagement letters, please note the following:

JOINT ORDER OF THE APPELLATE DIVISIONS

The Appellate Divisions of the Supreme Court, pursuant to the authority invested in them, do hereby add, effective March 4, 2002, Part 1215 to Title 22 of the Official Compilations of Codes, Rules and Regulations of the State of New York, entitled "Written Letter of Engagement," as follows:

PART 1215 WRITTEN LETTER OF ENGAGEMENT

§1215.1 Requirements

(a) Effective March 4, 2002, an attorney who undertakes to represent a client and enters into an arrangement for, charges or collects any fee from a client shall provide to the client a written letter of engagement before commencing the representation, or within a reasonable time thereafter (i) if otherwise impracticable or (ii) if the scope of services to be provided cannot be determined at the time of the commencement of representation. ["Client" shall include any person or entity that is responsible for the payment of the attorney's fees.] *For purposes of this rule, where an entity (such as an insurance carrier) engages an attorney to represent a third party, the term "client" shall mean the entity that engages the attorney.* Where there is a significant change in the scope of services or the fee to be charged, an updated letter of engagement shall be provided to the client.

(b) The letter of engagement shall address the following matters:

(1) Explanation of the scope of the legal services to be provided;

(2) Explanation of attorney's fees to be charged, expenses and billing practices; and

[(3) Where applicable, notice of the client's right to arbitration of], *where applicable, shall provide that the client may have a right to arbitrate fee disputes under Part 137 of the Rules of the Chief Administrator.*

(c) Instead of providing the client with a written letter of engagement, an attorney may comply with the provisions of subdivision (a) by entering into a signed written retainer agreement with

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the client, before or within a reasonable time after commencing the representation, provided that the agreement addresses the matters set forth in subdivision (b).

§1215.2 Exceptions

This section shall not apply to (1) representation of a client where the fee to be charged is expected to be less than \$3000, (2) representation where the attorney's services are of the same general kind as previously rendered to and paid for by the client [,] (3) representation in domestic relations matters subject to Part 1400 of the Joint Rules of the Appellate Division (22 NYCRR)[.] or (4) representation where the attorney is admitted to practice in another jurisdiction and maintains no office in the State of New York or where no material portion of the services are to be rendered in New York.

As amended April 3, 2002.