

How IP Lawyers Can Work Strategically During Pandemic

By **Lauren Sabol** (April 14, 2020)

The current pandemic and economy are unprecedented and present unique challenges for the legal profession, particularly intellectual property attorneys.

Businesses are tightening their belts and reducing nonessential expenses in this time of uncertainty. Some ongoing IP litigation and disputes have been put on hold by either the parties or the court. U.S. Chief District Judge Colleen McMahon of the U.S. District Court for the Southern District of New York, for example, extended all civil case management order deadlines in her cases by 45 days.[1]



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Some clients are directing that only essential legal work be done. However, other IP disputes and matters are proceeding. For those moving forward, it is anything but business as usual. But not all of the pandemic-induced lawyering changes are for the worse, as IP lawyers are being challenged to work efficiently, tactfully and creatively, as well as expand their practice through the use of technology.

Back to Basics — Lawyer to Help Those Wronged, Not to Make Money

For many businesses, certain IP-related legal fees may fall into the nonessential expense category. With restricted spending, IP attorneys must pursue litigation, dispute resolution and transactional strategies that focus on issues that truly matter or are imperative for the business.

Common superfluous litigation tactics, such as unnecessary discovery quibbles and letter-writing campaigns, will not be well received on the client's future bills. Nor will frivolous or serial complaint or motion filings be appreciated by the courts. As a result, matters should become more focused, streamlined and pursued in the interest of justice.

Courts are already starting to rebuke attorneys for unnecessary filings and disputes, and IP matters are giving way to more pressing criminal dockets and health concerns. In late March, Magistrate Judge Jonathan Goodman of the U.S. District Court for the Southern District of Florida scolded attorneys for raising an emergency deposition-scheduling dispute with the court during the COVID-19 crisis.[2]

Similarly, Judge Steven Seeger of the U.S. District Court for the Northern District of Illinois denied a reconsideration request for a temporary restraining order in a case involving allegedly counterfeit unicorn drawings, stating:

The filing calls to mind the sage words of Elihu Root: "About half of the practice of a decent lawyer is telling would-be clients that they are damned fools and should stop." [3]

At least in the Southern District of New York, many IP attorneys are taking note. Between March 22 — the effective date of New York Gov. Andrew Cuomo's stay-at-home order — and April 13, only 44 IP cases were filed in the Southern District of New York, half of which were filed by the Liebowitz Law Firm PLLC. This represents approximately a 40% drop in IP complaint filings from previous years. During this same period in 2019 and 2018, 74 and 72 IP complaints were filed in the Southern District of New York, respectively.

In crafting their strategies, IP lawyers should be cognizant of potential statute of limitation and government filing extensions in their jurisdiction and practice area. For example, on March 20, Cuomo issued an executive order that tolled statutes of limitations until April 19.[4] On March 31, the U.S. Patent and Trademark Office announced extensions for certain patent and trademark filings.[5] In federal court, equitable tolling or blanket extensions can be applied on a case-by-case or judge-by-judge basis.[6]

Once restrictions are lifted and cases get back on track, IP lawyers should continue to exercise judgment and restraint in their practice.

Use Downtime Wisely

Many IP lawyers are facing downtime during this pandemic that is beyond the usual ebb and flow of their practice. This downtime can be filled with a number of productive tasks, including:

- Taking on a pro bono matter, such as a matter from the Volunteer Lawyers for the Arts;[7]
- Satisfying continuing legal education requirements through online or video programs;
- Reviewing and revising firm policies or documentation, such as retainer letters, electronically stored information protocols or employee handbooks;
- Providing training to younger associates or staff, such as mock depositions or training in electronically stored information databases or IP-related agreement-drafting; and
- Catching up on legal developments in this area of the law, including the numerous IP cases decided by the U.S. Supreme Court in the last year.

Many of the above tasks may previously have given way to urgent case deadlines or been completed at the last minute. With extra time on their hands, IP lawyers should seek out ways to give back and better themselves, the profession and their firms.

Settlement Impact

Restrictions on cash flow could also impact IP settlement prospects, as traditional lump sum or royalty payments may not be feasible for many businesses. IP lawyers will need to think creatively regarding settlement and whether unconventional settlement terms are viable.

In the IP context, options may include agreements for future business, deferred payments, cross-licensing, approved design or mark changes, approved design-arounds, voluntary injunctions or changes to company policies to avoid similar disputes in the future. Going forward, lawyers should keep these strategies in mind.

Some plaintiffs may desire to settle now to avoid their own future litigation costs, even if it means the plaintiff would get less than it would have otherwise accepted. Cases can be evaluated to determine when peak spending may occur (such as document review, depositions, Markman hearings or expert discovery) to evaluate whether a party may desire to avoid or defer those costs. As a defendant, now may be as good a time as any to broach the settlement issue.

Executed settlements may also need to be revisited. What may have been agreeable a few months ago may no longer be sustainable. Lawyers should be proactive on this front, anticipating defaults, evaluating applicable force majeure provisions and discussing alternative arrangements with their client.

Get Comfortable With Technology

Technology is playing a key role in keeping the legal profession afloat while social distancing guidelines are in place. Court appearances are now conference calls. Depositions are now conducted via video. And much to the delight of some, those meetings that could have been emails are now just emails.

Lawyers are being forced to become comfortable with technology and should consider how this technology can aid their business and reduce their client's legal fees during this pandemic and after the stay-at-home orders have been lifted.

IP cases tend to have numerous depositions, including of fact witnesses, Federal Rule of Civil Procedure 30(b)(6) designees, third parties and experts. Although there is a preference for deposing important witnesses in person, can time and money be saved by deposing less important witnesses remotely?

Remote depositions are not new. Federal Rule of Civil Procedure 30(b)(4) permits depositions to "be taken by telephone or other remote means" by party stipulation or court order. In the Southern District of New York, Local Civil Rule 30.2 provides that "[t]he motion of a party to take the deposition of an adverse party by telephone or other remote means will presumptively be granted."

While court reporting agencies have offered remote depositions for years, lawyers rarely took advantage of them. Remote deposition platforms allow any number of individuals from any location to participate in or observe the deposition. Many platforms allow exhibits to be electronically loaded in advance and then shared with deposition participants as needed. With remote depositions, lawyer, staff, and witness travel expenses and printing costs, including expensive color printing charges, are reduced.

Opportunities for junior attorneys, clients and experts to observe depositions are expanded. Non-pdf files, such as financial spreadsheets or marketing videos, can easily be used as exhibits. Exhibits can be added and searched mid-deposition with just a few clicks. Gone are the days of wasting paper and shipping or lugging boxes of exhibits to a deposition.

Remote deposition platforms also may include chat features, which allow deposition

participants to communicate privately without going off the record. This feature facilitates team member, client and even expert commentary on the deposition testimony in real time.

For IP cases that host documents through a vendor, attorneys should consider how e-discovery costs can be reduced. Many vendors offer reduced hosting fees for archived databases. If the matter is currently inactive due to the pandemic, the client can potentially save thousands of dollars per month by temporarily archiving its document databases. Additionally, firms may be able to reduce e-discovery costs by limiting the number of active users for a database.

Finally, can IP firms reduce their overhead, retain talent or recruit nonlocal talent by expanding their remote working options? With remote technology already in place, some lawyers or employees can be transitioned to working from home. Less office space would be needed and firm morale may even improve. A September 2019 survey of U.S. workers between the ages of 22 and 65 by Owl Labs found that remote workers are happier and tend to stay with their company longer than onsite workers.[8]

Additionally, geography will no longer be a barrier to employment. Particularly for small or midsized IP firms, or IP firms in secondary markets, adding nonlocal talent to the ranks can expand the firm's client base, income potential and diversity. Indeed, one factor that Working Mother Magazine and the American Bar Association found important for their list of the 60 best law firms for women in 2019 was the firm's ability for lawyers to work remotely.[9]

For women attorneys with families, a remote option could help retain talent and develop more women associates or counsel into partners. On the patent side, the potential pool of candidates with desirable science backgrounds expands. And while some have the misconception that remote workers work fewer hours, the survey by Owl Labs found the opposite: Remote workers reported that they work more than 40 hours per week, which was 43% more than onsite workers.[10]

These are undoubtedly trying times, but IP lawyers should learn from this experience and adapt to improve their practice and the profession going forward. Because any number of events — whether legislative, economic or otherwise — could impact the IP profession in the future, working efficiently, creatively and cost effectively should always be a top priority.

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[1] https://nysd.uscourts.gov/sites/default/files/practice_documents/MC%20McMahon%20OVID%20Modification%20of%20Scheduling%20Orders%20%20033120.pdf.

[2] <https://www.law360.com/articles/1257629>.

[3] <https://www.law360.com/articles/1254685>.

[4] <http://www.courts.state.ny.us/whatsnew/pdf/EO-202.8-ocr.pdf>.

[5] <https://www.uspto.gov/about-us/news-updates/uspto-announces-extension-certain-patent-and-trademark-related-timing>.

[6] See, e.g., *Buckley v. Doha Bank Ltd.*, No. 01-cv-8865, 2002 WL 1751372, at *2 (S.D.N.Y. July 29, 2002) (equitably tolling statute of limitations due to “the unprecedented circumstances of the World Trade Center disaster”).

[7] <https://vlany.org>.

[8] https://www.owllabs.com/state-of-remote-work/2019?hs_preview=jWDXIXgj-13385250578.

[9] <https://www.workingmother.com/best-law-firms-for-women-2019>.

[10] https://www.owllabs.com/state-of-remote-work/2019?hs_preview=jWDXIXgj-13385250578.