

insight®

A RATNERPRESTIA PUBLICATION

SPECIAL ISSUE ON ALTERNATIVE DISPUTE RESOLUTION

IN THIS ISSUE

CREATING BUSINESS OPPORTUNITIES FROM DISPUTES	1-3
ANNOUNCING	4-5
SPEAKER'S FORUM	6-7
INSIGHT... INTO BUSINESS APPROACHES TO DISPUTE RESOLUTION	8-9
EXPANDED DISPUTE RESOLUTION JURISDICTION FOR DELAWARE CHANCERY COURT	10

CREATING BUSINESS OPPORTUNITIES FROM DISPUTES

BY: HARRIE SAMARAS

Ms. Samaras is Of Counsel with RatnerPrestia where she heads the Firm's ADR Group. Ms. Samaras wishes to thank Bob Seitter and Dan Calder for their insights in preparing this article.

Years ago while working on one of my first patent infringement cases, I learned an important lesson about settling disputes. On hearing that the case was going to settle, I assumed the defendant would pay my client some money and cease making the product or, perhaps, take a license, and that would be it. When I mentioned this to a partner on the case he said to me facetiously: "The sky is the limit in settlement. If the plaintiff wants the defendant to wash his windows for a year and the defendant agrees, that can be a term of the settlement." It wasn't until I was corporate counsel responsible for commencing and settling intellectual property lawsuits, that I fully appreciated the implications of that hyperbole. Settlements are not slaves to the pleadings. The savvy business client will often spot a unique business opportunity that might not have been at his/her grasp, but for the litigation. But achieving business-oriented solutions requires perspective, preparation, creativity, communication and patience. As Henry J. Kaiser stated: "Problems are only opportunities in work clothes."¹



MAINTAINING A BUSINESS PERSPECTIVE



Disputes typically engender some level of tension between the parties ("I'm right, you're wrong."), uncertainty ("When will it end? What will it cost?") and distraction ("It's taking too much of my time."). If the dispute ends up in court, the inertia of the litigation process may drive an even bigger wedge between the parties often leading to the perception that the only way out is the road to trial. Maintaining a business perspective can provide the necessary motivation for settling the dispute and finding a business solution to do so.

It is often necessary to step back from the dispute to a vantage point that reveals what important business realities are implicated. For example, a company may decide that the subject matter of the dispute (e.g., a patented product or trademark) is not core to its business and not worth a substantial investment of resources. Or value thought to be gained by commencing a lawsuit can become moot or at least diminish over time because of changes in the business or the market place. For example, the manufacturer of the patented or accused product may, during the life of the dispute, decide to stop producing its product based on a changed business strategy, a lack of demand, products liability issues, unprofitability, or obsolescence.

Exercising a business perspective means not being married to the past deeds of your adversary and not being tied to a particular form of redress for those deeds. Look to the future, don't focus on the past. Your company may overlook an immediate opportunity or one for the future. Ceasing the production or use of non-core assets may satisfy both parties' needs — a win-win situation. Or perhaps you have in your adversary a willing buyer for the disputed mark or technology, or a willing supplier for an outsourced part.

A business perspective often fosters swifter and more valuable resolutions when diverse interests are involved. Various individuals (e.g., technology, business, finance, tax) may have some interest in the outcome, but satisfying everyone's interests may not be feasible. And taking the time to do so may jeopardize a "window of opportunity" or a strategic business opportunity. In a corporate culture that values a business approach for dispute resolution, the diversity of perspectives will be maximized to develop options for settlement that are aligned with core business strategies, risk philosophy, and financial obligations.

Be aware of the "cost" of a dispute. Winning or losing a litigation may not advance an important business objective or generate value in the intellectual property at issue if the exposure is significant and the fight to get there costs more than the possible win.

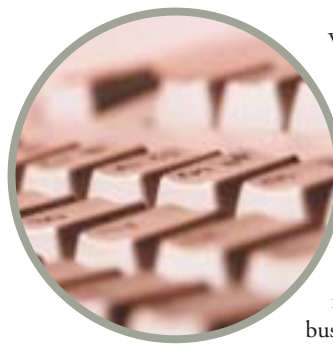
Although law suits have been known to languish at various stages providing what may appear to be a respite to a company's pocket book, the costs of litigation are never to be underestimated. The

costs to a business also includes the time and attention of corporate personnel that will be diverted to fueling the litigation train. Keeping attuned to the strengthening and weakening effects on the case of documents and information unearthed (before and during litigation) often provides the opportunity to consider whether it makes sense to continue or escalate a dispute, accept a settlement offer, make a counteroffer, or make a settlement

overture. Maintaining a proper perspective also means focusing on what matters to the business. Leave the emotional and personal baggage behind at the most challenging time — in the throws of the dispute or litigation.

PREPARATION

Preparing to settle at any stage of a dispute is likely to be no less important to a business than preparing to negotiate any business deal or preparing for an important event in litigation. The amount of preparation can vary depending on factors including the stage of the dispute, the impact to the business, the parties contractual obligations, the court's or a neutral's involvement, and the parties' motivation.



When brainstorming negotiating strategies and options, cast as wide a net as possible.

Consider your and your adversary's business interests beyond the subject matter at issue in the litigation.

Consult with executives in your corporation responsible for setting and implementing business strategies to define value

that the company is willing to give or

receive to meet important business goals. Similarly, your executives may know what value would be important to your adversary. Similarly, from talking with lateral managers you may discover that a fellow manager could benefit from a business arrangement with your opponent or vice versa. To appreciate your adversary's interests, check publicly available information including websites, industry sources, corporate personnel who had past dealings with your adversary, press releases, news articles, market analyses, lawsuits and government filings. From these sources you may learn about your adversary's future plans, disputes with others over the same subject matter, and impending corporate changes and, thus, gain insight into the motivation, timing, and terms for a corporation to settle a dispute.

Preparing to resolve a dispute often involves getting the appropriate people in the company engaged for however long the haul might be. Creative solutions, inducements, and business decisions that will result in a business oriented solution for both parties are often reached with the involvement of in-house and outside experts (e.g., business managers with profit and loss responsibility; marketing personnel; tax, corporate and finance managers; scientists and damages consultants) who are intimately acquainted with relevant parts of the business. For example, determining what core technology is necessary for a settlement may be identified by scientists and business personnel. Tax and finance advisors can provide ideas for structuring the monetary component of a deal to satisfy the respective interests of the disputants. Tax, corporate and finance advisors can help to define value to be traded in a settlement, for example, taking stock or options in a fledgling company. Assigning intellectual property assets may have tax consequences that need to be considered.

Considering the parties' best and worst alternatives to a settlement may provide leverage in the negotiation (for or against your company), and it may provide perspective for resolving the dispute. That includes obtaining a realistic grasp of the strengths and weaknesses in both cases, understanding facts that are for and against the parties, and considering what the parties can do if a settlement doesn't occur. A company must understand the consequences of a loss and evaluate its impact on the business.



CREATIVITY

Creativity may be expressed in the kinds of options the parties generate, the means for implementing the options, or both. Here are some examples.

CREATING NEW BUSINESS RELATIONSHIPS

Mending or improving a relationship can result in significant value. When money is an issue, friendly parties may agree to satisfy monetary demands with transfers of non-monetary valuable consideration (e.g., supplies at a very competitive price, unique services, more favorable treatment, new business ventures between the parties, and saving the time and costs of engaging a new business partner).

CREATING BUSINESS CERTAINTY AND CONTROL

Achieving resolution and bringing certainty to management's planning process may be enormously valuable to shareholders, clients, business partners and company employees. Having the ability to craft a settlement is valuable because a corporation has control over the value it is receiving and giving (as opposed to waiting for a judge, arbitrator or jury to decide) and it brings predictability to a management's planning process.

CREATING ACCESSIBILITY TO INTELLECTUAL PROPERTY RIGHTS

Even the most ardent adversaries know the value of gaining access to valuable technology, know-how, patents, trade secrets, copyright and trademark rights. If parties have done their due diligence on the other, they will be able to assess the value of such rights to their business. Thus, a party may obtain access to technology, or obtain a license or cross-license that it otherwise would not have received, but for the dispute.

CREATE AN EXPANSION OF YOUR BUSINESS

Mending fences may open doors to other valuable business arrangements with your adversary or valuable partners to whom they introduce you. A larger company may obtain as value an investment in its opponent's newer business and later produced products (e.g., incubator deal-investment for equity). A party may gain a new supplier or purchaser for goods or services (at issue or not), or establish a new market that did not previously exist for goods or services.

CREATE ALTERNATIVES TO MONEY BY BEING FLEXIBLE

Money isn't everything. Alternatives to an exchange of cash may be just as valuable, for example: (1) the timing of a settlement (tax advantages, releasing financial reserves); (2) the kind of value exchanged (services or goods instead of money, public acknowledgement of IP rights); (3) the structuring of a money transfer (up front lump sum, payment over longer time); and (4) taking stock or options instead of cash (long term investment). It's all in the structuring. Probe to learn what needs and concerns the other party has and communicate the same for your company.

CREATE VALUE FOR YOUR COMPANY BY CEASING THE ALLEGED ACTIVITY

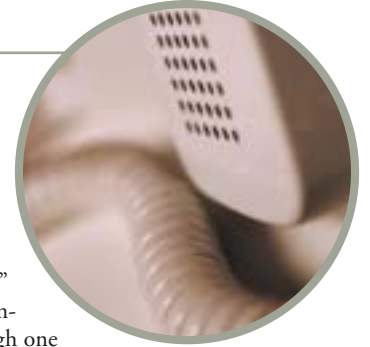
Heaven forbid a company stops the offending activity. Does your company want to stop it anyway? Perhaps a very willing buyer is right in front of your nose. Settlements have been based on agreements to cease using a mark that hasn't been used very long or no longer has the value it once did for a company. Similarly, in the patent context, settlements have been based on ceasing the production of products or the use of technology that is not core to the business. It may be the case that after probing the realities of the businesses it is apparent that the parties' business interests really do not conflict.

CREATE POSITIVE PUBLIC ATTENTION

Many companies fight for confidentiality of the settlement and the negotiations for good reason. But issuing a joint press release or permitting one of the parties to issue an appropriate press release might inspire public confidence and increase value to the company indirectly.

COMMUNICATION

One of the first questions a company asks when notified that a lawsuit has been filed against it is: "What do they want?" Not, necessarily, "What does the complaint say?" — usually the second question. Often what a party wants is not what they need. Getting from "wants" to "needs" takes communication. Productive communication may occur directly through one or more of the following: business representatives who know one another, executives not involved in the dispute, or attorneys. It may also occur with the aid of a third-party (e.g., a mediator). Learning what your adversary wants, particularly at a time when you may not be inclined to care, is a first step towards developing a forward-thinking business oriented perspective. Also, taking the time to understand your adversary's position in the negotiations, may provide perspective on how to make an offer so they accept it.

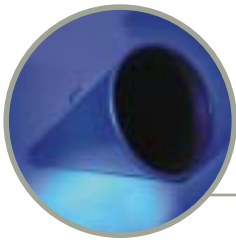


PATIENCE

"Good things come to those who wait." It is often the case that the momentum for settlement takes a couple of rounds of what may seem to be less than satisfying or productive meetings. It takes time to develop a working relationship that is strong enough to solve difficult problems that divide parties. Sometimes settlement negotiations may feel similar to litigation — it's hurry up and wait after the pleading stage. But in the case of settlement negotiations the parties are often in the unique situation to control when they settle, how they settle, and for what they settle. And they should take advantage of that. Negotiating the resolution of a dispute involves a lot of variables including individuals' negotiation styles, emotions, money, business decisions, perceptions, and real harm. Once the requisite mindset, preparation, people and effort are brought to bear on the problem, intangibles, including patience both within the corporation and with your adversary, often carries the day.



[1] Simpson's Contemporary Quotations, compiled by James B. Simpson. 1988.



ANNOUNCING

RatnerPrestia is pleased to announce that **Jonathan H. Spadt** has been elected a Shareholder of the Firm in his first year of eligibility. "We are very pleased to welcome Jon as a shareholder. Jon has been



with the firm since he graduated law school and we consider him to be a valuable asset to our firm" said Paul Prestia, Chair of the Firm's Management Committee. Mr. Spadt practices all aspects of intellectual property law, including litigation, transactional counseling and domestic and international patent prosecution and portfolio development. After graduating with his B.S. in Chemical Engineering with distinction

from Penn State University, he gained industry experience assisting in building and retro-fitting chemical manufacturing facilities to support Merck's pharmaceutical manufacturing. Mr. Spadt received his Juris Doctor from Villanova University School of Law where he was Editor for the Sports & Entertainment Law Journal.

Are you or have you been thinking about entering into an agreement for your intellectual property? If you are, then you may want to check out **Robert Seitter's** article "Strategic IP Agreements: A Trap for the Unwary." This article was published in the October 27 edition of BusinessWeek magazine and may be viewed on our website www.ratnerprestia.com under the Publications link. Our clients may view a longer version of this article through our Clients Only section.



Harrie Samaras, Leader of RatnerPrestia's ADR Group has been accepted to serve as a neutral on the American Arbitration Association's ("AAA") National Roster of Neutrals. AAA is



a long-standing global leader in conflict management that is committed to resolving a wide range of disputes through mediation, arbitration, and other out-of-court settlement procedures. In addition to her AAA invitation, Harrie serves as a neutral for: World Intellectual Property Organization's Panel of Neutrals and Domain Name Disputes, CPR Institute for Dispute Resolution's Panel of Distinguished Neutrals,

the National Arbitration Forum, the U.S. District Court for the Eastern District of Pennsylvania, and the State of Maryland's (Sixth Judicial Circuit) Business and Technology Court.

We are pleased to announce that **Kevin R. Casey** has been honored with an AV® rating, the highest rating given by Martindale-Hubbell®. Mr. Casey, a shareholder of the firm, was selected to receive this prestigious rating as a result of an evaluative process that seeks to assess lawyers within the U.S. and Canada. The ratings are based on confidential peer reviews by members of the Bar and Judiciary. The AV® rating, which identifies attorneys with very high to preeminent legal abilities, is a reflection of an attorney's expertise, experience, integrity and overall professional excellence. Exclusively developed and assigned by the Martindale-Hubbell Law Directory®, the Lawyer Rating System is considered a valuable benchmark intended for use by members of the legal profession and for consumers.



The National Arbitration Forum (the "Forum") recently welcomed **Paul Prestia**, **Harrie Samaras** and **Kevin Casey** to its panels of neutrals. Mr. Prestia is serving as a mediator for the General Commercial Panel which handles general business matters. Ms. Samaras is serving as a mediator on the Forum's Intellectual Property Mediation Panel, and Mr. Casey is serving as an arbitrator on the Forum's Intellectual Property Arbitration Panel. The National Arbitration Forum is a leading neutral administrator of arbitration, mediation and other forms of alternative dispute resolution (ADR) worldwide. Pursuant to a new rule and protocol for mediation recently adopted by United States District Court for the Eastern District of Pennsylvania, Ms. Samaras and Messrs. Prestia and Casey were also recently notified that they had been accepted as mediators by the Court. "We're proud to be able to assist the Court in providing this service. We look forward to helping businesses amicably resolve their disputes," says Paul Prestia. In addition to the above, various members of



RatnerPrestia's Alternative Dispute Resolution (ADR) Group are proud to serve as neutrals on panels of the World Intellectual Property Organization, the American Arbitration Association, CPR Institute for Dispute Resolution, as well as for courts in Pennsylvania and Maryland. These recent acceptances continue RatnerPrestia's ADR Group's commitment to assist corporations in settling their

business disputes in a cost-effective and efficient manner. RatnerPrestia's ADR Group offers a full spectrum of services for resolving disputes including: serving as neutrals; representing clients in ADR processes; educating clients about ADR approaches that would be appropriate for their particular circumstance; and designing ADR processes for resolving future disputes and preparing implementing provisions.

Christian M. Bauer has joined the firm as an Associate. Mr. Bauer's experience includes research and development in the areas of microbiology, biotechnology and cellular biology. Prior to joining RatnerPrestia, Mr. Bauer worked in diverse and complex fields of vaccine formation and development, bacterial food testing, and DNA testing in University laboratories and corporations in the tri-state area. He also worked at the International Trade Commission, Office of Unfair Import and Trade Investigations, on cases involving violations of Section 337 of Title 19 of the U.S. Code, which prohibits the importation of products that infringe



U.S. intellectual property rights. Mr. Bauer earned a Masters of Science in Forensic Science from Marshall University in Huntington, West Virginia. He also earned a Bachelor of Science Degree from Gettysburg College, majoring in biochemistry and molecular biology. Mr. Bauer spent a semester abroad in a Spanish speaking university in Granada, Spain. He is proficient in Spanish. With RatnerPrestia, Mr. Bauer's practice includes

litigation support, patent scope and infringement assessment, and essentially all phases of patent application preparation and prosecution. Based on his technical experience and academic background, Mr. Bauer's work with RatnerPrestia has been concentrated in the fields of chemical catalyst composition and biological compositions. Mr. Bauer is also the author of an article on prosecution history laches published in the Summer 2002 edition of the Germeshausen Center Newsletter.

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Harrie Samaras on “Creating Business Opportunities from Disputes” on Page 2.



SPEAKER'S FORUM

The American Intellectual Property Law Association ("AIPLA"), the premier organization for intellectual property law in the United States, held its Annual Meeting in Washington, D.C. on October 29 through November 1, 2003. **Harrie Samaras**, Of Counsel with RatnerPrestia, was an invited speaker at three separate programs during the meeting.

At the AIPLA's Committee on Alternate Dispute Resolution, Harrie spoke on "How to Choose a Mediator." The practical approach she presented reflects her combined experience as a mediator and as an advocate for clients in mediation. She was joined on the panel by the Deputy Director of the World Intellectual Property Organization ("WIPO") Arbitration and Mediation Center. WIPO is an international organization dedicated to promoting the use and protection of intellectual property, and she serves as a neutral on their Panel of Neutrals and Domain Name Disputes.

Harrie also joined a distinguished panel of speakers including the Deputy Commissioner of Patent Operations at the U.S. Patent and Trademark Office, to discuss varying perspectives of preparing an "Examiner Friendly Patent Application." Having concentrated her twenty-year practice in intellectual property litigation, Harrie provided a litigation perspective on some of the problems that may surface in litigation from decisions that are made describing and claiming an invention.

Because of her various leadership roles in the AIPLA including as a Board member and as its Treasurer, Harrie was selected to join a distinguished panel of women who have served the AIPLA in leadership roles (past Presidents, Board Members, Executive Committee) at a program sponsored by AIPLA's Women in IP Law Committee. The program was entitled The Divine Secrets of the AIPLA Leadership. In addition to providing personal accounts of how they developed their own paths to leadership, the panel provided insights into the leadership and mentoring opportunities that the AIPLA offers to women.

Harrie Samaras, Leader of RatnerPrestia's ADR Group, was invited to speak at Drexel University's LeBow College of Business. Ms. Samaras spoke about intellectual property protection in commercializing new technologies and managing intellectual property in established companies to MBA students.

Paul Prestia, co-founder and Chair of the Management Committee of RatnerPrestia, spoke at the recent 40th Annual Corporate Patent Seminar "Maximizing the Value & Use of IP Assets" held in Charleston, South Carolina. In his presentation, "Clouds on Patent Horizon May Impair Portfolio Value," Mr. Prestia discussed the historically persistent tension between two significantly different views of the patent system. One of these views is the perception, espoused mostly by some outside the patent field, that patents impede progress by impeding competition. The other is based on the underlying rationale of the patent system, to promote innovation by rewarding innovators with legally protected exclusive rights for a limited period of time. Mr. Prestia also discussed how recent developments by the Department of Justice, the Federal Trade Commission and the Court of Appeals

for the Federal Circuit may indicate that the pendulum of the recognition given patents as positive forces for progress may be moving from sympathy to antipathy. The implications of these developments on those building patent portfolios and trying to maximize portfolio value were the focus of Mr. Prestia's presentation. Corporate Patent Seminar is an association of senior corporate patent professionals dedicated to the effective and healthy exchange of ideas and experiences in the area of patent law and corporate practice. This program is beneficial to senior corporate patent counsel who derive great value by sharing ideas and exploring relevant issues with leaders of other corporate patent departments.

James C. Simmons and Kenneth N. Nigon, both Shareholders of RatnerPrestia, spoke at the 8th Annual Independent Inventor Conference held recently at The Franklin Institute in Philadelphia, Pennsylvania. The conference, organized by the U.S. Patent and Trademark Office and the National Inventors Hall of Fame, offered practical and important advice to independent inventors.



During his session, Mr. Simmons discussed how to work with a patent attorney and/or agent and included important factors for the inventor to consider when finding, selecting, and working with a patent practitioner. Mr. Simmons also was a speaker at the general session entitled "Ask the Experts." This panel of prestigious conference representatives gave the audience an opportunity to ask those burning questions. Mr. Simmons also participated in one-on-one conferences to answer questions by individual participants.



Mr. Nigon spoke about licensing and intellectual property. His session included general information on licensing intellectual property assets to individuals and companies, general information on securing licenses from individuals and companies to use their intellectual property, and general information on non-disclosure agreements.

Other notable speakers at the conference included two nationally recognized inventors, Ray Kurzweil and James Ferguson, both of whom are inductees into the National Inventors Hall of Fame. James E. Rogan, Former Under Secretary of Commerce of Intellectual Property and Director of the U.S. Patent and Trademark Office, also spoke at the conference. Judge Rogan managed the USPTO's operations and was policy advisor to the Bush Administration on all domestic and international intellectual property matters. Additional special guests at the conference included:

Nicolas Godici, Commissioner for Patents
Fred Allen, Editor, American Heritage of Invention & Technology
Marilyn Montross, Director of Vendor Relations, QVC
Additional experts from the U.S. Patent and Trademark Office

The USPTO administers patent and trademark laws protecting intellectual property and rewarding individual effort. Intellectual property is a potent force in the competitive free enterprise system. By protecting intellectual endeavors and encouraging technological progress, USPTO seeks to preserve the United States' technological edge, which is a key to our current and future competitiveness. The National Inventors Hall of Fame is a not-for-profit organization dedicated to recognizing, honoring, and encouraging invention and creativity.

Kevin R. Casey, a Shareholder of RatnerPrestia, recently discussed opportunities for scientists in the corporate world at Rensselaer Polytechnic Institute's symposium titled "Biotechnology: Innovation, Opportunity and Commercialization." In his presentation, INTELLECTUAL PROPERTY (IP) FOR THE ENTREPRENEUR: WHAT TO DO WHEN?, Mr. Casey used an illustrative time line punctuated by typical events as an entrepreneur begins and grows a successful venture. He explained how the entrepreneur can use IP to make money, and how to hang on to that money (i.e., stay out of trouble), at various points in time. The symposium explored the opportunities in commercialization of biotechnology, biomedicine, and nanoscience and was sponsored by the Rensselaer School of Science and the Office of Alumni Relations. Andrew Marshall, Editor of Nature Biotechnology, was the keynote speaker and discussed the evolution and future of biotechnology. In addition to the faculty, students, and alumni, other folks attending this one-day symposium included researchers, R&D managers, venture capitalists, corporate investors, and entrepreneurs.

Benjamin E. Leace, a Shareholder of RatnerPrestia, was invited to speak at the recent Madrid Protocol 101 seminar which was held in cities throughout the United States. Mr. Leace presented his discussion from the Philadelphia, Pennsylvania location on December 9. The one-day forum provided valuable information about implementation in the United States, including the events that led to the U.S. accession to the Protocol; requirements, recommendations and pitfalls of filing Madrid applications, and filing, prosecution, clearance and policing strategies. The International Trademark Association (INTA) and the University of Akron School of Law organized the conference.



Kevin R. Casey was invited by the Albany School of Law to speak about Judicial Clerkship opportunities with the U.S. Court of Appeals for the Federal Circuit. Mr. Casey has personal experience as he served two years as a judicial clerk to The Honorable Helen W. Nies, former Chief Judge, U.S. Court of Appeals for the Federal Circuit.

Harrie Samaras, Leader of RatnerPrestia's ADR Group, recently planned and moderated a program for the Philadelphia Intellectual Property Law Association on Making ADR Work in Intellectual Property Cases. The program covered the use of Special Masters, Arbitration and Mediation in resolving intellectual property disputes from the perspectives of a Special Master, Mediator and in-house counsel. In addition to moderating the panel of distinguished speakers, Ms. Samaras led a discussion between the audience and the panel on cutting-edge issues in ADR. The panel consisted of Edward Cahn, Of Counsel, Blank Rome LLP, formerly Chief Judge of the U.S. District Court for the Eastern District of Pennsylvania; Barry Estrin, Associate General Counsel, E.I. du Pont de Nemours and Company; and Judith Meyer, Esquire., Principal, J.P. Meyer Associates, who is also a mediator and arbitrator.

INSIGHT...

INTO BUSINESS APPROACHES TO DISPUTE RESOLUTION



CHOOSING COUNSEL FOR MEDIATION

It is rare to hear criticisms about mediation as a process for resolving disputes. More common are criticisms about how effective a particular mediator was or how well prepared parties were (both client and counsel) to participate in the mediation. With regard to the former, in my last column, I discussed some fundamental considerations involved in choosing an effective mediator. This column will focus on the latter — choosing counsel who has the experience to prepare and guide corporate representatives through the mediation process. Here are some considerations to keep in mind.

1. HOW FAMILIAR IS COUNSEL WITH THE MEDIATION PROCESS?

Attorneys learn about ADR from different sources and to varying degrees. Few attorneys go through mediation training to learn about mediation from the mediator's perspective. Some have assisted experienced attorneys in mediations to gain acumen for the process. Many obtain at least some information about ADR by attending continuing legal education courses or professional meetings with presentations about it. Accordingly, when selecting counsel for mediation, it is important not to assume that a generally experienced and otherwise competent counsel is knowledgeable about mediation and can competently represent a client in a mediation.

Learning about an attorney's experience as an advocate in mediation can be ascertained by publicly available information (e.g., website biography), asking others, or communicating directly with the attorney. If a client is already being represented by counsel in a lawsuit when the decision to pursue mediation arises, it is worthwhile inquiring whether any of the attorneys on the trial team are experienced mediation advocates. Alternatively, others in the law firm may be more able to assist. Clients may opt to have an attorney from the same firm handling a litigation, but not on the litigation team, represent them in the mediation. By this separation of duties, parallel tracks of litigation and negotiation are often more effectively pursued.

2. DOES COUNSEL HAVE EXPERIENCE REPRESENTING CLIENTS IN MEDIATION?

Mediation is a flexible process in which the mediator assists the parties in negotiating their own settlement. Preparing for a mediation has multi-dimensional aspects. For example, the parties must prepare themselves for a negotiation and they must prepare or "arm" the mediator with information that he/she can use with the parties in separate caucuses to facilitate a settlement. That entails collecting information, brainstorming with others in their company, and often preparing a written submission for the mediator. Furthermore, during the mediation, the parties are often called upon to be creative and resourceful in completing the process. Counsel who has first-hand experience assisting clients prepare for and participate in mediations can add significant value to the process and the outcome. So, in selecting mediation counsel, consider asking:

- The extent of counsel's experience representing clients in mediation;
- The subject matter of those mediations;
- The stakes involved in the disputes mediated;
- How they prepare their clients for mediation; and
- How they prepare themselves for mediation.

Because mediations are confidential processes, counsel will not be able to discuss the particulars of the other mediations they have handled, but you may learn general information on the experience they have with the process, and they may be able to share references of other clients who they represented in mediations.

3. DOES COUNSEL HAVE THE APPROPRIATE DISPOSITION FOR MEDIATION?

The old adage: "Patience is a virtue" is particularly applicable when participating in a mediation. Patience is necessary, for example, when listening (not reacting) to your opponent in combined sessions (often nuggets of helpful information are elicited), when formulating counteroffers, and when waiting for the mediator to meet in caucus with the other party. Successful negotiations and settlements take time and patience and both a client and their attorney must have it. Thus, in addition to skills and experience in mediation, exercising the appropriate behavior when it's required can go a long way to stimulate the desired result.

4. DOES COUNSEL HAVE THE REQUISITE KNOWLEDGE ABOUT SOURCES FOR MEDIATORS?

Insofar as a beneficial aspect of mediation is the parties' ability to exercise control over who is selected to mediate their dispute, it is advantageous to choose counsel who is knowledgeable about viable mediator candidates. Because of ethical conflicts and scheduling issues, a client's first choice for a mediator may not be possible, so knowing about other competent mediators that are a good match for the kind of dispute and the parties involved, is important. Experienced counsel are more likely to be able to suggest mediator candidates from having used such mediators in the past, having heard mediators speak at professional meetings, and by obtaining references from colleagues in their firm or in professional organizations.

5. DOES COUNSEL HAVE OTHER RELEVANT EXPERIENCE THAT MAY ADD VALUE TO THE MEDIATION?

Mediation involves assisted negotiations, so certainly counsel having experience negotiating deals will possess a key skill for representing clients in mediation. In addition, counsel having corporate experience can be extremely helpful in working with corporate business and legal representatives, for example, to explain what they need to know about the mediation process and to prepare them for the mediation, particularly in understanding a client's interests and developing solutions based on those interests. Counsel who also has experience as a mediator provides clients with a unique perspective and may actually benefit the client when settlement discussions reach an impasse. The mediator/counsel may be able to suggest ideas to the mediator for overcoming the impasse that would not have been available but for the mediation training.

Representing clients in mediation requires particular skills, experience and temperament. Choosing counsel who are equipped to provide that service is an opportunity clients should take knowingly.

You have choices and we're here to help you make the best ones.

Harrie Samaras
RatnerPrestia's Alternative Dispute Resolution Group Leader

EXPANDED DISPUTE RESOLUTION JURISDICTION FOR DELAWARE CHANCERY COURT

BY: KEVIN W. GOLDSTEIN

By statute enacted in 2003, the Delaware Chancery Court has been provided with the expanded jurisdiction to now “mediate,” and to “hear and determine technology disputes.” 10 Del. C. § 346 (2003). Within the definition of “technology disputes” are disputes arising from agreements relating to intellectual property rights pertaining to “technology of a complex or scientific nature that has commercial value.” This new jurisdiction appears to provide business entities an additional means of resolving intellectual property disputes in a neutral forum and in an expedited manner.

The Delaware Chancery Court has traditionally been recognized as the court to handle all equity matters filed in the courts of Delaware. The Delaware Chancery Court has also long been recognized as the primary judicial body handling Delaware corporate matters and has often set the standard for interpreting corporate law issues, which are often then cited by other jurisdictions.

In the next issue of Insight, a detailed description of this new jurisdiction of the Delaware Chancery Court will be presented along with potential applications to resolve intellectual property disputes.

RatnerPrestia specializes in patent, trademark, and copyright matters and realizes an obligation to keep its clients, and others, informed in those areas. The articles in this newsletter are intended to provide only a brief, general overview of each subject and are not necessarily the opinion of this firm. Nothing herein should be construed as legal advice. RatnerPrestia recommends that readers seek specific information and/or legal advice on particular matters of concern.

Insight is published by RatnerPrestia. The firm welcomes your articles, ideas for articles, comments, and suggestions.

Please contact Jonathan H. Spadt, the editor, at our Valley Forge Office.

Email: insight@ratnerprestia.com • www.ratnerprestia.com

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VALLEY FORGE
SUITE 301
ONE WESTLAKES, BERWYN
P.O. BOX 980
VALLEY FORGE, PA 19482
PH (610) 407 0700
FX (610) 407 0701

WILMINGTON
SUITE 1100, NEMOURS BUILDING
1007 ORANGE STREET
P.O. BOX 1596
WILMINGTON, DE 19899
PH (302) 778 2500
FX (302) 778 2600

ALLENTOWN
SUITE 265
COMMERCE CORPORATE CENTER
5100 TILGHMAN STREET
ALLENTOWN, PA 18104
PH (610) 530 8100
FX (610) 530 8200