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## ON EVERYONE'S SHORT LIST



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**AMONG THE VERY BEST** — Keker & Van Nest's intellectual property team: Jon Streeter, left, Robert Van Nest, Henry Bunsow and Jeffrey Chanin.

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Daily Journal Staff Writer

**B**reaking into the highly specialized field of intellectual property litigation used to be like crashing an exclusive Hollywood party: If you didn't have celebrity pedigree, you needn't bother to show up.

Jeff Chanin, partner at San Francisco's vaunted civil and criminal defense firm Keker & Van Nest, remembers when companies wouldn't consider hiring his firm because it lacked certified patent lawyers

**Keker & Van Nest Has Spent a Decade Transforming Itself Into One of the Nation's Best And Leanest IP Litigators**

or attorneys with engineering or science degrees.

"They were used to working with IP boutiques where everyone had a Ph.D.," Chanin said.

Things have changed for the 20-year-old general litigation boutique. Today,

the 47-lawyer Keker & Van Nest belongs to the short list of law firms companies hire to fight high-stakes patent disputes. In the last seven years the firm has snagged some of the most coveted IP cases in the country.

Keker represented semiconductor giant Xilinx Inc. in its multibillion-dollar patent infringement case against rival Altera Corp. The case settled this year after nearly nine years in litigation with Altera paying Xilinx \$20 million in licensing fees.

The firm was also front and center in

## ■ KEKER: Firm Is on the Elite IP Short List

the first criminal trade secret case in the country, successfully representing Cadence Design Systems in a civil suit against competitor Avant. Avant's top executives pleaded no contest to criminal counts involving the theft of software codes from the Cadence, and the company was ordered to pay Cadence \$196 million plus interest.

Successfully juggling several big-ticket disputes simultaneously might not be unusual for large general practice firms with big IP litigation practices. For a firm mostly known for its white-collar criminal and civil defense practice, however, the move into the IP big leagues was considered quite a coup.

"They are now certainly considered one of the best, if not *the* best," said Tom Lavelle, Xilinx's general counsel. "I would recommend them to others, but not if that would preclude us from working with them."

Establishing a reputation as a first-rate IP practice didn't happen overnight. It was done one case at a time, according to name partner Robert Van Nest.

"The very first thing that we had to do was to convince clients that there was no magic involved in litigating patent cases that smart litigators couldn't learn," the veteran criminal defense attorney said.

"It was a long and slow process, but as we demonstrated our ability to litigate complex IP cases, companies began to realize we can do the work and get the results they are looking for."

Although the firm handled a smattering of patent, trade secret and trademark cases for such companies as Intel Corp., Coherent and The Clorox Co. in the late 1980s, it wasn't until 1992 that Kecker & Van Nest got its first big break into the complex IP litigation scene.

The case involved the defense of a small Silicon Valley medical device startup, Ventritex Corp., accused by its more established rival, Intermedics Inc., of trade secret theft and patent infringement.

*Intermedics v. Ventritex*, C90-202333 JW, in the Northern District, was a highly technical case involving allegations of 51 trade-secret violations and infringement claims for seven patents on an implantable, battery-driven pacemaker. The defense team, headed by John Kecker,

managed to prove its client's innocence. Moreover, the team persuaded the jury to issue a bad-faith finding against Intermedics, leaving the company liable for a portion of Ventritex's \$5 million in attorney fees.

The firm reportedly was hired in the case because Ventritex's in-house counsel saw Kecker, the firm's founding partner, on television prosecuting Oliver North in the Iran-Contra case. He was favorably impressed. The company president later called on Kecker and asked him to represent Ventritex in court.

*Ventritex* put Kecker & Van Nest on the map, said Henry Bunsow, who as head of Brobeck Phleger & Harrison's IP group was co-counsel in the case.

"It became known as one of the top 10 defense cases of that year," Bunsow said.

More amazing than the outcome of the case, Bunsow said, was how quickly the Kecker team learned the technology and the law on the fly.

"They were brought into the case when almost all of the pretrial work had been finished and we were on the eve of trial," Bunsow said.

Shortly thereafter, in 1994, Bunsow jumped ship to Kecker's patent litigation practice. He was the first partner hired laterally at Kecker, according to Van Nest. It was a strategic move to beef up the firm's patent litigation practice.

"The most difficult thing for us then was that we didn't have any technical expertise in our office," Van Nest said. "We mostly relied on outside firms for technical support, but with Henry working for us we were able to build an in-house group that could manage complex IP litigation from start to finish."

The strategy worked. From handling virtually no patent cases, the firm's litigation practice now spends nearly half its time on intellectual property matters. Big-name IP clients include JDS Uniphase, Genentech and InterTrust Technologies.

In fact, Van Nest said, the doubling of the firm's stable of trial lawyers - from 23 litigators in 1994 - reflects the steady growth of the IP litigation practice.

Kecker's success in penetrating the IP litigation market is symbolic of the general trend of generalist trial lawyers moving in on turf traditionally reserved

for specialists, said Joseph Greco, a former litigation partner now of counsel at San Jose IP specialists Skjerven Morrill & MacPherson.

"IP litigation is the most prevalent high-stake civil litigation around that involves large amounts of lawyer's fees," Greco said. "And every general law firm in the Bay Area, large or mid-size, is trying to do IP litigation."

Also fueling the trend are changes in how patent litigation is handled. The creation in 1982 of the Federal Circuit to review patent appeals, Greco said, has encouraged patent owners to enforce their rights. The new circuit presents a more consistent interpretation of patent laws and appears to give more deference to patent owners than do some general trial courts, he said.

As a result, the number of patent suits has increased and multimillion-dollar jury judgments are more common. As the stakes went up, Greco said, clients began insisting on lawyers with more trial experience than is common to patent attorneys.

That's why no one raised an eyebrow when trial lawyer David Boies, of Boies Schiller & Flexner in New York — famous nationally, but not as an IP litigator — was hired by Napster in its copyright fight with the music industry, Greco said.

"They thought they would be helped by prominent trial lawyers who participated in far more trials than most patent lawyers," Greco explained. "That's when we started seeing lawyers with no experience in patent litigation trying patent cases."

And indeed, Van Nest said, it was his firm's national reputation for general litigation that won it a chance to argue complex IP matters.

"Some of our existing clients felt we can do the same quality work litigating their patent cases as we do handling their other trial work," he said. "By the mid-'90s, we had enough success stories for clients that we became a firm that people thought about in connection with IP disputes."

In the last few years, the firm has crossed swords in court with some of the most prominent IP litigation firms in the country, including Fish & Richardson, Morrison & Foerster, Pennie & Edmonds,

and Townsend and Townsend and Crew.

On many occasions, Bunsow said, the firm's litigators were outnumbered in court by opposing counsel. In a recent case the opposing side had 21 lawyers to Keker & Van Nest's six.

"Being outnumbered is not an unusual situation for us, but we are rarely outgunned" Bunsow said. "At one time or another, we have beaten every firm in the West Coast that does IP litigation and most of the ones on the East Coast as well."

John Streeter, a partner at Keker and a former litigation partner at Orrick Herrington & Sutcliffe in San Francisco, said the firm's secret weapon is its efficiency in handling cases.

"Many large law firms treat patent litigation like antitrust cases, where they can put a lot of lawyers on them and generate huge fees," Streeter said.

"We staff cases very leanly because we think that the fewer lawyers in a case the more each of those lawyers knows about the case, and each has a very high level of responsibility and accountability."

The firm's litigation approach has

impressed clients and fellow attorneys. Burt Magen, an IP partner at Vierra Magen Marcus Harmon & De Niro in San Francisco, is working with the firm in a patent infringement suit involving his client, Sportvision Inc., and its parent company, Fox Sports Productions Inc. He said the approach saves clients and lawyers time and money.

"They are no-nonsense," Magen said. "Many other lawyers create subconflicts and subplots, which end up being extra work for everyone. Unlike most large firms, they don't ask for massive discovery or file as many depositions as they can in the hope of finding out what their [opposition's] case is. Before they even start pretrial work, they already know what they want and need to win a case."

"Mitch Evander, senior counsel of litigation at electronics and communications company Harris Corp. in Florida, is also a fan of the Keker litigation style. He said the company has continued to work with Keker in most of its patent trial work despite the geographic distance precisely because it doesn't have the large firm mentality of "turning over every stone."

"They have successfully handled a dozen or so patent cases for us in the last six or seven years," Evander said. "Our expenses are typically much lower than our opponents'."

Having established its expertise in the IP litigation field, Keker & Van Nest does not appear content to rest on its laurels. Recently, Keker brought in Boalt Hall professor and patent law expert Mark Lemley as of counsel. The move was seen by many as an aggressive effort to beef up the firm's IP practice.

Additionally, John Keker has taken on the defense of Dmitry Sklyarov, a Russian software developer charged with trafficking decryption software in violation of the 1998 Digital Millennium Copyright Act.

The pro bono case, which is the first criminal copyright case brought to court under the DMCA, will generate tremendous publicity for the firm's IP practice.

"We are serious about this area of law," Bunsow said. "And we want people to know that we won't hesitate to invest resources on it."

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