

For twenty-five years, the Washington, D.C. based firm of Adduci, Mastriani & Schaumberg, L.L.P. has successfully represented parties at the U.S. International Trade Commission. Learn more about the AMS notable mentions in the recent ITC Surveys from IP Law & Business.

AMS ADDUCI MASTRIANI & SCHAUMBERG LLP

ITC § 337 Experts

JUNE 2006 ITC SURVEY

The New Math

The numbers stayed the same, but the equation changed. More foreign companies are taking advantage of the ITC.

By Ann Sherman; Research by Carlos Andrade

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FREQUENT FILERS

Firms with most mentions in the survey.

FIRM	CASES
Adduci, Mastriani & Schaumberg	5
Hogan & Hartson	5
Bingham McCutchen	4
Finnegan, Henderson	4
Howrey	4
Akin Gump	3
Brooks Kushman	3
DLA Piper	3
Fish & Richardson	3
Heller Ehrman	3
Miller & Chevalier	3
Step toe & Johnson	3
Townsend and Townsend	3

DATE FILED	COMPLAINANT(S)	COMPLAINANTS' COUNSEL	RESPONDENT(S)	RESPONDENTS' COUNSEL	STATUS
January 28	Stant Manufacturing	Barnes & Thornburg; Taylor Wessing	Gerdes AG; Theodor Gerdes, Ralf Gerdes, Monika Gerdes, Germany	Fulwider Patton; Adduci, Mastriani & Schaumberg	The complaint, alleging infringement of three patents for automobile gas tank caps, was withdrawn in June 2005 so that a case on the same patents filed in federal district court in Indiana could continue.
February 23	Flexsys America	Pepper Hamilton; Katten Muchin; Brinks Hofer; Kim & Chang	Sinorgchem, Shandong, China; Korea Kumho Petrochemical, Seoul; Sovereign Chemical Company; Vilax Corporation; Stolt-Nielsen Transportation Group	Adduci, Mastriani & Schaumberg ; Arnold & Porter; Marcia Sundeen; Heller Ehrman; Hahn Loeser; Townsend and Townsend; Womble Carlyle; King & Wood; O'Melveny & Myers; Kenyon & Kenyon; Venable; White & Case	The complaint alleged infringement of two patents for chemicals used to make rubber products (mainly tires). Vilax settled in April, agreeing not to import any infringing compounds. Flexsys withdrew its complaint against Stolt-Nielsen in May 2005. In February 2006, the administrative law judge made an initial determination that Sovereign Chemical and Sinorgchem were infringing, but found that Kumho was not. In April, the commission decided to review the initial determination.
September 29	Toshiba, Tokyo	Hogan & Hartson; Miller & Chevalier; DLA Piper	Hynix Semiconductor, South Korea	Fish & Richardson; Townsend and Townsend; Adduci, Mastriani & Schaumberg ; Thelen Reid	This case, over three patents for flash memory chips, heads to trial in early July. In a separate ITC action, Hynix sued Toshiba over similar patents. Toshiba has also filed suit in federal district court in Santa Clara, California. That case has been stayed.
October 20	Hynix Semiconductor, South Korea	Adduci, Mastriani & Schaumberg ; Townsend and Townsend; Thelen Reid	Toshiba, Tokyo	Miller & Chevalier; DLA Piper; Hogan & Hartson	At issue: two patents covering flash memory chips. Trial begins in early June.
December 2	Ford Global Technologies	Brooks Kushman; Adduci, Mastriani & Schaumberg	Keystone Automotive; U.S. Autoparts Network; Gordon Auto Body Parts, Y.C.C. Parts Manufacturing, T.Y.C. Brother Industrial, Depo Auto Parts Ind., the last four all of Taiwan	Finnegan, Henderson	This case, scheduled for a late August trial involves 14 patents covering the design car side mirror, grill, bumpers, head and tail lights, hood, and fender.

SEPTEMBER 2005 ITC SURVEY

DATE FILED	COMPLAINANT(S)	COMPLAINANTS' COUNSEL	RESPONDENT(S)	RESPONDENTS' COUNSEL	STATUS
May 26	Inamed Corporation	Finnegan, Henderson; Frommer Lawrence; Gray Cary ¹	McKesson Corporation; Medicis Aesthetics, Inc.; Q-Med, Uppsala, Sweden	Adduci, Mastriani & Schaumberg ; Reed Smith; Simpson Thacher	Inamed and Medicis merged in March 2005. The complaint, involving patents for cosmetic injections, was withdrawn in April.
October 21	Ampex Corporation	Adduci, Mastriani & Schaumberg ; Fish & Neave ²	Altek Corporation, Hsinchu, Taiwan; Chinon Industries, Inc., Chino, Japan; Eastman Kodak Company	Wilmer Cutler	Ampex withdrew the complaint in August. A separate patent suit between the parties is pending in Delaware federal court.
November 24	3M Company; Jean Silvestre, Hamoir, Belgium	Adduci, Mastriani & Schaumberg ; Fish & Richardson	Boss Auto Import, S.A., Barcelona; Chemcar USA, Inc.; EMM International B.V., Zwolle, Netherlands; Saint-Gobain Abrasifs, Yvelines, France; Indasa -Industria de Abrasivos, S.A., Aveiro, Portugal; IPG Administrative Services, Inc.; Intertape Polymer Group, Inc., Montreal; Transtar Autobody Technologies, Inc.; Vosschemie GmbH, Schleswig-Holstein, Germany	Barque & Associates; Cohen, Pontani; Cooper & Dunham; Lowrie, Lando; Pepper Hamilton; Powell Goldstein; Roberts, Abokhair; Wilmer Cutler	At press time in August, the ITC was considering issuing an exclusionary order. Decision is expected on February 6.

¹ Merged with DLA Piper Rudnick in January. ² Fish & Neave was acquired by Ropes & Gray in January.

ITC SURVEY

The Fast and the Furious

The International Trade Commission is a critical front in patent wars. And in 2004, the battlefield was crowded.

Taking patent battles to the International Trade Commission (ITC) is a war strategy that would make Sun Tzu proud. Slow, straightforward attacks, wrote the ancient philosopher, are the hardest to win. And a multijurisdictional IP fight that plays out at the ITC is anything but slow or straightforward: The Washington, D.C.-based court has become a fast-moving second front for companies waging a full-scale patent assault. In 2004, 30 section 337 complaints—unfair competition complaints usually focused on IP—were filed at the ITC. That's the most since 1984. With 18 cases already filed by August 12, as we went to press, this year may be even busier. ”

“The ITC's speed is particularly good for high-tech companies, where the rate of technological innovation can outpace the speed of legal jurisprudence. Between 1995 and 2004, 46 percent of ITC complaints addressed electronic, chip-based, or computer-related high-tech products. That's a 30 percent increase over the last decade, according to a study done by V. James Adduci II, name partner at Adduci, Mastriani & Schaumberg, a boutique firm based in Washington, D.C. ”

“The procedure can favor patent holders. Adduci's research shows about a 70 percent success rate for IP owners. In the best case scenario, the complainant will catch the respondent off guard. ”

“If you have no notice of the action it puts you kind of in a hole,” says DLA's Allcock. To regain some advantage the respondent often files a countersuit at the ITC, as Gateway did. “It's important to try to match proceedings so you can reach outcome about the same time,” says Gateway's counsel, Bryan Farney of Dewey Ballantine. ”

“Respondents can stay their district court cases until the ITC rules. The ITC record is then admissible in district court. If the patent owner wins at the ITC, the district court case rarely goes forward. In 2003, the ITC ruled that Vanderlande Industries, Inc.'s slat and shoe sorter—a conveyer belt that sorts out irregularly shaped parcels—infringed on competitor Siemens Dematic Corp.'s patents. Less than a year later, Vanderlande agreed to pay Siemens for a license, ending a parallel district court case in the Northern District of Georgia. “Even though the ITC is not binding in district court,” says Washington-based Adduci, “it's persuasive evidence of patent infringement that often leads to settlement.” ”

—Lisa Lerer

SURVIVOR STORY

This ITC firm is lonely at the top.

Adduci, Mastriani & Schaumberg of Washington, D.C., is the last boutique standing that specializes in taking cases before the U.S. International Trade Commission. In 2001, D.C.'s Miller & Chevalier picked off the competition, absorbing 19-lawyer Ablondi, Foster, Sobin & Davidow, a D.C. international trade boutique. So it is unsurprising that 20-lawyer, Adduci, Mastriani & Schaumberg filed the most patent cases at the ITC last year and during the past three years (see accompanying chart).

Founding partners James Adduci, Jr., and Lou Mastriani both worked at the ITC before founding the firm in 1980. And although Adduci says he is approached all the time by other firms, the firm has "no plans to go away or to merge."

Adduci's firm is currently representing Energizer Holdings, Inc., in its attempt to ban 24 companies from importing infringing batteries into the U.S. On this case Adduci, Mastriani & Schaumberg is co-counsel to Grand Rapids, Michigan, firm Price, Heneveld, Cooper, DeWitt & Litton.

Adduci says that much of his firm's work comes from firms outside of Washington, D.C., that need specialized help at the ITC. "I wouldn't call us 'local counsel,'" he says. "More like ITC counsel."

The ITC has increasingly become the port of choice for companies looking to ban the importation of infringing goods. Successful plaintiffs at the ITC can get an exclusion order directing the U.S. Bureau of Customs and Border Protection to bar entry of particular products into the United States. The ITC has a reputation as a speedy forum, faster even than the rocket dockets at the Western District of Texas, and at the Eastern District of Virginia. And the ITC's decisions are ordinarily upheld. About half of its decisions are appealed to the U.S. Court of Appeals for the Federal Circuit, and about 80 percent of ITC decisions survive.

Methodology: We tallied the law firms filing an appearance in intellectual property—or section 337—disputes before the ITC. Nearly all section 337 disputes deal with patents; trademark and copyright matters were excluded. We counted each law firm only once per case, no matter how many parties it represented in that case. Firms that withdrew during the case are still counted. We included cases from firms that merged into other firms during that time period.

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FREQUENT FILERS AT THE ITC

By Michael Ravnitsky

Top Firms 2002	Patent
Adduci, Mastriani & Schaumberg	4
Fish & Richardson	4
Howrey Simon	3
Miller & Chevalier	3
Townsend and Townsend	2

Top Firms 2000-2002

Adduci, Mastriani & Schaumberg	18
Miller & Chevalier	17
Fish & Richardson	14
Howrey Simon	11
Finnegan, Henderson	9
McDermott, Will	8
Townsend and Townsend	7
Foley & Lardner	4
Morgan, Lewis	4
Morrison & Foerster	4
Pillsbury Winthrop	4

IP at the ITC

“The ITC is a federal agency that stops foreign imports from entering the country if they infringe on U.S. products. In recent years it has also been a venue for foreign firms who claim that American companies are infringing their products or properties.”

“The 1930 tariff Act created the agency to stop knock-offs of U.S. merchandise from entering the country. Any company that holds a U.S. patent or trademark and does some manufacturing or research in the United States can file a complaint with the agency. But because of increasing globalization, many U.S. companies that manufacture products overseas are finding themselves targets of an ITC complaint. The commission does not keep statistics on the number of complaints it receives, only the number it acts on. That number has steadily increased in recent years, from 17 cases in 2000 to 29 cases in 2005.”

“The growing importance of the agency among clients is also pushing law firms to focus on an ITC practice. In the past, law firms often farmed out ITC work to specialty boutiques, most of them based in Washington, D.C., where the ITC is located. But firms are increasingly offering their own ITC expertise as a selling point to clients.”

“Still, ITC specialists such as Louis Mastriani, a partner in Washington's Adduci, Mastriani & Schaumberg, are not likely to find themselves out of work. If anything, Mastriani says, the interest among general practice firms has been good for business. “Before, patent attorney's tended not to recommend the ITC to clients. But now, more law firms are starting to recognize the importance of the ITC as the fastest and most predictable patent forum in the country.” he says.”

“The 20-lawyer firm is handling six active ITC cases, which, given the amount of work involved, is equivalent to about a dozen patent litigation matters. “Not very many attorneys can handle the speed and complexity of many ITC cases.” adds Mastriani. “It still requires specialized skills to be in this practice.”

-XENIA P. KOYLARZ

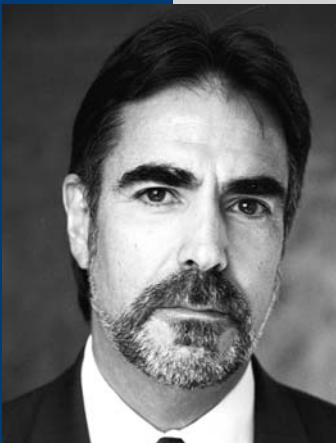
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Q: Do you have an interest in Section 337?

A: Contact the experts with 25 years of success.



JIM ADDUCI has been involved in nearly 40 Section 337 cases at the ITC. He served as legal counsel with the ITC and was appointed by the US Trade Representative to the Multilateral Trade Negotiations (Tokyo Round) in Geneva. He is the co-author of “Everybody Comes to the ITC” in the Legal Times. Mr. Adduci may be contacted at adduci@adduci.com.



LOU MASTRIANI acted as both legal counsel and investigative attorney with the ITC. He has participated in more than 50 Section 337 cases at the ITC. Appointed by the US Trade Representative, he served as both a panelist and Chairman on binational panels convened pursuant to the North American Free Trade Agreement. Mr. Mastriani may be contacted at mastriani@adduci.com.



TOM SCHAUMBERG was the first president of the ITC Trial Lawyers Association and continues to serve on its Executive Committee and is also the Vice Chair of the ITC Committee of the Intellectual Property Owners Association (IPO). He has conducted more than 40 Section 337 cases at the ITC. Mr. Schaumberg may be contacted at schaumberg@adduci.com.

AMS ADDUCI MASTRIANI
& SCHAUMBERG LLP

1200 Seventeenth Street, N.W. | Washington, D.C. 20036
202.467.6300 [T] | 202.466.2006 [F] | www.adduci.com