



IP: Mediation's role in the patent arena

In-house counsel should consider using mediation early in patent cases for maximum control and effectiveness

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The primary advantage of mediation is to avoid the costs and risks of litigation. A secondary advantage of mediation is the ability to tailor the resolution of the dispute to meet the true interests of the parties. The array of possible solutions is far broader than the remedies available through a court in litigation.

These concepts apply with equal force to IP disputes. The America Invents Act (AIA) promises fundamental changes in the patent arena. Some of those changes will make mediation matter even more in resolving patent disputes.

Frequently, mediation is used early in the resolution process for copyright, trademark and trade secret disputes with great success: Three out of four settle at or soon after the mediation. Although most patent cases are resolved without a trial, patent cases tend to stay in the legal system longer and accordingly consume more corporate and legal resources. Although some courts require early mediation of patent cases (before claim construction), in many cases the mediation occurs later in the litigation process. Experienced mediators recommend early use of mediation and encourage the participants to think of mediation

as a process that can help parties narrow the range of disputes and streamline the conflict management process even if some disputes will still require the expertise of the U.S. Patent and Trademark Office (PTO) or the assistance of the federal courts.

The AIA became law in 2011 as the first major overhaul of the U.S. patent system in more than 50 years. The AIA's general goals are to make the patent process more efficient and more transparent, and to allow greater public participation in the process so that good applications result in strong patents and weak claims are weeded out. Effective this month, the U.S. joined most other countries to provide patent priority to the first inventor to file rather than the first to invent. In the short run, some of the changes, such as the expanded definition of "prior art," may result in greater uncertainty requiring the PTO and the courts to provide needed clarification. In the long run, the move to first-to-file will likely bring greater certainty to the process and provide greater confidence in the validity of issued patents.

In a recent conversation with Michael Albert, co-chair of the Litigation Group of Wolf Green-

field in Boston, I asked him for his thoughts on the likely impact of the AIA on the mediation of patent disputes. He said, "Mediation is likely to become more attractive in one important sense. The AIA makes it possible for parties to settle inter *partes* reviews and post-grant reviews. Under the old system, once you launched a re-examination of a patent, you couldn't simply 'settle' with the other side and obtain an automatic dismissal of the pending re-examination. One change that makes mediation and private resolution of claims more feasible is the ability to terminate post-issuance challenges."

Flexibility in the mediation process helps the parties settle claims that do not require the assistance of the PTO or the courts. The ability to terminate post-issuance challenges adds to that flexibility. Consider using mediation early for maximum control and effectiveness.

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