

IP Group Of The Year: Sheppard Mullin

By **Vin Gurrieri**

Law360, New York (February 5, 2016, 4:59 PM ET) -- Sheppard Mullin Richter & Hampton LLP last year was on the winning side of the first substantive trademark case before the U.S. Supreme Court in more than a decade, successfully representing Hana Bank in a dispute involving the use of its name, earning the firm a place among Law360's 2015 Intellectual Property Groups of the Year.



Hana Bank, which was represented by Orange County, California-based partner Carlo Van den Bosch, won a unanimous ruling in January that the application of the semi-obscure doctrine of trademark tacking — which allows a company to slightly tweak a trademark while maintaining the original first-use date — is a factual question that should be dealt with by juries.

“The outcome of the case couldn't have [been] better,” Van den Bosch said recently when he was named a 2015 Law360 IP MVP, in large part for his work on the case.

Daniel Yannuzzi, co-leader of Sheppard Mullin's approximately 100-attorney IP team, said the Hana Bank case reflects the strong work the IP group regularly does on behalf of clients.

“It wasn't just the Supreme Court's ruling, it was everything that led up to that ruling that is indicative of what we do all the time — good lawyering and work we do to achieve successful outcomes for our clients,” Yannuzzi said.

The Hana Bank case wasn't the only trademark law highlight for Sheppard Mullin's IP group in 2015.

The Ninth Circuit in February upheld an injunction won by Sheppard Mullin client Life Alert Emergency Response Inc. — the company that popularized the phrase "I've fallen, and I can't get up!" with its advertisements for medical alert systems — blocking a rival accused from using the phrase and other Life Alert marks.

An appellate panel agreed with the district court that LifeWatch Inc. infringed Life Alert's marks by allowing its telemarketers, either directly or tacitly, to use the "I've fallen and I can't get up" line and that LifeWatch had the power to stop it.

The firm last year also successfully represented the Beastie Boys, the hip-hop/rock group behind hits like "(You Gotta) Fight for Your Right (to Party!)" and "Sabotage," in several cases in which the band was on both sides of copyright infringement claims.

New York partner Paul Garrity had convinced a jury in 2014 to rule in favor of the group in a high-profile copyright fight accusing drink maker Monster Energy Co. of misusing numerous songs in a four-minute promotional video. In June, the firm secured a partial fee award of nearly \$700,000 for the band. Monster has taken the case to the Second Circuit, where its appeal is pending.

Sheppard Mullin partner Ted Max also helped the Beastie Boys beat back a lawsuit from record label TufAmerica Inc. accusing the band of flouting copyrights by using samples of songs by 1980s funk outfit Trouble Funk, which operated under TufAmerica's label.

Having already dismissed certain claims from the case, U.S. District Judge Alison J. Nathan granted the band summary judgment in March 2015, saying the label lacked standing to sue because it never acquired an exclusive license from original copyright holders.

And aside from its successes in trademark matters, Sheppard Mullin also left an indelible mark on the patent law side in 2015.

The firm, representing HTC Corp., won a ruling from U.S. District Judge William T. Hart that ordered Niro Haller & Niro Ltd. and its former client Intellect Wireless Inc. to pay nearly \$4.1 million in legal fees HTC incurred in defeating claims it infringed a fraudulently obtained patent.

The ruling came after Judge Hart in January ruled that prominent patent litigator Raymond Niro and three other Niro Haller attorneys were jointly and severally liable for HTC's fees, as was Intellect Wireless, for knowing about false statements made by Intellect Wireless owner Daniel Henderson before suing HTC.

The judge had previously ruled in HTC's favor in 2012, when he found that Intellect Wireless, through Henderson, had engaged in inequitable conduct.

San Diego-based Sheppard Mullin partner Stephen Korniczky, a former co-chair of the firm's IP group who led the case on behalf of HTC, said the firm was able to apply recent precedent from the Supreme Court's Octane Fitness and Highmark rulings to have the case deemed exceptional.

"No matter the standard though, this case would have been exceptional," Korniczky said. "The interesting thing in this case is we were able to get fees against litigation counsel jointly and severally. It's a very rare situation to seek fees from a law firm ... but in this case we were able to establish that the attorneys were aware of fraud on the patent office."

Yannuzzi said one of the features that distinguishes the IP group and that paid huge dividends in the HTC case is that attorneys, especially associates, are encouraged to handle patent prosecution as well as litigation.

“The attorney in the HTC case that identified the issues started as a prosecutor and moved to litigation,” Yannuzzi said. “The attorney was familiar with prosecution files, looked at the file [in this case], and said ‘something is wrong.’”

Both Korniczky and Yannuzzi pointed out that at least a dozen other firms represented companies that had been targeted by Intellect Wireless for infringement and settled the cases against them, but that Sheppard Mullin was the one that saw the fraud defense that HTC ultimately used.

“The other firms are very good, but in this case it was our team that dug in, identified the issues, and convinced the client that [it] could win,” Yannuzzi said.

Another highlight for the firm last year was its success in convincing U.S. District Judge Fernando M. Olguin to vacate a \$131 million verdict against its client Cochlear Corp. in a patent infringement suit brought by the Alfred E. Mann Foundation for Scientific Research.

In a pair of orders on post-trial motions, Judge Olguin invalidated three of the four claims of two patents related to technology for cochlear implants. Dueling appeals of the post-trial rulings are pending before the Ninth Circuit, where Los Angeles-based Sheppard Mullin partner Bruce Chapman is arguing that the last remaining claim should also be invalidated.

Now that Sheppard Mullin’s successful 2015 is in the books, Yannuzzi said that the firm hopes to build on the success the team achieved.

“We’ve grown quite a bit in the last five or six years, and we do plan to continue to grow,” Yannuzzi said, adding that the firm will “focus in particular on life sciences.”

--Additional reporting by Alex Wolf, Aaron Vehling, Bill Donahue and Beth Winegarner. Editing by Brian Baresch.
