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With overturned $6.5M verdict, lawyers score another win in '19

CHRISTINE K. BUSH and CRAIG M. SCOTT / Providence

The third in a series of profiles honoring RILW's Lawyers of the Year for 2019. The stories appear in the issues of Dec. 9, 16 and 23.

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Among the small cadre of intellectual property attorneys in Rhode Island, Christine K. Bush and Craig M. Scott have notched many successes during their two decades of practicing law together, and 2019 was no exception.

The duo secured notable wins across the country in the past year, including three claim constructions favorable to their clients. In a New York federal court, Bush and Scott prevailed for a Rhode Island company in a trademark case involving counterfeit consumer products, and in Massachusetts they settled a trademark suit they filed against StarKist for their client, an importer of high-end tuna fish.

Also headlining the year for the Hinckley Allen partners was the September decision by U.S. District Court Judge William E. Smith in *Alifax Holding SpA v. Alcor Scientific, Inc., et al.*, overturning a jury's $6.5 million verdict in favor of a plaintiff who claimed misappropriation of its trade secrets pertaining to computer source code for its medical devices.

Weighing the post-trial motions filed by Bush and Scott on behalf of defendant Alcor, Smith concluded that the verdict was unsupported by the evidence and ordered a new trial.

"There was a lack of evidence in terms of liability, in that the plaintiff didn't prove that the trade secrets were actually entitled to protection. Nor did they prove any misappropriation," Bush says. "And there was insufficient evidence to support any damages award, much less an award of $6.5 million."

The IP lawyers recently sat down with Lawyers Weekly to discuss the decision and other "lessons learned" through their representation of Smithfield-based Alcor.

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Q. *From your perspective as experienced litigators, what were the biggest challenges posed by the case?*

SCOTT: I think it's taking information that in the abstract may seem unique or special, but in the context of a particular field is nothing new or novel. For example, if you're a mathematician you may appreciate that certain equations have been out there for hundreds of years. But a history major like me could see the equation and think it has some special value. It was important for us to put what the plaintiff alleged into the context of what had happened before to show that it was not protectable or unique. To explain those concepts to a lay jury takes time and effort, but our job is to make it relatable to the people who are sitting through eight hours of testimony every day.

BUSH: But some situations are easier than others. Some involve the mechanical arts. For example, although they may not use it, everyone knows what a treadmill is and would understand that in a patent case. But in *Alcor* we had a situation where it's software code, and then you layer that with the fact that it's a medical device that involves blood, adding more mystique and complexity. At the end of the day, it was our job is to convey that it simply involves spinning some vials of blood and watching the red blood cells sink.

Q. *During the three-week trial, what was your impression of how your case was going?*

BUSH: It was a highly technical case, and it was a long time to hold the jury's attention on some very technical issues, but they were incredibly attuned the entire time. I give a lot of credit not only to the jury, but also to Judge Smith, because there were a lot of moving parts, including the fact that the trial was bifurcated as to liability and damages.

We're grateful for the way the case was resolved on our post-trial motions, but certainly receiving a verdict of that magnitude, and later having it overturned, were significant moments for our client. It was a "bet the company" case.

Q. *Judge Smith determined that a separate basis for a new trial was that the plaintiff's summary witness veered into expert testimony. Is this a point you raised post-trial, or was*

it icing on the cake?

SCOTT: It was a significant part of our post-trial motions, as the court granted our *Daubert* motion with respect to the trade secret damages expert the day before he was to testify. The court permitted the same person to testify as a percipient witness, and he proceeded to put up some fairly significant numbers about Alcor's gross revenues that inhibited our ability to cross-examine on other issues that we raised. So it was a significant part of our briefing and may explain to some degree why the jury number was so large.

Q. *Does the fact that the verdict was overturned send a message that complex issues are too difficult for jurors to grasp?*

BUSH: Absolutely not. I do not think that technical issues are too hard, and it's our job to help a jury understand. This is not a larger message about jury trials in complex cases. We've tried technical cases around the country, and in every instance the jury is charged with trying to figure it out. It was meaningful that the judge ultimately allowed the jury to decide. These types of cases should go to the jury, and I think that Judge Smith was right to allow them to decide, and then was correct, at least in our opinion, in terms of the very careful analysis he did to determine whether the verdict would stand.

Q. *You've mentioned that choosing relatable experts can be critical to an IP case.*

SCOTT: There's absolutely no doubt about it. There are a lot of really credentialed, really smart experts out there, but to pick someone simply based on a CV is not the best practice. We certainly have experts that we've used before, and they're known commodities, but they may not be right for a particular case. When we hire experts, our practice is to meet with him or her, explain the case, and make sure the expert believes in the position. They have to be convinced that the position your client is advancing is the correct one. You can tell when experts feel uncomfortable in the position they are taking.

BUSH: If an expert is nothing more than a mouthpiece for an attorney, you are doing a disservice to your client and the case. In *Alcor*, we could not have asked for a better person than Dan [Smith] to explain the source code issue to the jury. He was able to stand in front of them and explain why the alleged trade secret would never have worked for Alcor. He was not pedantic, not dismissive.

Q. *What other takeaways have you gleaned from* Alcor?

SCOTT: For clients who are going through this process for the first time, it's really important that they have faith in the system, our rules and our laws. You have to take the long-term view, knowing that not everything will go our way.

But there's another interesting point. What plaintiffs sometimes don't appreciate going into it, and I mean the entities themselves, not the lawyers, is that in trials the so-called trade secrets will be made public. In our experience, plaintiffs' efforts to sequester the courtroom are unsuccessful. So you need to be certain that your business objectives are going to be accomplished by pursuing the case.

— Barry Bridges

Some final thoughts from Chris Bush ...

On maintaining a work/life balance: "I try to be 100 percent present in whatever I'm doing. I don't bring my children to work, and I try very hard to not bring work home to my children. Everybody has to recharge, whatever that looks like to them. You have to have compartments where you're entitled to eat your almond ice cream while binge-watching Netflix for a few hours. It takes discipline to turn off your phone, but if you allow all barriers to drop, you're not as effective as an attorney or as a person."

On what keeps her up at night: "We have the luxury of representing really good people, and every case really means something to us. IP litigation is a 3-D game of chess. What keeps me up is my preoccupation with making sure I've done everything I need to be doing. Have I planned every move? Am I four steps ahead? It's crucial that we see around every corner, because it matters so much that we get the results our clients are entitled to."

One thing about her that might surprise people: "I became a lawyer after first working as a paralegal at a New York law firm, where I was assigned to the Michael Milken savings and loan litigation. It gave me a view into the law and showed me that it would probably be a good career path because it was a meaningful thing to be doing."

... and from Craig Scott ...

Highlight of his legal career so far: "I would say a case that Chris and I tried in the Eastern District of Wisconsin in 2007. We prevailed on an inequitable conduct case against a very well-known Wisconsin company in favor of our client, a small, innovative LED company based in Quonset — Emissive Energy. The court also determined it was an exceptional case and awarded our client attorneys' fees."

On what keeps him up at night: "As other attorneys can appreciate, we handle a lot of different matters, and each client is special and deserves 100 percent of our effort and attention. We have a significant workload here; it's nonstop and takes a lot of your energy and mental time. To do that over a long period can keep you awake on occasion. But I strive to maintain a balance, which is important to having a long-term career."

On maintaining a work/life balance: "The best answer I have is that it's incredibly hard. I have been practicing for 30 years, and it has changed. When I had teenagers it was important to me to be home for dinner every night, but I no longer have those pressures. When I can keep the routine, what works for me is exercise and reading outside of the discipline, which is advice I give to young lawyers as well. Have both lawyers and non-lawyers for friends."