

International Savoir Faire

Knowing the ropes at the ITC has boosted the practice of boutique Adduci, Mastriani & Schaumberg. Other firms also prosper.

by Ann Sherman

One attorney describes an International Trade Commission exclusion order, which bars imported products that infringe U.S. patents from entering this country, as a “knife at the throat” of infringers. This helps explain why last year marked the fifth year in a row of jumps in the number of unfair import investigations opened by the ITC. Known as “337 claims”—after the section of the federal statute that authorized them—the investigations are almost always based on allegations of IP infringement. In 2006 the commission opened cases on 32 claims, one trademark and the rest U.S. patent violations—a rise of four cases from 2005, and more than double the number in 2002. The five-year upswing is explained by the increasing flight of manufacturing overseas, with the finished goods getting shipped back to the United States.

The ITC is valued as a forum not only for the possibility of winning an exclusion order—the only remedy available—but also for the speed with which the investigations are adjudicated, usually within 14 to 19 months. Many 337 practitioners expect the upward swing in cases not only to continue but to increase, due to the U.S. Supreme Court’s May 2006 decision in *eBay v MercExchange*, which made it more difficult for a successful patent infringement plaintiff to get an injunction in federal district court. Indeed, by the end of April, the number of claims filed in 2007 had hit nearly one per week.

So who represents all of these claimants and respondents? In the three years since we started this annual survey, there have been a rotating slew of firms representing litigants in one, two, or three investigations. Only about five or six firms pop up as counsel in four or more investigations, and the identity of those firms has varied from year to year. At the top of the list in 2006 is 23-attorney **Adduci Mastriani & Schaumberg**, with a hand in 12 cases, more than double the five it tackled during 2005.

The only independent boutique that specializes in trade litigation, **Adduci** is literally in a class by itself—all of its rivals were absorbed by larger general practice firms by 2001. Sometimes **Adduci** is the only

firm representing a client, as it was for respondents in two investigations in 2006. But most of the time, the firm joins forces with large general practices or midsize IP specialists. The larger firm handles the issues related to IP infringement, and **Adduci** handles the issues of patent defenses (such as whether a patent is invalid or unenforceable), whether there is a domestic industry (a requirement that the claimant must meet in order to present a legitimate case), and what kind of exclusion order to seek. **Adduci** also acts as a liaison with the commission, the ITC staff attorneys, and the administrative law judges who oversee the proceedings.

The importance of **Adduci’s** role should not be underestimated, according to Damian Porcari, the director of enforcement and licensing for Ford Global Technologies, the subsidiary of Ford Motor Company that holds the automaker’s patents. In December 2005 Ford Global brought a claim against a slate of importers that it claims were illegally infringing several auto parts patents. Porcari hired IP boutique Brooks Kushman to handle the patent end, and Brooks brought in **Adduci** as ITC counsel. What Porcari learned from his 337 experience: “You will lose in a hundred different ways at the commission if you don’t have a good ITC lawyer.”

Porcari says that partner James Adduci and his team reviewed all documents, putting anything submitted to the court in a format that was most receptive to the ITC. Explaining **Adduci’s** value, Porcari says: “His review made things more digestible to the judge and staff attorneys because it always focused back to the ITC’s unique requirements and rules.”

Adduci and his partners, Louis Mastriani and Tom Schaumberg, attribute their increasing success to the growing popularity of the ITC, the firm’s cost efficiency—it doesn’t have to reinvent the wheel for each litigation—and its good track record of wins. Since 2000, the firm has been involved in 38 investigations, and most of those were settled—favorably, say the partners. Of the 11 trials the firm fully litigated—six for complainants and five for respondents—it lost only three.

Excerpted from IP Law & Business, June 2007.

Adduci, Mastriani & Schaumberg LLP retained its role as the leader in Section 337 litigation

IP AT THE ITC

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 attorneys 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

Excerpted from IP Magazine, Spring 2006.

EVERYBODY COMES TO THE ITC

Read the Section 337 docket at the International Trade Commission, and see the world.

Because the ITC forum offers extremely strong remedies, it is also invaluable for companies seeking to enforce patents. Section 337 authorizes the ITC to exclude infringing products from entry into the United States and to prohibit the sale of those that have already entered. An infringer loses any future revenue it may have realized from U.S. sales of its products. (Monetary damages, however, are not recoverable under Section 337. For those, the patent holder must go to federal district court.)

Under certain circumstances, the ITC—and only the ITC—is even empowered to grant a general exclusion of all infringing imports covered by the asserted patent or patents, not just the products of the specific infringers named in the investigation.

—V. JAMES ADDUCI, II
AND WILLIAM C. SJOBERG

Excerpted from IP Supplement to the Legal Times, 7/11/05.

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.

“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.”

—LISA LERER

Excerpted from IP Law & Business, September 2005.

HOW TO STAND OUT FROM THE CROWD

Find a Niche

If you are looking for a niche, focusing on claims under Section 337 of the Tariff Act of 1930 definitely qualifies. Washington, D.C.-based Adduci, Mastriani & Schaumberg, has been handling these statutory patent infringement disputes over imported goods before the U.S. International Trade Commission (ITC) for more than two decades. In fact, as much as 70 percent of the 20-lawyer firm's practice involves this work. "We have probably been involved in at least 25 percent of the 583 Section 337 cases ever filed before the ITC," says partner Tom Schaumberg.

—ARI KAPLAN

Excerpted from Small Firm Business, August/September 2006.

TOP FIRMS 2005

FIRM	CASES
Adduci, Mastriani & Schaumberg LLP	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
Stephens & Johnson	3
Townsend and Townsend	3

Excerpted from IP Law & Business, June 2006.

JUNE 2003 OPENING STATEMENTS

TOP FIRMS 2002	PATENT
Adduci, Mastriani & Schaumberg LLP	4
Fish & Richardson	4
Howrey Simon	3
Miller & Chevalier	3
Townsend and Townsend	2

TOP FIRMS 2000-2002

Adduci, Mastriani & Schaumberg LLP	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

Excerpted from IP Law & Business, June 2003.

SURVIVOR STORY

This ITC firm is lonely at the top.

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.

—MICHAEL RAVNITSKY

Excerpted from IP Law & Business, June 2003.

Business Is Booming at the ITC

A handful of firms, including Adduci, Mastriani & Schaumberg, have appeared on our list of top ITC firms since *IP Law & Business* began ranking firms on the basis of 2004 investigations.

Excerpted from *IP Law & Business*, June 2008.

Law Firms with the Most New ITC Cases in 2009

Firm	Complainant	Respondent	Total
Adduci, Mastriani & Schaumberg LLP	4	8	12
Fish & Richardson	5	3	8
Alston & Bird	0	5	5
Finnegan, Henderson	1	3	4
Howrey	1	3	4
Mayer Brown	2	1	3
Perkins Coie	1	2	3
Orrick	1	2	3

Excerpted from *Corporate Counsel*, July 2010.

Law Firms with the Most New ITC Cases in 2008

Firm	Complainant	Respondent	Total
Adduci, Mastriani & Schaumberg LLP	7	5	12
Finnegan, Henderson	3	7	10
Fish & Richardson	1	8	9
Jones Day	2	4	6
Bryan Cave	1	4	5
Covington & Burling	1	4	5
Steptoe & Johnson	1	4	5
Alston & Bird	0	4	4
Akin Gump	2	1	3
Howrey	1	2	3
Morgan, Lewis	0	3	3
McDermott Will	0	3	3
Weil, Gotshal	0	3	3

Excerpted from *IP Law & Business*, April/May 2009.

Law Firms with the Most New ITC Cases in 2007

Firm	Complainant	Respondent	Total
Fish & Richardson	5	8	13
Adduci, Mastriani & Schaumberg LLP	5	7	12
Miller & Chevalier	8	3	11
Finnegan, Henderson	5	1	6
Morrison & Foerster	2	4	6
Alston & Bird	2	3	5
DLA Piper	3	2	5
Heller Ehrman	1	4	5
Kirkland & Ellis	1	4	5
McDermott Will	2	3	5
Akin Gump	0	4	4
Arent Fox	4	0	4
Foley & Lardner	1	3	4
Orrick	1	3	4
Sidley Austin	0	4	4
Wilmer	1	3	4

Excerpted from *IP Law & Business*, June 2008.

Law Firms with the Most New ITC Cases in 2006

Firm	Complainant	Respondent	Total
Adduci, Mastriani & Schaumberg LLP	4	8	12
McDermott Will	4	3	7
Finnegan, Henderson	2	3	5
Howrey	5	-	5
Kirkland & Ellis	2	2	4
Bingham McCutchen	2	2	4
Fish & Richardson	2	1	3
Jones Day	1	2	3
Miller & Chevalier	1	2	3
Morgan Finnegan	1	2	3
Weil, Gotshal	2	1	3
Wilson Sonsini	2	1	3

Excerpted from *IP Law & Business*, June 2007.

A Gatekeeper's Power Persists

International trade boutique Adduci, Mastriani & Schaumberg, LLP retook the top spot this year.

Adduci lawyers worked on a dozen cases filed in 2008.

Excerpted from *IP Law & Business*, May 2009.

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BY JENNA GREENE

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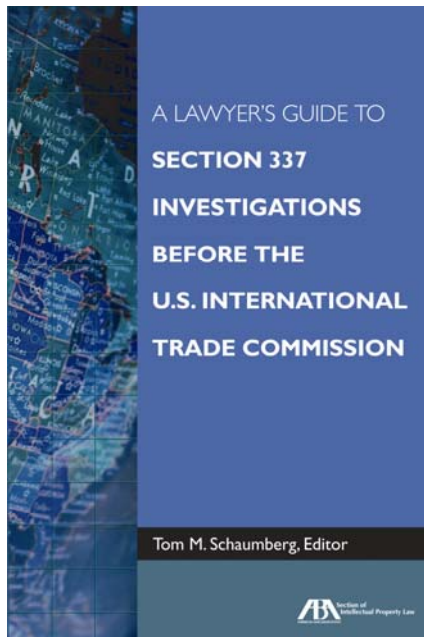
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A Lawyer's Guide to Section 337 Investigations Before the U.S. International Trade Commission

Tom M. Schaumberg, Editor



As practice under Section 337 has grown, so has interpretation of the law. Many precepts once taken for granted have been overruled and others have arisen that will survive until challenged in the future. This guide provides an introduction to practice under Section 337 before the U. S. International Trade Commission for those who are not familiar with it, or for those who want a quick update. The guide will provide the reader with a better understanding of what to expect when filing a complaint or in being named as a respondent in a Section 337 investigation.

The guide provides analysis and explanation of the participants in Section 337 investigations and discusses the unique role played by the ITC. It also focuses on the procedural rules of a Section 337 investigation, including preparation of a complaint, the discovery process and other pre-hearing procedures, the hearing and post-hearing processes and the remedies available to a successful complainant. Other topics addressed include enforcement of a violation ruling, parallel litigation and appellate court review of an ITC decision.

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