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PATENT LAW SIZZLES

Once-obscure niche in demand amid intellectual property boom

BY STEVEN R. STRAHLER

Believe it or not, patent attorneys are hot. An overhaul of the patent filing system, coupled with bidding wars for corporate patent portfolios such as Google Inc.'s recent \$12.5-billion deal for Motorola Mobility Holdings Inc., is lifting the glamour quotient of a legal specialty long considered a backwater and largely ignored by big, general-practice firms that concentrated on mergers and acquisitions, securities law and real estate.

"You got it—absolutely," says Angelo Buffalino, 56, chairman of a 25-member intellectual property practice he built over the past

dozen years at Chicago law firm Vedder Price P.C. "A lot of times, patent lawyers were looked at as second-class citizens."

Now, mainstream law firms like Vedder are seizing on IP as a profit generator practically immune to the sluggish economy. Patent law is a rare bright spot for a legal market suffering through a long drought in traditional moneymakers like real estate and initial public offerings.

Boutique firms such as Banner & Witcoff Ltd. that do nothing but IP law are steadily adding attorneys. And law schools like Chicago-Kent College of Law are rapidly expanding

IP-related offerings and certificate programs, boosting job chances for new grads.

"The hiring has continued more in IP than in other fields," says Kent's dean, Harold Krent, who estimates that nearly 1 in 5 students has the technical training to become patent lawyers.

The closely watched changes last month in patent law will assign rights to applicants who are first to file, regardless of the timing of the invention. This will spur demand for IP lawyers, just as the scramble for mobile phone patents has, by raising the stakes associated with patent portfolios.

"Generally, we have seen an uptick in IP expenditures by clients of law firms," says Scott Glickauf, an account manager here for New York-based data gatherer Thomson Reuters.

Patents granted to clients surged by 15% to 33% last year at McDermott Will & Emery LLP, Foley & Lardner LLP and K&L Gates LLP, according to Palatine-based *Intellectual Property Today*.

Compared with other practice areas, law firms have been able to boost fees for patent work. "Effective rates have gone up," says Scott McBride, a shareholder at local IP boutique McAndrews Held & Malloy Ltd.

Demand also has picked up for IP practitioners. "There's a lot more people moving from firm to firm than ever before," says Michael Warnecke, 70, a partner specializing in IP at the Chicago office of Seattle-based Perkins Coie LLP.

In August, for example, Thomas Filarski, 54, and two colleagues joined the Chicago office of Washington, D.C.-based Steptoe & Johnson LLP from Chicago's largest IP boutique, Brinks Hofer Gilson & Lione. Citing cross-selling opportunities with Steptoe's corporate and insurance industry practices, Mr. Filarski says, "The goal is to work with other clients we could not get exposure to."

Carl Icahn and other activist investors have been stirring the IP pot by prodding Libertyville-

based Motorola Mobility and other smartphone makers and suppliers to unlock the value of their technology assets.

Mountain View, Calif.-based Google stands to pick up more than 17,000 patents from Motorola Mobility and already has acquired thousands of IBM patents to defend its Android mobile operating system from legal assaults by Apple Inc. and other rivals. An auction of wireless patents by bankrupt Nortel Networks Corp. fetched \$4.5 billion from Apple, Microsoft Corp. and other buyers, five times Google's offer.

Patent-light companies also are on guard.

"They're redoubling their efforts to develop their own intellectual property," Banner & Witcoff President Charles Miller says. "Otherwise," says Jeffrey Sharp, managing partner of Chicago IP boutique Marshall Gerstein & Borun LLP, "you're competing in a commodity business, and that's no place to be."

GOOGLE INC. STANDS TO PICK UP MORE THAN 17,000 PATENTS FROM MOTOROLA MOBILITY.

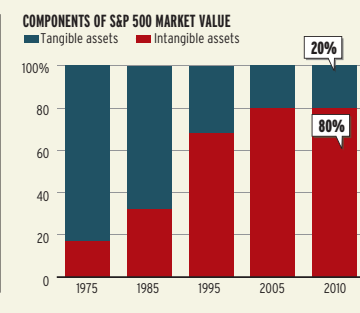
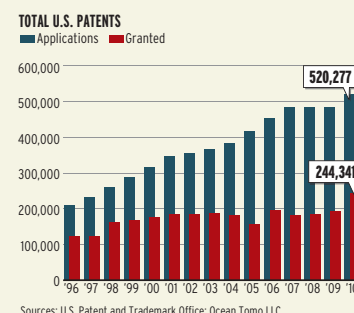
The allure of patent law proved irresistible for Kimberly Berkowski, 34, even though she was well set with a doctorate in organic chemistry and a job as an assistant professor of organic chemistry at Washington College in Maryland.

She enrolled last spring at Northwestern University's School of Law and is working part time as a patent agent at Marshall Gerstein. Compared with her former life, she says, "I get to think and read about a broad range of technologies every day."

McAndrews' Mr. McBride, who has a bachelor's in astrophysics, knows the type: "At some point, everybody in my firm decided they didn't want to be in a lab."

PATENTLY OBVIOUS

With intellectual property driving corporate value, a boom in patent work is helping law firms weather weaker practices.



Sources: U.S. Patent and Trademark Office; Ocean Tomo LLC