

MANAGING IP IN THE REFORM ERA
BREAKFAST BRIEFING

July 14, 2009

San Diego Marriott Del Mar
San Diego, California

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Managing IP in the Reform Era - What it Takes to Build, Uphold, and Protect Your Core Assets in Uncertain Times

July 14, 2009
San Diego Marriott Del Mar



Panelists

- **Donald J. Rosenberg**, Executive Vice President, General Counsel and Corporate Secretary, Qualcomm Incorporated
- **Jon Dudas**, Jon Dudas, Partner, Foley & Lardner, former Director of the USPTO
- **David Kleinfeld**, Partner, Foley & Lardner



Discussion Topics

- Shifting IP landscape
 - Patent reform bills
 - New USPTO priorities
 - Recent trends and implications
- Business goals and IP strategies
 - Upholding the quality and value of IP assets
 - Balancing priorities

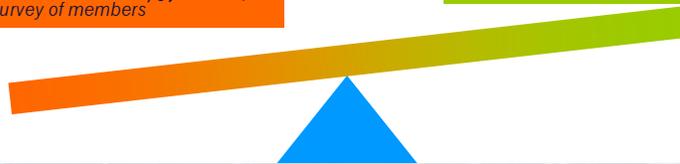
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Reality – Rock in a Hard Place

- Almost 75% of general counsel surveyed said their legal department's budget would be cut in 2009. *-IP Law 360, 12/9/08 survey of US general counsel*
- 41% of respondents said their new patent applications will decrease in 2009 (Unchanged -30% and Increase 29%) *-IPO April 2009 survey of members*

- 79% of companies thought IP was more important than usual in the economic downturn. *-Price Waterhouse Study of 11/2008 of companies in UK, Germany, and France*
- IP – Your most significant business assets.



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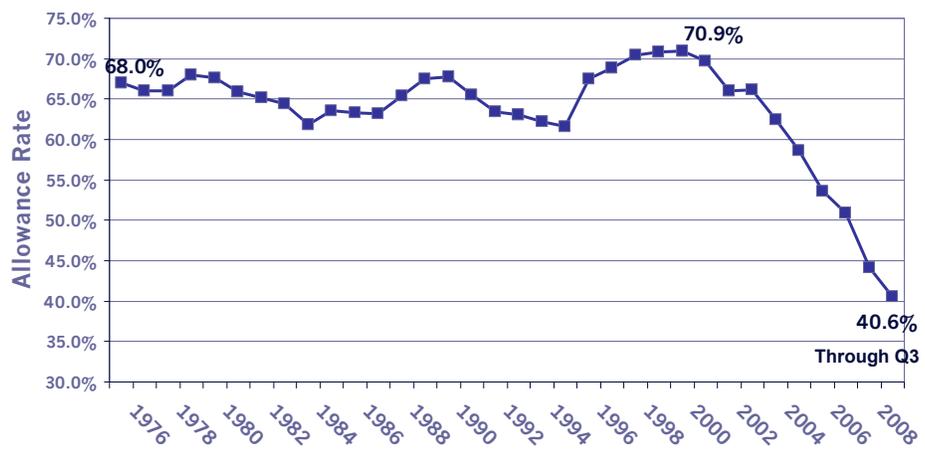
Near-Term Snapshot

- Patent Reform Bills
 - Outlook
 - Damages debate
 - Venue
 - Post-grant review and reexamination
- USPTO Priorities
 - Efficiency
 - Quality
 - International collaboration

The Shifting Landscape

- Patent filings are dropping in the US and throughout the world.
- Allowance rates continue to drop.
- Strategic companies are focusing on quality and efficiency rather than quantity.
- There are many strategies that will save dramatic costs down the line.

Allowance Rates are Dropping



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Business Goals and IP Strategies

- How can we uphold the value of IP assets?
- How can we minimize cost without compromising competitive position?
- How can we instill the organizational discipline?
- How can we track the spend and increase ROI?



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Donald J. Rosenberg

Qualcomm Incorporated

Executive Vice President, General Counsel and Corporate Secretary

Donald J. Rosenberg is executive vice president, general counsel and corporate secretary of Qualcomm Incorporated. Rosenberg reports directly to CEO Paul Jacobs and is a member of the company's executive committee. In his role as chief legal officer, Rosenberg is responsible for overseeing Qualcomm's worldwide legal affairs including litigation, intellectual property and corporate matters. Qualcomm's government affairs organization also reports to Rosenberg.

Prior to joining Qualcomm, Rosenberg served as senior vice president, general counsel and corporate secretary of Apple Inc.. Prior to that he was employed by IBM Corporation for over 30 years where he held numerous positions including senior vice president and general counsel, vice president and assistant general counsel for litigation and counsel to IBM's mainframe division. Rosenberg has had extensive experience in law department management, litigation, securities, intellectual property and competition issues. He has served as an adjunct professor of law at New York's Pace University School of Law, where he taught courses in intellectual property and antitrust law. Rosenberg received a bachelor of science degree in mathematics from the State University of New York at Stony Brook and his juris doctor from St. John's University School of Law where he was an editor of the Law Review



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Jon Dudas is a partner with Foley & Lardner LLP, where he works with the IP Litigation and Government & Public Policy Practices.

Mr. Dudas joined Foley as former Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. In this role, Mr. Dudas advised the president of the United States, the secretary of commerce, and the administration about intellectual property matters and administered the laws of granting patents and trademarks and led the \$2 billion agency and its more than 9,000 employees. As head of the world's leading intellectual property (IP) office, Mr. Dudas also developed and articulated administration positions on patent, copyright, and trademark issues, both domestic and foreign.

As the nation's top IP official, Mr. Dudas personally spearheaded an unprecedented number of patent cooperation and development missions with Brazil, China, Europe, India, Japan, Korea, Mexico and several other countries to improve IP systems globally and help innovators establish and enforce IP rights throughout the world.

Mr. Dudas was nominated by President George W. Bush in March 2004 and confirmed by the U.S. Senate in July 2004. He previously served as acting under secretary and director, and deputy under secretary and deputy director from 2002 to 2004.

Mr. Dudas also served six years as counsel to the U.S. House Judiciary Subcommittee on Courts and Intellectual Property, and staff director and deputy general counsel for the House Judiciary Committee. He guided enactment of major patent, trademark, and copyright policy, including the 1999 American Inventors Protection Act and the Digital Millennium Copyright Act. In addition, he



was instrumental in the passage of the 1996 Trademark Anti-Counterfeiting Consumer Protection Act, a law making it more difficult for seized counterfeit merchandise to re-enter the consumer marketplace.

Before his employment with the House of Representatives, Mr. Dudas practiced law in Chicago, focusing his practice on litigation with an emphasis on copyright and trademark issues.

Mr. Dudas obtained his Bachelor of Science in finance, *summa cum laude*, from the University of Illinois and his law degree from the University of Chicago, with honors. He is a member of the Illinois State Bar and the Bar of the United States District Court for the Northern District of Illinois.

Mr. Dudas is admitted in Illinois only. His practice is limited to matters before federal courts and agencies.



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David Kleinfeld is a partner with Foley & Lardner LLP, where he is a member of the firm's General Commercial Litigation and IP Litigation Practices.

Mr. Kleinfeld has significant experience in representing corporations in litigation involving intellectual property, unfair competition and various business and commercial disputes.

Mr. Kleinfeld was a partner with Heller Ehrman LLP before joining Foley in 2008. His successes while at Heller include a complete defense victory by QUALCOMM on patent infringement claims after a three-week jury trial involving position location technology; a plaintiffs' jury trial victory on behalf of QUALCOMM and against Trimble Navigation regarding defective GPS receivers; and a defense victory on behalf of Ernst & Young regarding accounting malpractice and related claims. He defended QUALCOMM in litigation brought by more than 120 plaintiffs, in eight consolidated cases, seeking in excess of \$150 million for claimed damages related to lost stock options. A complete defense victory was achieved in the trial court following the granting of 10 successive summary adjudication motions. Mr. Kleinfeld also defended QUALCOMM in class action litigation brought by former employees seeking damages of over \$500 million. He obtained dismissal of claims by 97 percent of the class and the action was subsequently settled with payment made entirely by third parties. In addition, Mr. Kleinfeld represented QUALCOMM in five consolidated cases including patent and license disputes with Motorola, in which claims for injunctive relief and damages were successfully resisted. Most recently he obtained substantial verdict in an ICC arbitration involving disputed patent royalties.

Mr. Kleinfeld's additional previous representations include:



- Represented Washington Mutual and Hewlett Packard in class action litigation.
- Represented the City of San Diego in litigation relating to the multibillion dollar underfunding of the San Diego City Employee Retirement System.
- Represented Jostens, Mail Boxes, Etc. and Kaplan in litigation including unfair competition and theft of trade secret claims where he obtained permanent injunctions and other relief.

He has extensive experience in lender liability defense and served as lead counsel for Mitsui Manufacturers Bank in obtaining the first reported appellate decision to establish that banks are not liable for tort damages of breach of standard commercial loan agreements.

Mr. Kleinfeld was part of the trial team that obtained a defense verdict and award of attorneys and accounting fees in excess of \$1 million from the advisory jury in *Grivas v. Security Pacific National Bank*. He was also part of the trial team that obtained a defense verdict and award of \$3.5 million to the bank from the jury in *Bianchi v. Bank of America*.

Mr. Kleinfeld is listed by *San Diego Magazine* as one of San Diego's top commercial and intellectual property litigators and by *California Law Business* as one of California's top rainmakers. He is included in *The Best Lawyers in America*®, 2008 edition, in the areas of commercial and intellectual property litigation and was selected for inclusion in the 2007-2009 *San Diego Super Lawyers*® lists for his intellectual property litigation practice.

Mr. Kleinfeld graduated from the New York University School of Law (J.D., 1980) and received his undergraduate degree in government from the Wesleyan University (B.A., *cum laude*, 1977).

Mr. Kleinfeld is author of "New Local Rules Pave the Way to Speedier Patent Trials," *San Diego Daily Transcript*, June 12, 2007.



Mr. Kleinfeld is a member of the State Bar of New York; State Bar of California; State Bar Litigation Section Executive Committee; Founding Master J. Clifford Wallace American Inn of Court; and San Diego County Bar Association. He is a member of the Committee of Adoption of Local Patent Rules of the United States District Court Southern District of California; and a member, executive committee and member, and board of directors of the San Diego Opera. He is a former member of the Board of Governors of the San Diego Association of Business Trial Lawyers and American Arbitration Association.

Mr. Kleinfeld is admitted to practice in California and New York. He is admitted to practice before the U.S. District Court for the Central, Northern, Eastern and Southern Districts of California; U.S. District Court for the Southern and Eastern Districts of New York; U.S. Court of Appeals, Ninth Circuit; U.S. Court of Appeals, Second Circuit; U.S. Court of Appeals for the Federal Circuit; and the Supreme Court of the United States.