A Trade Secrets Practice With Extraordinary Bench Strength
And A Strong Sense Of Economic Trends

The Editor interviews Robert R. Baron, Jr., Partner, Ballard Spahr Andrews & Ingersoll, LLP.

Editor: Mr. Baron, would you tell our readers something about your practice and professional background?

Baron: My practice is focused on intellectual property litigation and complex business litigation. I am based in Ballard’s Philadelphia office, but the cases I handle are throughout the country, as well as here in Pennsylvania.

My intellectual property litigation practice includes all manner of intellectual property disputes, with a significant portion of it devoted to trade secret litigation. My IP cases are diverse and always interesting, involving the misappropriation of everything from software code, aerospace technology and biotech inventions, to pricing information, the likenesses of major league athletes, and the particular shape and method of making a well-known ice cream product.

My business litigation practice runs the gamut of commercial litigation, with a particular emphasis on significant breaches of contracts, the breakdown of commercial acquisitions or other business relationships, contract interference and unfair competition, and licensing disputes. This coming January, I will become the Chair of the Business Litigation Committee of the Philadelphia Bar Association, which is an honor and responsibility I am looking forward to beginning.

A common denominator in my cases is that I often am handling litigation between business competitors. These cases usually have important strategic business implications for the client and its adversary.

Editor: Please tell us about the firm’s trade secrets practice. For starters, how is this organized?

Baron: Our trade secrets practice is comprised of litigators and other practitioners from both our IP Department and our firm’s Labor and Employment practice. These practice groups both have a national reputation, which results in a trade secrets team with extraordinary bench strength and a broad range of knowledge and experience.

Editor: What credentials and skill sets do these lawyers bring to the practice?

Baron: When there is litigation, our most important job is to present a clear, credible and compelling case to the judge, jury or arbitration panel. We need to make complicated issues comprehensible. That is what a good trial lawyer does, and we are very proud of our ability to do this.

Second, we act quickly. When employees move or business deals terminate, we need to be able to swiftly assess our clients’ claims or exposure and be prepared to go to court quickly to prosecute or defend such claims, including in preliminary injunction trials. I remember successfully defending three related preliminary injunction trials in three straight months, in Georgia, Tennessee and Florida. Being able to put together a response team and trial story so quickly was a big part of our success in those cases.

Third, we have tremendous technical experience. For example, we recently opened an office in Atlanta with the acquisition of Needle & Rosenberg, one of the premier intellectual property firms in the country. That was a fantastic addition to our practice. For any technical issue – and many trade secrets and patent cases include such issues – I can call on a sizable group of lawyers and other professionals with Ph.Ds and Masters degrees that cover the spectrum of scientific disciplines.

Editor: You mentioned that some of the members of the group have an employment law background. Is this because employees who might have access to trade secrets can be lured away to a competitor?

Baron: Yes. Most trade secrets disputes arise, generally, from two situations. The first involves employee movement from one company to another. The second occurs when two companies enter into a transaction, for example a licensing or joint venture arrangement, that involves the sharing of confidential information.

We represent clients, as both plaintiffs and defendants, in both injunction and money damages cases. We litigate our cases in court and before arbitration panels. We provide trade secrets counseling and analysis to our clients, and also conduct investigations. For example, I recently concluded an investigation where we were asked to determine whether there had been a trade secrets misappropriation, and the extent of any potential loss.

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Editor: You mentioned trade secrets analysis and counseling. What does that entail?

Baron: Companies sometimes know they have trade secrets but have not taken the steps to identify them with specificity. We work with our clients to identify the information that is confidential and to ensure that it is adequately protected. We discuss whether trade secrets protection – instead of patent or other IP laws – makes sense as the best way to protect the information. We review and draft contracts with employees, vendors, licensees and joint venture partners to assign ownership of newly created IP, to define and prohibit improper use or disclosure, and to specify what can and cannot occur upon termination. We advise our clients to supplement these agreements with non-solicitation and non-compete provisions when appropriate. We work with HR to create a checklist of questions they can ask both arriving and departing employees, to better protect against trade secrets improperly coming in or going out the door. We emphasize focused training to make sure our clients’ employees know what is confidential and to be vigilant in maintaining it that way. As an example, management may want to claim that its customer list is a trade secret, but it will not be able to do so if its sales force is touting that same list to potential customers.

Finally, clients call for advice when they seek to terminate business relationships with employees, to address legal exposure and assist with negotiations that can avoid protracted litigation.

Editor: You also mentioned arbitration. Have you found that clients are gravitating toward arbitration because of the cost of litigation?

Baron: I think businesses are no longer reflexive about inserting arbitration clauses into their agreements. Rather, they are thinking through whether arbitration makes sense given the contract, the nature of any anticipated litigation, and the confidential information at issue.

Without question, trade secrets litigation can be expensive. It usually includes a large production of documents and electronically stored information, forensic analysis to ascertain if and when certain information has been accessed, and expert testimony. However, arbitration of a complex case is not cheap, nor is it necessarily the best choice if, for example, your client foresees needing a preliminary injunction. Depending on the case, however, arbitration can make sense if you are a defendant or if you are a plaintiff in a strict money damages case. For example, last year we had a terrific result representing a leading software developer as a plaintiff in just such a trade secrets case. Because we were in the Large Complex Commercial Case program of the American Arbitration Association, we were able to get the documentary and electronic evidence we needed for trial, while securing money-saving limitations on depositions, interrogatories, and expert reports. JAMS operates in much the same way.

Editor: As you know, our publication is directed toward an audience composed of general counsel and the members of corporate legal departments. Are there trends in the trade secrets arena that we should be alerting our corporate counsel readership about?

Baron: With the downturn in the economy, I believe we will see an increase in trade secrets cases. Unfavorable economic conditions lead to employee layoffs and relocations. Key lateral hiring may replace more expensive research and development. Similarly, in hard times, companies try to mitigate risk by sharing it with others, and the volume of joint ventures and licensing arrangements can make sense if you are a client foresees needing a preliminary injunction. Depending on the case, however, arbitration can make sense if you are a defendant or if you are a plaintiff in a strict money damages case. For example, last year we had a terrific result representing a leading software developer as a plaintiff in just such a trade secrets case. Because we were in the Large Complex Commercial Case program of the American Arbitration Association, we were able to get the documentary and electronic evidence we needed for trial, while securing money-saving limitations on depositions, interrogatories, and expert reports. JAMS operates in much the same way.

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