

IP Group Of The Year: Desmarais

By **Kevin Penton**

Law360 (January 14, 2019, 4:14 PM EST) -- Desmarais LLP netted a \$400 million settlement for Cisco Systems Inc. against network equipment rival Arista Networks Inc. and secured an \$82.5 million verdict for IBM Corp. as the technology giant cruised through its first jury trial as a plaintiff in a patent infringement case, earning the firm a spot among Law360's Intellectual Property Groups of the Year.

In the past year, Desmarais represented IBM in its effort to advocate for the validity of its decades-old e-commerce patents before a Delaware federal jury, after Groupon Inc. resisted signing a licensing agreement.

The firm and IBM both believed in the patents after the intellectual property had been unsuccessfully challenged by other companies over the years, so after Groupon declined to follow the example of other web companies, such as Amazon.com and Google, that had signed licensing deals, IBM opted to file the patent infringement suit in the District of Delaware, Desmarais attorney Karim Oussayef told Law360.

"It was very important for IBM from a licensing perspective to legitimate what it had been doing," Oussayef said. "It was a great victory for IBM."

Groupon characterized the patents as relics from Prodigy, an early subscriber-based, IBM-affiliated internet service in the late 1980s and 1990s that was the first to offer a graphical user interface. The patents did not cover standard web teaching used by Groupon and many other websites, Groupon argued at trial.

More than two months after the July verdict, the two companies agreed to settle the matter for a licensing deal and a \$57 million payment by Groupon, according to court documents.

Desmarais was also at the center of the \$400 million deal struck between Arista and Cisco, in which Cisco received the money and agreed to drop various patent infringement allegations, while Arista dropped antitrust claims against its rival.

Arista's antitrust suit alleged that for more than a decade, Cisco encouraged competitors to adopt



Cisco's command-line interface in the configuration of their Ethernet switches, representing the CLI as an industry standard. But in 2014, Cisco changed its tune, Arista claimed, announcing its CLI was for exclusive use with Cisco's products and filing a copyright infringement lawsuit against Arista.

The deal between the companies also included an agreement to enter into arbitration during the following three years should disputes arise over new or modified features in each of their products, and that no new litigation would be brought over existing products during the next five years, according to a joint announcement by Arista and Cisco.

"The protocol allows for conversation first, then arbitration, and then only if those two fail, litigation," John Desmarais, the firm's founding partner, told Law360.

In May, the Federal Circuit affirmed a Delaware federal court's summary judgment decision that IBM had not engaged in direct infringement, induced infringement or contributory infringement of two patents held by Parallel Networks Licensing LLC.

Parallel Networks had sought nearly \$100 million in the case, alleging that IBM's sales of its WebSphere Application Server software infringed two of its patents that cover a method of managing web page generation requests through multiple page servers.

In a February 2017 decision, U.S. District Judge Kent Jordan affirmed in part and denied in part both parties' motions for summary judgment, writing that the "complexity" involved in installing IBM's product in a way that creates multiple page servers, and the possibility of noninfringing configurations of the product entitled IBM to summary judgment.

"It was a huge victory for us and IBM and saved the company a potential liability," said Desmarais of the Federal Circuit decision.

The firm has five trials scheduled for 2019, including a three-day trial involving Cisco in Massachusetts that began on Jan. 2, Desmarais said.

"We've started the year pretty aggressively," said Desmarais, who last year was named one of Law360's 2018 Intellectual Property MVPs.

Desmarais has 54 attorneys based in New York City, concentrating its entire practice on litigation involving intellectual property disputes, according to its website. While Desmarais has long focused on technology matters, in recent months it has hired several attorneys with experience with biotechnology and life sciences, and plans to further expand its intellectual property litigation offerings in the growing industry, according to the firm.

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