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Counsel to Counsel

By Daniel Kegan. Kegan & Kegan, Ltd.

For over a half century, Kegan & Kegan, Ltd. has been privileged to provide both overt and discreet counsel to other attorneys. Society and its laws are constantly changing. Keeping abreast of intellectual property law requires a dedicated focus. Our firm's practice is concentrated on intellectual property law (trademarks, copyrights, patents, trade secrets, Internet). Because we focus on what we know well and because we don't offer the broad range of legal services typically provided by corporate counsel and general practice firms, attorneys trust Kegan & Kegan to help, not take, their clients.

Flexible and efficient, we appreciate that quality clients demand legal solutions that fit them, not secondhand cookie-cutter responses. We know the relevant law and procedures, and have decades of experience with diverse industries and business growth stages—including individual new business venture, partnership, closely held corporation, public stock corporation, multinational, media crisis, acquisition candidate, merger suitor, retirement and succession planning—assisting corporate counsel and their clients.

Most business issues have a range of solutions, with varying benefits, costs, times, and risks. The client knows its business and its plans; we offer legal options and our candid opinion framed by client business preferences.

Typically corporate counsel overtly recommend their clients request our focused representation, recognizing the expertise required for intellectual property matters. This both efficiently helps the client and also ethically avoids malpractice. Attorneys also seek our discreet counsel.

SECOND OPINIONS. Second opinions are recommended for good firm management and malpractice prevention. Everyone has an off day, makes some mistakes, and sometimes misses an important issue or misplaces a word. Important documents should be read by two attorneys before being sent out of the firm. Major legal decisions should receive two independent evaluations.

Sometimes attorneys work so closely with a client, and know the client and its business so well, that independent judgment becomes

difficult. Balanced evaluation becomes especially hindered and critically important when evaluating disputes and potential litigation.

Wise attorneys seek an independent evaluation before filing a lawsuit. If the size of the attorney's firm or internal politics make a competent, candid evaluation difficult, outside counsel should be consulted. With litigation costing tens to hundreds of thousands of dollars and resented days of diverted management time, an ounce of prevention is worth more than the later pound of contested cure.

ETHICS. Attorneys live within difficult problems, often with no easy answers. Although some clients request preventative legal services, the murky muddle of contested claims carries more risk. Seeking an early, independent, ethical opinion permits smaller, earlier adjustments that can avoid embarrassingly costly adverse decisions.

The murky muddle of contested claims carries risk

In addition, an independent early ethical opinion provides strong evidence of your conformity to established professional practice. The alternative too often, "it seemed like a good idea at the time," can be a client and malpractice nightmare.

CONFLICTS. A successful legal practice will eventually encounter a conflict of interest. Whether between two current clients, with a former client, or due to an acquired attorney, conflicts require care.

Refusing work from a valued client is doubly difficult: you like the work and you wish to help the client. Expecting your client to return after a conflicts referral is more likely when the limited referral is to a limited practice firm.

MEDIATION & ARBITRATION. Some disputes should not go to trial. Litigation is costly, time consuming, uncertain, unpredictable, and risky. A litigator may enjoy the challenge, but most clients want to get back to business. Sometimes it appears settlement offers and context are being censored by adverse counsel. An independent mediator focuses on obtaining a mutually acceptable business solution, not on making and defending the case.

Successful executives tend to focus on goal achievement; subordinates too often minimize weaknesses. A mediator with substantive expertise can remind the parties of adversarial downsides—facts and law undercutting a position—and probe for practical solutions, often far beyond the limited remedies available to courts.

Clients dislike litigation. Over the decades an attorney's litigation experience embraces a range of judges, juries, adverse lawyers, facts, law, and venue idiosyncrasies. A client has less litigation experience, and even a 75% chance of prevailing includes a 25% chance of losing.

Even when insurance covers litigation expenses, the risk and discomfort of defending against personal liability—increasingly necessary as executives are joined as defendants and counterclaim defendants—makes litigation highly costly. When the parties are in the same industry, reputations and trade gossip can be more important concerns than the judge's ruling.

FIRM MANAGEMENT QUESTIONS. Successful lawyers like the law, but still have to deal with management and interpersonal issues of the firm. Modern legal practice permits great individual flexibility while respecting a firm's collective needs. However, few attorneys have significant formal management training. Moreover, attorneys' major work focuses on the law and facts, not feelings.

Good computerization changes a firm. Properly planned computerization augments firm goals. Buying technology without reviewing firm practices and the changing market invites technical, interpersonal, and financial disaster.

FIRM TRANSITIONS & SUCCESSION PLANNING. Firms change, clients change, legal markets change, legal labor markets change. Leveraging change for success requires candid talk of perceived changes, hopes, and fears. Often internal taboos and political realities restrict the shared discussions required for effective planning.

Confidential consultations with an experienced outside managing attorney provide an independent perspective impossible to obtain within the firm. Most problems are clarified with open discussion. Lawyers are experienced problem solvers, but everyone has some issues difficult to candidly discuss with coworkers and bosses. Typically money, promotion, work climate, and career issues benefit from confidential discussions with a trusted colleague outside the firm.

Cobblers' children oft have poor shoes

Cobblers' children oft have poor shoes. Helping others, lawyers too often find it difficult to discuss and decide firm succession and crisis management plans or to respond to major transitions such as disability, death, major client termination, or attorney separation. Although difficult, these events occur.

As developer of The MoneyLab® with a quarter century of organizational consulting experience, Daniel Kegan is frequently consulted by the media for his expert views on computerization, management, law, and the psychology of money.

SURVIVING SUCCESS™. Success creates its own problems, some unanticipated. A successful marketing program may overwhelm client intake procedures, generating malpractice problems and client ill will. Case recovery success may highlight firm work and income distinctions, requiring reevaluation of workload and compensation decisions. Financial success can unbalance

the firm, as it changes the marginal value of additional money or time away from the firm. A solved problem promotes the importance of remaining problems. Success raises expectations, and may rekindle fears of failure. Success creates change, some desired, some unanticipated.

Financial success can unbalance the firm

Every person and every organization has blind spots and areas of distorted vision. Healthy, supportive, respective, open firm communications help. Some firms' climates hinder such helpful communication; all firms occasionally encounter extraordinary events benefiting from outside consultation.

FDA FOOD DRUG COSMETICS & MEDICAL DEVICES. A quarter of consumer spending is for products regulated by the federal Food and Drug Administration. Fact patterns presented to attorneys often fall between the detailed FDA regulations. Advisors to food marketers must now analyze implied and explicit claims when adopting, using, defending, and attacking food brand names.

Unlawful use may undermine an otherwise valid priority claim. The Nutritional Labeling and Education Act of 1990 (NLEA) and its implementing regulations made some once valid trademarks for food unlawful, thereby expanding and strengthening potential challenges by third parties and administrative agencies to the use and regulation of food trademarks incorporating unlawful health or nutrient content claims. Federal Trade Commission (FTC) policies harmonize labeling and advertising requirements with the FDA's labeling regulations.

The reach of FDA regulation is broad, with leveraged implications for trademark practice. Promotional brochures may render a product an unapproved and adulterated medical device, lacking premarket approval. Testimonials may create sufficient intent to define a product as a drug, defined by the FDA Act as intended to mitigate or prevent disease or to affect the function or structure of the human body. Veterinary products and medical products are regulated by the FDA. FDA regulations can be used to prevent certain uses of confusingly similar generic names.

The once ample room for trademark ambiguity has been severely attenuated. Certain trademarks bring with them additional baggage of required additional labeling statements and clutter. Implicit trademark claims may less safely be surreptitiously fed to the consuming public. The privilege of a federal trademark registration is unlikely to be knowingly granted when the requisite use in commerce has been unlawful.

FORENSIC SURVEY EVALUATION. Trademark cases are fact specific. A forensic trademark survey should be considered early but not automatically conducted; your adverse party's survey position influences your survey tactics. Preexisting market

research may provide supporting evidence without the risk of adverse findings.

A registered psychologist and qualified forensic survey expert, Daniel Kegan, PhD, JD, evaluates surveys and consults with counsel on survey design and execution. Having designed and conducted over a hundred surveys, Dr. Kegan has special experience designing inexpensive and valid surveys, especially useful for smaller clients and early empirical tests of trademark facts.

Discreet consultations with an organizational psychologist who is also an attorney may more readily be privileged from evidentiary disclosure. Moreover, consultations with a dual professional require less preparation and permit greater collaboration. *K&K*

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