Mentor Spotlight

Harrie Samaras talked by phone with Peter L. Michaelson to discuss his ADR practice, his background and training in ADR, his recommendations for entrants into the ADR field, suggestions for advocates and more. Pete is an arbitrator and mediator primarily handling domestic and international IP, IT and technology-related disputes. See www.plmadr.com. He is a panelist for various well-known institutions, including CPR, AAA and its international division ICDR, WIPO, LCIA and HKIAC, as well as federal and state courts. He is also a Fellow and Chartered Arbitrator and Chair, New York Branch of the Chartered Institute of Arbitrators, and a Fellow of the College of Commercial Arbitrators.

1. **Please describe your current ADR practice**.

I serve primarily as an arbitrator and, to a lesser extent, a mediator. My focus is on IP, IT and tech-related disputes. My IP cases are mainly high-stakes patent disputes that occur across a wide range of technologies (from electronics to mechanics to pharmaceuticals and everything in between). I also handle trademark matters, including domain name cases for WIPO and other institutions. My IT cases typically involve disputes that arise out of consulting or other contractual arrangements. My technology-related disputes involve commercial cases across a wide range of sectors, such as infrastructure (including bilateral investment treaty), biotech, pharma and energy disputes, that have a technical component to them of one sort or another.

2. **How and when did you get started in the ADR field?**

I entered the ADR field in 1991. Back then, IP ADR was not even a passing thought in IP practitioners' minds. There may have been about 5 of us in the field then -- Dave Plant, Tom Arnold, me and a couple of others. I didn't know any of them then because there really wasn't any ADR work to be had and no IP ADR-specific groups existed which we would have all joined and attended meetings.

What got me into the field back in '91 was a phone call I received "out of the blue" from a federal judge in Newark. The judge had been on the federal bench for a year or so; he basically moved over from the NJ Superior Court system and was an estates and trust attorney before going on the state bench. He called me shortly after his first patent case landed on his docket. He wasn't sure what to do with it, and, reading between the lines, wanted to quickly dispose of it. The case involved a rather simple mechanical valve. The judge readily admitted that technology was not his forte and certainly not within his comfort level. He asked if I would serve as a court appointed expert in patent law. If the parties agreed to the appointment (which they did), he'd then send a copy of the papers down to me have me tell him what I thought about the case. At the time, I was about 38 years old and that was the first time I received a call from a Federal Judge. Needless to say and being a bit nervous, I didn't say no to him.

With a week's work, I ended up settling the case. Candidly, at the time, I didn't have a clue what I was doing. Not one. I had called the parties to my office, and we had what I learned, a few years later, to have been an evaluative mediation. The judge just loved it. A seemingly difficult case cleared right off his docket.

Back in the 80's, I had worked as an associate at a NYC IP boutique, Pennie & Edmonds, doing patent litigation mostly in the electronics arts. There, patent cases just seemed to drag on inexorably with significant cost to all concerned -- but that was the way large-scale patent cases

were generally run back then whether at Pennie or elsewhere. The fact that my valve case the case settled very efficiently -- substantially faster and cheaper than litigations I had previously experienced -- immediately convinced me that I damn well better learn about what I did as it was some sort of ADR process that made very good sense. What I didn't know at the time, as I way out in front of the IP ADR field, was that the use of ADR in the IP field would literally start exploding some 10 years later.

Armed with my valve-case experience, I sought out ADR courses. But, back in the early-mid 90's, there were a very few of them: a couple on negotiation and mediation but none on arbitration. I starting taking whatever courses I could find that seemed worthwhile. I attended various negotiation and mediation workshops at Harvard through its Program on Negotiation and then expanded outward from there to other providers both in the US and overseas, e.g. WIPO, CEDR, etc. In the mid-90's, I also started getting on panels. At that time, getting on panels was easy. Because there were no cases to be had, there was no real competition among panel applicants -- simply because their numbers were so miniscule and, with few exceptions (me being one) no one was interested in ADR. The panels seemingly had more open slots than candidates. Hence, institutions gladly accepted me. Right now, the situation is the exact opposite as getting on panels is extremely competitive, highly sought after and very difficult as institutions have become extremely selective --- as they should be.

Starting in the late 90's, a paradigm shift occurred in the entire legal profession through which ADR started taking on considerable importance. The IP field was not immune, though it was one of the laggards. My caseload increased significantly over the ensuing years as did my panel memberships and reputation to the point where they are today.

It was pure serendipity that I got into the ADR field. If I didn't get that call from the federal judge back in '91, I wouldn't be where I am now.

The lesson learned from all of this: opportunities can be very subtle and non-traditional. Be vigilant. Someone might ask you to do something seemingly tangential to your current work but it kindles something in your mind and serves as a catalyst for would be a terrific opportunity you might not have had otherwise.

3. **How did you prepare/train to be a neutral?**

Back in 1991, when I started, there were very few ADR training courses available. Now, there are many varied offerings from a wide variety of providers, including bar associations, law schools, CLE provider organizations and institutions, though the number of mediation courses far outnumber the number of arbitration courses.

Can you go from a litigation practice to a mediation or arbitration practice with no training? No, but training alone, no matter how good it is, is not enough.

While good training is a pre-requisite for entry into the field, getting proper real-world experience is absolutely essential. Mediation and arbitration are not learned simply by attending lectures and going through a few role plays. You need to gain practical knowledge and experience by having actually handled real cases. The more cases, the better. If you can, find a well-respected neutral who can serve as a mentor, apprentice in some fashion to him/her for a few years -- part-time is fine, and gain a certain level of competence over that time. When you finish, you're not an expert. What you gained is a fundamental, practical understanding of your

role as a neutral. You start with small cases and, over time, as your reputation and experience build, work your way up by handling increasingly larger ones.

In the ADR field, people will hire you because you have a reputation and the requisite experience they seek, and accordingly they can ultimately repose trust and comfort in your skills. The larger the case you ultimately want to handle, the more experience you need to have had to land the assignment. No one will give you a $100 Million patent case if all you've done is arbitrate a small copyright case.

4. **What do you most enjoy about serving as a neutral in IP/Commercial cases?**

Being a peacemaker. Being in a position to resolve conflict and bring peace to some small part of the world on a case-by-case basis is very satisfying. That, to me, is the highest calling for any lawyer. IP, IT and tech-related cases happen to be where the vast majority of my 34+ years of substantive knowledge, expertise and experience lie so I can put them all to good use there.

Now, occasionally I handle cases outside that area. For example, from time to time, I mediate insurance claim disputes for the AAA as part of its NJ Storm Sandy relief program. It's extraordinary rewarding personally because, as a member of the NJ shore community that was severely affected by the storm, I help local residents and small businesses in the towns in my area re-build and get back to some degree of normalcy.

5. **Did serving as an arbitrator/mediator have an effect on your former IP law practice?**

Yes, substantially. When I sit as an arbitrator, I am both a fact-finder and a decision-maker. I essentially sit in the shoes of a judge on a bench trial, for example, issuing Markman rulings and awards, the latter often addressing issues such as patent validity and infringement. Being a neutral gives me the added perspective of being an actual fact-finder and decision-maker. When I advised clients, one would invariably ask what would a judge do in a given situation. I responded by telling what I did and the thought process I went through as an arbitrator when I confronted a similar situation. I didn't have to speculate as most attorneys do as they never sat as the fact-finder, let alone a decision-maker; rather, I knew from my own first-hand experience.

6. **What are a few "lessons learned" or recommendations for those entering the field?**

First, to those who want to enter the field, do it earlier than in your 50's and 60's. Gaining real-world experience is essential. That takes time. Don't expect to take a few training courses, then hang out a shingle and shortly be flooded with cases. You won't be. The "field of dreams" mentality, i.e. "if you build it, they will come", doesn't work in the ADR field.

Over the course of a year, I get plenty of inquiries from attorneys (all of whom know what I do, but many I don't know and were referred to me) who are retiring out of senior level positions at law firms or high-level corporate legal positions. In spite of their having no training or experience as a neutral, they feel -- naively so -- that because they have negotiated a few deals or settlements or have handled several litigations or other high-level legal/corporate work, they think they'd be excellent neutrals and ask me how they get started. As I see it, none of them has really done any serious retirement planning so, at the last instance with one foot out the door, they think they can fall back on doing ADR. The problem all these folks face is time: not enough of it.

Allow yourself sufficient time to gain training, get onto entry-level panels, such as court panels, and then handle cases as they come in and build up your experience. Cases will come in very slowly at first, usually one at a time, with often a decent dwell period in between. Also, market yourself. Go to professional meetings of interest and network. Let people know what that you are available to handle cases, and what types and where. Most likely through active practice, you've developed a large network of other attorneys. Start with that network. You never know where a case will originate. After you handled more cases and certainly those of increased value, then apply to enter other, more important, panels. Basically, work your way up the ranks. Doing this will take time: several years, maybe a decade. If you wait to enter the field in your 50's-60's, you simply may not have enough time left in your remaining working years to gain the necessary experience, expertise and above all reputation you need.

I entered the field back in 1991 when I was 39. If you are in legal practice, stay there. Don't quit your day job. Get your ADR training and develop your practice as a neutral on the side: as a complement to your existing position. Make it part of your legal practice. If you are in a position where you can't develop a neutral practice but yet you're passionate about doing so, then consider changing positions to one that will afford you the necessary flexibility. In my case, I owned my law firm since the mid-1980's (until April 2012 when I ceased the practice of law to devote all my time to being a neutral) so I had the vocational freedom to pursue being a neutral and build my practice and gain ADR expertise, all while I was doing client work. Whenever I become overloaded with client work, I off-loaded some of that work to other attorneys in my firm to free up adequate time for me to handle my ADR caseload. That worked out rather well for me.

Building an ADR practice on the side also ameliorates the risk and results of failure. If you don't succeed in becoming a neutral -- and that can easily happen as success is far from a certainty, your legal practice continues unabated. Whatever unused time you had allocated to building your ADR practice, you can re-allocate back to your legal practice. The ADR training and experience you gained will give you added perspective that will improve your skill set as an attorney and ultimately redound to you and your clients' benefit.

Second, define a realistic, but narrow niche market for yourself that exploits all your strengths; focus on that market; and just serve it basically to the exclusion of all else. Build expertise, experience and a reputation in that market. You'll fail if you try to be everything to everyone. Serving a narrow niche is very beneficial: there's far less competition from other neutrals as they are simply fewer of them in that niche. The narrower the niche, the fewer the neutrals. Just be careful not to make your niche too narrow as it may be too small to support you.

Focus and direct your efforts to your niche. I did that for 22+ years, and it worked out very well for me.

7. Do you have a few tips for outside counsel who are representing clients in IP mediations/arbitrations?

One issue that you hear much about these days is that arbitration has taken on many of the bad attributes of litigation, including excessive cost and time. If you compare arbitration rules to the Federal Rules of Civil Procedure, the former are substantially less detailed and rigid than the latter with the latter essentially being a "one size fits all approach". Arbitration is an informal process that is extraordinarily flexible -- far more so than litigation, but people don't

appreciate it and certainly, with very few exceptions, aren't taking optimum advantage of it in large IP cases.

Arbitration counsel are, by and large, litigation and even trial counsel who know the trial process: the rules, the procedure, the intricacies, all the bells and whistles. It's their career. That's what they do and, for seasoned counsel, have done so for many years. They can probably recite the Federal Rules of Civil Procedure upside down and backwards. So, for many of them, it's only natural that they import all or most of the process they know into an arbitration proceeding as, from their standpoint, they view arbitration as litigation before a different tribunal. But that's not what arbitration was ever intended to be or should be, but nevertheless what in many instances it has become.

When a dispute arises and I'm then nominated to arbitrate it, I tell counsel, often prior to the preliminary hearing, to go back and scrutinize each component of the process they propose -- which in the first instance generally reflects a litigation process. I ask them to seriously consider why that component is really necessary in the arbitration and, if so, to what extent. What can be eliminated? What can be compressed? What can be tailored to meet the specific needs of the dispute at hand, and how? For example, why do we need all the witnesses listed, all the testimony time, discovery, hearing days, etc. . . ?

Any arbitration rule set is sufficiently flexible to let the parties dramatically tailor the process -- even to the point where it bears very little resemblance to litigation. After all, arbitration is a creature of contract. The parties own the process. They can start with a "clean sheet of paper" and are free to agree on basically whatever process components they want and the characteristics of each. You can't do that with litigation.

Quite a few years ago, Prof. Frank Sander (then of Harvard Law School) coined the tag line of "fitting the forum to the fuss" in the context of the "multi-door courthouse" metaphor through which an ADR process (mediation, mini-trial, summary jury trial, arbitration, etc.) is selected that is best suited to the dispute at hand. Now, leveraging off that metaphor – once you pick the forum, then fit its process to the fuss. In this day and age where controlling and even reducing legal spend are of critical importance to corporations, large IP disputes -- which constitute a decent amount of those expenditures -- must be resolved as cost- and time-efficiently as is realistically possible.

Certainly, there is some inherent risk in reducing arbitral process and protections from the traditional broad-minded adjudicatory process available in Federal Courts, but just how much additional risk is really being incurred in practice? From my experience, relatively little, and certainly not enough to outweigh substantial efficiencies that can be gained in "fitting the process to the fuss". Hence, in-house counsel of all disputants in a matter must ask hard and probing procedural questions, including of their litigation/trial counsel, to gain realistic assessments of the added risks as against the cost savings, in order to mutually devise a custom arbitration process that makes the most sense to resolve that matter. Two principal benefits of arbitration, namely economy and speed, will only result from adequately scrutinizing and customizing the process.

Arbitration can be as costly or inexpensive as you want it to be. If you want the latter, you have to work at it. If you don't, you'll get the former by default.