

Nasdaq Wants Fish & Richardson DQ'd From Patent Fight

By Tiffany Hu

Law360 (November 19, 2018, 4:16 PM EST) -- A Nasdaq unit has urged the Patent Trial and Appeal Board to disqualify Fish & Richardson PC from Miami International Holdings Inc.'s challenge of a patent that is related to a lawsuit involving patents the law firm prosecuted for Nasdaq, calling the firm's attempt to downplay its role in the proceedings "too cute by half."

The PTAB should not be reluctant to disqualify Fish & Richardson attorneys from representing Miami International Holdings, which operates electronic trading exchanges such as MIAX, in its challenge in covered business method review of Nasdaq's patent of systems for automated securities and options trading just because the board has supposedly never disqualified a firm in America Invents Act post-grant review proceedings, Nasdaq ISE LLC said in a Nov. 14 brief.

Fish & Richardson had already been disqualified from representing MIAX in an infringement suit brought by Nasdaq in September 2017, in which Magistrate Judge Douglas E. Arpert had found an "unavoidable conflict of interest" arising from the firm's previous prosecution of Nasdaq's patents in that suit, according to the brief. As such, Fish & Richardson cannot now represent MIAX in its challenge of a patent related to that lawsuit, Nasdaq ISE told the board.

"Fish's attempt to downplay and compartmentalize its involvement is too cute by half," Nasdaq ISE wrote. "The board should not be reluctant to disqualify Fish merely because it has yet to disqualify a law firm in a post-grant proceeding. The relevant facts are not in dispute and the board has Judge A[r]pert's well-reasoned decision as confirmation that Fish's participation in this dispute conflicts with its ethical duties to Nasdaq."

Fish & Richardson had contended in October that it had never represented the subsidiary itself and that it had never prosecuted the patent at issue. Nasdaq ISE's argument that the subject matter of that patent was substantially related to Fish & Richardson's previous prosecution work involving "Nasdaq's strategic approach to its intellectual property and information bearing on the validity of its patents" was ridiculous, the firm argued.

"Quite apart from whatever confidential information might exist within the minds of a handful of screened Fish attorneys regarding Nasdaq's prosecution of its own patent applications, the present proceeding will be resolved on the basis of a comparison of the publicly available claims of ISE's patent, to publicly available proofs [of] the patent's invalidity," Fish & Richardson told the PTAB.

Further, Judge Arpert's findings in the underlying suit were based on a "different set of facts and

circumstances,” according to Fish & Richardson. The case in district court involved a complaint filed by both Nasdaq and Nasdaq ISE over patent infringement and trade secret claims, the firm said.

In asking the PTAB to disqualify Fish & Richardson based on that lawsuit, Nasdaq ISE was conveniently leaving out significant details that led the judge to find a conflict of interest, including the fact that Judge Arpert had relied on the purportedly overlapping trade secret and infringement claims to arrive at his conclusion, according to Fish & Richardson.

But Nasdaq ISE argued in its response that the firm’s actions in the present proceeding were “part of a coordinated effort” to take down all the patents relating to the litigation, including the ones that the firm had prosecuted.

“An attack on a patent owned by Nasdaq’s wholly-own subsidiary is an attack on Nasdaq, who was Fish’s patent-prosecution client for over a decade,” Nasdaq ISE wrote. “Fish’s convoluted who-owned-what-when argument misses the fundamental ethical problem posed by its representation of MIAX: Fish cannot be materially adverse to its former client Nasdaq in a matter substantially related to its past representation of Nasdaq.”

Counsel for both parties did not immediately respond to requests for comment Monday.

The patent-in-suit is U.S. Patent Number 6,618,707.

MIAX is represented by W. Karl Renner of Fish & Richardson PC.

Nasdaq ISE is represented by Robert Sokohl of Sterne Kessler Goldstein & Fox PLLC.

The case is Miami International Holdings Inc. et al. v. Nasdaq ISE LLC, case number CBM2018-00021, before the Patent Trial and Appeal Board.

--Editing by Jack Karp.