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The IP Head Hunter: Navigating the IP Battlefield in Search of Employment

Recruiting in the IP field has always been challenging, given the very limited number of qualified candidates, very specific technical expertise required by most positions, geographic restrictions, compensation differentials between law firms and corporations, and the issue of conflicts. The limitation of the candidate pool in patent law is evidenced by the following statistics: There are approximately 29,700 registered patent attorneys in the United States[1] as compared to approximately 1,175,000 non- patent attorneys[2]. One might expect that the economic downturn would make hiring much less challenging for employers. However, greater numbers of available people (laid off or downsized, whether because of law firm economics or corporate consolidation) do not necessarily mean greater numbers of people with the very specific background and experience optimal for any particular position, who are also available in a particular location or able to relocate. For example, patent attorneys have traditionally been very mobile, thanks to the national patent bar and to the general lack of a requirement to become admitted to a second state bar. Therefore, relocation for job opportunities has traditionally been a common occurrence typically accomplished with minimal obstacles. The housing market downturn has severely limited this flexibility and further complicated IP recruiting. Employers are typically unwilling to buy people's homes, and the time to sell a home has become something no candidate can predict. Local candidates/local jobs have become much more appealing. However, when the ability to consider a national candidate pool or a national job opportunity pool is the new reality, the issue of potential conflicts becomes a more important factor in the recruiting equation for both employers and candidates.

The conflict issue is one that affects both law firm and corporate hiring and is found across all areas of IP law, but is by far most common in patent hiring, and patent hiring is overwhelmingly the most active segment in IP law. However, though potential conflicts exist in corporate hiring, the conflict issue is far more pervasive in law firms because of the nature of the recruiting process in firms as compared to corporations.
When corporations recruit, hiring attorneys are usually immediately aware of the companies that would present potential conflicts as candidate sources. Whether the field is pharmaceuticals, biotechnology, medical devices, computer engineering or software, my experience has been that corporate hiring managers spend a good deal of time thinking about the competitor companies and are, therefore, readily able to provide information on which companies to avoid when recruiting patent attorneys. When beginning a search, one of the first questions I ask a hiring manager is which companies I should avoid because the attorneys there might present a conflict.

In addition to the conflicted companies, I also inquire about the law firms servicing those companies, whose associates would then also potentially be off- limits to the hiring corporation. Occasionally a potential candidate will raise the possibility of a conflict which the hiring company has not yet mentioned because it relates to an upcoming lawsuit of which the company is not yet aware. However, this scenario is fairly rare, and usually the information provided by the hiring corporation is fairly complete and an accurate guideline as to which candidates to avoid. We have even had a situation where a medical device corporation requested that any non-compete agreements signed by candidates be submitted along with their resumes for review. Sometimes a corporation is aware of a possible conflict with another company, but the hiring attorney will make a judgment that the company will be able to work around the problem and decides to proceed with that candidate. The

outcome then depends on the accuracy of the hiring manager's assessment of the size of the conflict and/or his willingness to tackle the steps necessary to make the hire possible.

For example, I conducted a search in which a biotech corporation was interested in a law firm candidate whose law firm represented the company on the other side of a patent litigation. The hiring attorney was confident that the associate's involvement in the case was minimal and that there was no reason a waiver could not be obtained. However, when the candidate verbally accepted the offer and gave notice to her firm, her supervising partner was unwilling to approach the firm's client to ask for a waiver. The corporate hiring attorney was sufficiently interested in the candidate and confident of his position on the legitimacy of seeking the waiver, that the General Counsel at the company became involved. He decided to bypass the uncooperative partner and go directly to the General Counsel at the other company to discuss the situation. The waiver was obtained, the candidate was hired, and everything worked out in the end. Despite the arduous process that was required and the period of uncertainty for the candidate as she waited for the outcome, at least the hiring manager began the process knowing what issue would need to be resolved. Corporate hiring managers understand the importance of making that information available very early on in the recruiting process. However, when a search involves working with a human resources department rather than directly with a hiring attorney, it usually requires more effort to establish a foundation for a search that will minimize potentially irresolvable conflicts, because that information must be communicated from the hiring attorney to the human resources representative. But experienced human resource professionals who have established close relationships working with their IP departments have come to increasingly appreciate the importance of gaining this information early in the recruiting process and insist that the hiring attorneys provide it. If hiring attorneys are working through less experienced human resource representatives, it behooves the hiring managers to volunteer the off-limits information when they create the job description, because a less experienced human resources person might not understand the importance of an early awareness and proceed with the process without it.

Law firms, unfortunately, are often not as attentive to potential conflicts as are the corporations and, therefore, leave open the possibility of frustrating problems occurring during the hiring process. Part of the problem is that as law firms have grown, associate hiring at law firms is more typically done through a recruiting coordinator, rather than directly with a hiring partner. Inquiring which law firms would be potential conflicts is not usually immediately known by most recruiting coordinators, and they have to be willing to take the time to gather the information from the partners. As increasing numbers of job openings are posted on firm websites, and the recruiting process becomes more impersonal in its early stages, it becomes more difficult to gather this information. Job postings don't list the potentially conflicting firms or corporations. In addition, it seems that recruiting coordinators believe that sufficient information is available to begin recruiting candidates and often do not want to engage in lengthy discussions with legal recruiters until an attractive candidate has been identified. Additionally, information about potential conflicts that is easily and quickly discussed in a phone conversation with a partner is more difficult to obtain through email exchanges between a legal recruiting firm, a recruiting coordinator, and a hiring partner, perhaps reflecting a hesitancy to provide the information in writing. The result is that there are far too many instances in recruiting when conflict problems surface at the very end of the recruiting process, after a large investment of time and energy by all parties. And while the result is frustration for the hiring firm, the consequences for associate candidates can be not only frustrating but quite damaging to their careers.

Regarding associate recruiting, we find that the conflict issue is more problematic than at the partner level, but this is not because there are necessarily fewer potential conflicts among partners. In fact, we find that a good deal of partner movement is motivated by the fact that partners might be prevented from bringing in certain clients to their firms because of conflicts with other partners' clients, for example when a situation involves generic versus branded pharmaceutical clients. Therefore, partners consider moving to other firms where these conflicts won't hinder them in continuing to build their client base. They look for firms where none of their portable business will be excluded since partner compensation is, to a large extent, based on the amount of portable

business. In fact, we had an instance where a partner waited more than a year and half to join his new firm because he wanted to allow time for a conflict to be resolved so he would not have to forego bringing an existing client to the new firm. And since most firms consider themselves opportunistic in partner hiring, building a larger practice or new office, rather than having a specific time-sensitive, need -driven focus, waiting for a partner with significant business can be more appealing than sacrificing the revenue from a potentially productive client. Moreover, as firms continue to merge, occurrences of conflict problems increase in frequency for partners, often motivating partner candidates to look for a smaller firm where they can take the clients they would have had to sacrifice as part of a larger, merged entity.

Despite the frequency of partner conflict issues, the reason that these issues are not as problematic in recruiting is because the issue is addressed at a much earlier stage of the partner recruiting process, before enormous amounts of time and energy have been invested. The process of partner recruiting is usually conducted directly with the hiring or recruiting partner at the firm, not through a recruiting coordinator's office. Therefore, the recruiting firm has an immediate understanding of the most obvious firms that would be off-limits. The potential candidates at those law firms are never viewed as possible candidates. When partner candidates from other law firms are presented to the hiring firm, and materials are viewed as potentially attractive, a second opportunity exists for the hiring partner to become aware of any potential conflicts not previously acknowledged before an interview is scheduled. Once a candidate completes an initial interview or meeting, if there is continued mutual interest and as the process continues, a client list or a lateral partner questionnaire is requested from the candidate and a conflict check is begun at that point in the process. This enables the law firm to avoid investing more time and the candidate to avoid unnecessary exposure and time if obstacles appear. Rarely does it occur that partner candidates complete the entire interview process and receive an offer, only to find out that a conflict will prevent them from joining the firm. Unfortunately, too often, associate candidates are not spared this conclusion.

We have seen numerous instances when associate hiring comes up against an irresolvable conflict. In associate recruiting official conflict checks are not done until after a candidate verbally accepts an offer, and that can be several weeks or even months after an initial interview has taken place. By the time the firm begins a conflicts check, the candidate has become firmly attached to the idea of moving to that firm. So it often comes as a tremendous shock for an associate candidate to find out that there is a conflict which will prevent him or her from making the move. Despite the candidate's best efforts at confidentiality, by that time the associate's current firm might have become aware that the associate is considering a change. Then if a conflict cannot be resolved, the current firm might decide it is not interested in having the associate remain. In addition, the conflict-checking process is not a speedy one. We've seen instances where the conflict check can take several weeks, during which time the candidate remains in limbo, thinking he will be leaving, not comfortable taking on new assignments, not wanting to let anyone know of his plans until he gives official notice, and not in control of any way to expedite the process. It can be even riskier for the candidate if the potential employer asks for references before a formal offer will be made. If an associate wants to do everything to accommodate the hiring firm in order to secure the offer, and is not aware of any pending conflict issue, they might proceed to provide references and let it be known that they are looking around. Even if those references supposedly represent limited exposure at the current firm, the risk is still greater that the associate's current employment could be jeopardized if an unexpected irresolvable conflict emerges.

These conflicts can occur for patent litigators and for patent prosecution candidates. As mentioned before, they can occur in all art areas, although biopharmaceuticals and medical devices present the most situations. We've seen situations where there was a hint of a potential conflict at the time an offer was extended, but did not seem to be overly problematic, and we've seen situations where a totally unexpected conflict surfaced, surprising both the hiring firm and the candidate. Waivers generally are not the solution in most instances. The hiring firm might offer the candidate the opportunity to get a waiver as a way to navigate the issue, but the instances of a candidate succeeding

in that effort are rare. Associates are typically not successful in convincing partners at the current firm to seek a waiver from a client in order to assist them in making a job change.

One of the most distressing situations involving an associate conflict occurred a few years ago. I recruited a candidate for a medical device position at a New York firm. The firm flew the candidate in for interview and invited him back for a second interview. In extending the offer, the firm told him that he would need a waiver from his firm's client which was on the other side of an active patent infringement litigation. However, since the candidate had done only some minimal document review as a second year associate four years prior, the hiring firm assured him that there was no reason to think that a waiver could not be secured. In addition, the candidate believed he had every reason to expect his partner to be sympathetic and agree to the waiver since that partner had needed to obtain a waiver from the candidate's first law firm in order to bring the candidate into the current group. And in that instance the candidate had been substantially more involved in the pending case than the current situation entailed. So the candidate verbally accepted the offer and proceeded to address the issue of obtaining the waiver from his firm, anticipating that he would be starting at the new firm in a short period of time. However, when he went to the current partner to explain his desire to leave and ask the partner's assistance in getting the waiver from the client, the partner steadfastly refused to take on the issue, saying that there was no reason he should forego the option of attempting to use the candidate's joining the New York firm as a reason to disqualify the New York firm from a pending litigation. The candidate tried for several weeks to argue the justification of giving him the waiver because of the minimal and distant involvement in the case. He talked to the head of the department, hoping that the department head would be more reasonable than the direct supervising partner, but the head of the department refused to get involved. The candidate talked to the associate management committee of the current firm, asked if he could approach the client directly, since he thought the client might be receptive to the facts, and it appeared that the partner had never raised the issue to the client, but the committee was unwilling to grant that request. He continued to try to reason with his partner, but the partner stated that he did not want to lose a potential advantage in the case. He consulted an ethics expert in his city and even spoke to an outside lawyer about his rights. The candidate's lawyer spoke to the managing partner at the current firm and was told that under New York law the New York firm couldn't be disqualified because of the candidate's involvement, and, in fact, under the law of the current state there was no basis for disqualification. Therefore, the candidate should simply go to the new firm. The candidate's lawyer asked if that was indeed the situation, why wouldn't the partner sign the waiver for him and let the candidate get on with his career. The partner declared that the client had adamantly refused, but it became clear that the partner had, in fact, advised the client not to sign the waiver and did not want to go back to the client with a different position.

As much as they wanted to hire the candidate, the New York firm continued to insist that the offer was contingent on his obtaining the waiver. They were becoming increasingly convinced that the candidate's current firm's resistance meant that they would try to use the issue to disqualify the New York firm if he joined, and they just did not want to take that risk. In the end, after months of efforts, the candidate did not obtain the waiver and was not able to join the NY firm. Moreover, he was asked to leave his current firm, since he was no longer considered a loyal employee, and he remained out of work for close to one year before finding another firm looking for a medical device associate where no conflict issue existed.

While the situation I've just described was more protracted than most, the fact remains that too many candidates and firms are too often frustrated when conflict situations prevent the completion of a hire. And in patent recruiting, it is not often the case that the firm can simply move along to the next equally qualified candidate, or the candidate can simply replicate the opportunity down the street at that particular moment in time, especially if his or her current employment has been jeopardized. So, how can the issue of conflicts be minimized as a recruiting obstacle in the current ethic rules environment? The simplest solution is for law firms to adjust the associate recruiting process to more closely mirror the partner hiring process. Simply making the assessment of potential conflicts an

earlier step in the process would eliminate a large portion of wasted efforts and frustration, perhaps with the use of an adaptation of the partner questionnaire typically used. While checking conflicts requires time and resources on the part of law firm administration, it is a more pragmatic and constructive approach which would also minimize damage to associate candidates. And while firms might not immediately worry about the impact on associate candidates, they would be wise to remember that associates communicate very freely with each other about law firms and how they are treated in the recruiting process. It is very difficult to undo the negative impressions about a firm once it enters the associate sub-culture. In addition, recruiting coordinators should be made more aware of the potential sources of conflicts at the beginning of the search process so they can inform the recruiting firms with which they are working and eliminate resumes immediately from law firms that pose issues. In addition, candidates need to pay more attention to potential conflict issues at the earliest stage of assessing a possible job opportunity, do their own research, and objectively assess the chances that a conflict issue will interfere, perhaps with the assistance of ethics experts available at their state bar associations or law schools. Until employers improve the hiring process to address conflicts in a more timely and efficient manner, candidates will need to be responsible for protecting themselves from situations with possible adverse consequences. I will leave it up to the members of the bar to take on the issue of possible changes in ethics rules to facilitate the process for lawyers to change jobs. And I will leave it to the ethics expects to judge whether law firms unfairly allow associate careers to be hampered by the over-reaching use of conflict issues to gain strategic advantage over an opposing firm. For now, changes in the recruiting process and increased candidate awareness will have to suffice as the most practical way to make it easier to navigate the recruiting playing field.

Notes:

1 United States Patent and Trademark Office

2 American Bar Association