

Taking Care of Business

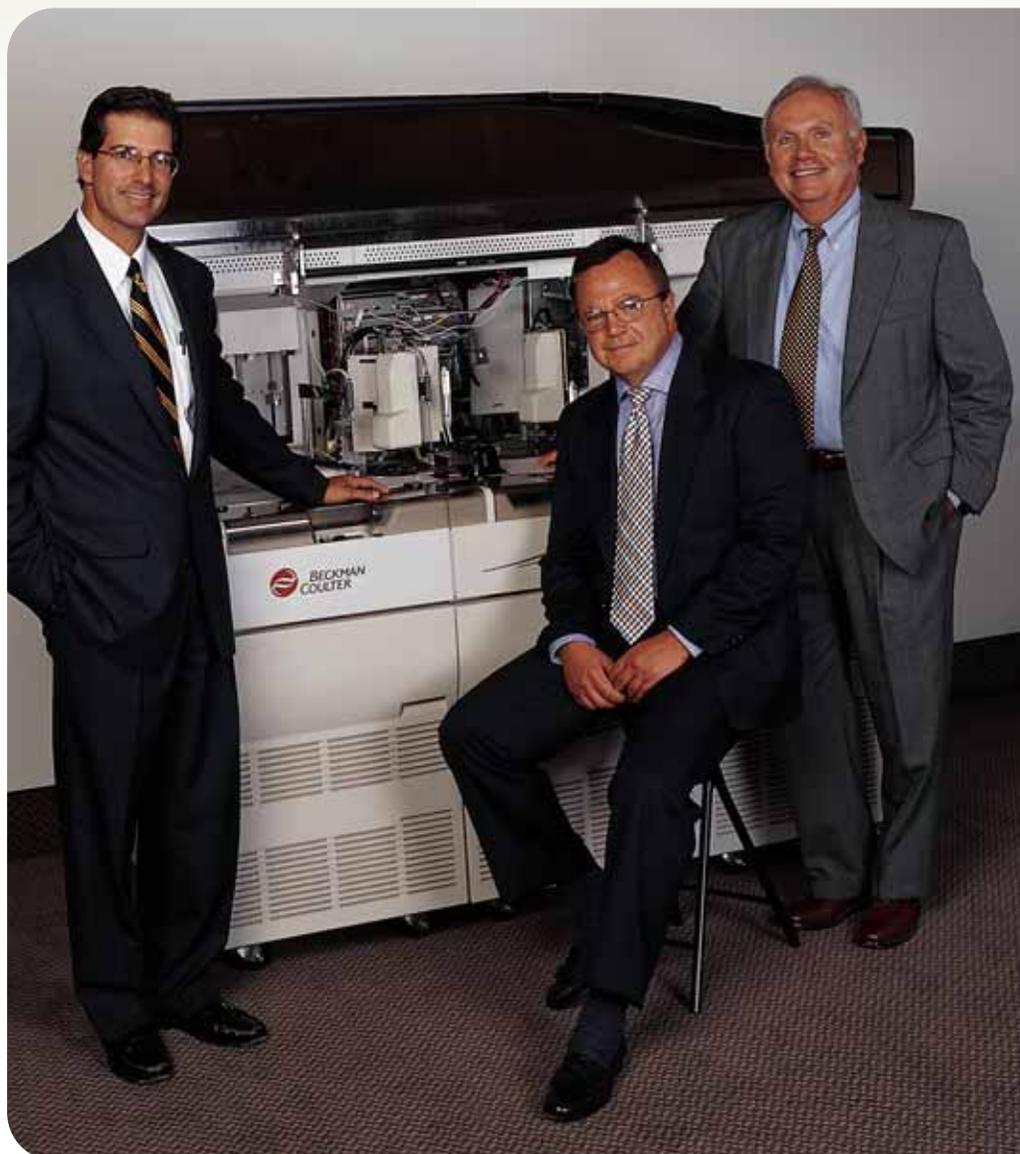
*Beckman Coulter, Inc. and
Sheppard, Mullin, Richter & Hampton LLP*

By Scott M. Gawlicki

When Beckman Coulter, Inc. was sued in 1997 by its former parent over a trademark dispute, the company called in Sheppard, Mullin, Richter & Hampton LLP Partners Andrew J. Guilford and Paul F. Rafferty to handle and ultimately settle the case. After Beckman was spun off in the late 1980s, it had a subsidiary called SmithKline Diagnostics. Beckman's former parent, SmithKline Beecham (now GlaxoSmithKline), objected to Beckman's use of the name and sued in Federal Court in Philadelphia.

"Andy was actually referred to us by another firm we were using at the time that had to bow out due to a conflicts check," says William H. May, Beckman Coulter's vice president, general counsel, and secretary. "So we brought him in with Paul Rafferty and it proved to be a very positive experience. We were happy with the outcome and we liked working with both of them."

"That case has proven to be the cornerstone of what is now an eight-year relationship," says Rafferty. "We enjoyed working with Beckman Coulter as well. It's an ideal working relationship. They are so proficient in what they do that they make us look good at what we do."



Left to right, Paul F. Rafferty, Sheppard, Mullin, Richter & Hampton LLP, Arnold Grant and William H. May, Beckman Coulter, Inc.

Another key to the relationship, both May and Grant say, is that both Rafferty and Guilford fully understand the internal machinations of Beckman Coulter's corporate culture.

Strictly Business

Based in Fullerton, Calif., Beckman Coulter is a \$2.2 billion life sciences company that supplies instrument systems that simplify laboratory processes for medical research and clinical diagnostics. Its biomedical testing products are used throughout the world in all phases of the battle against disease, from pioneering medical research and drug discovery to diagnostic testing that helps in patient treatment.

As such, the company operates in a global business environment that's often rife with litigation landmines—including potential trademark, patent and design infringement issues; complex, multi-party licensing agreements; and countless other legal concerns. As a result, May often relies on Rafferty and Guilford to work with his 10-member in-house legal department to either identify and avoid potential litigation, or represent the company in the courtroom when litigation is unavoidable.

Over the years, Rafferty and Guilford have done plenty of both—beginning, of course, with the SmithKline Beecham suit.

“The SmithKline Beecham case was basically a glitch in the original transaction,” says Rafferty. “Beckman felt it had the right to use the name. SmithKline Beecham sued and we opposed. They filed two summary judgments against us and lost both times. Then it went to trial and the two companies settled.”

In a more recent case, Sheppard Mullin successfully defended Beckman Coulter in a lawsuit brought by United Kingdom-based BTG (British Technology Group). BTG sued for licensing royalties associated with a biosciences technology Beckman was manufacturing in the U.S. and selling overseas.

“That was a case that involved two abutting license agreements,” explains Arnold Grant, Beckman Coulter's assistant general counsel. “The BTG license only covered sales in the U.S. But we possessed another license from another company, Boehringer Mannheim GmbH, which gave us the right to sell the technology overseas.”

“BTG and Boehringer Mannheim cross-licensed the same technology. Neither company was watching what the other was doing,” Rafferty says.

In a pending case, Rafferty will represent Beckman Coulter at the International Chamber of Commerce in Paris when it brings suit against a French firm over licensing rights. The license is a key ingredient to a diagnostic technology that may someday support improved cervical cancer detection.

“We're seeking a tribunal to affirm the validity of a license that's critical to a technology involving the human papilloma virus (which is thought to cause changes in cells and possibly increase the risk of cervical cancer). The technology will be used to break open the cell's nucleic acid, examine the DNA and look for identifiers for cervical cancer.”

Technical Understanding

Considering the nature of the life sciences industry, Rafferty and Guilford are often required to quickly come up to speed on a variety of highly technical biomedical therapies, products and/or issues.

“Sometimes we get wrapped up in the beauty of the technology and forget that the job is to explain it to a non-technical judge and jury,” Grant says. “These are issues that are not easy to explain. But Andy and Paul are able to break it down into bite-size chunks that a judge and jury can understand.”

Getting to that point, of course, requires regular contact with Beckman Coulter's business units.

“We have no problem with Sheppard Mullin working directly with our scientists and business people,” Grant says. “Some of our business managers prefer to have in-house counsel present, but others have worked with these two attorneys before and are comfortable talking to them. It's really not a problem.”



Photography by Bruce Hershey

“I almost became a scientist, so this work lets me combine my scientific skills with my legal skills,” says Guilford. “As long as you’re not phobic about science and math, mastering the technology isn’t really that difficult. As an attorney, you immerse yourself in the facts of a case—whether it’s technical or not.”

Another key to the relationship, both May and Grant say, is that both Rafferty and Guilford fully understand the internal machinations of Beckman Coulter’s corporate culture.

“When it comes to outside counsel, I want someone who’s savvy about what corporate life is like,” May says. “Ideally, you want them to understand the particular business you’re in. But some view a corporate client as a bottomless barrel of dollars. They don’t realize that a litigation case is often the financial responsibility of a certain division of the company that has a set budget.”

That’s not a problem with Sheppard Mullin.

“One of the things I like about Sheppard Mullin is their commitment to keeping legal costs in check. They don’t overload a case with two or three paralegals and an associate,” says Grant. “Litigation costs can take off in a hurry. But they run lean and mean. If they say you’ll work with Paul, you get Paul. If they say you’ll work with Andy, you get Andy. That’s important.” ●