

## Selecting and Working with a Lawyer

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### Selecting a Lawyer:

There are many options in selecting a lawyer. Here are some examples from Indiana:

- Large or boutique law firms that specialize in intellectual property law, such as Woodard Emhardt Moriarty McNett & Henry LLP: <http://www.uspatent.com/>
- Law firms with intellectual property law departments, such as SmithAmundsen: <http://www.salawus.com/contact-Indianapolis.html>
- Solo practitioners who specialize in intellectual property law, such as Bryan Redding at Redding Law, LLC: [bryan@innovative-law.com](mailto:bryan@innovative-law.com), 317-426-1316 (he practices law virtually)

Read the profiles carefully to see which lawyer(s) in the law firm would be a good fit. For example, note the profile of my colleague, Constance R. Lindman at SmithAmundsen:

<http://www.salawus.com/attorneys-Constance-Lindman.html>

NOTE: In terms of a patent law issue, you will likely want to work with someone who has a background in your particular field of endeavor, whether that is engineering, IT, chemistry, etc., especially if he or she has a degree in that field, and who has gone through the additional process of being admitted to the Patent Bar. For example, see the profile of Charles P. Schmal with the Woodard Emhardt law firm in Indianapolis, whose Bachelor's degree from Purdue is in Industrial Engineering : <http://www.uspatent.com/professionals/?show=20>. There are certain activities that only someone with these additional credentials is allowed to do for clients who need assistance with various aspects of patent law.

A lawyer is helpful even in the early stages of thinking about your creative work or starting a company. Intellectual property law is particularly complex and rights can be lost if matters are not handled properly and in a timely manner. You will want to find someone with specific expertise in patent, trademark, trade secret and copyright law as well as licensing, which is now the typical way that intellectual property “products” such as software are distributed. The selection of a lawyer can seem like a daunting task, but here are some considerations:

- Billing – hourly, flat rate, per project, by retainer, contingent fee, etc. Be sure to ask about expenses. Is there flexibility in terms of modified arrangements, for example a reduced hourly fee?
- Expertise in various areas of the law
- Experience in that field of law – for example, has the lawyer actually litigated cases on trademark infringement?
- The lawyer/law firm’s reputation generally (Are they ethical? Have there been disciplinary actions? You can check this out on the Internet. For example, the Indiana Disciplinary Commission provide a Roll of Attorneys and posts information about lawyers who are disciplined because of ethical violations:  
<http://www.in.gov/judiciary/discipline/2333.htm> – you can find out that Sara is Active in Good Standing.)
- Location and parking
- Law firm technology (which can make processes more efficient and reduce costs)
- Availability of paralegals, other support staff and consultants (which can reduce costs)

Note that a large firm offers a wide variety of expertise, but often your matters may be assigned to a beginning associate rather than a more experienced partner. On the other hand, you may get more personalized service from a smaller law firm.

#### Locating a Lawyer:

- Yellow Pages
- Seeking referrals from friends, colleagues and other professionals
- Scanning the trade journals and newspapers
- Local and state bar associations. For example, the Indianapolis Bar Association offers a lawyer referral service. (<https://www.indybar.org/index.cfm?pg=LawyerReferralService>)
- Bar association membership directories and committee lists
- The web version of the Martindale Directory (<http://www.martindale.com/>)
- Newer lawyer-matching services such as Avvo (<http://www.avvo.com/>), FindLaw (<http://lawyers.findlaw.com/>) and Zeekbeek (<https://www.zeekbeek.com/>) as the legal profession begins to more completely embrace technology. Surprise – you can find Sara

on Zeekbeek (<https://www.zeekbeek.com/lawyers/46202-IN-SaraAnne-Hook-65646/list/yes>).

- Nearly every law firm now has a website with information about its practice and biographical information about individual lawyers. These websites will often include links to articles and presentations by the lawyer, his/her blog, etc. Begin reading these materials so you get good sense of the lawyer's interests and expertise.
- You may also want to look at the rosters of the boards of nonprofit organizations, educational institutions and corporations for names of lawyers who are actively participating in the economic, social and cultural life of your community.

When selecting a lawyer, it is important not only that he or she have the expertise and experience you need for your particular issue, but that you also feel comfortable with the individual and his or her law firm. Consider such issues as:

- The timeliness of returning telephone calls and responding to emails
- Regular communication (one of the top reasons for disciplinary claims against lawyers is lack of communication with clients)
- Make sure that the lawyer can complete his/her work on time (another top reason for disciplinary claims against lawyers is lack of diligence in working on a client's case)
- General business acumen
- An understanding of your industry or field of endeavor
- Contacts with potential investors and others in corporations, government and the nonprofit sector
- Sensitivity to your costs and your budget
- Someone who will take a real interest in your work

The mantra that "you get what you pay for" may be just valid with legal services as with any other kind of product or service, so beware of the person who charges significantly less than the going rate. There is nothing wrong with a streamlined and efficient operation, particularly when the lawyer uses the technology tools that are available to practice more effectively, but be certain of the services that you will receive and what they will cost, which should be outlined in a representation letter. Many lawyers will offer an initial consult for free or a modest cost. This

can be a way to test the "fit" before agreeing to representation. Check references if possible. Hopefully, you and the lawyer are establishing a long-term relationship that will help you protect your intellectual property and avoid infringing on the rights of others.

Once a lawyer is selected, you should be given an engagement letter that describes the terms of the representation and the costs. You can work more effectively with your lawyer by being proactive, including alerting the lawyer to changes in the law related to your industry and to important issues concerning your creative work. Be well-organized and prepared when you meet with your lawyer.

The attorney-client privilege is another important factor to keep in mind. Under the Rules of Professional Conduct (in the state or states where the lawyer is licensed), there are duties related to confidentiality and a narrower doctrine called the attorney-client privilege. It is important to remember that typically the "client" will be the company itself rather than the individual entrepreneur or owner. There are some limitations on what the attorney-client privilege will protect. In this age of communicating through technology, you and your lawyer need to agree on the way that you will exchange information. Social media and email is notoriously insecure and improper use of these services may not only waive the attorney-client privilege, but may mean that the information you and your lawyer have shared is now discoverable and admissible in court. In the wake of Sarbanes-Oxley, the amended Federal Rules of Civil Procedure and recent court cases, there are increased duties for lawyers in terms of preserving documents and other evidence if there is a possibility of litigation. This is one of several reasons why you need to be very careful with divulging any information about what you are working on. Although email and telephone are convenient alternatives to face-to-face meetings, you want to verify the security of the systems that you use. Piracy, infringement and misappropriation are rampant in this age of easy technology, so you want to do everything you can to protect the confidentiality of your work, including access to it and who you share it with.

You can do some preliminary research on your own – one advantage of this is that you become more comfortable with legal terminology – in the same way that you might do this before you visit your physician, dentist, etc. Online sources such as LegalZoom, Rocket Lawyer and Nolo are places to begin some legal research and to look at forms that you might need, but you will want to have most documents, especially that you or others will sign, reviewed by a

lawyer who is licensed to practice in the state where you live or where your company/non-profit organization will be headquartered or has its major base of operations. Although many states have laws that are very similar, there can be intricacies that are not readily apparent.

Slight changes in wording can change the meaning of a document. This is where Sara likes to tell the story of the “All You Can Eat Prime Rib or Shrimp” at a restaurant where she ate. Read the phrase carefully and determine whether she enjoyed all the shrimp she wanted as part of her meal. How about the sign posted in a classroom that says No Food or Drink? Per Barringer and Ireland, *infra*, you should never sign a contract without having lawyer examine it for you and never sign a contract that you have not read completely and carefully, even if the lawyer assures you that it is fine.

Most legal disputes are the result of misunderstandings, sloppiness or a simple lack of knowledge about the law. Barringer and Ireland assert that entrepreneurs should work very hard to avoid getting bogged down in legal disputes, but the same advice is helpful for creators and inventors. (Bruce R. Barringer & R. Duane Ireland. *Entrepreneurship: Successfully Launching New Ventures*, 5<sup>th</sup> ed. Pearson, 2016.) They discuss several steps that people can take:

- Meet all contractual obligations.
- If you are starting a company, avoid undercapitalization. Invariably, people tend to underestimate the expense of starting a new company or non-profit organization, which is why financial statements (balance sheet, income statement, statement of cash flow) and a break-even calculation are usually required for business plans and will often illuminate challenges, such as whether the proposed company or non-profit organization is viable over the long run.
- Get everything in writing. In fact, a doctrine called the Statute of Frauds will typically not enforce a contract that is for more than \$500 or where the activity will not be completed within one year. Agreements made in good faith and with great enthusiasm can sour over the years and memories fade. There are two important written agreements that the majority of companies – and even non-profit organizations – have their employees sign. One is a non-disclosure agreement (sometimes referred to as an NDA – an example is provided in another one of our handouts) and the other is a non-compete agreement, which may be included in an employment or independent contractor

agreement. Note that even without a signed non-disclosure agreement, the court will often impute a duty of confidentiality to the employee under an agency theory. In other words, you as an employee owe a duty to your employer not to reveal trade secret or other proprietary or confidential information.

- Set standards, including having a code of conduct. Policies and procedures should be developed regarding common situations, such as conflicts of interest and acceptable use of company resources (Internet, email, social media, etc.), which employees should sign. Periodic training should be provided.
- Even though legal disputes may occur, alternative dispute resolution (ADR), such as mediation and arbitration, may be preferable to litigation.
- Prompt, honest and careful handling of any issues that occur can avoid or minimize litigation. Sometimes an individual who believes that he or she has been harmed only wants an apology and/or an opportunity to be listened to. (*See pages 228-233, supra.*)

#### Contacting a Lawyer:

Note that reading about a lawyer on a website or even contacting the lawyer directly via email or telephone does not establish an attorney-client relationship. The law firm will first want to do a conflict check to be sure that it is not representing – or has represented – interests that are “adverse” to yours. A typical example is two parties in a divorce. Absent some very specific criteria that are set out in the Rules of Professional Conduct, the lawyer/law firm cannot represent both parties. Make an appointment with the lawyer. Begin evaluating how you are treated over the telephone, how quickly there is a response to email, the usability of the law firm’s website, etc. Note only can this indicate the character of the law firm and the image that it wants to portray, but also its attention to detail and what it values in the way of clients and its community. Before you meet with the lawyer, get a feeling for the law firm’s office and its staff. Is it welcoming? Are the offices plain or really fancy? In these days of tremendous competition for clients, you should be treated well even if the lawyer is not able to represent you. Note that lawyers are under a duty of confidentiality with respect the information they receive from prospective clients under the Rules of Professional Conduct. If the fit is good and to be sure that this person is going to be your lawyer, get a signed representation letter. This should be a detailed letter or agreement outlining the services that will be provided, the costs, the timeframe,

the law firm's resources that will be used to help you, etc. It is important to note the services in the letter or agreement that the lawyer/law firm will NOT be providing to you – this is known as “unbundling” of legal services, which allows the lawyer to provide more limited services at a reduced cost to you. If you are able to do some of the “footwork” for yourself, this can be a way to make legal services more affordable.

Keep meeting with lawyers on your list until you find someone you trust and will enjoy working with. The right lawyer is out there for you!

Some excellent information on law for entrepreneurs, including how to select and work with a lawyer and intellectual property law (copyright, trademark, trade secret and patent law), is *The Entrepreneur's Guide to Business Law*, 4<sup>th</sup> ed., by Constance E. Bagley and Craig E. Dauchy, published by South-Western (2012). A 5<sup>th</sup> edition, perhaps with a slightly different title, is scheduled for publication in 2017.