

Rising Star: Finnegan's Erika H. Arner

By Erin Coe

Law360, New York (March 28, 2011) -- Finnegan partner Erika H. Arner helped represent two inventors in the landmark *Bilski* case before the U.S. Supreme Court that led to a decision upholding patent eligibility of business methods and overturning a lower court's restrictive test for process patenting, earning her a spot on Law360's list of five intellectual property lawyers under 40 to watch.

Clients often have turned to the 39-year-old attorney, who works out of the firm's Reston, Va., office, for advice on patent portfolio management strategies, but Arner also has gained a steady following based on her experience representing clients in high-profile disputes over patentable subject matter.

She helped write the petition for writ of certiorari on behalf of inventors Bernard Bilski and Rand Warsaw after the U.S. Court of Appeals for the Federal Circuit affirmed the denial of their patent application for a method covering hedging risks in commodities trading, and convinced the Supreme Court to hear the case over the objection of the solicitor general.

She also acted as second chair for the petitioners at the argument before the high court, and although the court in June found that the specific application was too abstract to be patent eligible, it agreed with the petitioners on two broader issues that business methods were not excluded from patent protection and that the Federal Circuit's machine-or-transformation test was not the exclusive test for patent eligibility.

"The Supreme Court held that at least some business methods were patent eligible, and it was a victory on broader patent protection for financial services, insurance, e-commerce and software companies," she said.

The Federal Circuit had found that a process could only be patented if it was tied to a particular machine or involved a transformation, but Arner and lead counsel J. Michael Jakes argued that the test threatened cutting-edge innovations, and the Supreme Court agreed that the U.S. Patent Act encouraged innovation in areas that had not been thought of yet and that the lower court's test was too limiting.

"The ruling vindicated existing patents because there was a cloud over any patents that might not satisfy the limiting test, and the Supreme Court removed that cloud from many significant patents," she said. "And for innovators now, it allows for broader patent protection."

In addition to easing restrictions on computer software and e-commerce innovations, the decision also continued to encourage patents covering personalized diagnostic methods and testing, she said.

In its first post-Bilski ruling on patentable subject matter, the Federal Circuit in December decided in favor of Arner's client Research Corp. Technologies, reversing a lower court's finding that the company's digital image processing technique was not patent eligible.

"It's an encouraging ruling for those filing new software and computer-related inventions and for the tens of thousands of patents issued already," she said.

In another closely watched case related to software and computer-implemented inventions, Arner is also representing CyberSource Corp. in its Federal Circuit appeal from a decision invalidating its software patent for lacking statutory subject matter. Oral arguments are set for May.

Arner said she enjoyed working on patentable subject matter suits because the issue was such a fundamental part of patent law and expected to be practicing in the area for a long time.

"People can often lose sight when the dollar amounts get so high in patent litigation that the basis of the patent system is to encourage patent innovation, and Section 101 of the Patent Act is where it all starts," she said. "There's a lot of push and pull over the policy of what should be patentable and why. Disputes are always coming up and there is a lot of work near the edge of the boundaries. I think this is the area where I belong."

While most students at Washington and Lee University School of Law seemed to be on track to get involved in politics and public policy, Arner said she was interested in combining her computer science background with her legal training. After she graduated in 1999, she was hired at Finnegan, where she had a previous stint as a summer associate, and has been with the firm for the last 12 years.

As a younger partner, Arner said she liked to spend time mentoring and training associates.

"I really enjoyed my time as an associate, and I like helping others figure out that path," she said. "As you become a more senior partner, you can become more removed from your days as an associate, and younger partners can help bridge the space between associates and partners."

Arner, who was made partner in November 2009, said she was starting to see the fruits of her labor after years of trying to develop business. In the last two years, Arner has brought in more than a dozen new clients to Finnegan through her business development efforts, and her current roster of clients include Accenture PLC, a management consulting company with about 800 patents and applications in the U.S. and abroad.

"It takes about five to 10 years to develop a network and start seeing results," she said. "I've gotten there now, and that's exciting. I'm also the person leading the teams making a pitch for firm clients, not just part of a team. That's fun too."

Because business development can always pose a challenge, Arner said it was important for new lawyers to network with their peers. Former law school classmates and former and current colleagues provide an automatic network for an attorney, and they could later turn into potential clients or referrals, she said.

"You can build a network and establish relationships over time," she said. "A second-year attorney doesn't have to try to approach the general counsel of a company. You can get to know the in-house attorneys, and as you advance, they will too."

In addition to her expertise in software, Internet and business method patents, Arner has become one of the go-to speakers on the topic of patentable subject matter, according to Jakes.

Her ability to clearly communicate complex legal matters is one of the reasons why clients flock to her, and that will take her far over the next five years, he says.

"Within the firm, I expect Erika to be a practice group leader," he said. "In her practice, I expect her to continue managing significant clients and taking on first chair roles in appeals."

--Editing by Andrew Park.