

## ONLINE APPENDIX

### Appendix A. Sample Entries from Docket Summaries

**Figure A1. High in compensatory behavior.**

12/01/2010	<a href="#">39</a>	MOTION for Extension ( <i>Motion to Reschedule Trial Date</i> ) by Cree, Inc.. (Shumadine, Conrad) (Entered: 12/01/2010)
12/01/2010	<a href="#">40</a>	MOTION for David Radulescu to appear Pro hac vice by Cree, Inc. (Attachments: # <a href="#">1</a> Receipt)(lhow, ) (Entered: 12/01/2010)
12/01/2010	<a href="#">41</a>	MOTION for Philip Charles Sternhell to appear Pro hac vice by Cree, Inc. (Attachments: # <a href="#">1</a> Receipt)(lhow, ) (Entered: 12/01/2010)
12/01/2010	<a href="#">42</a>	ORDER granting <a href="#">38</a> Motion for Pro hac vice; Appointed Charles Kramer Verhoeven for Cree, Inc. Signed by District Judge Rebecca Beach Smith and filed on 12/1/10. (lhow, ) (Entered: 12/01/2010)
12/02/2010	<a href="#">43</a>	ORDER granting <a href="#">41</a> Motion for Pro hac vice; Appointed Philip Charles Sternhell for Cree, Inc. Signed by District Judge Rebecca Beach Smith and filed on 12/2/10. (lhow, ) (Entered: 12/02/2010)
12/02/2010	<a href="#">44</a>	ORDER granting <a href="#">40</a> Motion for Pro hac vice; Appointed David Radulescu for Cree, Inc. Signed by District Judge Rebecca Beach Smith and filed on 12/2/10. (lhow, ) (Entered: 12/02/2010)
12/14/2010	<a href="#">45</a>	Opposition to <a href="#">39</a> MOTION for Extension ( <i>Motion to Reschedule Trial Date</i> ) filed by The Fox Group, Inc.. (Noona, Stephen) (Entered: 12/14/2010)

**Figure A2. Low in compensatory behavior.**

02/01/2012	<a href="#">24</a>	STIPULATION to extend (i) time for plaintiff to answer or otherwise respond to Enzymotec Limited's and Azantis Inc.'s motion to dismiss to February 15, 2012 and (ii) time for plaintiff to answer or otherwise respond to Enzymotec USA, Inc.'s and Mercola.com Health Resources LLC's counterclaims to February 15, 2012 by Neptune Technologies & Bioresources Inc.. (Day, John) (Entered: 02/01/2012)
02/02/2012		SO ORDERED, re <a href="#">24</a> Stipulation, filed by Neptune Technologies & Bioresources Inc., Set Briefing Schedule: re <a href="#">15</a> MOTION to Dismiss for Lack of Jurisdiction Over the Person. (Answering Brief due 2/15/2012.), Set/Reset Answer Deadlines: Neptune Technologies & Bioresources Inc. answer due 2/15/2012. Ordered by Chief Judge Gregory M. Sleet on 2/2/2012. (asw) (Entered: 02/02/2012)
02/15/2012	<a href="#">25</a>	STIPULATION and Order Staying Case by Azantis Inc., Enzymotec Limited, Enzymotec USA, Mercola.com Health Resources LLC, Neptune Technologies & Bioresources Inc.. (Day, John) (Entered: 02/15/2012)
02/16/2012	<a href="#">26</a>	SO ORDERED, re <a href="#">25</a> Stipulation and Order Staying Case filed by Azantis Inc., Neptune Technologies & Bioresources Inc., Enzymotec Limited, Mercola.com Health Resources LLC, Enzymotec USA. Signed by Chief Judge Gregory M. Sleet on 2/16/2012. (asw) (Entered: 02/16/2012)
06/10/2013	<a href="#">27</a>	NOTICE of Withdrawal of Counsel by Neptune Technologies & Bioresources Inc. (Day, John) (Entered: 06/10/2013)
07/17/2013	<a href="#">28</a>	Joint STIPULATION to Stay Action pending the outcome of the ITC Investigation by Enzymotec Limited, Enzymotec USA, Mercola.com Health Resources LLC, Neptune Technologies & Bioresources Inc.. (Herrmann, Richard) (Entered: 07/17/2013)

## Appendix B. Testing for Selection Bias

**Table B1. Probability That At-risk Lawyers Were Selected to Represent Defendants in a Lawsuit\***

DV: 1 = Lawyer was hired by defendants	Model 1	Model 2	Model 3	Model 4
Has litigated against plaintiffs before	.287 (.308)	.282 (.308)	.285 (.308)	.287 (.309)
Competed with opposing counsel	.468** (.108)	.470** (.108)	.469** (.108)	.467** (.108)
Has represented defendants before	1.031** (.290)	1.029** (.289)	1.033** (.290)	1.030** (.290)
High-status law firm dummy	.088 (.095)	.088 (.095)	.088 (.095)	.088 (.095)
Large law firm dummy	-.081 (.104)	-.081 (.104)	-.081 (.104)	-.081 (.104)
# of appearances in focal district court	3.703** (.303)	3.706** (.302)	3.704** (.303)	3.703** (.303)
# of lawyer's prior cases (logged)	.388** (.040)	.387** (.040)	.387** (.040)	.388** (.040)
Defendants include <i>Fortune</i> 500	-.026 (.110)	-.028 (.110)	-.025 (.110)	-.027 (.110)
Plaintiffs include <i>Fortune</i> 500	-.268* (.123)	-.269* (.124)	-.268* (.124)	-.268* (.124)
Plaintiffs include NPE	-.085 (.160)	-.082 (.159)	-.083 (.159)	-.085 (.159)
Experienced defendants	-.392** (.115)	-.389** (.115)	-.392** (.115)	-.392** (.115)
Experienced plaintiffs	-.212* (.108)	-.213* (.107)	-.211* (.108)	-.212* (.108)
Number of lawyer dyads	.467** (.036)	.467** (.036)	.467** (.036)	.467** (.036)
Number of company dyads	.065 (.060)	.065 (.060)	.065 (.060)	.065 (.060)
Top law school	-.064 (.055)	-.064 (.055)	-.064 (.055)	-.064 (.055)
Partner at law firm	-.152* (.063)	-.152* (.063)	-.152* (.063)	-.152* (.063)
Log number of patents litigated	-.020 (.075)	-.020 (.075)	-.021 (.075)	-.018 (.075)
Trademark or copyright infringement	-.113 (.141)	-.113 (.141)	-.114 (.141)	-.110 (.141)
Adversarial clients	-.025 (.116)	-.042 (.120)	-.027 (.116)	-.026 (.116)
Clients' industry overlap	.056 (.139)	.056 (.139)	.012 (.147)	.056 (.139)
Clients' technology overlap	-.108 (.144)	-.109 (.144)	-.107 (.143)	-.100 (.142)
Collaborated with opposing counsel	-.022 (.109)	-.048 (.113)	-.045 (.112)	-.013 (.114)
Adversarial × Collaborative		.123 (.214)		
Industry overlap × Collaborative			.484 (.363)	
Technological overlap × Collaborative				-.093 (.399)
Constant	-7.506** (.277)	-7.510** (.277)	-7.506** (.277)	-7.509** (.276)
Log likelihood	-17579	-17577	-17576	-17578
Observations	46,544,379	46,544,379	46,544,379	46,544,379

+  $p < .10$ ; \*  $p < .05$ ; \*\*  $p < .01$ ; two-tailed.

\* All models include year and court fixed effects. Robust standard errors clustered by case are in parentheses. In table B1, a lawyer who appeared in at least one case in the previous year was considered "at risk" of being hired by one of the defendants. From this risk set, we excluded ineligible lawyers who were currently litigating against any of the defendants in other ongoing lawsuits and those who had represented the plaintiffs in previous or current lawsuits. (These lawyers would be precluded by court rules from representing defendants in the focal case.)

## Further Tests to Address the Influence of Lawyers' Selection

To further investigate the possibility of selection concerns, we conducted an additional empirical test using data for which client selection is unlikely to play a strong role: the staffing of non-partner, junior lawyers onto lawsuits. To be clear, we are not assuming that clients are choosing their law firms at random, only that they are uninvolved regarding which non-partner, junior lawyers will be assigned to their case. Non-partner lawyers are typically assigned to cases internally (by partners at their law firm), and clients typically do not get involved in this process.

If our effects are driven by clients' selection of lawyers, this selection would operate chiefly on partner-level lawyers. The implication of selection is that collaboration between junior lawyers should be inconsequential to case outcomes because it is orthogonal to the client-lawyer selection process. By contrast, our argument about lawyers' collaboration and situational triggers does not depend on lawyers' seniority. In other words, in the presence of situational triggers, the collaboration of junior lawyers should increase the probability of going to trial and the duration of a case.

To test this implication, we split the *lawyers' collaborative history* variable into two variables: *senior lawyers' collaborative history* (i.e., the proportion of opposing senior lawyer–senior lawyer dyads and senior lawyer–junior lawyer dyads in the focal case that collaborated in the past) and *junior lawyers' collaborative history* (i.e., the proportion of opposing junior lawyer–junior lawyer dyads in the focal case that collaborated in the past). We did not find a significant difference in the level of collaborative history between senior lawyers' collaboration and junior lawyers' collaboration ( $M_{\text{senior}} = .024$ ,  $SD_{\text{senior}} = .085$ ,  $M_{\text{junior}} = .026$ ,  $SD_{\text{junior}} = .088$ ,  $t = 1.32$ ,  $p = .187$ ,  $d = .002$ ).

We then reran all of our regression models predicting escalation to trial and case duration (shown in table 3 of the main paper) but interacted *junior lawyers' collaborative history* with our situational trigger variables. The coefficient on this interaction tests the effects on case outcomes of situational triggers and collaborative history between junior lawyers.

Table B2 shows that interactions using junior lawyers' collaboration reveal a pattern of results that is remarkably consistent with the study's overall argument and results. These results give us increased confidence that the effects reported in table 3 do not appear to be driven by the unobserved lawyer–client selection process.

**Table B2. Effects of Opposing Counsel's Past Collaboration on Escalation to Trial and Case Duration\***

Variable	Escalation to Trial				Case Duration			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of lawyer dyads	.624** (.051)	.626** (.051)	.625** (.052)	.627** (.051)	.838** (.073)	.840** (.074)	.839** (.073)	.840** (.074)
Number of company dyads	-.052 (.103)	-.054 (.103)	-.053 (.104)	-.055 (.103)	.140+ (.074)	.139+ (.075)	.139+ (.075)	.138+ (.075)
Law firm status (defendant)	-.242* (.103)	-.238* (.103)	-.241* (.103)	-.242* (.103)	.148 (.225)	.150 (.226)	.150 (.225)	.148 (.225)
Law firm status (plaintiff)	.077 (.147)	.082 (.145)	.080 (.146)	.078 (.147)	.207 (.159)	.211 (.159)	.211 (.159)	.208 (.159)
Plaintiffs include NPE	-.662* (.335)	-.658* (.332)	-.658* (.334)	-.658* (.333)	-.553** (.149)	-.551** (.149)	-.549** (.148)	-.548** (.149)
Defendants include <i>Fortune</i> 500	-.249* (.123)	-.251* (.123)	-.247* (.123)	-.248* (.124)	-.140 (.103)	-.140 (.103)	-.137 (.102)	-.140 (.103)
Plaintiffs include <i>Fortune</i> 500	-.064 (.144)	-.063 (.143)	-.061 (.145)	-.061 (.144)	-.454* (.220)	-.456* (.221)	-.452* (.216)	-.452* (.219)
Lawyers' competitive history	-.675** (.233)	-.656** (.231)	-.668** (.230)	-.672** (.232)	.778* (.386)	.792* (.396)	.783* (.385)	.778* (.385)
Firms' settlement likelihood (defendant)	-.006 (.096)	-.000 (.096)	-.003 (.096)	-.004 (.097)	-.308+ (.162)	-.304+ (.159)	-.304+ (.161)	-.307+ (.161)
Firms' settlement likelihood (plaintiff)	.026 (.106)	.027 (.107)	.027 (.107)	.024 (.106)	.288 (.188)	.287 (.187)	.288 (.189)	.284 (.186)
Lawyers' settlement likelihood (defendant)	-.149 (.137)	-.158 (.135)	-.148 (.139)	-.156 (.135)	-.331* (.147)	-.338* (.149)	-.331* (.147)	-.336* (.148)
Lawyers' settlement likelihood (plaintiff)	-.254* (.113)	-.253* (.112)	-.258* (.114)	-.251* (.111)	-.437* (.216)	-.436* (.215)	-.441* (.218)	-.434* (.213)
Trademark or copyright infringement	-.187 (.181)	-.191 (.181)	-.194 (.181)	-.193 (.181)	.452* (.213)	.449* (.214)	.446* (.214)	.447* (.214)
Log number of patents litigated	-.201** (.078)	-.203** (.079)	-.202** (.078)	-.204** (.078)	.244+ (.140)	.244+ (.140)	.244+ (.139)	.242+ (.140)
% partners (defendant)	-.369** (.133)	-.368** (.132)	-.376** (.133)	-.373** (.133)	.047 (.356)	.048 (.357)	.044 (.355)	.047 (.355)
% partners (plaintiff)	.050 (.211)	.052 (.209)	.045 (.210)	.045 (.211)	.383 (.355)	.388 (.358)	.381 (.352)	.384 (.355)
% top law school (defendant)	-.188 (.172)	-.184 (.173)	-.192 (.172)	-.189 (.173)	.181 (.281)	.185 (.280)	.179 (.281)	.180 (.280)
% top law school (plaintiff)	.158 (.192)	.148 (.191)	.162 (.196)	.155 (.193)	-.273+ (.156)	-.280+ (.152)	-.270+ (.158)	-.277+ (.155)
Clients' industry overlap	.071 (.145)	.072 (.145)	.014 (.144)	.081 (.151)	-.359+ (.189)	-.358+ (.189)	-.417+ (.216)	-.350+ (.185)
Clients' technology overlap	.222+ (.123)	.218+ (.124)	.226+ (.123)	.152 (.145)	.068 (.145)	.065 (.146)	.071 (.146)	.005 (.159)
Adversarial clients	-.052 (.200)	-.121 (.193)	-.056 (.201)	-.062 (.196)	-.537* (.223)	-.581** (.210)	-.540* (.222)	-.542* (.220)
Lawyers' collaborative history (partners)	-1.558+ (.870)	-1.490+ (.834)	-1.514+ (.854)	-1.516+ (.846)	-.443 (.617)	-.423 (.605)	-.432 (.621)	-.436 (.623)
Lawyers' collaborative history (juniors)	-.617 (.734)	-1.166 (1.016)	-1.085 (.972)	-1.189 (.909)	-1.212** (.379)	-1.441** (.382)	-1.528** (.347)	-1.509** (.408)

**Table B2 (cont.)**

Variable	Escalation to Trial				Case Duration			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Adversarial × Collaborative history (junior)		2.066 <sup>•</sup> (1.045)				1.290 (.923)		
Industry overlap × Collaborative history (junior)			2.067+ (1.235)				1.943 <sup>••</sup> (.487)	
Technology overlap × Collaborative history (junior)				2.687 <sup>••</sup> (.896)				2.195 <sup>••</sup> (.543)
Constant	−2.034 <sup>••</sup> (.320)	−2.012 <sup>••</sup> (.319)	−2.022 <sup>••</sup> (.319)	−2.042 <sup>••</sup> (.318)	12.660 <sup>••</sup> (.882)	12.656 <sup>••</sup> (.881)	12.658 <sup>••</sup> (.883)	12.658 <sup>••</sup> (.884)
Observations	4864	4864	4864	4864	4913	4913	4913	4913
Wald test (against model 1)		2.86+	2.82+	8.99 <sup>••</sup>				
F test (against model 5)						1.95	15.89 <sup>••</sup>	16.37 <sup>••</sup>

+  $p < .10$ ; <sup>•</sup>  $p < .05$ ; <sup>••</sup>  $p < .01$ .

\* All models include year and court fixed effects. Robust standard errors clustered by court are in parentheses.

## Appendix C. Ongoing versus Terminated Collaboration on Different Cases

Our theory posits that negative compensatory behaviors emerge from lawyers' responses to having clients potentially question their loyalty. Such loyalty concerns should be much more salient for lawyers who are actively collaborating with opposing counsel on a different case than for lawyers whose collaboration with opposing counsel officially ended before the filing of the focal case. To investigate this implication, we reran our analyses of the drivers of compensatory behaviors but separated the variable *lawyers' collaboration* into two variables. *Lawyers' collaboration (open)* is the percentage of opposing counsel who were actively collaborating as of the start of the focal case; this type of collaboration is present in 1,408 cases. *Lawyers' collaboration (closed)* is the percentage of opposing counsel who collaborated in the past but whose collaboration ended before the start of the focal case; this type of collaboration is present in 1,006 cases. We then reran the models predicting compensatory behaviors (see table 4 in the article) but interacted the three situational triggers with each of the two distinct types of lawyers' collaboration. Table C1 shows the coefficients of interest. The results illustrate that lawyers' inability to collaborate with opposing counsel is much more pronounced when their loyalty is likely to be questioned—that is, when they are actively collaborating in a different case (models 1–3 in table C1). Lawyers whose collaboration ended, and who are therefore less likely to feel their loyalty can be questioned, do not engage in more compensatory behaviors in the presence of situational triggers (models 4–6 in table C1).

**Table C1. Effect of Opposing Counsel's Open/closed Collaboration on Compensatory Behaviors\***

Variable	Open Collaboration			Closed Collaboration		
	(1)	(2)	(3)	(4)	(5)	(6)
Number of lawyer dyads	.024** (.008)	.023** (.009)	.024** (.009)	.023** (.009)	.023** (.009)	.023** (.009)
Number of company dyads	-.022** (.008)	-.022** (.008)	-.023** (.008)	-.022** (.007)	-.022** (.008)	-.022** (.008)
Law firm status (defendant)	-.008 (.013)	-.008 (.013)	-.008 (.013)	-.008 (.013)	-.008 (.013)	-.008 (.013)
Law firm status (plaintiff)	-.000 (.013)	-.001 (.013)	-.001 (.013)	-.001 (.013)	-.001 (.013)	-.001 (.013)
Defendants include <i>Fortune</i> 500	.002 (.009)	.003 (.009)	.002 (.009)	.002 (.009)	.003 (.009)	.003 (.009)
Plaintiffs include <i>Fortune</i> 500	.003 (.014)	.004 (.014)	.004 (.014)	.003 (.014)	.004 (.014)	.003 (.014)
Lawyers' competitive history	.020 (.020)	.017 (.019)	.017 (.019)	.018 (.019)	.017 (.019)	.017 (.019)
Firms' settlement likelihood (defendant)	-.005 (.020)	-.006 (.020)	-.005 (.019)	-.006 (.019)	-.006 (.020)	-.006 (.020)
Firms' settlement likelihood (plaintiff)	-.001 (.010)	-.000 (.010)	-.001 (.010)	-.001 (.010)	-.000 (.010)	-.000 (.010)
Lawyers' settlement likelihood (defendant)	-.004 (.018)	-.003 (.018)	-.004 (.018)	-.003 (.018)	-.003 (.018)	-.003 (.018)
Lawyers' settlement likelihood (plaintiff)	-.001 (.015)	-.001 (.015)	-.000 (.015)	-.001 (.015)	-.001 (.015)	-.001 (.015)
Plaintiffs include NPE	-.001 (.014)	-.001 (.014)	-.001 (.014)	-.001 (.014)	-.001 (.014)	-.001 (.014)
Trademark or copyright infringement	-.014 (.014)	-.014 (.014)	-.015 (.014)	-.014 (.014)	-.014 (.014)	-.014 (.014)
Log number of patents litigated	.025* (.010)	.024* (.010)	.024* (.010)	.024* (.010)	.024* (.010)	.025* (.010)
% partners (defendant)	-.022 (.015)	-.021 (.015)	-.021 (.015)	-.021 (.015)	-.021 (.015)	-.021 (.015)
% partners (plaintiff)	.028+ (.016)	.027 (.017)	.027 (.017)	.026 (.017)	.026 (.017)	.027 (.017)
% top law school (defendant)	-.012 (.019)	-.012 (.019)	-.011 (.019)	-.012 (.019)	-.012 (.019)	-.012 (.019)
% top law school (plaintiff)	.009 (.017)	.011 (.017)	.011 (.017)	.011 (.017)	.011 (.017)	.011 (.017)

**Table C1 (cont.)**

Variable	Open Collaboration			Closed Collaboration		
	(1)	(2)	(3)	(4)	(5)	(6)
Clients' industry overlap	-.013 (.010)	-.018+ (.010)	-.012 (.010)	-.014 (.010)	-.013 (.010)	-.013 (.010)
Clients' technology overlap	-.029** (.011)	-.028** (.011)	-.039** (.013)	-.028** (.010)	-.028** (.011)	-.027* (.011)
Adversarial clients	.038* (.018)	.046* (.018)	.045* (.018)	.043* (.017)	.046* (.018)	.046* (.018)
Lawyers' collaborative history (open)	-.059+ (.034)	-.040 (.031)	-.063* (.025)	-.023 (.031)	-.024 (.031)	-.024 (.031)
Lawyers' collaborative history (closed)	-.177** (.045)	-.183** (.045)	-.180** (.046)	-.207** (.066)	-.176** (.049)	-.169** (.059)
Members of local bar (%)	-.104* (.040)	-.104* (.040)	-.103* (.040)	-.104* (.040)	-.104* (.040)	-.104* (.040)
Adversarial × Collaborative history (open)	.165** (.050)					
Industry overlap × Collaborative history (open)		.096+ (.052)				
Technology overlap × Collaborative history (open)			.313** (.078)			
Adversarial clients × Collaborative history (closed)				.105 (.099)		
Industry overlap × Collaborative history (closed)					-.071 (.078)	
Technology overlap × Collaborative history (closed)						-.089 (.110)
Constant	1.070** (.055)	1.073** (.054)	1.072** (.054)	1.072** (.055)	1.073** (.054)	1.072** (.054)
Observations	4913	4913	4913	4913	4913	4913
Adj. R-squared	.379	.378	.379	.378	.378	.378

+  $p < .10$ ; \*  $p < .05$ ; \*\*  $p < .01$ .

\* All models include year and court fixed effects. Robust standard errors clustered by court are in parentheses.