



**John C. Staines, Jr.**  
**Director & Principal**

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**EDUCATION**

- 1990 M.B.A., Business Economics and Finance, University of Chicago
- 1984 M.P.M., Public Policies Toward Business, University of Maryland
- 1982 B.A., Economics, University of Maryland

**PROFESSIONAL POSITIONS**

- 2010-Present Director & Principal, Navigant Economics, LLC Manage and conduct economic, financial and quantitative analyses related to commercial litigation and regulation.
- 2000-2010 Principal, LECG, LLC Manage and conduct economic, financial and quantitative analyses related to commercial litigation and regulation.
- 1996-2000 Principal, Putnam, Hayes & Bartlett, Inc. Managed and conducted economic, financial and quantitative analyses related to commercial litigation and regulation.
- 1990-1995 Associate, Putnam, Hayes & Bartlett, Inc. Conducted economic, financial and quantitative analyses related to commercial litigation and regulation.
- 1985-1988 Associate, Heiden Associates, Inc. Performed economic impact studies of proposed environmental and health regulations, economic analyses of antitrust issues, and statistical analyses of product safety risk.
- 1984 Analyst, U.S. Environmental Protection Agency, Office of Policy Analysis. Performed economic and risk studies of proposed environmental regulation of hazardous wastes.

## **CONSULTING ACTIVITIES**

Experienced in applying microeconomic, financial, and other quantitative tools and theories in the areas of commercial litigation and public policy. Specific areas of experience include: (1) analysis of economic and competitive effects of various business practices and government regulation; (2) valuation of economic damages in breach-of-contract, intellectual property, antitrust, and other types of litigation. Other consulting experience includes analysis of the impact of dumped and subsidized imports in international trade cases and evaluation of health and safety risk in the context of product liability litigation and regulatory rulemakings. A large proportion of these consulting assignments has involved issues arising in the Pharmaceutical industry. Other industries studied include: Computers and Peripherals, Operating Systems, Applications Software, Enterprise Resource Planning Systems, Telecommunications, Steel, Coastal Oil Shipping, Chemicals, Plastics Additives, Wood-Panel products, Uranium Mining and Enrichment, Crushed Stone, Athletic Footwear, Automobiles, Paint Manufacture, and Third Class Mail Delivery.

### **Economic/Competition Analysis**

Developed economic and supporting quantitative analyses of the level, nature, and conditions of industry competition in a variety of markets in antitrust and other legal/regulatory contexts. Evaluated the likely economic impact of proposed government regulation of industry in terms of prices, demand, investment, entry and exit, industry structure, employment, etc. Drafted reports, affidavits, and economic sections of legal briefs, prepared exhibits for expert testimony, and evaluated analyses submitted by other experts. Specific projects include the following:

- Analyzed economic sources of the “commercial success” of a brand name non-sedating antihistamine used to treat allergic rhinitis in relation to secondary indicia of “obviousness” in a patent infringement litigation brought against a prospective generic entrant.
- Analyzed economic sources of the “commercial success” of a brand name pharmaceutical used in the treatment of ulcers and gastroesophageal reflux disease (GERD) in relation to secondary indicia of “obviousness” in a patent infringement litigation brought against a prospective generic entrant.
- Analyzed competitive impact of alleged price “bundling,” exclusive dealing, and supply threats associated with drugs designed to boost red blood cell and white blood cell counts in cancer patients, raised in an antitrust counterclaim to a patent infringement suit.
- Conducted economic analyses related to a proposed class certification involving price-fixing allegations in the sale of plastics additives used in the manufacture of plastic products incorporating poly-vinyl chloride (“PVC”) and certain engineering resins.
- Conducted economic analyses related to proposed class certification involving price-fixing allegations in the sale of organic peroxides used in the manufacture of various types of plastics.
- Analyzed competitive issues and potential damages associated with a brand name pharmaceutical company’s licensing of an “authorized generic” launch of a treatment for urinary tract infections during an independent generic’s 180-day Hatch-Waxman

generic exclusivity period. Met with the FTC to discuss economic policy issues associated with authorized generics.

- Performed various economic analyses to assess the validity of potential antitrust counterclaims for actions undertaken by the patent holder and manufacturer of a depression/anxiety drug to forestall generic entry.
- Assessed the validity of potential antitrust claims against the dominant supplier of personal computer operating systems, internet browser software, and applications software arising from the company's alleged attempts to impede the adoption of a competitor's internet-based "middleware" platform software that threatened the incumbent's monopoly power.
- Provided an economic evaluation of the competitive effects and potential antitrust implications of the proposed terms of a bulk API supply contract in the market for generic Augmentin (amoxicillin/clavulanic acid).
- Analyzed the market definition and competitive impacts of a proposed merger under FTC review in the relevant pharmaceutical markets for biological treatment of rheumatoid arthritis.
- Analyzed adequacy of competition and prospective effects of entry in various pharmaceutical controlled substance markets as part of five Drug Enforcement Administration hearings on the proposed registration of new bulk manufacturers and/or importers of: (1) opium and concentrate of poppy straw to manufacture oxycodone, hydrocodone, morphine, and codeine for the treatment of moderate to severe pain; (2) cocaine for use as a local anesthetic; and (3) methylphenidate for treatment of attention deficit disorder.
- Analyzed the prospective economic impacts of generic entry into pharmaceutical for drug treatments of ulcers and gastroesophageal reflux disease (GERD).
- Analyzed the degree of market power associated with a drug treatment for AIDS and assessed the potential antitrust liability and damages associated with provision of the drug.
- Prepared an economic analysis of the extent of price erosion for a drug used to treat anemia associated with chronic renal failure due to competing sales from a licensee made in breach of the parties' license agreement.
- Developed mathematical programming model to generate profit-maximizing production strategies for a pharmaceutical company's jointly-produced plasma fractions products.
- Assisted in a pharmacoeconomic analysis used to formulate a client's future marketing strategy for promoting new uses of current and prospective pacemaker technologies.
- Analyzed price pass-through of alleged monopoly surcharges associated with certification of a class of indirect purchasers claiming damages from the purchase of the defendant's computer operating system, word processing and spreadsheet software.
- As part of a price discrimination case, analyzed the economics of manufacturer-retail agency relationships in the cellular telephone industry, including determination of the

attributes of effective retail agents and the impact of product life-cycles on the optimal retail channel.

- Performed statistical analyses of product differentiation and market delineation in the luxury automobile market in support of a price discrimination case involving the "gray market" for automobile parts.
- Developed economic arguments related to the competition and price effects of generic manufacturer entry into a pharmaceutical market for Non-Steroidal Anti-Inflammatory Drugs (NSAIDs) as part of a price discrimination case.
- Performed economic analyses of the competitive, price, and financial impacts of proposed environmental and health regulations affecting manufacturers and customers of formaldehyde, methylenedianiline, audio/video/computer magnetic tapes and disks, and crushed stone. Testified before the Occupational Safety and Health Administration.
- Assisted in a theoretical and empirical study of the natural monopoly rationale for prohibiting the private delivery of third-class addressed mail.
- Performed industry analyses of the economic incentive effects in the Paint Industry of imposing a waste-end tax on the land disposal of hazardous wastes as a supplemental source of financing for the U.S. EPA's "Superfund" program.

### **Damages Analysis**

Supervised calculation of damages based on analysis of product supply and demand, product life-cycles, prices, market share, entry and exit, first-mover effects, costs of capital, internal rates of return, opportunities for mitigation, stock price changes, and other economic factors. Assignments typically included drafting expert reports, affidavits, and sections of legal briefs, designing analyses and exhibits, working with other experts, and evaluating damages estimates of opposing experts. Specific work experience includes the following:

- Analyzed alleged damages associated with a generic pharmaceutical company's infringement of a patent related to the extended release formulation of a non-steroidal anti-inflammatory ("NSAID") drug used to treat pain associated with rheumatoid arthritis and migraine.
- Analyzed possible irreparable harm and other economic issues related to a Court's decision in a breach of contract case to impose a Temporary Restraining Order and Preliminary Injunction on a generic pharmaceutical supplier's sale of various generic drugs used to treat Type II diabetes and coughs.
- Analyzed possible irreparable harm and other economic issues related to a Court's decision to impose a Temporary Restraining Order and Preliminary Injunction on a generic pharmaceutical supplier's sale of certain topical pharmaceutical products that were subject of a trade secrets case.
- Analyzed possible irreparable harm and other economic issues related to a Court's decision to impose a Temporary Restraining Order and Preliminary Injunction on a pharmaceutical supplier's sale of a generic drug for side effects associated with

chemotherapy and radiation treatment of ovarian, neck, and head cancer, related to patent infringement allegations.

- Estimated Average Selling Prices and damages associated with alleged inflation of a brand name drug manufacturer's Average Wholesale Prices ("AWPs") on which reimbursement by private insurers and states and co-payment by beneficiaries was based. Drugs at issue included those used to treat anemia and neutropenia.
- Submitted Expert Report on irreparable harm and other economic issues related to a Court's decision to impose a Temporary Restraining Order and Preliminary Injunction on a generic pharmaceutical supplier's sale of generic drug used to treat depression and anxiety, related to patent infringement allegations.
- Analyzed damages allegedly associated with exclusive dealing, supply threats, and loyalty/bundled discounting of drugs to boost red blood cell and white blood cell counts in cancer patients, raised in an antitrust counterclaim to a patent infringement suit.
- Estimated lost profit and shareholder diminution damages due to a U.S. generic pharmaceutical company's alleged failure to purchase various finished dose products from a Jordanian pharmaceutical company per terms of the parties' agreement.
- Analyzed impacts of generic entry on a brand name drug treatment for testicular cancer and estimated the portion of an acquired company's value represented by the brand name drug.
- Estimated lost repair profit damages associated with alleged infringement of design and utility patents for portable data terminals used by delivery firms and the US Postal Service to scan and store package delivery information.
- Submitted Expert Report and provided deposition testimony on antitrust damages associated with alleged price-fixing of insurance reimbursement rates for drug prescriptions filled by a class of independent pharmacies.
- Estimated damages incurred by the owner of certain FCC wireless licenses in California that resulted from an accounting firm's alleged misrepresentation of a licensee's financial condition.
- Performed valuation of a wireless telecommunications company in Venezuela to estimate damages associated with the alleged failure of a U.S. telecommunications company to purchase shares in compliance with a put option agreement.
- Supervised stock market event study of the impact of an FTC investigation of drug products marketed by a pharmaceutical acquisition target.
- Conducted valuation of a generic biopharmaceutical firm acquired by a pharmaceutical company accused of paying in excess of the value of the acquisition to the detriment of a class of shareholders.

- Directed and performed a variety of analyses and research activities associated with a license dispute involving U.S. sales of recombinant DNA drug used in the treatment of anemia, including: (1) analysis of alternative methodologies to track licensor and licensee sales by therapeutic indication; (2) analysis of methods to reimburse profits on cross-indication sales; (3) estimation of lost profit damages resulting from delayed FDA approval; (4) financial valuation of market segments. Also directed quantitative analysis of Medicare reimbursement claims data and conditions under which claims are reimbursed.
- Calculated damages associated with the bankruptcy of a large pharmaceutical wholesaler that allegedly were caused by the implementation of a new management information system.
- Calculated lost profit and lost market value damages associated with product development and licensing opportunities for pharmaceutical therapies in the diet drug, anxiety, depression, sleep, Alzheimer's, and benign prostate hypertrophy markets, which were lost due to a large number of product liability claims that resulted from the defendant's alleged breaches.
- Estimated the appropriate compensation due to a U.S. coastal shipping company associated with the alleged U.S. Government "taking" of the company's oil tank barges and other capital assets that resulted from the double-hull provisions of the 1990 Oil Pollution Act.
- Calculated damages generated by alleged breaches associated with the provision of consulting services to upgrade a management information system in the computer distribution industry.
- Calculated lost profit damages associated with a telecommunications company's alleged breach of a marketing contract with a wireless telecommunications company.
- Performed financial analyses in support of a fairness opinion for settlement of a class action suit involving sale of a diet drug allegedly found to have severe adverse side-effects in some patients.
- Calculated lost profit damages and performed analyses supporting reasonable royalty expert opinion in a patent infringement case involving the sale of generic transdermal nitroglycerin patches for the treatment of angina.
- Performed analyses in support of a fairness opinion for settlement of a shareholder lawsuit involving a drug treatment for patients undergoing percutaneous transluminal coronary angioplasty (PCTA) for treatment of coronary artery disease.
- Calculated reasonable royalty damages for a current HIV/AIDS and hepatitis B drug treatment subject to a patent infringement suit. Also calculated lost royalty damages for a prospective HIV/AIDS and hepatitis B drug treatment subject to a breach-of-license suit.
- Calculated damages to royalty owners of a CO<sub>2</sub> gas field resulting from alleged underpricing of well-head CO<sub>2</sub> and alleged tariff overcharges for pipeline transportation to enhanced oil recovery fields.

- Evaluated parties' market forecasts and developed estimates of damages in support of a breach-of-contract dispute involving a monoclonal antibody-based treatment for asthma and allergic rhinitis.
- Calculated reasonable royalty and lost profit damages resulting from infringement of patents covering recombinant DNA-based insulin for treatment of diabetes, and recombinant DNA human growth hormone.
- Calculated lost royalty damages in the United States, Europe, and East Asia related to the failure of a licensee to market and obtain regulatory approval for a recombinant DNA Hepatitis B vaccine and a cancer treatment drug developed by the licensor.
- Calculated lost profit and lost royalty damages as part of a breach-of-contract dispute in which the licensor allegedly failed to supply bulk product and maintain patents for a synthetic drug to treat hepatitis B and C in East Asia.
- Calculated lost profit and lost investment damages in a European breach-of-contract case associated with a patent for a new running shoe technology.
- Evaluated the theoretical framework for estimating damages in multiple breach-of-contract cases in the electric utility industry.
- Drafted report on a theoretical framework appropriate for estimating damages as part of defendant's submission to a European Tribunal, and evaluated plaintiff's damages estimates in a breach-of-contract case involving wood panel presses.
- Analyzed costs and estimated lost profit margins in support of expert testimony in a patent infringement case involving X-Y pen plotters.

### **International Trade**

Estimated the magnitude of import dumping margins and the resulting injury of dumped and subsidized imports to the domestic industry. Met with Department of Commerce staff to argue for modifications in margin estimates. Analyzed International Trade Commission questionnaire responses. Prepared exhibits for hearings. Evaluated and developed economic models of domestic industry impacts of unfairly traded imports.

- Developed economic arguments to support briefs and expert economic testimony in a dumping and subsidy case involving U.S. imports of seamless steel pipe from Argentina, Brazil, Germany, and Italy. Evaluated the applicability of ITC's computer model measuring injury to the domestic industry. Identified conceptual flaws in opposing experts' use of an oligopoly model to estimate price effects of imports.
- Performed a variety of economic, financial, and statistical analyses in a dumping investigation of U.S. imports of natural and enriched uranium from the former Soviet Union. Estimated less-than-fair-value margins based on construction of average costs. Developed market model of world uranium trade to estimate injury to the domestic industry and to simulate price impacts of alternative import restriction mechanisms proposed in Suspension Agreement negotiations.
- Analyzed and identified statistical flaws in ITC's econometric model of the domestic price and quantity impact of unfairly traded potato imports from Canada.

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**Product Liability/Risk Assessment**

- Developed a statistical model used by industry to assess the risk of injury and death associated with All Terrain Vehicles (ATVs). Performed risk and cost-benefit analyses of various regulatory proposals considered by the U.S. Consumer Product Safety Commission. Evaluated risk of injury and death to specific plaintiffs in support of expert testimony in ATV product liability litigation.
- Performed statistical analyses of the risk of injury and death associated with chain saws and radial arm saws in support of expert testimony in regulatory hearings and product liability litigation.
- Assisted in estimating reduction in health risks associated with proposed regulations limiting airborne emissions from industrial boilers.

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