Attorney Depositions in IP Litigation

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“NO GOOD CAN COME OF THIS”

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"NO GOOD CAN COME OF THIS…."

"NO GOOD CAN COME OF THIS,

WHATSOEVER I CAN TELL YOU,

NO GOOD WILL EVER COME OF THIS,

THE ROAD TO HAPPINESS I NEVER KNEW."

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Topics

- Like Gatorade®, Address Attorney Depositions Before, During & After
- Whom Did and Do You Represent?
- Preparing to be Deposed
- In the Hot Seat
- Attacks on Privilege
- Attacks on Credibility
- Some Cautionary Tales

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Whom did you represent in prosecution?
Whom do you represent at the deposition?
Who owns the privilege?

- Patent Holder?
- Inventor(s)?
- Licensee(s) or Assignee of patents?
- Competing inventors?
- Former or current client?
- “Common interest” privilege extension?

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Answering the call to testify

- Subpoena and Response
- Fed. R. Civ. P. 45(c)(2)(B) objections
- Expenses and fees
- Motions to Quash under Fed. R. Civ. P. 45(c)(3)
- Rule 30(b)(6) deponent for the prosecution counsel firm

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Preparing to be Deposed

- Retain separate counsel to defend deposition
- Gathering responsive documents
- Prosecution counsel's files
- Preparing a Privilege Log
- Reading to refresh recollection
- Prepping with litigation counsel

What files to review?

- Certified copies of file histories
- References cited during prosecution
- Parent/grandparent/foreign applications
- Re-exams and re-issue proceedings
- Complaint and any counterclaim alleging inequitable conduct
- Any public pleadings regarding validity

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In the Hot Seat

- Make it clear who represents you
- Repeat up front that no privileges or prior written objections are waived
- Assume that you are in a court room, not a conference room
- Fact witness to identify past facts not opinions
- Not an expert & not a POSITA
- The video tells no lies; avoid confrontations or emotions

Two Attacks:

1) Attacking Privilege

2) Attacking Credibility

“No good can come of this....”

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Attacks on Privilege

Seeking a patent involves seeking legal advice.

"[T]he central inquiry is whether the communication is one made by a client to an attorney for the purpose of obtaining legal advice or services."

In Re Spalding Sports Worldwide, Inc., 203 F.3d 800, 805 (Fed. Cir. 2000)

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Attacks on Privilege

"The preparation and prosecution of patent applications for others constitutes the practice of law."

Sperry v. Florida ex rel. Florida Bar, 373 U.S. 379 (1963)

Sperry identified such activities as advising clients on:

- patentability under statutory criteria,
- Other forms of IP protection,
- Drafting of the specification and claims,
- Reviewing rejections/drafting amended claims and arguments for patentability

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Attacks on Privilege

The privilege has been upheld precisely because it fosters "full and frank communications between attorneys and their clients" that promotes broad public interest in the administration of justice.

Upjohn Co. v. United States, 449 U.S. 383 (1981).

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Attacks on Privilege

In the context of patent prosecution practice, the attorney-client privilege has been applied to:

- Patent Disclosures to a corporate legal department (*Spalding Sports)*
- Draft Patent Applications (*McCook Metals LLC v. Alcoa, Inc.*, 192 F.R.D. 245 (N.D. Ill. 2000)
- Discussions with clients regarding the duty of candor (*Derrick Mfg. Corp. v. Southwestern Wire Cloth, Inc.*, 934 F. Supp. 813 (S.D. Tex. 1996)
- Inventor's explanation to counsel about how an invention works (*Knogo Corp.*, 1980 U.S. Ct. Cl. LEXIS 1262 at *1)
- Discussions & correspondence with non-attorney patent agents working for attorneys (*Cuno Inc. v. Pall Corp.*, 121 F.R.D. 198 (E.D.N.Y. 1988)

Attacks on Privilege

Other types of communications that **may** be privileged:

- Foreign patent prosecution
- Invention submission forms
- Inventor sign-off forms
- Attorney jacket notes
- Patent Department check-off forms
- Invention review committee documents
- Prior art analysis

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Attacks on Privilege

In the context of parties with a "common interest" in the patent rights, the attorney-client privilege has been extended to:

- Employee-Supervisor
- Faculty-University
- Joint venture partners
- Licensor-licensee
- Parties to a merger or acquisition

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Attacks on Privilege

For a good discussion of parties with a "common interest" in patent rights:

In Re Regents of the Univ. of California, 101 F.3d 1386 (Fed. Cir. 1996) (communications between licensor and attorneys for licensee found privileged)

Attacks on Privilege: Work Product

- In general, there is no work product doctrine for *ex parte* patent application process
- Not an appropriate basis to object at deposition of patent prosecution counsel
- There may be an exception for contested PTO proceedings:
    - Interference proceedings
    - *Inter partes* re-examination

Attacks on Privilege: To waive or not to waive, that is the question……

Recently added Fed. R. Evid. 502 lays out the gambit:

Rule 502(a): intentional disclosure of an attorney-client privileged communication in a federal proceeding waives the privilege as to:

- same subject matter as information disclosed
- If, in fairness, the matters should be considered together

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Attacks on Privilege: To waive or not to waive, that is the question……

The Advisory Committee Note to Fed. R. Evid. 502(a) makes clear the narrow scope of this intentional waiver provision:

“. . . [S]ubject matter waiver is limited to situations in which a party intentionally puts protected information into the litigation in a selective, misleading and unfair manner.”

Be prepared to fight over scope of waiver!

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Attacks on Privilege: To waive or not to waive, that is the question……

Rule 502(b):

- Unintentional disclosure
- Under circumstances otherwise reasonable to prevent disclosure
- followed by prompt action taken to remedy the inadvertent disclosure, i.e. steps to "claw back" the privileged documents
- And a showing of actual privileged status

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Attacks on Privilege:

Coburn Group, LLC, V. Whitecap Advisors LLC, **640 F.Supp. 2d 1032 (N.D. Ill. 2009)**

The inadvertent disclosure remedy includes:

return or destruction of documents shown to be inadvertently produced, **AND**

striking deposition testimony based on or containing the privileged information.

Be prepared to seek redaction/striking of testimony! Make a record in real time!

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Attacks on Privilege

"Truth, like all other good things, may be loved unwisely–may be pursued too keenly–may cost too much.

And, surely the meanness and mischief of prying into a man's confidential consultation with his legal advisor…and which unless a condition of perfect security, must take place uselessly or worse, are too great a price to pay for the truth itself."

Pearce v. Pearce, 16 L.J.Ch. 153 (1864)

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Attacks on Credibility

Inequitable conduct:

- Rule 1.56 and duty of disclosure
- Standards are difficult to apply in any given case
- Recent arguments in *en banc* case of *Therasense (now Abbott) v. Becton Dickinson* throws everything in the air.

"No good thing can come of this…"

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Attacks on Credibility

- Despite clear and convincing burden of proof, accused infringers look for any way into the privilege
- The dilemma is greater in the context of:

  -concurrent litigation and prosecution

  -re-examined or re-issued patents

  -other patent-related petitions to USPTO

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Attacks on Credibility

- Intent inferred from materiality
- Inference varies based on perception of materiality
- Standards are difficult to apply in any given case
- In *Therasense*, the alleged inequitable conduct was failing, in a pending U.S. application, to disclose representations that were "directly contrary" made in an European patent application.

Some Cautionary Tales

- Premier Intl v. Apple Computer, Inc.
- Larson Mfg'ing v. Aluminart Products

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QUESTIONS?

ANSWERS?

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Thank You

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