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Resurrecting the Need for Attorneys' Opinions

By Alan Anderson

In 2004, the Federal Circuit eliminated the negative inference that arose if an alleged patent infringer did not obtain, or rely on, an attorney's opinion in defense of a claim of willful infringement. (*See Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*). Approximately a year ago, the Federal Circuit cut back the need to obtain an attorney's opinion even more. In *In re Seagate Technology, LLC* the court overruled a long-standing precedent and held that "there is no affirmative obligation to obtain [an] opinion of counsel." The court also raised the showing necessary for a finding of willful infringement -- "at least a showing of objective recklessness" by clear and convincing evidence is required. With these decisions, the need to obtain an attorney's opinion was dead, or at least on life support.

In *Broadcom Corp. v. Qualcomm Inc.* , decided in September 2008, the Federal Circuit resurrected the need for attorneys' opinions, effectively re-opening the door to arguments about a defendant's failure to obtain such an opinion in the context of claims for inducing infringement. In *Broadcom*, the Federal Circuit held that an alleged infringer's lack of an attorney's opinion was relevant to determining whether the defendant had the necessary specific intent for a finding of inducing infringement. The court also refused to disturb the finding of willful infringement, where the jury was instructed that it could "consider whether Qualcomm sought a legal opinion as one factor in assessing whether, under the totality of the circumstances, any infringement by QUALCOMM was willful." (Qualcomm had in fact obtained attorneys' opinions, but was unable to rely on them because it refused to waive the privilege associated with them.)

The *Broadcom* decision illustrates the need to continue to obtain attorneys' opinions prior to embarking on introduction of a new product or any other activity that might lead to a charge of patent infringement. After Broadcom, more patent holders likely will assert claims of inducing infringement in order to place defendants in the uncomfortable position of having to decide whether to waive the privilege associated with any attorney's opinions they may have obtained. While *Broadcom* reaffirmed *Knorr-Bremse's* elimination of the adverse inference, by allowing consideration of whether or not an attorney's opinion was obtained as part of the "totality of circumstances" to be considered in deciding willful infringement, careful consideration once again will have to be made regarding whether or not to obtain attorneys' opinions, and if obtained, whether to waive the privilege and rely on them in defense of a charge of inducing infringement or willful infringement.