

Intellectual Property Legal Ethics

BY TIMOTHY B. MCCORMACK &
CHRISTOPHER J. DALEY-WATSON



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mccormack
Intellectual Property Law
Business Law PS

617 Lee Street
Seattle, WA 98109 USA
p.206.381.8888 / f.206.381.1988
tim@McCormackLegal.com

Intellectual Property Legal Ethics

Professional Ethics & Intellectual Property Law

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CLIENT RELATIONS: The Context Of Legal Ethics

A 1996 Consumer Report Survey indicated that the number one complaint from clients was that the attorney did not promptly return the client's phone call. The second most frequent complaint was that the attorney did not pay adequate attention to the client's case. Interestingly, a Lou Harris poll found that the least relevant reason clients leave a professional was that fees were unreasonable.

Why promptly return phone calls and have good communications with your clients" Almost 80% of all malpractice claims result from poor client relations. Additionally, greater than 75% of

disciplinary complaints are based on issues related to client relations. Thus, it's important to maintain open channels of communication with a client. If there is a breakdown, have another member in the firm assist. Also, keep clients advised as to the status of their cases and well informed of deadlines in advance. Why keep clients advised" Because Washington's Rule of Professional Conduct 1.4 states that:

A lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with a reasonable request for information.

A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

Additionally, RPC 1.3 states that: "A lawyer shall act with reasonable diligence and promptness in representing a client."

To help realize the mandates of RPC 1.3 and 1.4, technology has come to the aid of many busy attorneys by way of cordless telephones, cell phones, facsimile machines and electronic mail or "e-mail."

ATTORNEY-CLIENT PRIVILEGE AND ELECTRONIC COMMUNICATIONS

Rule RPC 1.6 on confidentiality states, "A lawyer shall not reveal confidences or secrets . . ." A confidence is information received by the attorney that is protected by the evidentiary attorney-client privilege.

Secrets include other information that the attorney receives under his or her relationship with a client, where the client requests such information to be kept confidential or where disclosure of such information would be embarrassing or detrimental to the client.

The attorney-client privilege applies to all confidential communications made by an attorney and client. "Privilege remains an exception to the general duty to disclose" *Garner v. Wolfenbarger*, 430 F. 2d 1093 (5th Cir. 1970). Four elements are required to establish privilege. See *United States v. Shoe Mach. Corp.*, 89 F. Supp. 357, 358-59 (D. Mass. 1950). The four elements are: (1) the asserted holder of the privilege is or sought to become a client; (2) the person to whom the communication was made is a member of the bar of a court; (3) the communication relates to a fact of which the attorney is informed by his client in confidence in connection to legal services; and (4) the privilege has been claimed and not waived by the client, i.e., the communication must be made in confidence and not made in the presence of third parties.

The professional duty to preserve secrets is broader than the attorney-client privilege. An attorney's obligation to keep secrets extends before and after the attorney-client relationship exists. Unlike the attorney-client privilege, the ethical duty to maintain secrets applies to information communicated by the client even in the presence of others.

Technology

Understanding the technology that is giving rise to the many new ethical questions is important. In fact, one state bar ethics opinion points out that because technology is developing so rapidly, "any analysis and advice in this area is subject to change as the technology changes."

Pennsylvania Opinion 97-130, http://www.legalethics.com/states/97_130.htm.

Cordless Phones

Definition

"In one sense, the cordless telephone is just what the name implies, a telephone. It looks and sounds like a normal land-line telephone. When you use a cordless phone, you dial a telephone number and talk to the party on the other end of the line. In actual operation, however, the cordless phone uses a radio signal. The typical cordless phone consists of a base unit, attached to the land-based telephone line, and a mobile unit which transmits and receives the radio signals that carry the actual conversation to and from the base unit." U.S. v. Smith, 978 F.2d 171, 178 (5th Cir. 1992).

Interception of Cordless Phones

"As a factual matter, the broadcast of a cordless telephone can far more readily be intentionally intercepted or inadvertently overheard than a land-based call." David Hricik, Confidentiality and Privilege in High-Tech Communications, 8 No. 2 Prof. Law. 1, 18 (1997).

"Cordless telephone calls can be intercepted by someone who is nearby and is using a device no more exotic than a police scanner, baby monitor, or radio." Peter R. Jarvis et al., Competence and Confidentiality in the Context of Cellular Telephone, Cordless Telephone, and E-Mail Communications, 33 Willamette L. Rev. 467, 476 (1997).

"A cordless telephone uses AM or FM radio signals to transmit communications from the handset to the base unit. This signal can be easily intercepted by a standard AM radio." Modern Communications Technology and the Duty of Confidentiality, <http://barlinc.org/ethics/ethp215.html>. [1]

At least on State Bar Ethics Opinion has stated that, "a lawyer conversing with a client over a cordless or mobile telephone should advise the client of the risk of loss of confidentiality." Illinois State Bar Association Advisory Opinion on Professional Conduct No. 96-10, <http://www.illinoisbar.org/CourtsBull/EthicsOpinions/96-10.html>; see also Kentucky Bar Association Opinion E-403, <http://www.uky.edu/Law/kyethics/kba403.htm> (finding that "a lawyer should not use cordless or other mobile telephones that were easily susceptible to interception when discussing confidential client matters. The Committee also opined that a lawyer conversing with a client over a cordless or mobile telephone should advise the client of the risk of the loss of confidentiality."); Washington State Informal Opinion 91-1 (undated) (a lawyer may not discuss client business over a cordless telephone without first advising the client that the connection may not be confidential).

Cell Phones

Definition

There are two general varieties of cellular telephones on the market (digital and analog). From a lay perspective, the two varieties of phones work in the same way, i.e., the phones "broadcast conversations over the airwaves to receiving stations, which then transmit the calls over land-based phone lines." David Hricik, Confidentiality and Privilege in High-Tech Communications, 8 No.2 Prof. Law. 1, 18 (1997) (describing a analog cellular telephone). Currently, several state bar associations find digital cellular phones to be equivalent to land-line phones (Illinois, Kentucky).

Interception of Cellular Communications

Digital cell phones are newer on the market and are thought by some to be "more secure" than the traditional analog cellular telephone. From a technical point of view, the older analog cellular telephones should be regarded as insecure. Since 1993, the type of scanner "used to intercept

cellular communications may not be marketed in the United States." David Hricik, Confidentiality and Privilege in High-Tech Communications, 8 No.2 Prof. Law. 1, 18 (1997) (citing Jose L. Nunez, Regulating the Airwaves: The Governmental Alternative to Avoid Cellular Uncertainty on Privacy and the Attorney-Client Privilege, 6 St. Thomas L. Rev. 479, 486 (discussing the Telephone Disclosure and Dispute Resolution Act of 1993, Pub. L. 102-556, 106 Stat. 4181)). It is interesting to note that many scanners sold prior to 1993 are capable of intercepting cellular phone calls and are still lawful to own. Further, many scanners still sold today can be modified (illegally) to intercept cellular telephone calls.

Facsimiles

Generally speaking, most people consider traditional phone lines to be secure (this would include fax machines, for the most part). While interception of traditional telephone signals is not impossible, it requires more than the interception of other modes of communication such as cordless phones. One common situation that gives rise to liability for practicing lawyers is the "misdirected fax." Because there is usually not another person on the other end of the phone line when sending a fax and facsimile numbers can get "mixed up," it is easy to imagine how a sensitive fax might find its way into the office of opposing counsel. This is why almost all fax cover sheets originating in legal offices contain a statement like the one below. Such confidentiality legends have been held to maintain the attorney-client privilege when the facsimile was inadvertently transmitted to a third party. A similar statement should be used on e-mail.

FACSIMILE TRANSMITTAL

CONFIDENTIALITY NOTICE: The information contained in this facsimile message is legally privileged and/or confidential information intended only for the use of the individual or entity named below. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this facsimile or its content is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile message to us by mail or destroy it without making a copy. Thank you.

ELECTRONIC MAIL TRANSMITTAL

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Confidential/Privileged Communication -Attorney Work Product

This Internet electronic mail (e-mail) message contains confidential, privileged information intended only for the above addressee(s). Do not read, store, copy or disseminate it unless you are an addressee.

If you have received this e-mail in error, please advise us immediately by return e-mail and then delete all copies from your system. If you have questions, please call us collect at (206) 622-4900 and ask to speak to the message sender or Office Administrator. Thank you.

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Electronic Mail ("E-Mail")
Private Networks

Private networks such as those found in most major law firms are generally secure. Likewise, direct computer to computer communications with clients can be thought of as secure (such a transmission is similar to a sending a facsimile because the information is transmitted directly

from point "A" to point "B" across conventional telephone lines). The possibility of inadvertent communications such as the "misdirected e-mail" are virtually non-existent on private networks. The extent to which private networks are connected to other networks raises issues such as those described below.

Public Networks

Networks, such as America Online and the Microsoft Network can be considered "public" or "semi-public" networks because anyone who pays to use them can do so. This makes any risk and liability for "misdirected e-mails" greater. However, "public access to a network does not equate to public access to the information stored in private places on that network." David Hricik, Confidentiality and Privilege in High-Tech Communications, 8 No.2 Prof. Law. 1 (1997). Following a similar vein the court in U.S. v. Maxwell, 43 Fed. R. Serv. 24 (U.S.A.F. Ct. App. 1995) held that e-mail stored on America Online and protected by a password was subject to a reasonable expectation of privacy.

Internet

The "Internet" describes "a collection of more than 50,000 networks linking some nine million host computers in ninety countries. . . ." American Reporter v. Reno, 930 F. Supp. 916, 925 (S.D.N.Y. 1996). When sending an e-mail from one computer to another using the Internet, the communication travels through several intermediate computers that essentially compose parts of the "network." In addition, e-mail is sometimes "replicated and split into separate 'packets' of information as it is being transmitted: thus, multiple copies can exist at any given time, but they may each be but a portion of the whole." David Hricik, Confidentiality and Privilege in High-Tech Communications, 8 No. 2 Prof. Law. 1 (1997).

Accordingly, the "distinction between an e-mail message sent over the Internet and a land-based phone call boils down to this: Internet e-mail messages are temporarily stored in, and so can be accessed through, the [intermediate computers through which the e-mail travels]. An employee of the entity that owns the [intermediate computer] could lawfully be monitoring the[ir computer] and could read a confidential transmission." Id.

Interception of E-Mail

"All technologists agree . . . that obtaining information illegally from the Internet is much easier than tapping regular phone or fax lines. Moreover, those who traffic in contraband information are drawn to the Internet" ABA/BNA Lawyers' Manual on Professional Conduct (1996), http://www.bna.com/prodhome/bus/mopc_adnew2.html.

Esther Dyson, a well-known commentator on issues relating to the Internet states in her book, Release 2.0 that sending an e-mail is like sending a post card, meaning that there is really nothing to keep anyone who is interested from reading it from doing so. Esther Dyson, Release 2.0 at 260-61.

On the other hand, a Pennsylvania ethics opinion notes that there "do not appear to be any publicly reported instances of [e-mail] interception taking place. Pennsylvania Opinion 97-130, http://www.legalethics.com/states/97_130.htm.

Modes of E-Mail Interception Tools of "SATAN"

"Recently, a tool for probing a remote computer for security vulnerabilities became available. This [tool] is known as Security Administrator Tool for Analyzing Networks (SATAN). SATAN not only analyzes the remote computer's weak points, but it also provides extensive documentation on the vulnerabilities identified and how to repair them. SATAN . . . is widely available for both legitimate use by system administrators and diabolical use by" people interested in breaking into computer systems owned by others. Robert L. Jones, Client Confidentiality: A Lawyer's Duties with Regard to Internet E-Mail (1995), <http://www.kuesterlaw.com/netethics/bjones.htm> (footnotes omitted).

E-mail "Sniffers"

Sniffer software can be programmed to select and store data being transmitted across the Internet based on who sends the data, where the data is coming from, or where the data is intended to go, including specific machines. See generally Robert L. Jones, Client Confidentiality: A Lawyer's Duties with Regard to Internet E-Mail (1995), <http://www.kuesterlaw.com/netethics/bjones.htm>.

The really subtle thing about sniffer software is that it "does not require knowledge of your password to steal your client's secrets, your litigation strategy, your analysis of potential jurors, your credit card number, or the Christmas shopping list you just sent to your relatives across the country." Id.

Computer "Spoofers"

"Spoofing" is where one uses an intermediate computer to intercept e-mail data packets intended for another by configuring the intermediate machine to emulate the recipient's machine. "When data comes along the network intended for the actual recipient, the spoof[ing] computer receives it instead and automatically sends a packet to the sender which makes the sender believe that the message was properly received. In fact, the "spoofer" can read the e-mail, and concoct a reply and send it back to the unsuspecting person who is unaware that he is communicating with an impostor. More subtly, the spoofer can alter the original e-mail and then relay it on to the intended recipient." [2] Robert L. Jones, Client Confidentiality: A Lawyer's Duties with Regard to Internet E-Mail (1995), <http://www.kuesterlaw.com/netethics/bjones.htm>.

E-Mail Encryption

The Attorneys' Liability Assurance Society (ALAS) (an insurance company that insures large firms for malpractice) maintains "it is not necessary - for either ethics, privilege, or liability purposes - to encrypt communications on the Internet, except for matters so important that any threat of interception must be avoided." The ALAS, however, urges its members to "use 'great caution' because of the lack of case law and the possibility that courts and ethics committees "will be tempted to bypass a careful analysis." ABA/BNA Lawyers' Manual on Professional Conduct (1996), http://www.bna.com/prodhome/bus/mopc_adnew2.html (quoting views of the ALAS). Some legal commentators have suggested that under a developing standard of care, attorneys who use e-mail might be required to use encryption technology even before it becomes more widely used.

Ethics and Professional Responsibility

Standard of Care For High-Tech Communications

The case of *The T.J. Hooper*, 60 F.2d 737 (2d Cir. 1932), might be instructive by analogy in arguing for an evolving higher standard of care applicable to lawyers in the realm of high-tech communications with clients. In *The T.J. Hooper*, the defendant was held to a standard of care that was higher than the prevailing standard at the time and subsequently found liable for not installing radio receivers on their tug boats. Most other tug boats at the time had not installed the

radio receivers. See ABA/BNA Lawyers' Manual on Professional Conduct (1996), http://www.bna.com/prodhome/bus/mopc_adnew2.html (noting that the "standard of care for lawyers using e-mail may require encryption at some point before [encryption] becomes more widely used."); Robert L. Jones, Client Confidentiality: A Lawyer's Duties with Regard to Internet E-Mail (1995), <http://www.kuesterlaw.com/netethics/bjones.htm> (noting that an "attorney holding herself out to be a 'netlawyer' or a technology lawyer could be found to be on notice of the risks associated with communication on the Internet and thus have a higher standard of care with respect to protection of sensitive information that she chooses to transmit in that fashion despite her specialized knowledge."); see also ABA Formal Opinion No. 99-413 (March 1999), Protecting Confidentiality of Unencrypted E-Mail, <http://www.abanet.org/cpr/fo99-413.html>.

Duty of Competent Representation

RPC 1.1 states that: "A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation."

As if you did not have enough to worry about, now you may have to monitor technological advances in electronic communication interception technology.

Attorneys holding themselves out as concentrating in Internet law, electronic commerce or otherwise a "net lawyer" may be subject to a higher standard of care with respect to protecting sensitive information than a general attorney.

One legal commentator has suggested that a lawyer's duty of competent representation necessarily intersects with a lawyer's duty to maintain confidentiality. See Peter R. Jarvis et al., Competence and Confidentiality in the Context of Cellular Telephone, Cordless Telephone, and E-Mail Communications, 33 Willamette L. Rev. 467, 476 (1997). As noted above, an evolving standard of care for the use of certain means of communication might indeed redefine the duty of competent representation to include keeping a client reasonably informed of waiver issues related to communications made across the Internet and other related means of communication.

Waiver of Attorney-Client Privilege

"No case in any jurisdiction has addressed the specific question of whether transmission of unencrypted confidential messages over the Internet is an intentional divulgence of that information so as to form a waiver of any claim to a privilege." Robert L. Jones, Client Confidentiality: A Lawyer's Duties with Regard to Internet E-Mail (1995), <http://www.kuesterlaw.com/netethics/bjones.htm>.

As noted above, in order to qualify for the attorney-client privilege, communications must be made in confidence; the privilege may be waived in some cases where there is no reasonable expectation of privacy (such as in a crowded restaurant). Future litigation might find that communicating sensitive and confidential information across the Internet affects the existence of the attorney-client privilege because of the "open" nature of such communications.

At least one state bar ethics opinion has noted that the Electronic Communications Privacy Act (as amended) "provides that '[n]o otherwise privileged wire, oral or electronic communication intercepted in accordance with, or in violation of, the provisions of this chapter shall lose its privileged character.' 18 U.S.C. § 2517(4). Accordingly, interception will not, in most cases, result in a waiver of the attorney-client privilege." Alaska Bar Association Opinion 98-2, Communication By Electronic Mail, <http://www.legalethics.com/states/98-02.htm> (noting that their opinion is "in accord with the prevailing view, though the answer in each specific case may

depend, at least in part, on the circumstances of whether the disclosure is viewed as 'intentional' or 'inadvertent.'" See *Shubert v. Metrophone, Inc.*, 898 F.2d 401 (3d Cir. 1990).").

State Bar Ethics Opinions

At least 13 different state bar organizations have issued advisory opinions on the topic of e-mail communication over the Internet and the professional responsibility/legal ethics ramifications regarding the same. See generally <http://www.legalethics.com/opins.htm>. By far the majority of ethics opinions issued by state bar organizations hold that communication with clients across the Internet is acceptable and that e-mail encryption is not required under the Rules of Professional Conduct.

An Alaskan Bar Association Ethics Opinion, in expressing its own view, summarized the views of several other bar organizations as follows:

- Arizona Advisory Op. 97-04 (lawyers may want to have e-mail encrypted with a password known only to the lawyer and the client, but lawyers may still communicate with existing clients via e-mail about confidential matters);
- South Carolina Advisory Bar Op. 97-08 (finding a reasonable expectation of privacy when sending confidential information through electronic mail; the use of electronic mail will not affect the confidentiality of client communications under South Carolina Rule of Professional Conduct 1.6);
- Vermont Op. 97-5 (a lawyer may communicate with a client by e-mail, including the Internet, without encryption);
- Illinois State Bar Assoc. Op. 93-12 (lawyer does not violate Rule 1.6 by communicating with a client using electronic mail services, including the Internet, without encryption);
- Iowa Advisory Op. 95-30. (the only dissonant view has been expressed by the Iowa Bar, which suggests that, without encryption, confidential communications should not be sent by e-mail absent an express waiver by the client).

Alaska Bar Association Opinion 98-2, Communication By Electronic Mail,
<http://www.legalethics.com/states/98-02.htm>.

Choice of Law and Jurisdiction For Internet Communications - Ethical and Legal Considerations
One state ethics opinion warns: "[a]s more lawyers and law firms race to create a presence on the World Wide Web, they should be aware that doing so brings with it the risk that they may be hailed into a foreign jurisdiction to answer charges of improper advertising or solicitation or unauthorized practice of law. For the exercise of personal jurisdiction over an out-of-state lawyer, the lawyer's physical presence in the forum state is not required. Contacts created solely through an Internet Web site may be sufficient. Lawyers should not, however, be subject to disciplinary proceedings in states where they, or members of their firm, are not licensed to practice." Pennsylvania Inquiry 98-85, http://www.legalethics.com/states/98_85.html.

Criminal Law

One local commentator feels that the criminal sanctions of the Electronic Communications Privacy Act is, "[t]he correct starting point for analyzing privilege and confidentiality on the Internet is the criminal law, not ethics rules or the technology itself." ABA/BNA Lawyers' Manual on Professional Conduct (1996), http://www.bna.com/prodhome/bus/mopc_adnew2.html

(quoting views of Albert Gidari, of Seattle's Perkins Coie set out in the article Privilege and Confidentiality in Cyberspace, <http://www.perkinscoie.com/pracarea/intnet/priv.htm>).[3]

The Electronic Communications Privacy Act (the "ECPA") (as amended) makes it a felony to intercept communications made over phone lines, wireless communications (including cordless phones), and e-mail sent through the Internet (including while the e-mail is in transit or after it is received). See 18 U.S.C. § 2510 et seq. In many cases the ECPA may prevent information that is illegally obtained from being used as evidence. See also Alaska Bar Association Opinion 98-2, Communication By Electronic Mail, <http://www.legalethics.com/states/98-02.htm> (noting that, [t]he Electronic Communications Privacy Act (as amended) makes it a crime to intercept communications made over phone lines, wireless communications, or the Internet, including e-mail, while in transit, when stored, or after receipt.").

Practical Advice About E-Mail

One state bar ethics opinion concludes that a lawyer may do the following:

- A lawyer may use e-mail to communicate with or about a client without encryption; the lawyer should advise a client concerning the risks associated with the use of e-mail and obtain the client's consent either orally or in writing;
- A lawyer should not use unencrypted e-mail to communicate information concerning the representation, the interception of which would be damaging to the client, absent the client's consent after consultation;
- A lawyer may, but is not required to, place a notice on client e-mail warning that it is a privileged and confidential communication [4]; and,
- A lawyer should consider that e-mail records are discoverable, and include the time and date of transmission, and all recipients. Lawyers should advise their clients of this fact since clients often regard e-mail transmissions as harmless oral conversations.
- If the e-mail is about the lawyer or the lawyer's services and is intended to solicit new clients, it is lawyer advertising similar to targeted, direct mail and is subject to the same restrictions under the Rules of Professional Conduct.

Pennsylvania Opinion 97-130, http://www.legalethics.com/states/97_130.htm.

One author writing on the subject suggests three rules for avoiding disciplinary actions or civil liability for failing to exercise reasonable care in protecting sensitive client information. First, lawyers need to be well advised of how differing means of communication have varying levels of "security." Second, lawyers should discuss such matters with their clients. Third, lawyers must be ready to upgrade their practices when technology changes. Peter R. Jarvis et al., Competence and Confidentiality in the Context of Cellular Telephone, Cordless Telephone, and E-Mail Communications, 33 Willamette L. Rev. 467, 476 (1997).

Still another view is that, "lawyers should grade the security risks for various e-mail communications just as they do for other methods of communication." A local commentator on Internet and on-line issues, said "he avoids using the Internet for material that he does not want to be discoverable--and he says so to clients." ABA/BNA Lawyers' Manual on Professional Conduct (1996), http://www.bna.com/prodhome/bus/mopc_adnew2.html (quoting views of Keith Cochran, of Heller, Erhman, White & McAuliffe in Seattle).

Conflicts of Interest Arising from the Internet Evaluating Formation Of Attorney-Client Relationship

In re McGlothlen, 99 Wn. 2d 515 (1983), the Washington State Supreme Court held that the reasonable understanding of the putative client determines whether an attorney-client relationship was established. This subjective belief must be based on realistic objective facts. See, e.g., Sherman v. State, 128 Wn. 2d 164 (1965). While being fact specific, only a minimum number of contacts are effectively needed to establish an attorney-client relationship. See, e.g., Teja v. Saran, 68 Wn. App. 793 (1993).

A client's intention to seek legal advice and / or a client's belief that he or she is consulting an attorney will determine whether the attorney-client privilege is invoked. 3 Joseph M. McLaughlin, Weinstein's Federal Evidence § 503.11 (1998); see, e.g., United States v. Dennis, 843 F.2d 652, 656-57 (2d Cir. 1988) ("initial statements" made when client "intended to employ [attorney] would be privileged "even though the employment was not accepted").

Practice Tips

- Do not give legal advice to unknown third parties over the Internet;
- Do not post personal opinions on publicly-accessible "bulletin boards" or User-groups" that could harm or embarrass a client;
- Be careful about the creation of attorney-client relationships in Internet "chat rooms."

Advertising Fields of Practice and Firm Names

On advertising, RPC 7.1 states:

A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it:

(a) contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading;

(b) is likely to create an unjustified expectation about results the lawyer can achieve, or states or implies that the lawyer can achieve results by means that violate the rules of professional conduct or other law; or

(c) compares the lawyer's services with other lawyer's services, unless the comparison can be factually substantiated.

There is no formal guidance for Washington lawyers on how the RPCs apply to the use of the Internet. You should keep a copy of your Internet website, together with the dates, and all updates made thereafter, for two years. Other states have enacted certain restrictions. In Arizona,[5] for example, a lawyer may place on-line intake forms for prospective clients on their websites for clients to download and complete off-line, since there is no unethical solicitation involved and there is no communication of confidential information via the Internet. Prospective clients should be cautioned to avoid possible inadvertent disclosures of confidential information and should not be able to send the completed form back electronically. Likewise, the New York Bar permits similar on-line intake forms.

The Illinois Bar finds attorney websites to be the functional equivalent of Yellow Page entries or firm brochures.

The Iowa Bar found a lawyer referral program set up by a county bar association and administered as a "community bulletin board/web page" on a non-profit community bulleting

board did not qualify as a referral program, but simply another form of direct advertising and thus was required to apply with all applicable rules.

The Iowa Bar also found lawyers may not participate in a computerized communications service that, upon request, provides to other subscribers the names of lawyers and law firms who subscribe to the service. This communication service constituted a referral service to which lawyers would give something of value, which would be improper. Likewise, a lawyer may not participate in "Attorney Find Inc." an Internet advertising program that charges annual listing fees for listing under as many category headings as the lawyer wants.

The Massachusetts Bar has stated that the bar association may establish an Internet membership directory containing hypertext links to the home pages of individual members and that such a directory did not constitute a lawyer referral service. Interestingly, however, if an attorney's website recorded the e-mail addresses of visitors to the site for purposes of target solicitation (e.g., responding e-mails), then the web pages must be clearly labeled "advertising."

The Pennsylvania Bar found a lawyer may not participate in a real estate lead and referral program marketed through the Internet in which the lawyer would pay a fee in exchange for exclusive marketing rights within a certain area of the state.

A lawyer shall not directly or through a third person solicit, in person or by telephone, professional employment from a prospective client with whom the lawyer has no family or prior professional relationship, when a significant motive for the lawyer's doing so is the lawyer's pecuniary gain.

A lawyer shall not send a written communication to a prospective client for the purpose of obtaining professional employment if the person has made known to the lawyer a desire not to receive communications from the lawyer.

Washington has not adopted the ABA's 1989 amendments to the model rules that permit pre-recorded telephone solicitations. Such pre-recorded communications to individual potential clients would likely violate RPC 7.3 as a ban on direct telephone solicitation.

Lawyers may make presentations to groups, but lawyers may not follow up such group presentations with in-person or telephone solicitations. Barrie Althoff, the Washington State Bar Association's chief disciplinary counsel, notes in an article he wrote that follow-up e-mail solicitations are likely also prohibited. Washington State Bar News, May 1997.

The Tennessee Bar Association is one of the only state bar organizations prohibiting on-line transmissions with potential clients unless the attorney complies with certain enumerated requirements (Spamming effectively prohibited).

A lawyer's participation in an electronic bulletin board, chat group, or similar service may implicate the rules governing solicitation, to the extent that the lawyer seeks to initiate unrequested contact through a specific person or group through the use of such services.

The Arizona Bar found communication with a potential client via cyberspace to be permissible since there is not the same degree of confrontation and immediacy as with in person or telephone communications.

The Illinois Bar found that a lawyer's participation in an electronic bulletin board, chat group, or similar service may implicate the rules governing solicitation. Likewise, the Michigan, Utah and Massachusetts Bar Associations are more strict regarding solicitation and chat rooms.

When a lawyer participates in a chat group or other on-line service that may involve offering personalized legal advice to anyone who happens to be connected to the service, the recipients of the advice may become the lawyer's client.

Consider whether a "potential client" would believe that you were their attorney, and thus whether an attorney-client relationship has been established.

The Arizona Bar requires attorneys to answer only general legal questions since the lawyer cannot screen for potential conflicts and may run the risk of disclosing confidential information during a chat room session. A lawyer may communicate the fact that he or she does or does not practice in particular fields of law.

Iowa Bar: A law firm may not place an advertisement on a homepage/website that refers to "governmental relations," "lobbying," "administrative/regulatory matters," "governmental litigation," and "governmental procurement" notwithstanding the inclusion of a requisite disclaimer. Only lawyers, not law firms, may advertise areas of practice, and only after filing a compliance report with the Iowa Bar.

The name of a lawyer holding a public office shall not be used in the name of a law firm, or in communications on its behalf, during any substantial period which the lawyer is not actively and regularly practicing with the firm.

Lawyers may state or imply that they practice in a partnership or other organization only when that is the fact, and not simply practicing out of the same office.

Lawyers in private practice may not use a trade name. The Arizona Bar prohibits lawyers from using a trade name in their websites, but domain names are not firm names and therefore not subject to this limitation.

Kansas Bar: A lawyer employed by a corporation may not give customers of the corporation legal advice with technical computer advice when the advice is designed to sell a company's computer software package that purports to remedy legal problems. The Kansas Bar found this would intrude on the professional independent judgment on the lawyer regardless of whether there is fee splitting with a non-lawyer. The Kansas Bar further noted that a corporate lawyer who gives legal advice to corporate customers is not engaged in unethical fee splitting unless there was a direct or indirect charge by the corporation for that advice; if the cost of the legal service is recouped by the corporation through the sale of the company's product, this pass through is only an indirect rule violation.

The New York Bar allows lawyers to accept payment by credit card, including credit card transactions over the Internet, provided that the client's credit card information is kept confidential.

Netiquette AND Ethics on the Internet

Netiquette has been defined to mean proper behavior on the Internet, which has become increasingly more important because text-only messages fail to communicate other important information including facial expressions and tone. Thus, authors of electronic mail messages ("e-mail") typically use textual techniques to convey tone, such as: "emoticons," which are

emotional icons represented as punctuation (e.g., ":-)"); bracketed abbreviations for grin and big grin "<g>" and "<G>", respectively; and all caps to connote shouting. One commentator and grammarian believes that all e-mail is written correspondence and thus should not include any "cute" or nonstandard English and grammatical usage. P. O'Conner, Woe is I, The Grammarphobe's Guide to Better English in Plain English, G.T. Putnam's Sons, New York, p. 126 (1996). Ms. O'Conner also dissuades against nonstandard abbreviations and contractions, such as "IMHO" (in my humble opinion), "CLU" (see you later), "BTW" (by the way), and "pls" for please, "yr" for your and "thnx" for thanks.

To help you communicate effectively and avoid unintentionally offending the recipient of your e-mail, Virginia Shea has created ten rules of "netiquette," which are summarized below. Her ten "rules" of netiquette can be found, for example, at <http://www.albion.com/netiquette/corerules.html>.

First, "remember the human" - don't forget that the recipient of your message sees only the text, and not your tone, gestures, facial expressions, and other ways of communicating your message. Don't say anything that you would not say to the recipient face to face. Additionally, don't forget that e-mail is written communication, and as Microsoft has found, it can and will be used against you.

Second, "adhere to the same standards of behavior online that you follow in real life" - while the chances of "getting caught" are slim on the Internet, the same standards in real space apply to cyberspace. Breaking the law is not only illegal, but poor etiquette. Assume that everything you see or read on the Internet is copyrighted and should not be copied without the author's prior permission.

Third, "know where you are in cyberspace" - passing on gossip in a chat group with friends may be acceptable, but forwarding unsubstantiated rumors in a news group is unacceptable.

Fourth, "respect other people's time and bandwidth" - don't waste people's time on wordy messages you post for others, waste storage space in databases storing such messages, and clog telecommunication lines sending your message around. Provide important information at the beginning of your message or in a subject line so that others reading the message can quickly determine whether to read it. Avoid copying your message to multiple recipients who do not need, or do not care, about what you have to say.

Fifth, "make yourself look good on line" - make your spelling and grammar count and write articulately. Being clear, concise and intelligent will help you win friends and influence people in cyberspace. Also, don't swear or post messages for the sole sake provoking confrontation.

Sixth, "share expert knowledge" - don't be afraid to share your expert knowledge on a topic with someone who may have posted a question or raised an issue during a chat discussion. If you post a question, it's often polite to share answers you get with others who may find the answer relevant.

Seventh, "keep flame wars under control" - "flaming" (very emotionally expounding a position) has a tradition in cyberspace, but you should not perpetuate long strings of angry messages exchanged between parties.

Eighth, "respect other people's privacy" - you should not read another's e-mail, or otherwise hack into people's computers.

Ninth, "don't abuse your power" - even though you may know more than another in cyberspace, such as a system administrator, you should not abuse your authority, such as by reading private e-mail.

Finally, "be forgiving of other people's mistakes" - while you may be a cyberspace veteran, you should forgive novices and politely correct any violations of the above rules.

ISSUES SPECIFIC TO INTELLECTUAL PROPERTY PRACTICE

Overview: A Comparison of ABA Model Rules of Professional Conduct and the Rules of Professional Conduct In the United States Patent and Trademark Office

Canons of Professional Responsibility

"The Canons are statements of axiomatic norms, expressing in general terms the standards of professional conduct expected of practitioners in their relationships with the public, with the legal system, and with the legal profession." 37 C.F.R. § 10.20 (a)

Language of ABA Canons Compared to Language of PTO Canons

The language of the PTO Canons of Professional Responsibility and the American Bar Association Canons of Professional Responsibility are textually identical except that the PTO Canons use the term "Practitioner" in the place of "lawyer."

Canons Disciplinary Rules Before the PTO

Disciplinary Rules (different from the Canons) are mandatory in character and state the minimum level of conduct below which no practitioner can fall without being subject to disciplinary action. 37 C.F.R. § 10.20(b).

Outline of the PTO Code of Professional Responsibility

§ 10.20 Canons and Disciplinary Rules.

§ 10.21 Canon 1: A practitioner should assist in maintaining the integrity and competence of the legal profession.

§ 10.22 Maintaining integrity and competence of the legal profession.

§ 10.23 Misconduct.

§ 10.24 Disclosure of information to authorities.

§ 10.30 Canon 2: A practitioner should assist the legal profession in fulfilling its duty to make legal counsel available.

§ 10.31 Communications concerning a practitioner's services.

§ 10.32 Advertising.

§ 10.33 Direct contact with prospective clients.

§ 10.34 Communications of fields of practice.

§ 10.35 Firm names and letterheads.

§ 10.36 Fees for legal services.

§ 10.37 Division of fees among practitioners.

§ 10.38 Agreements restricting the practice of a practitioner.

§ 10.39 Acceptance of employment.

§ 10.40 Withdrawal from employment.

§ 10.46 Canon 3: A practitioner should assist in preventing the unauthorized practice of law.

§ 10.47 Aiding unauthorized practice of law.

§ 10.48 Sharing legal fees.

§ 10.49 Forming a partnership with a non - practitioner.

§ 10.56 Canon 4: A practitioner should preserve the confidences and secrets of a client.

- § 10.57 Preservation of confidences and secrets of a client.
- § 10.61 Canon 5: A practitioner should exercise independent professional judgment on behalf of a client.
- § 10.62 Refusing employment when the interest of the practitioner may impair the practitioner's independent professional judgment.
- § 10.63 Withdrawal when the practitioner becomes a witness.
- § 10.64 Avoiding acquisition of interest in litigation or proceeding before the Office.
- § 10.65 Limiting business relations with a client.
- § 10.66 Refusing to accept or continue employment if the interests of another client may impair the independent professional judgment of the practitioner.
- § 10.67 Settling similar claims of clients.
- § 10.68 Avoiding influence by others than the client.
- § 10.76 Canon 6: A practitioner should represent a client competently.
- § 10.77 Failing to act competently.
- § 10.78 Limiting liability to client.
- § 10.83 Canon 7: A practitioner should represent a client zealously within the bounds of the law.
- § 10.84 Representing a client zealously.
- § 10.85 Representing a client within the bounds of the law.
- § 10.87 Communicating with one of adverse interest.
- § 10.88 Threatening criminal prosecution.
- § 10.89 Conduct in proceedings.
- § 10.92 Contact with witnesses.
- § 10.93 Contact with officials.
- § 10.100 Canon 8: A practitioner should assist in improving the legal system.
- § 10.101 Action as a public official.
- § 10.102 Statements concerning officials.
- § 10.103 Practitioner candidate for judicial office.
- § 10.110 Canon 9: A practitioner should avoid even the appearance of professional impropriety.
- § 10.111 Avoiding even the appearance of impropriety.
- § 10.112 Preserving identity of funds and property of client.

Attorney-Client Privilege in Intellectual Property Litigation and Before the PTO

Two Basic Kinds of Privilege

Attorney-Client

"[P]rivilege remains an exception to the general duty to disclose" *Garner v. Wolfenbarger*, 430 F. 2d 1093 (5th Cir. 1970). Four elements are required to establish privilege. See *United States v. Shoe Mach. Corp.*, 89 F. Supp. 357, 358-59 (D. Mass. 1950). The four elements are: (1) the asserted holder of the privilege is or sought to become a client; (2) the person to whom the communication was made is a member of the bar of a court; (3) the communication relates to a fact of which the attorney is informed by his client in confidence in connection to legal services; and (4) the privilege has been claimed and not waived by the client, i.e., the communication must be made in confidence and not made in the presence of third parties.

Work-Product

Attorneys' mental impressions, conclusions, opinions or legal theories prepared in anticipation of litigation are generally protected as "work product." See Fed. R. Civ. P. 26(b)(3).

Work product immunity is different than the attorney-client privilege; it is a qualified immunity that can be overcome in some cases. An attorneys' mental impressions, conclusions, opinions or legal theories prepared in anticipation of litigation are generally protected. The work product privilege does not apply to the preparation and prosecution of patent applications. See *Golden Valley Microwave Foods v. Weaver Popcorn Co.*, 132 F.R.D. 204, 212 (N.D. Ind. 1990). Likewise, the identification of patents uncovered in patent searches conducted in anticipation of litigation are not protected from discovery. 5 Lester Horwitz et al., *Intellectual Property Counseling and Litigation* § 75.08[1][a] citing *EZ Loader Boat Trailers, Inc. v. Shoreline Trailer Sales*, 207 U.S.P.Q. §§ 1002, 1004 (N.D. Tex. 1979).

Patent and Trademark Searches and Investigation

"Opinions based on these search results conducted in anticipation of litigation are subject to the attorney-client privilege" *Id.* (citing *EZ Loader Boat Trailers, Inc. v. Shoreline Trailer Sales, Inc.*, 207 U.S.P.Q. 1002, 1004 (N.D. Tex. 1979)).

Attorney-client privilege will apply to "communications concerned with preparation of application, the scope of the claims to be made, patent prosecution procedures, and advice as to the merits of appealing an examiner's rejection." 5 Lester Horwitz et al., *Intellectual Property Counseling & Litigation* § 75.02[1], p. 75-11 (1998) (citing *Hercules Inc. v. Exxon Corp.*, 434 F. Supp. 136 (D. Del. 1977); *Burlington Indus. v. Exxon Corp.*, 65 F.R.D. 26, 34 (D. Md. 1974); *In re Natta*, 48 F.R.D. 319, 321 (D. Del. 1969); *Chore-Time Equip., Inc. v. Big Dutchman, Inc.*, 255 F. Supp. 1020 (D. Mich. 1966)).

Technical Data / Communications

There is a split of authority as to what extent technical communications between patent attorneys and the inventors is protected. As a result, the extent of protection afforded communications of a technical nature may vary from jurisdiction to jurisdiction.

The "Jack Winter" line of cases establishes the "conduit of information" view of the patent attorney (so named for two early decisions, *Jack Winter, Inc. v. Koratron Co.*, 50 F.R.D. 225, 166 U.S.P.Q. 295 (N.D. Cal. 1970) ("Jack Winter I") and *Jack Winter, Inc. v. Koratron Co.*, 54 F.R.D. 44, 46, 172 U.S.P.Q. 201 (N.D. Cal. 1971) ("Jack Winter II")). As the court stated in *Jack Winter I*,

Much of the information passing from client to attorney for purposes of preparation of patent application is technical material relating to descriptions of the products and/or processes sought to be patented, explanations of prior art, public use and sale, and samples of the product. So also in connection with the examination there is no room for game playing or withholding. As we view it, the attorney exercises no discretion as to what portion of this information must be relayed to the Patent Office. He must turn all such factual information over in full to the patent office pursuant to 35 U.S.C. § 112, and hence with respect to such material he acts as a conduit between his client and the Patent Office. As to all such matters it is concluded that a basic element required for the assertion of an attorney-client privilege is absent -- that is, a communication not for relay but for the attorney's ears alone.

Jack Winter I, 166 U.S.P.Q. at 297, 298. The Jack Winter line was recently followed by the United States District Court in Colorado. In *McNeil-PPC v. The Proctor & Gamble Co.*, 136 F.R.D. 666 (D. Colo. 1991), the defendant sought to depose the plaintiff's attorney, who had prosecuted a patent for the plaintiff. Plaintiff's attorney attempted to invoke client attorney privilege and the work product doctrine to avoid disclosure. The *McNeil-PPC* court stated that:

Because the patent attorney had a duty of disclosure at the time of the patent application, to that limited extent, this Court holds that the communications involved in processing the patent application are discoverable and that the attorney-client privilege is not a bar to discovery of this evidence. 136 F.R.D. 666 at 670.

A second line of cases has granted greater protection to attorney client communications. The Court of Claims in *Kongo Corp. v. United States*, 213 U.S.P.Q. 936 (Ct. Cl. 1980), stated that:

The attorney is not a mere conduit for either the client's communications containing the technical information or the technical information itself. . . . the reality of the cooperative effort put forth by the inventor and the attorney is far different from the Jack Winter portrayal. . . . The signed, sworn, and filed application might be considered a communication for relay and not for the attorney's ears alone, but the same cannot be said about the technical communications which preceded the signed, sworn, and filed patent application.

Id. at 940-41.[6] This Kongo line of cases was recently followed by the United States District Court for the Northern District of California in *Advanced Cardiovascular Systems Inc. v. C.R. Bard Inc.*, 25 U.S.P.Q.2d 1354 (N.D. Cal. 1992).[7] The *Advanced Cardiovascular* court, in denying disclosure of communications between inventor and attorney, stated that the position espoused by the *McNeil-PPC* court has "clearly been rejected." 25 U.S.P.Q.2d 1354 at 1356. The court stated that it was not comfortable with the suggested distinction between patent attorneys and other types of attorneys. Id. at 1356 n.2. The court instead went on to hold that:

The communications from inventor to patent lawyer, even those that are entirely technical, remain presumptively protected by the attorney-client privilege. We would consider ordering these communications disclosed only on a very compelling showing, e.g., that despite the presumption of confidentiality, the inventor in fact expected specific communications he or she made to patent counsel to be disclosed, without editing, to the PTO.

25 U.S.P.Q.2d 1354 at 1359. It is important to note, however, that the *Advanced Cardiovascular* court also stated:

As significant for present purposes, we believe that the nature of the dynamic between inventor and patent lawyer as an application is prepared supports an inference that the inventors assume that their private communications with counsel will remain confidential. Again we emphasize that what we are focusing on is expectations about communications, not expectations about substantive technical data itself.

25 U.S.P.Q.2d 1354 at 1358 (emphasis in the original).

Draft Patent Applications

"Draft patent applications are not protected by the attorney-Client privilege." 5 Lester Horwitz et al., *Intellectual Property Counseling & Litigation* § 75.02[3], p. 75-14.

The courts reason that the application is prepared for filing with the PTO and is therefore communication containing technical information, as opposed to legal advice. Id. (citing *Stryker Corp. Intermedics Orthopedics Inc.*, 24 U.S.P.Q.2d 1676, 1678 (E.D.N.Y. 1992)); see also *Quantum Corp v Western Digital Corp.*, 15 U.S.P.Q.2d 1062 (N.D. Cal. 1990) (ordering production of draft applications and transmittal letters); *Howes v. Medical Components, Inc.*, 7 U.S.P.Q.2d 1511 (E.D. Pa. 1988) (ordering production of draft applications and cover letters).

Other Non-Privileged Communications Relating to the PTO

The following have been held to be non-privileged:

- authorization by client to file application;
- business advice relating to the product;
- transmittal letters;
- the prosecution history and its papers;
- filing fee calculations;
- technical information communicated to counsel where a legal opinion was not called for or given; and
- documents to or from third parties.

5 Lester Horwitz et al., *Intellectual Property Counseling & Litigation* § 75.02[4], p. 75-15 (citing *Burroughs Wellcome Co. v. Barr Lab., Inc.*, 143 F.R.D. 611, 615 (E.D.N.C. 1992); *Westvaco Corp. v. International Paper Co.*, 23 U.S.P.Q. 1401, 1406-1407 (E.D. Va. 1991); *Bulk Lift Int'l, Inc. v. Flexcon & Sys., Inc.*, 122 F.R.D. 482, 492 (W.D. La. 1988); *Detection Sys., Inc. v. Pittway Corp.*, 96 F.R.D. 152, 155 (W.D.N.Y. 1982); *Ashland Oil, Inc. v. Delta Oil Prods. Corp.*, 209 U.S.P.Q. 151, 153 (E.D. Wisc. 1979); *Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146, 1168 (D.S.C. 1975); *Jack Winter, Inc. v. Koratron*, 54 F.R.D. 44, 47 (N.D. Cal. 1971)); see also *Quantum Corp. v. Western Digital Corp.*, 15 U.S.P.Q.2d 1062 (N.D. Cal. 1990) (ordering production of draft applications and transmittal letters).

Patent Agents

The attorney-client privilege acting under the supervision of an attorney and also acting alone has been extended to patent agents registered with the PTO. *Glaxo, Inc. v. Novopharm Ltd.*, 148 F.R.D. 535, 539 (E.D.N.C. 1993) *Stryker Corp. v. Intermedics Orthopedics, Inc.*, 145 F.R.D. 298, 304 (E.D.N.Y. 1992); *Chubb Integrated Sys. Ltd. v. National Bank of Wash.*, 103 F.R.D. 52, 56 (D.D.C. 1984). Cf. *Jabloner v. Korshak*, 194 U.S.P.Q. 165 (P.O. Bd. Int. 1976) (refusing to recognize privilege between applicant and patent agent who is not an attorney).

Patent agents and lawyers are bound by the same ethical rules. See *In re Ampicillin Antitrust Litig.*, 81 F.R.D. 377, 393 (D.D.C. 1978); *Vernitron Med. Prods., Inc. v. Baxter Labs., Inc.*, 186 U.S.P.Q. 325 (D.N.J. 1975).

Duty of Candor and the Attorney-Client Privilege

Breaching one's duty of candor violates the PTO Code of Professional Responsibility and can result in sanctions or disbarment. 37 C.F.R. § 10.23 (c)(10); *Jaskiewicz v. Mossinghoff*, 822 F.2d 1053, 1057 (Fed. Cir. 1987) ("[W]here a person entitled to practice before the PTO has breached that duty of candor . . . it may well be appropriate or necessary to issue sanctions directly against that attorney"); *Kingland v. Dorsey*, 338 U.S. 318, 319 (1949) (affirming disbarment for breach of the duty of candor); *Klein v. Peterson*, 866 F.2d 412, 417 (Fed. Cir. 1989) (affirming two-year suspension and five-year probation for violating duty of candor).

Federal Circuit dicta regarding the attorney-client privilege offers three distinctive views. In *Molins PLC v. Textron, Inc.*, 48 F.3d 1172 (Fed. Cir. 1995), the issues of inequitable conduct arose from the simultaneous representation of two clients before the PTO. While the court

resolved the matter of inequitable conduct on other grounds, it did speak to the issue of attorney-client privilege in dicta:

[D]ual representation of two clients seeking patents in closely related technologies created a risk of sacrificing the interest of one client for that of the other and of failing to discharge his duty of candor to the PTO with respect to each client.

Whether or not there was a conflict of interest, however, is not before us, and we express no opinion thereon. Nor do we express any opinion regarding the apparent conflict between an attorney's obligations to the PTO and the attorney's obligation to clients.

Nies, J., dissenting in part states, "Smith's representation of clients with conflicting interests provides no justification for deceiving the PTO." (reaching the conflict of interest issue and finding that the duty to the PTO outweighs any duty arising from the conflicting interests of two clients).

Newman, J., dissenting in part states, "[Smith's] obligation to preserve the confidentiality of his client Lemelson was absolute." (implying that the attorney's duty to his client supersedes the general duty to the PTO).

Unauthorized Practice of Law

Lawyer Competency - What the Lawyer Should Do, As Opposed to What the Lawyer is Allowed to Do[8]

IP Litigation

Trademark Practice

Copyright Practice

Patent Practice

Trade Secret Practice

General IP Counseling

Technology Licensing

Antitrust

Practicing Patent Law

Patent Agents, Lawyers, and Non-lawyers

In patent practice, representation of an applicant may be undertaken by either an attorney, or an agent, provided that registration to practice before the Patent and Trademark Office has been obtained. Pro se prosecution of a patent application is permitted. The PTO will not aid in selection of an attorney or agent. See 37 C.F.R. § 1.31.

A registered patent agent is not an attorney. See *Blodgett v. United States*, 214 U.S.P.Q. 407 (Ct. Cl. 1980). Tax deduction for costs associated with legal education of patent agent ruled not deductible as job related expense: "...a registered patent agent is simply not an attorney."

Patent agents cannot appeal the rejection of patent claims by the PTO to the US Court of Appeals for the Federal Circuit even when the appeal is based on claims drafted by the patent agent.

Unauthorized Representation as a Practitioner is Strictly Forbidden

General practitioners forbidden to practice before Patent and Trademark Office in patent matters unless registered. See *Vernitron Med. Prod., Inc. v. Baxter Labs., Inc.*, 186 U.S.P.Q. 324 (D.N.J. 1975). Although general practitioners may appear in courts where admitted, they cannot prosecute applications before the Patent and Trademark Office.

Patent and Trademark Office determines qualification and fitness to practice before it in patent matters. See *In re Doe*, 26 U.S.P.Q.2d 1235 (Comm'r Pat. 1993): Courses in Mathematics and Statistics not sufficient to demonstrate requisite scientific and technical knowledge necessary to qualify for Patent and Trademark Office registration examination. See also *Leeds v. Mossbacher*, 14 U.S.P.Q.2d 1455 (D.C. 1990): Applicant for registration as Patent Agent who was formerly an Examiner with the Patent and Trademark Office denied waiver of examination based upon his involuntary termination as Patent Examiner; *Weiffenbach v. Gould*, 18 U.S.P.Q.2d 1397 (Comm'r Pat. 1989) Attorney suspended from practice of law in Maine received reprimand for failure to inform Office of Enrollment and Discipline of suspension from practice of law. *Stein v. Coleman*, 214 U.S.P.Q. 118 (S.D.N.Y. 1982). Attorney employed as patent attorney for corporation not allowed admission to bar without examination based upon law which permits waiver of examination where applicant had actively practiced law.

Former Patent Examiners are prohibited for two years from working on matters related to their work at the PTO. 37 C.F.R. §§ 10.10(b) and (c). Work on prohibited matters can prevent registration / reinstatement of the agent to the patent bar and can result in patent invalidity. *Kearney & Trecker Corp. v. Gidding & Lewis, Inc.*, 452 F.2d 579, 171 U.S.P.Q. 650 (7th Cir. 1971); see also *Beall v. Kearney & Trecker Corp.*, 350 F. Supp. 978, 175 U.S.P.Q. 410 (D. Md. 1972).

Patent preparation is practice of law. See *Lefkowitz v. Napatco, Inc.*, 212 U.S.P.Q. 617 (N.Y. App. Div. 1980). Patent preparation is not clerical activity, but one that can only be performed by registered patent attorney or agent, and is therefore legal service within meaning of state law. See also *State of New York v. Lawrence Peska Assoc., Inc.*, 201 U.S.P.Q. 321 (N.Y. 1977): preparation of patent applications constitutes the practice of law in the State of New York. Although state cannot regulate activities by non-lawyer practitioners registered before the U.S. Patent Office, state has authority to control non-lawyers not so registered as unlicensed practice of law within state.

State Regulation of Patent Lawyers and Agents

States cannot regulate practice of registered attorneys and agents not members of State Bar. See *Sperry v. Florida*, 373 US 378, 137 U.S.P.Q. 578 (1963). "...since patent practitioners are authorized to practice only before the Patent Office, the State maintains control over the exercise of law within its borders, except to the limited extent necessary for the accomplishment of the federal objectives."

States not precluded from regulating unlicensed activity when federal registration is lacking; see *In re Amalgamated Dev. Co. & Blasius*, 195 U.S.P.Q. 194 (D.C. Cir. 1977). Although state cannot interfere with patent practice by registered practitioner (see *Sperry v. Florida*) state does not interfere with any federal objective where state imposes its own licensing requirements upon

unregistered and unlicensed practitioner. State is not precluded from concurrently preventing unlicensed practice of law even though the Commissioner may also punish such activity.

Penalties For Unauthorized Practice of Law

Implied cause of action for unregistered representation in patent cases under 35 U.S.C. § 33. See *Arnesen v. The Raymond Lee Organization, Inc.*, 172 U.S.P.Q. 1 (D. Cal. 1971): Implied right of action exists under 35 U.S.C. § 33 where party is a member of the class that the statute was intended to protect. *Enders v. American Patent Search Co.*, 189 U.S.P.Q. 569 (9th Cir. 1976): 35 U.S.C. § 33 not an act relating to patents, but to unregistered activity. *Leblanc v. Spector*, 183 U.S.P.Q. 408 (D. Conn. 1973). Implied right of action for unlicensed patent preparation under 35 U.S.C. § 33. Here, civil action was permitted under 28 U.S.C. § 1338(a).

"Whoever, not being recognized to practice before the Patent and Trademark Office, holds himself out or permits himself to be held out as so recognized, or as being qualified to prepare or prosecute applications for patent, shall be fined not more than \$1,000 for each offense."

Practicing Trademark Law

Representation of an applicant for Federal Trademark registration must be undertaken by an attorney. No registration to practice before the Patent and Trademark Office is required. An exception exists if the non-lawyer was recognized to practice before the Patent and Trademark Office in trademark matters prior to January 1, 1957. See 37 C.F.R. § 10.14; see also Jennifer Stiver Chicoski, *A Trademark Attorney's Ethical Guide to the Patent & Trademark Office and Its Code of Professional Responsibility*, 8 *Georgetown J. of Legal Ethics* 1013 (1994-95).

Individuals Who May Practice Before the PTO in Trademark and Other Non-Patent Cases. Attorneys

Any individual who is an attorney may represent others before the Office in Trademark and other non-patent cases. An attorney is not required to apply for registration or recognition to practice before the Office in trademark and other non-patent cases.

Non-lawyers

Individuals who are not attorneys are not recognized to practice before the Office in trademark and other non-patent cases, except that individuals not attorneys who were recognized to practice before the Office in trademark cases under this chapter prior to January 1, 1957, will be recognized as agents to continue practice before the Office in trademark cases.

Pro se representation before the Patent and Trademark Office in trademark matters is permitted. Office will not aid in the selection of an attorney. See 37 C.F.R. § 2.11.

Applicants may be represented by an attorney. The owner of a trademark may file and prosecute his or her own application for registration of such trademark, or he or she may be represented by an attorney or other individual authorized to practice in trademark cases under § 10.14 of this subchapter. The Patent and Trademark Office cannot aid in the selection of an attorney or other representative.

Representation in Trademark matters by Registered Patent Agent forbidden. See *Weiffenbach v. Frank*, 18 U.S.P.Q.2d 1397 (Comm'r Pat. 1991): Patent agent who was not attorney violated Patent and Trademark Office Code of Professional Responsibility by representing for a fee trademark applicants before Patent and Trademark Office. Patent agent received reprimand.

Representation by Patent Agent in Trademark matters may lead to exclusion from patent practice. See *Weiffenbach v. Klempay*, 18 U.S.P.Q.2d 1397 (Dept. of Comm. 1994): Patent agent who is not an attorney who represented trademark applicants before the Patent and Trademark Office excluded from practice as Patent Agent.

Practicing Copyright Law

The following persons are legally entitled to submit an application form:

The author. This is either the person who actually created the work or, if the work was made for hire, the employer or other person for whom the work was prepared.

The copyright claimant. The copyright claimant is defined in Copyright Office regulations as either the author of the work or a person or organization that has obtained ownership of all the rights under the copyright initially belonging to the author. This category includes a person or organization who has obtained by contract the right to claim legal title to the copyright in an application for copyright registration.

The owner of exclusive right(s). Under the law, any of the exclusive rights that go to make up a copyright and any subdivision of them can be transferred and owned separately, even though the transfer may be limited in time or place of effect. The term "copyright owner" with respect to any one of the exclusive rights contained in a copyright refers to the owner of that particular right. Any owner of an exclusive right may apply for registration of a claim in the work.

The duly authorized agent of such author, other copyright claimant, or owner of exclusive right(s). Any person authorized to act on behalf of the author, other copyright claimant, or owner of exclusive rights may apply for registration.

There is no requirement that applications be prepared or filed by an attorney.

United States Copyright Office Circular No. 1, Copyright Basics,
<http://lcweb.loc.gov/copyright/circs/circ1.html>.

Conflicts of Interest in Intellectual Property Practice

Adverse Parties in Contemporaneous Litigation and Representation in Non-litigation Matters

· *The Gilman Corp. v. The Gilman Brothers Co.*, 20 U.S.P.Q.2d 1238 (Comm'r Pat. 1991)
Disqualification of attorney in trademark cancellation proceeding not warranted, even assuming that attorney "expressly or inherently" represented adverse party in patent matter since no showing of "substantial relationship" was shown.

· *Parker Chem. Co. v. Widger Chem. Corp.*, 225 U.S.P.Q. 336 (E.D. Mich. 1984) (law firm that had pending trademark applications for an accused trade secret misappropriator should be disqualified from representing trade secret owner in action against accused misappropriator).

· *Koehring Co. v. The Manitowoc Co., Inc.*, 192 U.S.P.Q. 144 (E.D. Wisc. 1976) Attorney that represented patent owner in patent validity suit is disqualified from representing accused infringer in action involving same patents.

Former-Client Conflicts

· *Kearns v. Fred Lavery Porsche Audi*, 223 U.S.P.Q. 881 (Fed. Cir. 1984) (upholding district court disqualification of attorney who had represented a client in an infringement action when

the attorney had been consulted earlier by the patent owner regarding representation in a patent infringement action involving the same patents against another defendant).

· *DCA Food Industries, Inc. v. Tasty Foods, Inc.*, 227 U.S.P.Q. 874 (W.D. Wisc. 1985). Attorney who had represented assignor when subpoenaed as a third party witness in a suit involving patent validity is not disqualified from representing defendants in subsequent patent infringement proceedings brought by patent assignee since assignee failed to demonstrate that it submitted confidential information to attorney.

· *SMI Industries Canada Ltd. v. Caelter Industries, Inc.*, 223 U.S.P.Q. 742 (N.D.N.Y. 1984) (absent evidence that the attorney "ought to" testify in a pending action, and absent evidence that continued representation would prejudice the party seeking disqualification, disqualification of counsel was not required under Canon 5 for an attorney who formerly handled intellectual property matters for company whose assets were acquired by party seeking disqualification).

· *Abbott Lab. v. Centaur Chem. Corp., Inc.*, 214 U.S.P.Q. 670 (N.D. Ill. 1980) (law firm representing Centaur Chemical in a patent matter not disqualified from representing Centaur where attorney had previously represented Abbott in a patent interference unrelated to the present proceeding).

· *Cameron Iron Works, Inc. v. Hydril Co.*, 208 U.S.P.Q. 672 (S.D. Texas 1980), firm representing Cameron disqualified when one member of firm was formerly a patent attorney in charge of Hydril's patent matters at a different law firm when a patentability and infringement study was prepared relating to the subject matter of case.

Imputed Disqualification

· *Panduit Corp. v. All States Plastic Mfg. Co., Inc.*, 223 U.S.P.Q. 465 (Fed. Cir. 1984) (partner of law firm who was previously associated with another firm where patent owner's counsel was retained to handle a foreign patent filing is not disqualified from representing an accused infringer, where the partner had no involvement in any matter related to the patent owner).

· *L. Gore and Associates, Inc. v. International Medical Prosthetics Research Associates, Inc.*, 223 U.S.P.Q. 884 (Fed. Cir. 1984) (upholding disqualification of attorneys of law firm who represented an accused infringer where one of the partners had worked directly for the patent owner in a substantially related case, and whose other partner, now accused infringer's lead counsel, had been an associate in a firm that represented the patent owner in a prior related case).

· *EZ Paints Corp. v. Padco, Inc.*, 223 U.S.P.Q. 1065 (Fed. Cir. 1984) (upholding district court decision disqualifying law firm in an infringement action where disqualified attorneys, who had previously worked with the patent owner in the same action did not delay joining the firm until litigation was completed, and where the firm failed to shield the disqualified attorneys once they had arrived).

· *Sunkist Growers, Inc. v. The Benjamin Ansehl Co.*, 221 U.S.P.Q. 1077 (Comm'r Pat. 1984) (although disqualification of a member of a law firm will generally lead to disqualification of the firm, each case must be decided on its facts. Since the disqualified attorney is an associate as opposed to a partner, the use of screening avoids disqualification of firm).

· *Plus Prod. v. Con-Stan Industries, Inc.*, 221 U.S.P.Q. 1071 (Comm'r Pat. 1984) (attorney disqualified in trademark opposition matter since petitioner was able to show that attorney was petitioner's former attorney, who now represents an adverse party).

- *Beghin-Say v. Rasmussen*, 212 U.S.P.Q. 614 (Comm'r Pat. 1980) (the threshold question in disqualification cases is whether attorney had attorney-client relationship with party seeking disqualification).
- *General Electric Co. v. The Valeron Corp.*, 203 U.S.P.Q. 1053 (6th Cir. 1979) (disqualification of attorney by trial court upheld where substantial relationship shown by access to files, patents, patent applications, and access to confidential disclosures).
- *Hooper v. Steelplank Corp.*, 215 U.S.P.Q. 829 (E.D. Mich. S. Div. 1981) (it is improper to assist one client in obtaining a patent, then to assist another client in proving that the patent was not valid).
- *Schloetter v. Railoc of Indiana, Inc.*, 192 U.S.P.Q. 566 (7th Cir. 1976) (attorney precluded from representing accused infringer when attorney was responsible for prosecution of original patent).
- *The Foxboro Co. v. Spectrum Assoc. Inc.*, 213 U.S.P.Q. 439 (D. Mass. 1981) (attorney's work on single patent application not sufficient to disqualify firm from representation in a trademark matter adverse to former client, since matter not "substantially related").

PTO Conflicts and Conflicts with Former Government Lawyers

- *SCM Co. v. Aktieselskrabet Niro Atomizer*, 212 U.S.P.Q. 93 (Comm'r Pat. 1981) (disqualification of practitioners in proceedings before the Patent and Trademark Office is discretionary with the Commissioner, but the Commissioner has adopted the Code of Professional Responsibility of the American Bar Association as the standard which governs conduct in disqualification cases).
- *Phillips Petroleum, Inc. v. Hercules, Inc.*, 212 U.S.P.Q. 757 (Comm'r Pat. 1980) (former examiner was precluded from representing party in a patent reissue protest where the former examiner had substantial responsibility in matter while in government service).
- *Friedman v. Lehman*, 40 U.S.P.Q.2d 1206 (D.C. 1996) (upholding public reprimand issued by Commissioner of Patents and Trademarks to attorney that testifies as expert witness in proceeding where patents that that he had examined while Examiner at Patent Office were at issue. See 37 C.F.R. § 10.111(b); former patent office employees prohibited from accepting "private employment in a matter in which he or she had personal responsibility while a public employee").

Duty of Candor to the PTO

Under 37 C.F.R. § 1.56(a) (1995), each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the U.S. Patent and Trademark Office ("PTO"). This duty includes the duty to disclose to the PTO all information known to that individual to be material to the patentability of a pending U.S. patent application. "Individuals associated with the filing or prosecution of a patent application" are defined under 37 C.F.R. § 1.56(c) as:

Each inventor named in the application, each attorney or agent who prepares or prosecutes the application, and every person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assigned or with anyone to whom there is an obligation to assign the application.

"Information material to the patentability" of an application is defined under 37 C.F.R. § 1.56(b) as information that is not cumulative to information of record in the application and which: (1)

establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim, or (2) refutes, or is inconsistent with, a position that the applicant takes in (i) opposing an argument of unpatentability that the PTO relies on, or (ii) asserting an argument of patentability.[9] Failure to comply with the duty of disclosure can result in any issued patent as being declared unenforceable based on an inequitable conduct attack.

Inequitable Conduct

In general, even though a patent may be valid, a patent may be deemed unenforceable by reason of inequitable conduct. *Paragon Podiatry Lab. v. KLM Labs.*, 984 F.2d 1182, 1193 (Fed. Cir. 1993); *LaBounty Mfg. v. United States Int'l Trade Comm'n*, 958 F.2d 1066, 1070 (Fed. Cir. 1992). Therefore, inequitable conduct may be used as an affirmative defense to patent infringement. See *Molins PLC v. Textron*, 48 F.3d 1172, 1177 (Fed. Cir. 1995); *Paragon*, 984 F.2d at 1184.

The doctrine of inequitable conduct prevents a party from enforcing a patent that was procured by breaching the duty of candor owed to the PTO during prosecution of the patent. *LaBounty*, 958 F.2d at 1070. A court may determine that inequitable conduct has occurred when it finds that an associated individual, such as the patent applicant/inventor or the applicant's attorney, intentionally withheld material information from the PTO during prosecution of the patent.[10] A determination of inequitable conduct is left to the discretion of a judge; a party does not have a constitutional right to a trial by jury on this issue. *General Electro Music Corp. v. Samic Music Corp.*, 19 F.3d 1405, 1408 (Fed. Cir. 1994); *Paragon*, 984 F.2d at 1190.

Specifically, a party shows inequitable conduct by producing clear and convincing evidence that material information was misrepresented or not disclosed to the PTO with intent to deceive the PTO. *Molins PLC*, 48 F.3d at 1178. To be intentional, knowledge of the information or "prior art" and its materiality needs to be chargeable to the associated individual. *Id.* Thus, the prior art must be "material" and the applicant / associated individual must have "intended" to deceive the PTO.

Essentially, information is considered material if there is a substantial likelihood that a reasonable patent examiner would have considered such information important in determining whether to allow the application to issue as a patent. *Id.* at 1178. Whether or not the information would actually have been relied upon by the PTO is irrelevant. *Merck & Co. v. Danbury Pharmaceutical*, 10 U.S.P.Q.2d 1682, 1686 (Fed. Cir. 1989). However, a finding that a withheld reference anticipates a claim (thus rendering it invalid) satisfies "the most stringent standard of materiality." *Fox Indus. v. Structural Preservation Sys.*, 17 U.S.P.Q.2d 1579, 1581 (Fed. Cir. 1990).

Intent to deceive the PTO can be proved directly or inferred from the surrounding circumstances. *Molins PLC*, 48 F.3d at 1180-81. However, intent to deceive can be inferred from the circumstances only when "the involved conduct, viewed in light of all the evidence, including evidence indicative of good faith, [is sufficiently culpable] to require a finding of intent to deceive." *Id.* at 1181 (citing *Kingsdown Med. Consultants v. Hollister, Inc.*, 863 F.2d 867 (Fed. Cir. 1988)); see also *Paragon*, 984 F.2d at 1189. In particular, gross negligence by itself is not sufficient to justify an inference of intent to deceive; rather the "conduct in its totality" needs to manifest a state of mind indicating that the conduct was inequitable. See *Consolidated Aluminum Corp. v. Foseco Int'l Ltd.*, 910 F.2d 804, 808-809 (Fed. Cir. 1990). In practice, such a standard may be difficult to meet because it requires clear and convincing evidence. *LaBounty*, 958 F.2d at 1070. However, a party need not submit proof of the associated individual's actual state of mind. *General Electro Music*, 19 F.3d at 1411. To establish a prima facie case (which must be disproved by the patent holder), the party charging inequitable conduct can produce

evidence of an unexplained violation of the duty of candor. *Paragon*, 984 F.2d at 1192. In a case involving nondisclosure of information, the evidence must show that "the applicant made a deliberate decision to withhold a known material reference. *Molins PLC*, 48 F.3d at 1181. To disprove this showing, the patent holder may need to refute this evidence with more than a "mere denial of intent to mislead." *LaBounty*, 958 F.2d at 1076; *General Electro Music*, 19 F.3d at 1411.

Determinations of inequitable conduct have been made based upon proof of misleading arguments to the PTO in conjunction with the withholding of highly pertinent contemporaneously known prior art. *LaBounty*, 958 F.2d at 1076. For example, in *LaBounty*, the court found inequitable conduct when the patentee failed to disclose prior sales or public use of related devices. In *Trilogy Communications, Inc. v. Comm Scope Co.*, 754 F. Supp. 509 (W.D.N.C. 1990), a court found inequitable conduct when the patentee failed to disclose known similar results available from the prior art, internal memoranda unfavorably describing a method documented in the patent specification, and a known more pertinent patent than that cited by the patent examiner.

In addition, inequitable conduct has been found where the patentee made a deliberate decision to withhold a known material reference from the PTO, even without misleading statements. See *Molins PLC*, 48 F.3d. In *Molins*, the original prosecuting attorney failed to disclose to the PTO a reference that was cited in related foreign prosecution. *Id.* at 1181. The attorney had represented in the foreign prosecution that the reference was the "closest prior art" and over the ten years involved had on numerous occasions been reminded of the materiality of the reference. *Id.* Attached below as Appendix A is a summary of cases addressing inequitable conduct.

A successful determination of inequitable conduct has powerful consequences. Under the doctrine of inequitable conduct, all claims of a patent are unenforceable if a court establishes inequitable conduct with respect to any one claim. See *Fox*, 17 U.S.P.Q.2d at 1581. Moreover, if one patent in a suit of related patents is found unenforceable due to inequitable conduct, then, under the equitable doctrine of unclean hands, a court has discretion to also find the other related patents unenforceable. See *Consolidated Aluminum*, 910 F.2d at 809-12; *Fox*, 17 U.S.P.Q.2d at 1581. In essence, the doctrine of unclean hands provides that a person who seeks equity from a court "must come with clean hands," implying that to obtain fairness, one must operate in a fair manner. See *Consolidated Aluminum*, 910 F.2d at 809. Patents in a lawsuit can be considered related, for the purpose of finding that the inequitable conduct extends to all of the patents, if the inequitable conduct found in one patent "has an immediate and necessary relation" to the remedy sought in court. *Id.* at 810. Such a relation may be established if, for example, the patents in a lawsuit relate to the same subject matter and the granting of later patents was based in some part upon the inequitable conduct. See, e.g., *id.* at 811-12; *Keystone Driller Co. v. General Excavator Co.*, 290 U.S. 240 (1933).

Citing Information From One Client's Application in Another Client's Application

One interesting issue involves a conflict between a patent attorney's duty of candor to the PTO and the duty of confidentiality to multiple clients. In other words, what duty does an attorney representing both clients A and B have toward the PTO when he or she becomes aware of material information during the prosecution of client A's patent application which is relevant to client B's patent application" The M.P.E.P. states at § 2001.06 that:

All individuals covered by 37 C.F.R. § 1.56 have a duty to disclose to the Patent and Trademark Office all material information they are aware of regardless of the source of or how they become aware of the information. Materiality controls whether information must be disclosed to the

Office, not the circumstances under which or the source from which the information is obtained. If material, the information must be disclosed to the Office.

M.P.E.P. § 2001.06, 6th ed., Jan. 1995 (emphasis in original). The M.P.E.P. additionally states that:

Individuals covered by 37 C.F.R. § 1.56 have a duty to bring to the attention of the patent examiner information within their knowledge as to other co-pending United States applications which are "material to patentability" of the application in question . . . accordingly the individuals . . . must . . . bring such applications to the attention of the patent examiner.

M.P.E.P. § 2001.06(b), 6th ed., Jan. 1995. Although the M.P.E.P. then recites the example of a particular inventor who must disclose information from different pending applications material to the present application, the language is clearly broad enough to cover cases in which the material information comes from applications of different inventors or clients.

M.P.E.P. § 2001.06 was recently interpreted by the Federal District Court, District of Delaware in *Molins PLC v. Textron, Inc.*, 821 F. Supp. 1551 (D. Del. 1992). In that case, attorney Smith represented Williamson, a Molins inventor in the prosecution of a patent application while at the same time representing Jerome Lemelson in the prosecution of an application involving similar technology. The District Court found that Smith's failure to disclose the co-pending application of Lemelson during the prosecution of the Williamson application constituted inequitable conduct because (1) the court found that claim 11 of the Lemelson application was material to the patentability of claim 160 of the Williamson application, and (2) because the court inferred an intent to deceive the PTO from the fact of Smith's dual representation of Molins and Lemelson. 821 F. Supp. 1551 at 1577, 1578.

The Federal Circuit reversed the District Court's finding of inequitable conduct. In *Molins PLC v. Textron*, 48 F.3d 1172 (Fed. Cir. 1995), the Federal Circuit stated that it did not "express any opinion regarding the apparent conflict between an attorney's obligations to the PTO and the attorney's obligation to clients," 48 F.3d 1172 at 1185, but "regarding Smith's obligation to the PTO, which is before us, we agree with Smith that Textron failed to establish by clear and convincing evidence that inequitable conduct occurred in the non-disclosure of claim 11 of the Lemelson application." *Id.* The Federal Circuit found that Lemelson claim 11 was not material because it was cumulative art already made of record during the prosecution of the Williamson patent. 48 F.3d 1172 at 1186.

Textron had also asserted that Smith took inconsistent positions before the PTO in the course of his dual representation, although Textron did not assert that this in itself amounted to inequitable conduct. The reviewing court found that the assertions Smith made during the prosecution of the Williamson patent were not inconsistent with the statements he made during the prosecution of the Lemelson patent. *Id.*

Thus, the Federal Circuit did not find inequitable conduct where the information discovered during the prosecution of one client's application is not material to the prosecution of another client's application. The court specifically did not address (because it did not have to) the situation which arises when the information pertaining to client A is material to client B's application and a conflict arises between the duty of confidentiality owed by the attorney to the client and the duty of disclosure owed by the attorney to the PTO.

[1] Website may no longer be viable.

[2] "Of course it is also possible for someone to gain access to another's password and use that person's computer to send out inauthentic messages. This is a common but low-tech method of spoofing as well." Robert L. Jones, Client Confidentiality: A Lawyer's Duties with Regard to Internet E-Mail (1995), <http://www.kuesterlaw.com/netethics/bjones.htm>.

[3] Website may no longer be viable.

[4] See examples of facsimile and e-mail disclaimers in earlier section of this paper.

[5] Why is the Arizona Bar so active" Because it was forced early to deal with an issue of "spamming."

- "Spamming" is a random indiscriminate posting of items (often advertisements) on computer bulletin boards or by e-mail.

- Notorious "green card" incident - April 1993, two immigration lawyers in a Phoenix firm posted an ad to thousands of Internet news groups.

- Over 30,000 irate recipients "flamed" the firm for breaking the unwritten rules of "netiquette" that prohibit unsolicited advertising.

- The firm's Internet access was dropped by their ISP.

- The lawyers were never disciplined for any ethics violations.

- Arizona Bar responded by noting that solicitations sent to all members of a particular group (a listserv of environmental matters) are acceptable.

- Washington State has enacted an anti-spamming law.

ftp://ftp.leg.wa.gov/pub/rcw/title_19/chapter_190/.

[6] See also *FMC Corp. v. Old Dominion Brush Co.*, 229 U.S.P.Q. 150 (W.D. Mo. 1985), in which the court stated that:

the attorney-client privilege protects communications from a client to its counsel, not the information contained in the communication. The expectation of confidentiality applies to the communication but not to the information contained in the communication.

229 U.S.P.Q. 150, 151.

[7] Interestingly, the Advanced Cardiovascular court in the Northern District of California did not follow the Jack Winter line, although both Jack Winter cases were decided by the Northern District of California, while the McNeil-PPC court, in Colorado did follow the Jack Winter line. Perhaps the fact that the Jack Winter line was decided by Jack Doyle, a Colorado District Court judge sitting by designation in the Northern District of California, has some bearing on this outcome.

[8] See Chief Justice Warren Burger, *The Special Skills of Advocacy: Are Specialized Training & Certification of Advocates Essential to Our System of Justice* 42 Fordham L. Rev. 227 (1973) (charging that between 1/3 and 1/2 of the nation's trial lawyers were incompetent).

[9] 37 C.F.R. § 1.56(b) further defines a prima facie case of unpatentability as being established when "the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability."

[10] Rule 1.56 was modified in part in 1992 to more clearly delineate what sort of information may be considered material to the PTO. Any changes to a patent applicant's duty of disclosure or that affect the rule's use in defending against an inequitable conduct assertion will likely apply only to applications submitted after promulgation of the new rule.