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TOWNSEND**

ATTORNEYS AT LAW

Ethics for IP Lawyers

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SAN FRANCISCO INTELLECTUAL PROPERTY LAW ASSOCIATION

Disqualification Motions

Boston Scientific Corp. v. Johnson & Johnson, Inc. (8/25/09) (2009) 647 F.Supp.2d 369 (D.Del. 2009) – court refuses to disqualify Howrey on behalf of Wyeth despite the fact that Wyeth is a current client of the firm and is directly adverse to Wyeth in this case, because there has been an ethical wall erected, the matters in representation are unrelated, and are being handled out of widely separated offices.

Merck Eprova AG v. Prothera, Inc. (9/17/09) (2009) 670 F.Supp.2d 201 (S.D. N.Y. 2009) – motion to disqualify law firm based upon the firm's representation of two joint owners (Bayer and Merck) of a patent application, even though virtually all the communications during prosecution were with only one of the joint owners Bayer, not Merck which is seeking disqualification. The patent application covered a compound that is included in the product at issue in the underlying case, an unfair competition, false advertising, and trademark infringement case.

Skyy Spirits, LLC v. Rubyy, LLC (11/9/09) (2009) 2009 WL 3762418 (N.D. Cal. 2009) – motion to disqualify plaintiff's counsel based upon the long time relationship of that counsel with Kanbar, who founded the plaintiff firm and was its long time owner, sold the firm and later founded the defendant firm. The allegations in the motion are that plaintiff's counsel formerly represented not only the plaintiff, but also Kanbar personally in matters unrelated to the corporate client, is now representing Skyy against Kanbar's new company. Motion denied as the former representation was unrelated to the current case, and the 8 month delay in bringing the motion prejudices plaintiff.

Wyeth v. Abbott Laboratories (2/8/10) (2010) 692 F.Supp.2d 453 (D. N.J. 2010) – in this action, Boston Scientific is one of the defendants, and is represented by Howrey. Howrey also represents Wyeth and the parties are directly adverse. This court accepts the findings of the district court in a related case involving the same parties and cites some of the same factors, and others to reverse the magistrate judge's ruling and declines to disqualify Howrey.

E2 Interactive, Inc. v. Blackhawk Network, Inc. (5/17/10) (2010) 2010 WL 1981640 (W.D. Wis. 2010) – motion to disqualify Alston & Bird based upon alleged representation of Safeway Inc. of which Blackhawk is a subsidiary. Safeway refused to execute an agreement with Alston that provided that the representation was only of Safeway and not any of its subsidiaries. Alston was also hired to represent a coalition of which Blackhawk was a member and gave advice directly to Blackhawk concerning the lobbying matters Alston was doing for the coalition. None of these facts persuaded the magistrate judge that the firm should be disqualified.

GSI Commerce Solutions, Inc. v. BabyCenter, LLC (8/18/10) (2010) 618 F.3d 204 (2d Cir. 2010) – law firm is properly disqualified as it represented a wholly-owned subsidiary of Johnson & Johnson and the corporate HQ provides a variety of business services to the subsidiary, including legal services, and exercises some management control over the subsidiary and the law firm, at the same time, represented Johnson & Johnson on a variety of other matters.

Fujitsu Limited v. Belkin International, Inc. (12/22/10) (2010) 2010 WL 5387920 (N.D. Cal. 2010) – a defendant, Netgear, moves to disqualify Baker Botts from representation of Fujitsu, based upon the law firm's representation of Netgear in separate, non-related reexamination proceedings, as well as in

Netgear's indemnification agreements with its chipset suppliers and manufacturers. Upon realizing that they had a problem, Baker Botts sought a waiver from Netgear which was refused. Despite that, Baker Botts filed the present infringement action against Netgear and others. Motion granted.

Other Issues: Screening (Ethical Walls), Privilege, Subject Matter Conflict, Mediation Confidentiality, New Rules

Cassel v. Superior Court (Wasserman, Comden, Casselman & Pearson LLP) (1/13/11) (2011) 2011 WL 102710, ___ Cal.4th ___, ___ CR3d ___ – mediation confidentiality protects communications between attorney and client, even those made outside the presence of opposing mediation participant and mediator.

Gucci America, Inc. v. Guess?, Inc. (1/3/11) 2011 WL 9375, ___ FSupp2d ___ (SD NY 2011) – because the client has a reasonable belief that its in-house attorney was a fully licensed lawyer, the fact that he was on inactive status does not preclude assertion of the attorney-client privilege.

Tethys Bioscience Inc. v. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo (6/4/10) 2010 WL 2287474 (N.D. Cal 2010) – alleged breach of fiduciary obligations has been pleaded in firm's prosecuting two patent applications for two clients in closely related fields and there are allegations that there was confidential client information that was disclosed to benefit the other client.

Franklin Mint Co. v. Manatt, Phelps & Phillips LLP (5/3/10) (2010) 184 Cal. App.4th 313, 109 CR3d 143 – malicious prosecution case can go forward, as no reasonable attorney could find tenable the false advertising claims that the firm had filed on behalf of its client, nor was there a reasonable claim for dilution.

Akzo Nobel Chemicals Ltd. v. European Commission (4/29/10) European Court of Justice, Case C-550/07 P – the Advocate General of the EU has argued in a document filed in this case that an in-house lawyer cannot be considered sufficiently independent of the employer-client to permit invoking attorney client privilege even if the lawyer is admitted to practice in the particular country and that country recognizes the privilege for communications with in-house counsel.

Kirk v. First American Title Insurance Co. (4/7/10) (2010) 183 Cal. App.4th 776, 108 CR3d 620 – imputed conflict of interest does not require automatic disqualification of law firm.

Oasis West Realty, LLC v. Goldman (3/3/10) (2010) 182 Cal. App.4th 688, 106 CR3d 539 – attorney may take positions adverse to former client where there is no breach of the duty of loyalty and confidentiality of client information is not compromised. **N.B. Petition for review granted June 9, 2010.** (2010 WL 2572716)

Proposed new Rules of Professional Conduct, Approved by the Board of Governors of the State Bar September, 2010

Patent Malpractice Cases in Federal Court

Air Measurement Technologies, Inc. v. Akin Gump Strauss Hauer & Feld, LLP (10/15/07) (Fed. Cir. 2007) 504 F3d 1262 –

Immunocept, LLC v. Fulbright & Jaworski, LLP (10/15/07) (Fed. Cir. 2007) 504 F3d 1281 –

Lockwood v. Sheppard, Mullin, Richter & Hampton (4/30/09) (2009) 173 Cal. App.4th 675, 93 CR3d 220 – state court lacks subject matter jurisdiction where the allegations are that the defendant law firm made false representations in its requests for reexamination of plaintiff's patents and federal law governs substantial issues related to patents in the complaint.

Touchcom Inc. v. Bereskin & Parr (8/3/09) 574 F3d 1403 (Fed. Cir. 2009) – U.S. District Court has jurisdiction over Canadian patent firm in a malpractice case that alleges that the firm failed to include certain source code in a PCT filing.

Davis v. Brouse McDowell LPA (3/2/10) (2010) 596 F3d 1355 (Fed.Cir. 2010) – malpractice action against law firm alleging that the firm had failed to file 3 PCT applications. Case was removed to Federal Court from state court; Federal court has jurisdiction but case is dismissed because plaintiff had failed to show that patents would have issued but for the law firm's negligence.

Landmark Screens, LLC v. Morgan, Lewis & Bockius, LLP (3/29/10) (2010) 183 Cal. App.4th 238, 107 CR3d 373 – state court lacks jurisdiction over legal malpractice case in which there are key patent issues; only Federal court has jurisdiction .

Carter v. ALK Holdings Inc. (5/24/10) (2010) 605 F3d 1319 (Fed.Cir. 2010) – federal jurisdiction exists for a claim against a patent practitioner who represented two parties in conflict over the inventorship in an application because the standards of practice before the PTO are governed by federal law.

Tethys Bioscience Inc. v. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo (6/4/10) 2010 WL 2287474 (N.D. Cal 2010) – alleged breach of fiduciary obligations has been pleaded in firm's prosecuting two patent applications for two clients in closely related fields and there are allegations that there was confidential client information that was disclosed to benefit the other client.

ARC Products LLC v. Kelly (10/27/10) (2010) 2010 WL 4363427, ___ FSupp2d ___ (E.D. Mo. 2010) – malpractice case for failure to meet deadlines in prosecuting patent applications is properly in state court rather than federal

E-Pass Technologies, Inc. v. Moses & Singer, LLP (11/5/10) (2010) 189 CA4th 1140, 117 CR3d 516 – legal malpractice action that alleges that defendant attorneys misled the plaintiff into bringing non-viable claims, abandoning their fiduciary obligations, gouging the client with unreasonable attorney fees, subjecting the client to liability for costs and fees of the defendants in the underlying cases, failed to conduct a pre-filing investigation, failed to discover evidence of infringement because there was none, and should have known that there was no legitimate evidence to support any claims asserted. These claims do not require a resolution of a substantial question of federal patent law, there is no need to prove what the proper outcome of the federal court action should have been.

Mindys Cosmetics, Inc. v. Dakar (7/6/10) (2010) 611 F3d 590 (9th Cir. 2010) – anti-SLAPP motion by attorney is denied even though the lawsuit arises from the protected act of filing an application to register a trademark with the USPTO.

Byrne v. Wood, Herron & Evans, LLP (7/30/09) 2009 WL 2382415, 92 USPQ2d 1755, ___ FSupp2d ___ (ED KY 2009) – expert witness in a legal malpractice case involving the patent application process must have experience in legal malpractice cases, not just in patent applications.