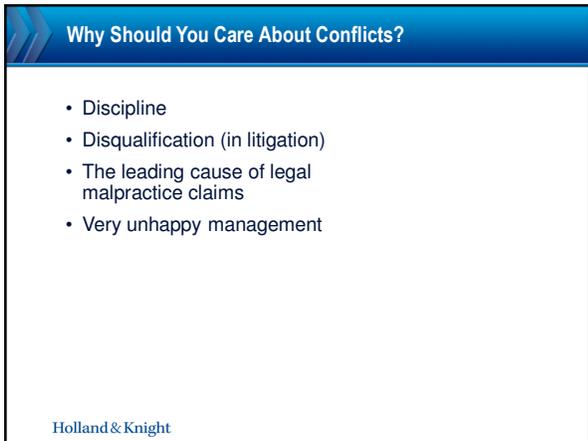


**Conflicts of Interest in Patent Law:
Novel Problems with Non-Obvious
Solutions**

Calon Russell

Holland & Knight

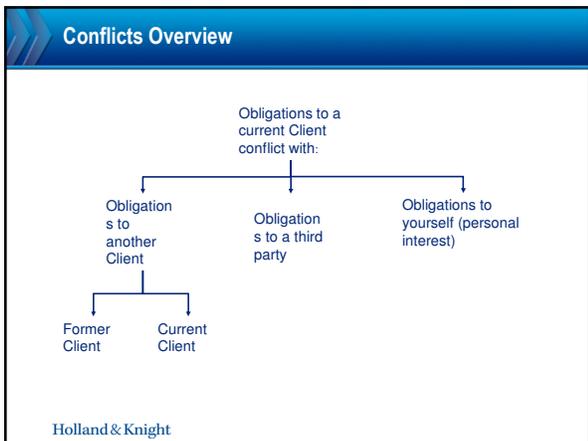
Copyright © 2016 Holland & Knight LLP. All Rights Reserved



Why Should You Care About Conflicts?

- Discipline
- Disqualification (in litigation)
- The leading cause of legal malpractice claims
- Very unhappy management

Holland & Knight



Conflicts Overview

```

graph TD
    A[Obligations to a current Client conflict with:] --> B[Obligations to another Client]
    A --> C[Obligations to a third party]
    A --> D[Obligations to yourself (personal interest)]
    B --> E[Former Client]
    B --> F[Current Client]
  
```

Holland & Knight

Current Client Conflicts

- » Representation of one client in any matter directly adverse to another client of the firm OR where there is a significant risk that the representation of one client will be materially limited by responsibilities to another
- » Relationship between the matters is irrelevant
- » Imputation (the mi conflict es su conflict rule)
- » Often, though not always, waivable

Holland & Knight

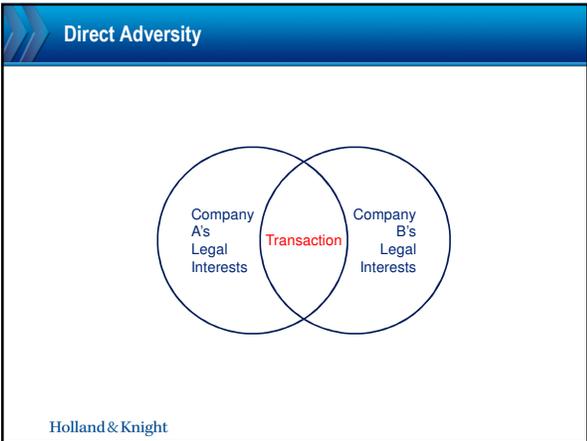
**Direct Adversity:
Why is Patent Law Special (i.e., Difficult)?**

- » Patent Prosecution
 - Conflicts rules care about adverse *legal* interests rather than adverse *economic* interests. See Model Rule 1.7, Comment [6].
 - It is unclear where patent prosecution falls on this spectrum.
- » Patent Law Generally
 - Patents get bought/sold/licensed/assigned. I.e., your legal work may end up in the hands of another person/entity. This is less common with most other legal interests.
 - Normal method of tracking conflicts (by client) does not work as well.

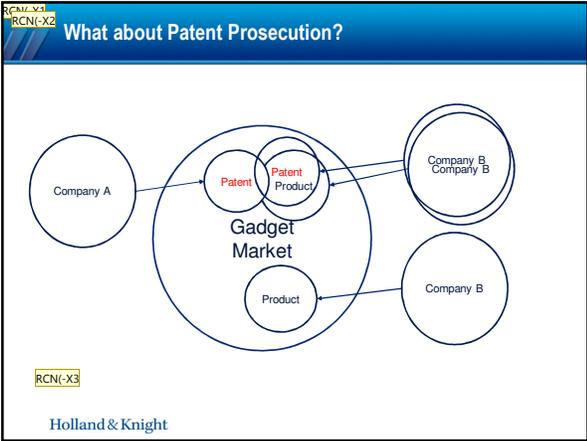
Holland & Knight

Direct Adversity

Holland & Knight







Material Limitation

» Even if direct adversity does not exist, consider whether a material limitation exists

Holland & Knight 10

Potential Problem Areas

- Overlap between the applications (are they identical or obvious variants)
 - Can both clients get what they want?
- Would a reasonable patent attorney foresee the likelihood of a dispute (interference or derivation proceedings)?
- Claim shaving
- Opinion letter
- Prior art (antedating)
- Office action

Holland & Knight

Hypothetical(s)

- » You represent Company A and Company B on separate matters.
- » In researching a potential patent for Company A, you find that Company B owns pertinent prior art.
- » Can you write an patentability opinion distinguishing Company B's prior art?
- » Does the answer depend on whether you worked on Company B's prior art?
- » Assuming you worked on the prior art, does the answer change if Company B has since assigned the prior art to Company C, a non-client?

Holland & Knight

Former Client Conflicts

- » MRCP 1.9
 - (a) A lawyer who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client gives informed consent, confirmed in writing.

Holland & Knight

Hot Potato Doctrine

- Current client conflicts are more restrictive than former client conflicts
 - Former client conflicts only exists in substantially related matters.
- You may not drop a current client "like a hot potato" in order to make it a former client
 - Especially not to keep a more lucrative client happy



Holland & Knight

How to Manage Risk

- » Conflict Checking Systems
- » Engagement Letters
- » Waivers
- » Withdrawal

Holland & Knight

Conflict Checking Systems

- » Client/Matter Based
- » Product Based
- » Claim Based

Holland & Knight

Engagement Agreements

- » Client Identification
 - Parent/Sub/Affiliate
 - Inventor/Assignee
- » Scope limitations
- » Confidentiality Limitations

Holland & Knight

Waivers

- » General Requirements
 - Informed consent
 - Confirmed in writing
- » Advance Waivers
 - How do you get informed consent?

Holland & Knight

Withdrawal/Disengagement

- » MRPC 1.16
 - Conflict = Mandatory Withdrawal (absent a waiver)
 - Permissive Withdrawal is usually an option.
- » Disengagement helps prevent current client conflicts.

Holland & Knight

Trade Secret (time permitting)

- » Lawyer B works for Bob Corp., and therefore knows its trade-secret process for manufacturing the Thingamabob.
- » Can Lawyer B accept work for Thingamajig related to its trade-secret process(es)?
- » What if Lawyer B is done representing Bob Corp.?

Holland & Knight

Holland & Knight

Holland & Knight



Calon Russell | Holland & Knight
Holland & Knight LLP
2300 U.S. Bancorp Tower, 111 S.W. Fifth
Avenue | Portland, OR 97204
Phone 503.243.5866 | Fax 503.241.8014
calon.russell@hkllaw.com | www.hkllaw.com

Calon Russell is a member of Holland & Knight LLP's Legal Profession Team ("LPT"). The LPT is a group of approximately 25 lawyers across 9 offices who represent lawyers and law firms. Among other areas of practice, the LPT provides advice and representation in connection with the ethical, fiduciary and related issues that arise when lawyers and law firms become direct targets in disputes with clients or opposing parties/lawyers, or when disputes arise internally at law firms. Mr. Russell advises lawyers and law firms in connection with disqualification motions, privilege disputes, covert investigations, and general compliance with ethical obligations, among other areas covered by the LPT.

Holland & Knight 23
