Patent Opinions, Privileges, and the Advice of Counsel Defense to Claims of Willful Patent Infringement: Litigation Counsel Caught in the Crossfire

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by
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Introduction

The comfortable lines drawn by intellectual property litigators to ensure confidentiality of work undertaken for alleged infringers in patent cases are disintegrating. The papers and communications of patent litigation defense counsel, once thought to be safely undiscoverable, may now be exposed to the eyes of careful patentees. Courts and litigators are currently grappling with the scope of the waiver of the attorney-client privilege and work product protection triggered by invoking the advice of counsel defense to willful patent infringement. A series of recent decisions at the district court level regarding the scope of the waiver could dramatically alter common practices of attorneys on both sides of the counsel table in patent litigation.¹

Accused patent infringers stand to lose the most from the storm forecasted by the recent district court decisions. Perhaps the most expansive discovery order in this new series of cases reasoned and ordered, “[i]t is difficult to imagine the circumstances where the standard for discovering the vast majority of work product will not be met in an advice of counsel case . . . . All documents containing work product relevant to the infringement issue must be produced.”² That decision did not distinguish between opinion and litigation counsel.³

Another less expansive order, more typical of the current trend, provided:

To the extent that trial counsel has documents or responsive information as to what was said to or by an alleged infringer on the subject matter of the opinion letters, the documents and information are discoverable. Further, in cases where an alleged violation may be continuing, trial counsel must also disclose all mental impressions, conclusions, or legal theories communicated to the client which contradict or cast doubt on the opinion letter or the bases of the letter.⁴

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² Mushroom Assocs., 24 U.S.P.Q. 2d at 1770.

³ See infra text accompanying notes 134-142.

⁴ RSA Data Sec., No. C96-20094 SW PVT (citations omitted). Though the decision concerning a motion to compel discovery was limited by Magistrate Judge Patricia V. Trumbull “to the facts of this case, and the particular circumstances underlying the present
Such orders may force litigation counsel to disclose documents relating to litigation strategy because those documents discuss the merits and drawbacks of patent opinions previously drafted by other attorneys. The trend could therefore have a devastating effect on an attorney's ability to provide advice. The risk of inadvertently disclosing litigation strategy to an opponent may prevent defense counsel in patent litigation from properly developing and discussing strategy with the client.

A thoughtful treatment of the issue, like the one undertaken by the court in the unpublished *RSA Data Security* opinion, demonstrates the catch-22 currently faced by the courts. The attorney-client privilege and work product protections are only waived if the alleged infringer asserts the "advice of counsel" defense to a claim of willful infringement. Where the alleged infringer invokes this defense, it seems only fair that the opposing party have a full opportunity to review, and impeach, the documents and other evidence supporting the position. Further, Federal Circuit precedent allows a jury to draw inferences against alleged infringers on the issue of willfulness if the alleged wrongdoer did not obtain an opinion from legal counsel.\(^5\) The "choice" of an alleged infringer not to waive the privilege or work product protection is therefore frequently an illusion.\(^6\) Unless sufficiently limited, the expanding scope of the waiver may force litigation counsel to disclose every document communicated to the client to their opponents. A broad waiver of discovery protection could allow a patentee's counsel to depose clients regarding otherwise privileged conversations with their attorneys, or perhaps examine the trial attorneys, if the attorney somehow "cast doubt" on an existing patent opinion.

The best possible solution to this dilemma is to draw a new line to enforce the waiver of discovery protection. That line is best drawn at the time of filing an infringement claim - documents drafted prior to the time of filing would be discoverable while those drafted after filing would remain protected.

Modern patent practitioners recognize that an attorney issuing a patent opinion is required to provide documents, and potentially other testimony, to a plaintiff relating to the opinion if the accused infringer

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5. See *infra* notes 50-54 and accompanying text.

invokes the advice of counsel. Practitioners, however, frequently assume a separate law firm representing an alleged infringer in litigation would be immune from compelled discovery absent an express written waiver of work product protection. For example, one commentator advised his readers,

The client can also take steps to limit the scope of waiver. One such practice involves using one law firm to obtain an infringement opinion letter and a second law firm for litigation. As a result, if the client is forced to produce an opinion letter from counsel, communications made with the second law firm may be shielded from discovery because the communications did not provide the opinion.7

Another set of commentators reasoned,

A practice which may help to limit the scope of future discovery is to use one law firm to provide an opinion letter (so that the firm is the only source of counsel on this matter) while designating a second law firm to handle any future litigation which may occur on the matter. In effect the first law firm is shielded from all other information. Although this idea may be difficult to implement, the effort may be justified at a later date when the client raises a state-of-mind defense based upon the opinion letter. Because of the precaution, discovery may be limited to only the first law firm.8

Recent developments in the law demonstrate that these recommendations rest on an unstable premise. If the current trend of expanding the scope of the waiver continues, following such a recommendation could be extremely costly. Litigation counsel may be forced to disgorge documents regardless of whether a different law firm drafted the patent opinion on which the alleged infringer chose to rely.9 This possible symptom of an enlarged scope of the waiver is not

9. One could imagine that the resulting shift of incentives could hasten the decline of the market for "patent boutiques." Drafting patent opinions is a lucrative business for such ventures, as clients attempt to follow the guidance described above. See supra notes 7-8 and accompanying text. This shift may encourage trends already evident in the shape of patent practice, both by tightening the market for the services of "patent boutiques" and by removing the disincentive for larger, full-service law firms to avoid building a practice involving the issuance of patent opinions. See generally Henry J. Reske, Riding the Brain Train: Many Intellectual Property Lawyers are Making the Move from Boutiques to Full-
as serious from a policy perspective as for its effect on attorney-client relations.

This Note first outlines the procedural context in which the "scope of the waiver" issue arises. Part I explains the role of opinion and litigation counsel in a typical patent infringement action. Part I will pay special attention to Federal Circuit case law regarding use of the "advice of counsel" defense to willful infringement, and the resulting importance of patent opinions. Part II examines the scope of the waiver issue, noting the common reliance of counsel in patent matters on separate opinion counsel to ostensibly limit the scope of the waiver. Part III analyzes the recent series of federal district court opinions which cast doubt on patent litigation counsel's ability to limit opponent access to documents once thought to be privileged. Part IV proposes a solution to the dilemma, suggesting ways in which the underlying policy justifications for the attorney-client privilege and work product doctrines may be protected, while allowing plaintiff's counsel access to documents which should be available during discovery in patent cases. This Note concludes by suggesting that a line should be drawn at the time of filing a patent infringement action, after which litigation counsel's documents should not be discoverable.

I

Setting the Stage: Opinion Counsel, Litigation Counsel, and the Advice of Counsel Defense

A general understanding of the procedural setting in a "typical" patent infringement case is essential to unpacking the discovery protection waiver issues discussed here. The basics of the situation are deceptively straightforward: The alleged infringer in a patent matter will typically do the utmost to prove that the patent held by the plaintiff is invalid, and that even if the patent is valid, the alleged infringer did not actually infringe the patent. The advice of an attorney in the form of a legal opinion concerning validity and

Service Megafirms, A.B.A. J., Feb., 1997, at 30 (noting the continued movement of "patent boutique" attorneys to larger law firms); Amy Stevens, The Business of Law: Lawyers & Clients, WALL ST. J., Jan. 20, 1995, at B3 (discussing competing motives for organizing law firms as specialized "boutiques" or more generalized providers of a broad range of legal services).
infringement (the "patent opinion") is an important tool for possible infringers to gauge their rights and liabilities. Most important for the purposes of this Note, the patent opinion communicated to the alleged infringer is the cornerstone of the advice of counsel defense against claims of willful patent infringement. Stated simply, an alleged infringer may escape treble damages by demonstrating that it relied on the advice of its lawyer before making, using, or selling the infringing invention.

The following section provides a brief overview of patent practice. It is intended to highlight the strategic decisions surrounding invocation of the advice of counsel defense, as well as the potential problems associated with determining the scope of the resulting waiver of discovery protection.

A. Acquiring the Patent

The vast majority of patents granted by the Patent and Trademark Office (PTO) are not litigated. The process by which someone acquires a patent is, however, essential to the future success or failure of the patentee's case. It is axiomatic that the patent must be valid, and the defendant's actions must actually infringe the patent in order for the patentee to win. The defendant in a patent matter will, if possible, attack the validity of the plaintiff's patent in order to destroy the case before the court even reaches the question of infringement.

An invention may follow a myriad of paths from its conception in the mind of an inventor to the final award of a patent. The validity of

10. "In 1985, the [PTO] granted 57,302 patents and accepted 125,931 applications; by last year those numbers had climbed to 114,241 and 236,679 respectively, according to the PTO." Mark Walsh, Patently Ridiculous?, RECORDER: INTELLECTUAL PROPERTY, Oct. 1996, at 24 (magazine). An unscientific survey indicates the disparity of the small number of patent infringement actions filed with the vast number of patents granted. A search of Westlaw using the words "patent infringement" with a 1996 date limitation reveals 151 reported district court opinions and 306 total cases.

11. The Patent Act provides, "[w]hoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States, or imports into the United States any patented invention during the term of the patent therefor, infringes the patent." 35 U.S.C. § 271(a) (1994).

12. The question of patent validity is one of three factors considered in the typical legal opinion, issued by the counsel of a possible infringer. See infra Part I.B. An alleged infringer's reliance on such a legal opinion, as proof of lack of willfulness in any infringement which may have occurred, is the essential element of the advice of counsel defense. Id.
the resulting patent depends in large part on the ability of an inventor's attorney to demonstrate that the path taken by the invention complied with the strict demands of the Patent Act.13 Future litigation frequently focuses on the factual questions regarding the inventor's activities prior to seeking a patent. These questions include whether the patent was made obvious14 or was not novel based on existing documentation of similar inventions (called "prior art"),15 and whether the inventor, often through the inventor's patent prosecutor, used good faith in seeking to obtain a patent from the PTO.16 The patent prosecutor must engage in a dialogue with the PTO, during which the PTO highlights the shortcomings of the patent application, while the patent prosecutor seeks to persuade the PTO that the invention is entitled to a patent.17

14. 35 U.S.C. § 103 (1994). The "obviousness" or "section 103" inquiry requires the trier of fact to determine whether the "subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." Id. See Reed Marcy, Note, Patent Law's Nonobviousness Requirement, 19 HASTINGS COMM/ENT L.J. 199 (1996) (examining court approaches to determining nonobviousness). See generally Graham v. John Deere Co., 383 U.S. 1 (1966) (affirming the validity of 35 U.S.C. § 103).
15. 35 U.S.C. § 102(a)("invention...known or used by others in this country, or patented or described in a printed publication" unpatentable), § 102(b)("invention...patented or described in a printed publication...or in public use or on sale...more than one year prior to the date of the application for patent in the United States" unpatentable), § 102(c)(inventor who "abandoned the invention" not entitled to patent), § 102(d)(invention patented abroad over one year before filing patent application in the United States unpatentable), § 102(e)("invention described in a patent granted on an application for patent by another...before the invention thereof by the applicant" unpatentable), § 102(f)(inventor who "did not himself invent the subject matter sought to be patented" not entitled to patent), § 102(g)("before the applicant's invention...the invention was made...by another who had not abandoned, suppressed, or concealed it" precludes grant of patent)(1994). The "novelty" or "section 102" requirements for patentability frequently require an intensive factual inquiry. These requirements are designed to preserve the United States' "first to invent" patent policy. See Marcy, supra note 14.
17. "During the patenting process, which typically lasts 18 months or longer, an examiner may send a patent back two or three times with questions or comments for the applicant to address before finally approving or rejecting it." Walsh, supra note 10, at 26-27. The dialogue with the PTO while the patent is prosecuted results in an accumulation of
A competent patent prosecutor, able to both understand the technological "art" surrounding the invention as well as the sometimes byzantine rules and regulations surrounding proper patent drafting and prosecution, is therefore essential to ensuring that a patent is upheld by a court as valid. The manner in which a patent is drafted, and supported with specifications, is also critical to creating the broadest possible rights.

Drafting pitfalls may also result in a subsequent finding of patent invalidity by a court. Drafting errors may also destroy a patent documentation known as the "file history" or "wrapper" (because of the package in which it is contained) of a patent. See Dragseth, supra note 6, at 176 & n.51. A patent's file wrapper is a matter of public record, and is often critical evidence in the development of a patent opinion and, if necessary, in subsequent litigation. See, e.g., York Prods., Inc. v. Central Tractor Farm & Family Ctr., 99 F.3d 1568, 1575 (Fed. Cir. 1996) (citing Vitronics Corp. v. Conception, Inc., 90 F.3d 1576, 1582-83 (Fed. Cir. 1996)).


20. For example, recent developments in the law regarding software patentability require strict adherence to proper drafting standards. The patent prosecutor must have some knowledge of these standards in order to draft a patent that will actually protect the software. See, e.g., Nancy J. Link & Karen A. Buchanan, Patent Protection for Computer-Related Inventions: The Past, the Present, and the Future, 18 HASTINGS COMM/ENT L.J. 659, 661-62 (1996). The key issue surrounding the grant of software patents is whether the patent as drafted reads exclusively on a mathematical algorithm, which is non-statutory subject matter since an algorithm is the equivalent of a force of nature. See Diamond v. Diehr, 450 U.S. 175 (1981) (interpreting 35 U.S.C. § 101); In re Alappat, 33 F.3d 1526 (Fed. Cir. 1994)(en banc); In re Lowry, 32 F.3d 1579 (Fed. Cir. 1994). The PTO recently issued guidelines which a patent attorney may follow to determine the fine line between drafting statutory and non-statutory claims for software patents. Examination Guidelines for Computer Related Inventions, 61 Fed. Reg. 7478 (1996); see also Link & Buchanan, supra.

Interpretation of the Patent Act as applied to computer software has become increasingly important to the computer industry in recent years. See, e.g., Richard H. Zaitlen & Wendy Yang, Software Patents: Vendors Rush to Protect Innovations, MICROTIMES, Nov. 4, 1996, at 122. Part of the reason for the computer industry's reliance
holder's ability to successfully claim infringement even if the patent itself was validly issued. The alleged patent infringer will, in the vast majority of patent cases, conduct extensive discovery on each of these issues.

B. Infringement, Litigation, and Limitations on Discovery

The Patent Act grants a “statutory monopoly” allowing the patentee to exclude others from making, using, offering to sell, or selling the patented invention. Upon discovering that someone may be infringing the patentee's patent, the patentee may exercise a number of options. Among these, the patentee may send a notice of infringement to the alleged infringer, requesting that the infringer cease their actionable conduct. The patentee may suggest (or more likely demand) that the infringer pay the patentee a royalty in exchange for permission to make, use, or sell the invention. The patentee may also simply file a patent infringement action against the alleged infringer, providing no notice whatsoever.

1. Notice of Infringement and the Alleged Infringer's Duty of Care

The patentee will generally provide the possible infringer with actual notice that their own patent already exists, and that the possible infringer is engaged in some form of wrongful conduct. Providing

on patent law is the development of Federal Circuit case law allowing patent protection of software and clarifying the murky waters of Supreme Court jurisprudence in the field. See generally Link & Buchanan, supra. Recent Supreme Court and Second Circuit (traditionally the leading jurisdiction on matters of copyright law) decisions limiting the applicability of copyright protection to computer software have also made the software patent the preferred method of protecting software. See Zaitlen & Yang, supra at 122 (commenting on Computer Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992), and Lotus v. Borland, 49 F.3d 807 (1st Cir. 1995), aff'd, 116 S. Ct. 804 (1996)).


22. See 35 U.S.C. § 271 (1994); see generally Paper Converting Mach. Co. v. Magna-Graphics Corp., 745 F.2d 11, 18-21 (Fed. Cir. 1984)(discussing reach of impermissible infringement under section 271). The Patent Act does not give the patentee the right to actually make, use, or sell the invention themselves, but only to exclude others from such activity. Active inducement of infringement and contributory infringement are also actionable under the Act. See 35 U.S.C.§ 271(b), (c).

23. See, e.g., Kloster Speedsteel AB v. Crucible, Inc., 793 F.2d 1565, 1580 (Fed. Cir. 1986), cert. denied, 479 U.S. 1034 (1987); Underwater Devices, Inc. v. Morrison-Knudsen Co., Inc., 717 F.2d 1380, 1384 (Fed. Cir. 1983); but see Gustafson, Inc. v. Intersystems Indus. Prods., Inc., 897 F.2d 508, 509 (Fed. Cir. 1990)(sustaining finding that alleged infringer “was aware of each of the patents only ‘as of’ the date on which suit was filed on each.”); State Indus., Inc. v. A.O. Smith Corp., 751 F.2d 1226, 1236 (Fed. Cir. 1985).
this notice may serve a number of strategic purposes. First, when the
patentee does not provide prior notice that their patent exists, the
patentee can only claim additional damages for willful infringement
under the Patent Act in extremely limited circumstances. Second,
providing actual notice to a possible infringer triggers a series of legal
duties with which the alleged infringer must comply. Actual notice is
also the first step toward forcing an alleged infringer to invoke the
advice of counsel defense and the first step toward the discovery crisis
which is the focus of this Note.

Receiving notice that a patent exists upon which a firm or
inventor may be infringing, the alleged wrongdoer “has the duty to
‘exercise due care to determine whether or not he is infringing.” An
alleged infringer’s failure to live up to its duty of care can, in certain
circumstances, exponentially increase damages owed to the patentee.
The Federal Circuit explains,

Under section 284 of The Patent Act, damages may be enhanced
up to three times the compensatory award. An award of enhanced
damages for infringement, as well as the extent of the enhancement,
is committed to the discretion of the trial court. While no statutory
standard dictates the circumstances under which the district court
may exercise its discretion, the Federal Circuit has approved such
awards where the infringer acted in wanton disregard of the patentee’s
patent rights, that is, where the infringement is willful.

Additionally, the Patent Act provides that “[t]he court in
exceptional cases may award reasonable attorney fees to the

1985)(patentee commences infringement suit only twenty-two days after acquiring patent
and without providing actual notice to the alleged infringer).

24. The Federal Circuit explains, “[a] party cannot be found to have ‘willfully’
infringed a patent of which the party had no knowledge.” Gustafson, Inc. v. Intersystems
Indus. Prods., Inc., 897 F.2d 508, 511 (Fed. Cir. 1990). Though the patentee is not required
to provide the alleged infringer with actual notice of its infringing conduct, the patentee
must demonstrate that the alleged infringer knew the patent in question existed. Id. at 510.

Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 1389-90 (Fed. Cir. 1983)).

26. The Patent Act provides:
Upon finding for the claimant the court shall award the claimant damages
adequate to compensate for the infringement, but in no event less than a
reasonable royalty for the use made of the invention by the infringer, together
with interest and costs as fixed by the court. When the damages are not found by
a jury, the court shall assess them. In either event the court may increase the
damages up to three times the amount found or assessed.
35 U.S.C. § 284 (emphasis added). For a general discussion of patent damages, see Harold

prevailing party." A finding of willful infringement frequently satisfies the requirement that the case be "exceptional," allowing the award of attorney fees. Though the court has the power to enhance damages for willful infringement, the court is not obliged to do so. The Federal Circuit painstakingly points out that a proper decision regarding whether or not the alleged infringer lived up to their duty of care, or engaged in willful infringement, requires consideration of the "totality of circumstances" surrounding the defendant's conduct. The key to the "willfulness" inquiry is the alleged infringer's state of mind, and the advice of counsel defense is often used to demonstrate that the accused reasonably believed no wrong had been committed.

The Federal Circuit provides some guidance concerning the willfulness inquiry in Bott v. Four Star. The court explains that the totality of the circumstances include:

1. whether the infringer deliberately copied the ideas or design of another;
2. whether the infringer, when he knew of the other's patent protection, investigated the scope of the patent and formed a good-faith belief that it was invalid or that it was not infringed, and
3. the infringer's behavior as a party to the litigation.

For example, an alleged infringer's good faith defense of their conduct during litigation may stand as evidence of their lack of willfulness. The factors set forth in Bott, while not exhaustive, are

29. Ryco, Inc. v. Ag-Bag Corp., 857 F.2d 1418, 1429 (Fed. Cir. 1988)(citing Bott, 807 F.2d at 1574); see also Avia Group Int'l, Inc. v. L.A. Gear Cal., Inc., 853 F.2d 1557, 1567 (Fed. Cir. 1988)("Although an award of attorney fees, because discretionary, does not automatically follow from the willfulness of an infringement, ... our cases uniformly indicate that the willfulness of the infringement ... may be a sufficient basis in a particular case for finding the case 'exceptional.' ") (citations omitted).
30. See, e.g., Read Corp., 970 F.2d at 826-27; Bott, 807 F.2d at 1572; Rolls-Royce, Ltd. v. GTE Valeron Corp., 800 F.2d 1101, 1109 (Fed. Cir. 1986); Kloster Speedsteel, 793 F.2d at 1579; King Instrument Corp. v. Otari Corp., 767 F.2d 853, 867 (Fed. Cir. 1985).
32. 807 F.2d 1567, 1572 (Fed. Cir. 1986).
33. Id. (citations omitted).
34. See Gustafson, Inc. v. Intersystems Indus. Prods., Inc., 897 F.2d 508, 509 (Fed. Cir. 1990).
35. Additional factors in a court’s willfulness inquiry may include: the “[d]efendant’s size and financial condition . . . [t]he closeness of the case . . . [t]he duration of defendant’s misconduct . . . [a]ny remedial action by the defendant . . . [t]he defendant’s motivation for
frequently used by trial courts in their efforts to determine willfulness. The Federal Circuit has consistently stressed that "[w]hether an act is willful" is by definition a question of the actor's intent." The court is to examine the "totality of the circumstances" in order to determine whether the alleged infringer acted with the intent to infringe the patentee's invention.

2. The Patent Opinion: Satisfying the Alleged Infringer's Duty of Care

Despite the Federal Circuit's demand that district courts examine the "totality of the circumstances" in a willful infringement inquiry, the presence or absence of a legal opinion, obtained from the alleged infringer's patent attorney, is often the linchpin of a district court's conclusion on the issue. Numerous patent decisions, citing the Federal Circuit's seminal opinion in Underwater Devices, Inc. v. Morrison-Knudsen Co., explain that fulfilling the alleged infringer's duty of "due care" following actual notice of possible infringement "includes... the duty to seek and obtain competent legal advice before engaging in activity that may result in infringement." Therefore, the possible infringer must rely on the advice of counsel. That advice must, almost without exception, take the form of a written legal opinion evaluating the validity of the patent in question and the legality of the alleged infringer's conduct. The competence of the attorney issuing the patent opinion ("opinion counsel") will frequently be an issue. The patent opinion must therefore "constitute authoritative opinions 'upon which a good faith reliance on invalidity [and non-infringement] may be founded.'" Failure to obtain a patent opinion where the patentee provided the alleged infringer with actual harm... and [w]hether [the] defendant attempted to conceal its misconduct." Read Corp. v. Portec, Inc., 970 F.2d 816, 827 (Fed. Cir. 1992)(citations omitted). See also Donald L. Cox, Opinions of Counsel in Patent Litigation, 2 PAT. LITIG. 301, 303-07 (Nov.-Dec. 1993)(citing cases).

36. Gustafson, 897 F.2d at 510 (emphasis added); see, e.g., Read Corp., 970 F.2d at 828.
37. 717 F.2d 1380 (Fed. Cir. 1983).
38. See, e.g., Bott v. Four-Star Corp., 807 F.2d 1567, 1572 (Fed. Cir. 1986)(holding oral opinion consisting "merely of conclusory statements" inadequate to support advice of counsel defense).
39. Bott, 807 F.2d at 1572 (quoting Kori Corp. v. Wilco Marsh Buggies & Draglines, Inc., 761 F.2d 649, 656 (Fed. Cir. 1985)).
notice, while “not dispositive,” frequently provides a court with an easy way out: Without an opinion, the accused infringer must overcome a nearly insurmountable burden of persuasion, regardless of the other factors in the mix.

Excellent justifications exist for requiring an accused infringer to rely on patent opinions and the advice of counsel. The Federal Circuit explains:

A party who has obtained advice of competent counsel, or otherwise acquired a basis for a bona fide belief that a patent is invalid, can be said to serve the patent system in challenging that patent in a lawsuit conducted fairly, honestly, and in good faith. Such a party should not have increased damages or attorney fees imposed solely because a court subsequently holds that belief unfounded, particularly when the issues may be fairly described as “close.”

Further, “[a]n alleged infringer who intentionally blinds himself to the facts and law, continues to infringe, and employs the judicial process with no solidly based expectation of success, can hardly be surprised when his infringement is found to have been willful.” Thus, requiring that an accused infringer use the advice of counsel defense may present serious difficulties in practice. The form and substance of the legal opinion rendered by the alleged infringer's counsel are important factual matters in determining whether the defendant's reliance on the advice of counsel was reasonable. Patentees combating the advice of counsel defense will argue, sometimes successfully, that the attorney's opinion was biased due to

41. See supra notes 37-40 and accompanying text.
44. Note that “defendant” has used here refers to the alleged infringer. The alleged infringer will, of course, not be the defendant in cases where it has filed for declaratory relief.
45. As one court explained, “[i]n considering the reasonableness of the accused infringer’s reliance on an opinion of counsel, the opinion letter should be reviewed for its ‘overall tone, its discussion of case law, its analysis of the particular facts and its reference to inequitable conduct.’” Steelcase, Inc. v. Haworth, Inc., 954 F. Supp. 1195, 1198 (W.D. Mich. Feb. 5, 1997)(citing Westvaco Corp. v. International Paper Co., 991 F.2d 935, 943-44 (Fed. Cir. 1993)(omitting citations)). A thorough discussion of the requirements of a proper patent opinion is beyond the scope of this Note. For such a discussion, see generally Cox, supra note 35, at 301. See also Read Corp. v. Portec, Inc., 970 F.2d 816, 828-29 (Fed. Cir. 1992); Kori Corp. v. Wilco Marsh Buggies & Draglines, Inc., 761 F.2d 649, 656-57 (Fed. Cir. 1985); Central Soya Co. v. George A. Hormel & Co., 723 F.2d 1573, 1577 (Fed. Cir. 1983).
the attorney's "stake in the outcome," or to the failure to analyze important documents related to the patent. Information surrounding acquisition of the patent opinion, and the basis for the advice of counsel upon which the alleged infringer seeks to rely, is therefore critical to the resolution of a patent dispute. In light of the importance of the advice of counsel defense to the outcome of a patent case, "once the decision is made in favor of using the defense, the plaintiff is 'entitled to full disclosure in order to prepare its case.'"

An alleged infringer's failure to obtain a proper legal opinion in such a case may be the end of its hopes of a successful defense against a finding of willful infringement. Even though the Federal Circuit has not created a per se rule of willfulness where an alleged infringer has not sought the advice of counsel, the district court may draw an extremely strong inference against the alleged infringer. The Federal Circuit explained in *Fromson v. Western Litho Plate and Supply Co.*, "[w]here the infringer fails to introduce an exculpatory opinion of counsel at trial, a court must be free to infer that either no opinion was obtained or, if an opinion were obtained, it was contrary to the infringer's desire to initiate or continue its use of the patentee's invention." The patent opinion is a communication between attorney and client; the documents on which the attorney relies in

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47. Such as the patent itself, or the patent prosecution history. *See, e.g.*, Cox, *supra* note 35, at 308 (citing Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 1389-90 (Fed. Cir. 1983)).


drawing the opinion is, of course, work product. Without disclosure of
these items, an alleged infringer is faced with the treble damages and
attorney's fees triggered by willful infringement.

This inference has a dramatic impact on patent litigation in light
of the waiver of the attorney-client privilege and work product
doctrine.\textsuperscript{52} As one critic explained, "[t]he inference presents an
accused patent infringer with a harsh dilemma: present the opinion
and waive the attorney-client privilege or assert the privilege and risk
having the court infer that the opinion was unfavorable."\textsuperscript{53}
Paradoxically, "[t]he choice is between a complete sacrifice of the
privilege or a complete sacrifice of the defense."\textsuperscript{54}

The Federal Circuit recognized this dilemma, and suggested at
least one solution to prevent harm to the alleged infringer from the
resulting catch-22. In \textit{Quantum Corp. v. Tandon Corp.} the court
urged, "[t]rial courts thus should give serious consideration to a
separate trial on willfulness whenever the particular attorney-client
communications, once inspected by the court \textit{in camera}, reveal that
the defendant is indeed confronted with this dilemma."\textsuperscript{55}
Though trial
courts do order bifurcation of the willfulness issue,\textsuperscript{56} bifurcation does
not solve the problems regarding scope of the waiver during pretrial
discovery. Evidence which relates to willfulness is frequently
congruent with evidence concerning patent validity and infringement
generally. The decision of the trial court in \textit{Home Elevators, Inc. v.
Millar Elevator Service Co.}\textsuperscript{57} is a case in point. In that case, the court
held:

\begin{quote}
[A]ny opinion of the defendants' counsel related to the validity of
the patent or possible infringement, which would otherwise be
covered by the attorney-client privilege or the attorney work-
product doctrine, will be relevant, probative and admissible at trial
on the issue of willfulness. \textit{Further, evidence of a willful violation
which would support enhanced damages is a finding of fact}
\end{quote}

\textsuperscript{52} See Part II.A supra for a basic discussion of discovery protections.
\textsuperscript{53} Dragseth, \textit{supra} note 51, at 168.
1987).
\textsuperscript{55} 940 F.2d 642, 644 (Fed. Cir. 1991). See also Fromson v. Western Litho Plate &
Supply Co., 853 F.2d 1568, 1572 (Fed. Cir. 1988)(cited with approval in \textit{Quantum Corp.}).
\textsuperscript{56} See, e.g., Key Technology, Inc. v. Simco/Ramic Corp., 137 F.R.D. 322, 325 (D. Or.
inextricably bound to the facts underlying the alleged infringement. At least one court has expressed the opinion that bifurcation for trial, or a delay on discovery on the issue of willful infringement, should not be used to circumvent the dilemma caused by Federal Circuit advice of counsel case law. The court in \textit{Johns Hopkins University v. Cellpro} explained, "\[t\]he opinions in \textit{Underwater Devices}, \textit{Crucible}, and \textit{Quantum} have shifted the focus of most bifurcation motions in patent cases from a technique to reduce the inefficiencies in litigation by trying issues separately to a way to minimize potential prejudice in a single trial by staying discovery." The \textit{Cellpro} court concluded it was:

inclined to find that it is generally much more efficient to work towards one trial and one appeal. A single trial followed by an appeal is the best procedure for the court to follow in working to achieve our goal under the Civil Justice Reform Act of resolving litigation within eighteen months after the filing of the complaint.

The court found:

\[i\]t is understandable that those involved in patent litigation would want to minimize the risk of harm from this problem and would look to the Rules of Civil Procedure for possible solutions. . . . \[B]ut\[i\]t is not in the interests of justice to make these adjustments to our procedures for litigating cases to solve this problem. \textit{Cellpro} teaches two lessons. First, though the suggested solution of the Federal Circuit, it is not certain that an alleged infringer will be able to convince a district court to bifurcate for trial, or delay discovery on, the issue of willful infringement. Second, the Federal Circuit's reliance on Federal Rule of Civil Procedure 42(b) to resolve the waiver dilemma may itself be misplaced. Bifurcation, while a useful solution where evidence relating to willfulness can be held from a jury until it makes its findings regarding infringement, does not prevent patentees from accessing privileged or protected materials related to patent opinions of counsel. Even if a trial court decides to limit discovery concerning willfulness to preserve the attorney-client privilege and work product protections, the dilemma remains in many cases where bifurcation is impractical or impossible.

\begin{itemize}
\item [58.] \textit{Id.} (citing Kimberly-Clark Corp. v. James River Corp., 131 F.R.D. 607, 609 (N.D. Ga. 1989)). \textit{But see Key Technology}, 137 F.R.D. at 325 (holding discovery of legal advice relied upon by the alleged infringer was premature "because the court has ordered bifurcation of the issues of liability and damages....").
\item [60.] \textit{Id.} at 35 (citing 42 U.S.C. § 473(a)(2)(B)).
\item [61.] \textit{Cellpro}, 160 F.R.D. at 36.
\end{itemize}
3. Attorney-Client Privilege

Though a thorough and comprehensive discussion of the attorney-client privilege and work product doctrines is beyond the scope of this Note, a number of basic principles underlying both forms of protection is helpful to understanding the scope of the waiver dilemma.

The opinion of Judge Wyzanski in *United States v. United Shoe Machinery Corp.* includes a frequently cited description of the policy rationales underlying the privilege. In that case, the court quoted the Comment to Rule 210 of the A.L.I. Model Code of Evidence extensively:

In a society as complicated in structure as ours and governed by laws as complex and detailed as imposed upon us, expert legal advice is essential. To the furnishing of such advice the fullest freedom and honesty of communication of pertinent facts is a prerequisite. To induce clients to make such communications, the privilege to prevent their later disclosure is said by courts and commentators to be a necessity. The social good derived from the proper performance of the functions of lawyers acting for their clients is believed to outweigh the harm that may come from the suppression of the evidence in specific cases. But the privilege should be strictly construed in accordance with its object.

One court recently explained, "[t]he privilege exists to 'promote the adversary system by safeguarding the fruits of an attorney's trial preparation from the discovery attempts of an opponent.'" Further, "[i]t creates a 'zone of privacy within which an attorney can think, plan, weigh facts and evidence, candidly evaluate a client's case and prepare legal theories.'"

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63. 89 F. Supp. 357 (D. Mass. 1950). This opinion was one of a series of decisions issued by Judge Wyzanski in the mammoth antitrust disputes involving United Shoe.
64. Judge Wyzanski's substantive holding, that patent opinions are never protected by the attorney-client privilege, was subsequently overruled. See Donald W. Banner, *Something There is That Doesn't Love a Wall*, 258 PLI/PAT. 707, 712 (1988).
65. *Id.* at 358 (quoting Comment, Rule 210, A.L.I. Model Code of Evidence)(citation omitted).
67. *Id.* (quoting Coastal States Gas Corp. v. Department of Energy, 617 F.2d 854, 864
These policy justifications retain their full force in the context of patent litigation. Expert legal advice is exceedingly important in the context of patent law. In fact, cases such as Underwater Devices v. Morrison-Knudsen demand reliance on candid legal advice to determine proper conduct in the context of patent infringement.\textsuperscript{68} As explained in the following section, however, the privilege must sometimes give way. This is due to the potential for abuse of the privilege to prevent disclosure of documents relating the advice given to an alleged infringer, where the alleged infringer is using that advice as the crux of its defense against claims of willful infringement. The important question is just how much the privilege must give way in the face of this challenging set of facts.

The Federal Rules of Evidence provide:

Except as otherwise required by the Constitution of the United States or provided by Act of Congress or in rules prescribed by the Supreme Court pursuant to statutory authority, the privilege of a witness, person, government, State, or political subdivision thereof shall be governed by the principles of the common law as they may be interpreted by the courts of the United States in the light of reason and experience.\textsuperscript{69}

Further, "[t]he rule with respect to privileges applies at all stages of all actions, cases, and proceedings."\textsuperscript{70} The Federal Rules of Civil Procedure allow "[p]arties [to] obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action. . . . The information sought need not be admissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence."\textsuperscript{71}

The alleged infringer, upon deciding to invoke the privilege, must "make the claim expressly and shall describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection."\textsuperscript{72} In a patent infringement case, the required disclosure may take the form of a "privilege log" filed with the court.

\textsuperscript{68} Underwater Devices, Inc. v. Morrison-Knudsen Co., Inc., 717 F.2d 1380, 1389-90 (D.C. Cir. 1980).

\textsuperscript{69} FED. R. EVID. 501.

\textsuperscript{70} FED. R. EVID. 1101.

\textsuperscript{71} FED. R. CIV. P. 26(b)(1) (emphasis added).

\textsuperscript{72} FED. R. CIV. P. 26(b)(5).
Courts also may order an in camera inspection of documents included on the privilege log to resolve discovery disputes.

4. Work Product Protection

Federal Rule of Civil Procedure 26(b)(3) codifies the so-called work product doctrine first expressed in Hickman v. Taylor. Rule 26(b)(3) provides that material "prepared in anticipation of litigation or for trial" can only be discoverable "upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means." So-called "opinion work product," consisting of "attorneys' mental processes," and including an attorney's mental impressions or opinions, can only be discovered if the party requesting the information makes an extremely strong showing of hardship and necessity. The Supreme Court has placed a premium on work product protection. However, the Court has recognized significant limits to the protection. As it explained in Hickman, "[w]here relevant and nonprivileged facts remain hidden in an attorney's file and where production of those facts is essential to the preparation of one's case, discovery may properly be had. . . ."

Special problems are presented by the situations where a party attempts to rely on advice of counsel as a defense. Documents typically protected as work product suddenly become highly probative of whether an alleged infringer properly relied on the advice of counsel. At the same time, however, protected documents may have no bearing on the state of mind of the alleged infringer. If the accused infringer had no knowledge of potentially damaging documents hidden in an attorney's files regarding that attorney's patent opinion, waiver of the work product protection makes little sense. As the

73. 329 U.S. 495 (1946).
74. FED. R. CIV. P. 26(b)(3).
75. See Upjohn Co. v. United States, 449 U.S. 383, 402 (1981). See also Hager v. Bluefield Reg'l Med. Ctr., Inc., 170 F.R.D. 70, 76 (D.D.C. 1997)("There are thus two levels of protection, one for 'fact' work product which is subject to discovery upon a showing of need and hardship and a more absolute protection for 'opinion' work product which is subject to discovery only upon a showing of extraordinary justification.") (citing In re Sealed Case, 676 F.2d 793, 810-811 (D.C. Cir. 1982)(citing Hickman, 329 U.S. at 512-13)).
76. Upjohn, 449 U.S. at 402 (citing United States v. Nobles, 422 U.S. 225, 236-40 (1975)).
77. Hickman, 329 U.S. at 511.
following section illustrates, courts are struggling with defining the scope of the waiver of the work product doctrine, attempting to preserve the policy underpinnings of the doctrine while addressing the substantial need of a patentee to have access to information regarding the advice given by counsel to an alleged infringer.

II

Scope of the Waiver

A. Waiver Generally

1. Lack of Appellate Court Guidance

The Federal Circuit’s leading decision regarding the advice of counsel defense, Underwater Devices v. Morrison Knudsen, never mentions the attorney-client privilege or work product doctrine. As a practical matter, however, that decision transformed the advice of counsel defense into the linchpin of any discussion of willful infringement. By definition, asserting the advice of counsel as a defense requires that at least some documents otherwise protected from discovery be disclosed.

Appellate courts have given little advice on exactly what sorts of documents and information fall within the scope of the waiver. Limited waivers of the attorney-client privilege, where the advice of counsel is placed in issue by a party, have long been recognized in the United States. Yet Federal Circuit decisions concerning the advice of counsel defense in a patent law context, though recognizing that a waiver of these protections occurs upon invocation of the advice of counsel defense and noting the problems caused by the waiver,

78. 717 F.2d 1380 (Fed. Cir. 1983).
79. See supra Part I.B.2.
80. See, e.g., Hunt v. Blackburn, 128 U.S. 464, 470-71 (1888)(requiring limited waiver of attorney-client privilege where defendant asserted fraudulent conveyance of property was the result of an attorney’s poor advice).
81. See Quantum Corp. v. Tandon Corp., 940 F.2d 642, 643-44 (Fed. Cir. 1991)(suggesting “separate trial on willfulness” where alleged infringer must either choose to waive the privilege or risk the negative inference); Fromson v. Western Litho Plate & Supply Co., 853 F.2d 1568, 1572-73 (Fed. Cir. 1988)(suggesting bifurcation of the willfulness issue “may be useful in meeting the attorney-client privilege problem.”). As the court in Steelcase, Inc. v. Haworth, Inc. found, “I have not found any Federal Circuit authority directly addressing” the scope of the waiver problem. 1997 WL 97085, at *2 (W.D. Mich. Feb. 5, 1997). “The Federal Circuit has, however, provided substantial
rarely explain the rationale behind it, and provide little, if any, guidance regarding its scope.  

This lack of guidance exists, in part, due to the difficulty defendants face in raising the issue on appeal. In those cases where the waiver issue has been directly put to the Federal Circuit, the facts of the case have not forced the court to make a clear statement of the law. For example, in *American Standard, Inc. v. Pfizer, Inc.*, the court explained that patent validity opinions may sometimes be protected by the attorney-client privilege. However, the court determined that since the patent opinion “did not reveal confidential communications, . . . there was, accordingly, no need to consider whether any waiver might have encompassed the particular testimony and documents sought by [the plaintiff] and claimed by [the alleged infringer to be] privileged.” Federal district courts have done their utmost to fill the policy void left by the Federal Circuit, though the scope of the waiver remains far from clear.

2. The Waiver Rule: Fairness and the Selective Use Problem

Both the attorney-client privilege and work product doctrines protect extremely important interests. The rule that a limited waiver of these protections must accompany invocation of the advice of counsel defense.” *Id.*

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83. See, e.g., *In re Ethicon, Inc. & Johnson & Johnson Hosp. Servs., Inc.*, 1993 U.S. App. LEXIS 14268 (Fed. Cir. March 11, 1993)(denying, in the advice of counsel context, writ of mandamus to vacate order to compel documents claimed to be protected by attorney-client privilege and work product doctrines because issue is within trial court’s discretion); *Quantum Corp. v. Tandon Corp.*, 940 F.2d 642, 644 (Fed. Cir. 1991)(holding orders to compel privileged or protected documents not immediately appealable under the Cohen doctrine or under 28 U.S.C. § 1292(b)). The Federal Circuit’s position regarding writs of mandamus in the advice of counsel defense is not shared by all courts of appeals. See, e.g., *Rhone-Poulenc Rorer, Inc. v. Home Indemnity Co.*, 32 F.3d 851, 861 (3d Cir. 1994)(granting writ of mandamus to review discovery order demanding disclosure of protected documents).

84. 828 F.2d 734, 746 (Fed. Cir. 1987)(citations omitted).

85. *Id.* Interestingly, the court in *American Standard* was divided on the privilege issue. See *American Standard*, 828 F.2d at 747-751 (Newman, J., dissenting)(arguing majority decision “negates the privilege of patent validity opinions based on prior art” despite the majority’s attempt to limit its holding to the facts of the case presented).
counsel defense in patent matters does encroach on these interests. Importantly, the "underlying rationale" of the waiver "is one of fairness." First, a party cannot have a court consider patent opinions and other evidence of legal advice to an alleged infringer without allowing their opponents an opportunity to impeach and otherwise refute the evidence. As one court explained, "Although the attorney-client privilege is an important element of our legal system, parties should not be able to manipulate the privilege so as to release only favorable information and withhold anything else." The privilege and work product protections would be too easily manipulated by accused patent infringers without imposition of a limited subject matter waiver. In practical terms,

A party claiming good faith reliance upon legal advice could produce three opinions of counsel approving conduct at issue in a

87. The defendant in FMT Corp. v. Nissei ASB Co. creatively attempted to have the court examine patent opinions and other evidence pertaining to the advice of counsel in camera without allowing their opponents access to the evidence. 24 U.S.P.Q. 2d (BNA) 1073 (N.D. Ga. 1992). The chagrined court explained, "[a]lthough Nissei never directly indicates what result it expects from the court's in camera inspection, the implication is that Nissei expects the court to examine the documents and then rule that there was no willful infringement, all without FMT having an opportunity to respond to defendant's evidence." Id. at 1074. The court refused the defendant's request, holding "the court will not consider the issue of willfulness without allowing FMT to examine and respond to the opinions and documents relied upon by Nissei." Id. at 1075.
89. See, e.g., St. Gobain / Norton Indus. Ceramics Corp. v. General Elec. Co., 884 F. Supp. 31, 33 (D. Mass. 1995)(explaining it is "fundamentally unfair to allow a party to disclose opinions which support its position, and simultaneously conceal those which are adverse.") (citations omitted); FMT Corp., 24 U.S.P.Q. 2d (BNA) at 1075 ("It would be grossly unfair to allow the defendant to produce certain selected documents which it feels support its defense while withholding from the plaintiff possibly damaging communications which tend to disprove the defendant's theory."); Kelsey-Hayes Co., 155 F.R.D. at 171; Board of Trustees of Stanford Univ. v. Coulter Corp., 118 F.R.D. 532, 533 (S.D. Fla. 1987); Abbott Labs. v. Baxter Travenol Labs., Inc., 676 F. Supp. 831, 832 (N.D. Ill. 1987); Handgards, Inc. v. Johnson & Johnson, 413 F. Supp. 926, 929 (N.D. Cal. 1976)("[a] party may not insist on the protection of the attorney-client privilege for damaging communications while disclosing other selected communications because they are self-serving.").
90. As one court attempted to explain, "[a] 'subject matter' waiver [is] a waiver of all communications on the same subject matter." Micron Separations, Inc. v. Pall Corp., 159 F.R.D. 361, 363 (D. Mass. 1995) (citations omitted). Such a circular definition is not particularly helpful to an analysis of subject matter waiver. Other courts have had more success expressing the policy behind the subject matter waiver. See infra text accompanying note 91.
lawsuit and withhold a dozen more expressing grave reservations over its legality. Preservation of privilege in such a case is simply not worth the damage done to truth.\textsuperscript{91}

Such a rule is reasonable in light of public policy and the underlying rationales of the attorney-client privilege and work product doctrines. This selective use problem is not limited to patent matters, and various courts of appeals have applied a limited subject-matter waiver to avoid unfair results.\textsuperscript{92}

The precise scope of the waiver, however, is a topic on which trial courts in patent matters have been less than clear. Courts warn that “waivers have been narrowly construed in patent cases.”\textsuperscript{93} At the same time, other judges have issued extremely broad discovery orders, holding that “defendants have waived the attorney-client privilege with respect to all documents pertaining to the infringement” at issue, and demanding “[a]ll documents containing work product relevant to the infringement issue must be produced.”\textsuperscript{94} Further, documents which were “relied upon or considered by counsel at the time and in conjunction with rendering” the patent opinion may or may not be discoverable.\textsuperscript{95} One court grappling with the issue explained,

[The privilege is waived as to all information provided by the client to the attorney, regarding the subject matter of the opinion. In this regard, the scope of the waiver is ‘broad,’ to the extent that it is

\textsuperscript{91}Abbott Labs., 676 F. Supp. at 832.


\textsuperscript{94}Mushroom Assocs. v. Monterey Mushrooms, Inc., 24 U.S.P.Q. 2d (BNA) 1767, 1770, 1771 (N.D. Cal. 1992). The Mushroom Associates decision demanded an extremely broad waiver of both attorney-client privilege and work product protection. The language and rationale of the opinion could apply in virtually any situation in which the advice of counsel defense is invoked. For a more thorough discussion of the implications of Mushroom Associates, see infra Part II.C.

\textsuperscript{95}FMT Corp., 24 U.S.P.Q. 2d (BNA) at 1075; see also Haney v. Timesavers, Inc., No. 93-151-FR, 1995 U.S. Dist. LEXIS 15222, at *9 (quoting FMT Corp., supra). But see, e.g., Thorn EMI N. Am., Inc. v. Micron Tech., Inc., 837 F. Supp. 616, 621 (D. Del. 1993)(“Neither the basis for the opinions nor their actual competence is a matter of consequence to the determination of the action.”).
necessary to shed complete light upon the alleged infringer's state of mind. By the same token, the scope of the waiver appears narrow, as it pertains to the attorney's state of mind.96

B. Defining the Boundaries of the Waiver

An analysis of recent case law indicates that courts have attempted to draw lines to define the scope of the waiver in three ways. First, a number of courts have attempted to limit the scope of required disclosure to documents that "contradict or cast doubt" on the legal opinions previously received by an alleged infringer. Second, in an attempt to protect attorney "opinion work product," some courts have required that only documents communicated to the client be discoverable. Finally, virtually all courts agree that a line may be drawn requiring disclosure where a broad, explicit, written waiver is made by a client. This Note discusses each of these limitations in turn.

1. "Fairness" Applied: Limiting the Waiver to "Opinions Which Contradict or Cast Doubt" on Prior Advice

As explained above, fairness is one of the key reasons for demanding at least some waiver of privilege and work product protections in advice of counsel situations.97 A number of courts have drawn on this rationale to limit the scope of the waiver concerning the subject matter contained in potentially protected documents. *Micron Separations, Inc. v. Pall Corp.*98 is the leading case adopting such a limitation. Judge Collings' decision in that case is a thoughtful attempt to reconcile the attorney-client privilege and work product doctrines with the evidentiary demands of the advice of counsel defense.

In that case, the alleged infringer (Micron) attempted to "freeze" discovery "as of the time of the opinion letter" given to them by outside opinion counsel.99 The court first decided that the scope of the waiver "must of necessity be somewhat broad and is . . . a waiver of all communications on the same subject matter."100 Judge Collings

99. *Id.* at 362.
100. *Id.* at 363. Note the contrast with *Applied Telematics, Inc. v. Sprint Corp.*, No. 94-CV-4603, *in* 1995 U.S. Dist. LEXIS 14061, at *6 (Sept. 22, 1995), which suggested the scope of the waiver must be construed more narrowly.
reasoned that if Micron received information that the existing patent was valid, regardless of whether the information was obtained after Micron received a formal patent opinion, that information would affect Micron's state of mind.\textsuperscript{101} The court therefore held that the scope of the subject matter waiver of the attorney-client privilege encompassed all documents held or received by Micron bearing on whether Micron's "product infringes Pall's patent."\textsuperscript{102}

The work product doctrine presented a more difficult dilemma for the court in \textit{Micron}. Judge Collings again relied on his reasoning concerning the special relevance of information received from legal counsel when such information might be considered "potentially damaging information."\textsuperscript{103} The court, however, was required to "protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation" under Federal Rule of Civil Procedure 26(b)(3).\textsuperscript{104} Given the Supreme Court's demand that a party demonstrate a strong need to obtain opinion work product, and a similarly strong demonstration that the information contained in the opinion work product was unavailable by other means, the court reasoned that "a subject matter waiver should not automatically extend to communications between trial counsel and the client."\textsuperscript{105} On the other hand, the demands of fairness in preventing an alleged


Thorn [the patentee] should be entitled to discover facts relating to when Micron [the alleged infringer] sought the advice, what Micron knew about the law firm's independence, skill and competence to provide the opinions, what Micron knew about the nature and extent of analysis performed by the firm, and what Micron knew and had concluded about the credibility, value and reasonableness of the opinions.

\textit{Id}. However, the court would not allow the plaintiff to seek information regarding the objective competence of opinion counsel or the documents relied upon by the opinion counsel in formulating the patent opinion. \textit{Id}.

\textsuperscript{102} \textit{Micron Separations}, 159 F.R.D. at 363-64. Importantly, Judge Collings held that Pall could discover documents "generated . . . or received by [Micron] up to the date the instant case was filed . . ." \textit{Id}. (emphasis supplied). This temporal limitation, linking discovery of privileged documents to the filing date of the case, supports the conclusions of this Note as discussed in Part IV infra.

\textsuperscript{103} \textit{Micron Separations}, 159 F.R.D. at 365.

\textsuperscript{104} \textit{Id}. at 364 (quoting FED. R. CIV. P. 26(b)(3)).

\textsuperscript{105} \textit{Id}. at 364.
infringer from hiding "bad" documents behind a veil of privilege and work product protections, implicate equally important notions of fairness. As Judge Collings explained, "[p]reservation of privilege in such a case is simply not worth the damage done to truth."106

Judge Collings therefore "decline[d] to apply the waiver to documents containing the opinion work product of present trial counsel which is solely consistent with the opinion letter and does not in any way cast doubt on the validity of the opinions expressed or the bases for those opinions."107 His discovery order required the alleged infringer to disclose opinion work product communicated to it where the information "contradict[ed] the opinion letter or recite[d] facts or contain[ed] any other information which casts doubt on the opinion letter and/or the bases of the opinions contained therein."108 The subject matter contained in documents communicated to Micron would, based on their relevance to Micron's state of mind, determine whether or not the documents were subject to discovery.

The approach taken by the court in Micron attempts to strike a fair balance between protecting privilege and work and ensuring that the alleged infringer cannot take advantage of its ability to invoke the advice of counsel as a shield against a finding of willful infringement. For this reason, the Micron Separations decision has been emulated by several other courts. In Clintec Nutrition Co. v. Baxa Corp., the court invoked Micron Separations as one reasonable limitation on the scope of the waiver.109 In that case, the accused infringer (Baxa) was required "to identify on a privilege log all work product documents which it believes it [could] withhold under" the rule adopted by Micron Separations.110 The court would resolve disputes between the parties by reviewing documents on the privilege log, if challenged, in camera.111 The court in RSA Data Security, Inc. v. Cylink Corp. also invoked the fairness limitation in an unpublished decision.112

106. Id. at 365. (citations omitted).
107. Id. (emphasis omitted).
108. Id. at 366 (emphasis omitted).
110. Id.
111. Id. at *6-7.
112. RSA Data Sec., Inc. v. Cylink Corp., C96-20094, slip op. at 6 (Aug. 5, 1996). Significantly, the court did not adopt the temporal limitation used by Judge Collings in Micron Separations to limit discovery to the period prior to the filing of the patent case with the court. Id. at 5 n.2.
Practically speaking, however, the rule in *Micron* is difficult to apply effectively. Documents which directly contradict a written patent opinion are relatively easy to identify. If one patent opinion declares a patent valid, and another opinion, issued later, declares the same patent invalid, an accused infringer may not restrict access to the second opinion. However, there is a substantial question as to whether, for example, the subsequent verbal statements of litigation counsel that a particular patent validity defense might fail would "cast doubt" on a prior patent opinion. Must the accused infringer disclose litigation counsel's warnings regarding how a particular trial strategy governing their validity defense might not succeed? A litigation counsel's warning could easily be viewed as "casting doubt" on a previously issued patent opinion. At the very least, a patentee may have grounds to dispute lack of disclosure in this context, requesting that the court conduct an *in camera* review of such evidence. Such a review, while not necessarily dispositive of the willfulness inquiry, could give the patentee an unfair advantage before a judge assessing whether treble damages and attorney's fees are available.\(^\text{113}\) A judge might not look kindly on an accused infringer whose counsel suggested that the judge might believe a novelty defense but would fail to understand the subtleties of a non-obviousness defense.\(^\text{114}\)


Courts use the underpinnings of the work product doctrine to provide the basis for limiting the scope of the waiver to documents communicated by counsel to the alleged infringer.\(^\text{115}\) The court in *Teledyne Industries, Inc. v. Associated Mills, Inc.* was among the first

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113. Recall the court in *FMT Corp. v. Nissei ASB Co.*, see *supra* note 87, which rejected a patentee's attempt to have the judge review an alleged infringer's documents *in camera* without providing the accused infringer with an opportunity to respond to issues those documents might raise with the judge. 24 U.S.P.Q. 2d (BNA) 1073 (N.D. Ga. 1992). The fairness limitation as imposed in *Micron Separations* may allow just this result.

114. Both novelty and nonobviousness address the validity of the patent at issue. See *supra* notes 13-15.

115. The Supreme Court's strong language regarding the importance of the work product doctrine provides at least one reason for the greater attention paid to protection of work product as compared to protection of the attorney-client privilege. See generally *Upjohn Co. v. United States*, 449 U.S. 383, 399-401 (1981); *United States v. Nobles*, 422 U.S. 225, 236-40 (1975); *Hickman v. Taylor*, 329 U.S. 495 (1947).
to apply this limitation in the context of patent infringement.\textsuperscript{116} As with the \textit{Micron Separations} approach to the work product, the court in \textit{Teledyne} began by noting that the state of mind of the accused infringer provided the key to resolving the willfulness inquiry.\textsuperscript{117} If the alleged infringer did not know of a document hidden in its attorney’s files which might contradict or cast doubt on the patent opinion given to them, the alleged infringer’s state of mind would not be affected.\textsuperscript{118} As the court explained, “[a]ssociated [the alleged infringer] cannot rely on documents and communications to which it had no access.”\textsuperscript{119} Without communication of the information in the protected documents to the client, the documents would be irrelevant to the question of the client’s state of mind. Irrelevance, when coupled with the powerful mandate of the work product doctrine, provided an excellent reason to limit discovery of materials that were not disclosed to the client by the attorney.

The court in \textit{Thorn EMI of North America v. Micron Technology, Inc.} also applied this communications limitation.\textsuperscript{120} The court explained that it did not believe that a party’s assertion of good faith reliance on advice of counsel necessarily puts attorney work product at issue. The facts of consequence to the deciding of a claim of willful infringement relate to the infringer’s state of mind. Counsel’s mental impressions, conclusions, opinions or legal theories are “not probative of that state of mind unless they have been communicated to that client.”\textsuperscript{121}

The court in \textit{Thorn EMI} also admonished the plaintiff for attempting to reach the files of litigation counsel. Judge McKelvie pointedly and appropriately noted that a “discovery foray” into documents belonging to the alleged infringer’s litigation counsel to find documents concerning “the law firm’s plans for associate development [did] not appear to be designed to secure a just, speedy and inexpensive determination” of the case. The judge referred the plaintiffs to Rule 1 of the Federal Rules of Civil Procedure for

\textsuperscript{116} No. 82-C-7525, slip op. (N.D. Ill. Apr. 22, 1985), (LEXIS, Genfed library, Dist. file).
\textsuperscript{117} \textit{Id}.
\textsuperscript{118} \textit{Id}.
\textsuperscript{119} \textit{Id}.
\textsuperscript{120} 837 F. Supp. 616, 622 (D. Del. 1993).
\textsuperscript{121} \textit{Id} (emphasis added).
guidance. A significant number of courts agree with the logic of both *Teledyne Instruments* and *Thorn EMI*. Limiting the scope of the waiver to information actually conveyed to a client is sound both in theory and in practice. The advice of counsel defense is an extremely large piece of the willful infringement puzzle, but it is only one piece. The key inquiry is whether the accused infringer possessed the state of mind necessary to willfully infringe the patent at issue. Though the accuser may desperately want to obtain documentation forming the basis for a patent opinion communicated to a client in order to impeach the attorney or get a glimpse of the strategy behind voiding infringement, such evidence doesn’t answer the essential question regarding what the alleged infringer knew. From a practical standpoint, Judge McKelvie’s criticism of the patentee in *Teledyne Instruments* is appropriate. Allowing a patentee to foray into the litigation files of opposing counsel would disrupt the alleged infringer’s attorneys, and would result in disclosure of documents which the patentee has no need to acquire.

3. Explicit Waivers

An explicit waiver of the attorney-client privilege and of work product protection precludes an alleged infringer from later invoking either theory. As one court explains:

A sophisticated, well-counseled party who intentionally discloses an important part of an otherwise privileged communication acts in a manner that is thoroughly inconsistent with preserving the confidentiality of that communication. Stated somewhat differently, a sophisticated party who intentionally discloses the most significant part of an otherwise privileged communication, cannot establish, as

122. *Id.* at 623. Rule 1 of the Federal Rules of Civil Procedure provides that the Federal Rules “shall be construed and administered to secure the just, speedy, and inexpensive determination of every action.” [FED. R. Civ. P. 1] (emphasis added).


125. *See FED. R. CIV. P. 26(b)(3).*
the law would require, that the party reasonably believed that it would be able to preserve the confidentiality of the other parts of that communication.\textsuperscript{126}

For example, in \textit{McCormick-Morgan, Inc. v. Teledyne Industries, Inc.}, the alleged infringers sent a letter to their opponent stating that it “will accordingly waive the attorney-client privilege as to the subject matter of the advice given” to it.\textsuperscript{127} Though the letter waiving the privilege attempted to limit the waiver to a period only after a specific date, the district court found that “[a] party cannot preserve a privilege in the face of an explicit, voluntary waiver such as the one in this case.”\textsuperscript{128} The \textit{McCormick-Morgan} case presents a rare situation, in which counsel clearly made an extremely broad waiver of their protection under the work product doctrine, and the client made a broad waiver of its protections under the attorney-client privilege.\textsuperscript{129}

The decision in \textit{McCormick-Morgan} is also important due to the waiver of the work product protection of trial counsel found by the court. However, \textit{McCormick-Morgan} does not provide that the work product of litigation counsel is discoverable under all circumstances where the advice of counsel defense is invoked. Again, the decision is limited by the facts surrounding the explicit waiver of the protection in that case. Further, the “trial counsel” whose work product was subject to the court’s discovery order was in fact the trial counsel in prior litigation: Litigation counsel in the case before the court issuing the discovery order was not subject to the order.\textsuperscript{130}

\section*{III}
\textbf{Advice to Counsel:}
\textbf{Use of Separate Opinion and Litigation Counsel May Not Protect Litigation Counsel Statements or Papers in Light of Recent Case Law}

Counsel in patent matters frequently draw another line in patent

\begin{itemize}
\item \textsuperscript{126} \textit{Electro Scientific Indus., Inc. v. General Scanning, Inc.}, WL 587000, at *4 (N.D. Cal. Sept. 18, 1997).
\item \textsuperscript{127} 765 F. Supp. 611, 613 (N.D. Cal. 1991).
\item \textsuperscript{128} \textit{See id.} at 614.
\item \textsuperscript{129} \textit{McCormick-Morgan} does not stand for the proposition that the scope of the waiver can never be limited temporally, rather it means that an explicit waiver regarding specific subject matter cannot later be temporally limited based on the particular facts of the case.
\item \textsuperscript{130} \textit{Id.} at 613-14.
\end{itemize}
cases based on the type of advice rendered by an attorney to their client. Attorneys are often distinguished between those who actually render a patent opinion ("opinion counsel"), and the litigators who fight against claims of patent infringement in court ("litigation counsel"). It is common practice among patent attorneys, both opinion and litigation counsel alike, to assume that waiver of discovery protections is necessary for opinion counsel but not for litigation counsel.

These practices stem from the notion that the attorney-client privilege and work product protections arise between a client and each counsel individually. However, the law regarding subject matter waiver demands that all documents relating to the subject of the issues covered by the advice of counsel defense, regardless of which attorney was responsible for drafting the document, be disclosed. Cases typically do not address the issue of whether separate and independent litigation counsel, upon entering the case long after a patent opinion is issued by opinion counsel, also must disclose documents relating to the issues of patent validity, enforceability, or infringement. This silence may be due to a patentee’s failure to draft a motion to compel discovery which covers information exclusively in the possession of trial counsel, or to a court’s failure to recognize that such a broad discovery order could be entered given the present state of the law.

A handful of recent district court decisions have expanded the

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131. See, e.g., Go, Comment, supra note 7, at 643 (advising that clients may limit the scope of the waiver by using different opinion and litigation counsel).

132. See id.; Mullins, supra note 8, at 413; Roger L. Cook, Boundaries of Discovery in Patent Litigation, 299 PLI/PAT. 77, 103 (1990)("As a general rule, waiver of privilege in attorney-client documents relating to a particular subject waives the privilegee as to all communications between the same attorney and the same client on the same subject.") (emphasis added). Cf. Steven D. Glazer & Daniel A. DeVito, Concise Survey of Current Law on Willful Patent Infringement, 6 No. 10 J. PROPRIETARY RTS. 2, 7 (Oct. 1994)(noting "[s]ome commentators have suggested ... using separate litigation counsel and counsel for preparing opinions" to limit the scope of the waiver, but noting "this tactic may prove ineffective in view of the 'subject matter' test endorsed by many courts.").

scope of the waiver dramatically, and perhaps eliminated whatever measure of protection was once achieved by segregating opinion and litigation counsel. The leading case in this vein is *Mushroom Associates v. Monterey Mushrooms, Inc.*\(^{134}\) In that case, Magistrate Judge Hamilton of the Northern District of California relied on the fairness rationale\(^ {135}\) to decide that upon invoking the advice of counsel defense, "defendants have waived the attorney-client privilege with respect to all documents pertaining to the infringement" of the patent at issue.\(^ {136}\) The court made no distinction based on who provided the advice to the accused infringer, invoking *Handgards v. Johnson & Johnson* to reject the alleged infringer's argument that discovery should be limited to the single patent opinion upon which it intended to rely.\(^ {137}\) In itself, the court's ruling on the privilege issue was not earth-shattering.

Turning to the work product doctrine, however, the court determined that the "substantial need" requirement of Rule 26(b)(3) would virtually always be satisfied in patent cases where the alleged infringer invokes the advice of counsel defense.\(^ {138}\) The court explained, "it is difficult to imagine the circumstances where the standard for discovering the vast majority of work product will not be met in an advice of counsel case."\(^ {139}\) The court then held, "[a]ll documents containing work product relevant to the infringement issue must be produced."\(^ {140}\) Though the discovery order issued in *Mushroom Associates* did not explicitly include the work product of litigation counsel, the extremely broad language used by the court would certainly cover such information. Further, the decision opens the door to expanding the scope of the waiver to litigation files concerning patent validity and infringement. None of the limitations of the scope of the waiver discussed above were invoked in the *Mushroom Associates* decision. As one court critical of that decision found, *Mushroom Associates* "is based upon faulty analysis, under which the attorney's state of mind, and not that of the client, becomes

\(^{135}\) *See supra* Part II.A.2.
\(^{136}\) *Mushroom Assocs.*, 24 U.S.P.Q. 2d (BNA) at 1770 (emphasis added).
\(^{137}\) *Id.*
\(^{138}\) *Id.* at 1770-71.
\(^{139}\) *Id.* at 1771.
\(^{140}\) *Id.*
The court’s broad language, finding virtually any work product touching on issues of patent validity and infringement relevant to the willfulness question, effectively eviscerated the two forms of protection, while Teledyne Systems and Micron Separations attempted to develop and apply a more subtle test to preserve the underlying policies at issue.

One of the first courts to squarely address the question of access to litigation counsel files following Mushroom Associates explicitly rejected Judge Hamilton’s broad interpretation of the scope of the waiver. In Thorn EMI of North America v. Micron Technology, Inc., the court reasoned:

The facts of consequence to the determination of a claim of willful infringement relate to the infringer’s state of mind. Counsel’s mental impressions, conclusions, opinions or legal theories are not probative of that state of mind unless they have been communicated to that client. Therefore, the Court declines to follow the decisions in these cases [citing Mushroom Associates].

The Mushroom Associates court had opened the door to broad discovery orders, touching on both litigation and opinion counsel. The Thorn EMI court also accepted the premise that the theory of subject matter waiver and the principles of fairness, underlying the waiver where the accused infringer asserts the advice of counsel defense, demanded some access to documents falling under the work product protection. Thorn EMI, however, placed an important limitation on the scope of the waiver by requiring that material be communicated to the client.

The court in Micron Separations, examining the Mushroom Associates decision, also recognized that Judge Hamilton’s language was extremely broad in scope, and could include the work product of trial counsel. In Micron Separations Judge Collings both limited

144. Id. at 622.
145. Id. at 623. See also supra Part II.B.2.
discovery of litigation files only to work product actually communicated to the client and to documents which contradicted or cast doubt on the opinions previously obtained by the client.\textsuperscript{147}

The courts in \textit{Clintec Nutrition Co. v. Baxa Corp.} and \textit{RSA Data Security, Inc. v. Cylink Corp.} also avoided the broad implications of the \textit{Mushroom Associates} decision, and adopted the \textit{Micron Separations} approach.\textsuperscript{148} These courts likely discovered the difficulty presented by actual application of the fairness limitation suggested by \textit{Micron Separations}. The court in \textit{Clintec Nutrition} attempted to solve the problem by using \textit{in camera} review to resolve disputes regarding application of the "casts doubt" rule.\textsuperscript{149} That court unfortunately failed to address the potential for abuse of the \textit{in camera} review process.\textsuperscript{150}

It also appears that the courts in \textit{Clintec Nutrition} and \textit{RSA Data Security} both inadvertently expanded the scope of the waiver beyond the previously recognized limitations in \textit{Micron Separations} and \textit{Thorn EMI}. Specifically, neither court deemed to adopt the temporal limitation of \textit{Micron Separations}.\textsuperscript{151} The court in \textit{Thorn EMI} also did

\begin{footnotesize}
\begin{enumerate}
\item[(147)] \textit{Micron Separations}, 159 F.R.D. at 365-66. \textit{See also supra} Part II.B.
\item[(148)] \textit{Clintec Nutrition}, No. 94-C-7050, 1996 U.S. Dist. LEXIS 4001 (March 28, 1996); \textit{RSA Data Sec.}, No. 96-C-20094 (Aug. 5, 1996). Both decisions ignored the temporal limitation set by the court in \textit{Micron Separations}, however, and did not limit discovery to documents communicated to the client prior to the date the case was filed.
\item[(150)] \textit{See FMT Corp. v. Nissei ASB Co.}, 24 U.S.P.Q. 2d (BNA) 1073 (N.D. Ga. 1992); \textit{see also supra} notes 87-113 and accompanying text.
\item[(151)] 159 F.R.D. 361, 366 (D. Mass. 1995); \textit{RSA Data Sec.}, Inc. v. Cylink Corp., No. C96-20094, slip op. at 5 n.2 (Aug. 5, 1995). The alleged infringer in \textit{RSA Data Security} drew the court's attention to the temporal limitation in \textit{Micron Separations}. The \textit{RSA} court found:

\textit{RSA} cites \textit{Micron} for the proposition that subject matter waiver of attorney client privilege does not extend to after the date the patent infringement action is filed. \textit{Micron} does not support \textit{RSA}'s position. Rather, the court in \textit{Micron} ordered production of trial counsel's documents disclosed to the plaintiff which reflected mental impressions, conclusions, and theories which contradict the opinion letter or recite facts which cast doubt on the opinion letter and/or the bases of the opinions.

\textit{Id.} (citing \textit{Micron Separations}, 159 F.R.D. at 365).

The court in \textit{RSA Data Security} overlooked the language of the discovery order issued by the court in \textit{Micron Separations}, which explicitly limited production to documents "generated by present trial counsel disclosed to [the alleged infringer] prior to the date on which the instant action was filed." \textit{Micron Separations}, 159 F.R.D. at 366 (emphasis added). The court in \textit{Micron Separations} did not elaborate on this limitation, but the
\end{enumerate}
\end{footnotesize}
not apply the temporal limitation in *Micron Separations*. However, *Thorn EMI* is distinguishable from *Micron Separations* in ways inapplicable to *Clintec Nutrition* and *RSA Data Security*. Specifically, the accused infringer in *Thorn EMI* obtained all patent opinions from the same counsel who litigated the matter in court.\textsuperscript{152} Though the court placed no temporal limit on the discoverability of work product relating to validity and infringement at the time of the filing of the case, the court seemed to tailor its order to fit only evidence relevant to obtaining the opinions.\textsuperscript{153} Advice rendered during the course of litigation and after the patent opinions were given does not appear to have fallen within the court's order.

The courts in *Clintec Nutrition* and *RSA Data Security* laudably ignored the broad language of *Mushroom Associates*, and did not cite that case. The court in *Thorn EMI*, as previously discussed, explicitly rejects the holding in *Mushroom Associates*.\textsuperscript{154} However, at least one court has applied the broad language of *Mushroom Associates* to permit a discovery foray into attorney work product. The court in *Haney v. Timesavers, Inc.* held that the alleged infringer had "waived the attorney/client privilege as to all communications between [the alleged infringer] and any of its counsel concerning the issues of infringement and" validity of the patents at issue.\textsuperscript{155} The court demanded production of documents never seen by the accused infringer, and written, at the request of patent opinion counsel, by a law firm not hired by the accused infringer.\textsuperscript{156} Though the court in *Timesavers* did not explicitly address discovery of litigation counsel limitation was clearly present in the discovery order.

\textsuperscript{152} *Thorn EMI*, 837 F. Supp. at 619.

\textsuperscript{153} *Id.* at 621.

\textsuperscript{154} *Id.* at 621-22. Additionally, the court in *Electro Scientific Industries, Inc. v. General Scanning, Inc.*, 1997 WL 587000, at *6 (N.D. Cal. Sept. 18, 1997), criticized *Mushroom Associates* as not “squarely addressing the ‘irrelevance’ rationale;” that is, failing to explain why documents drafted drafted by counsel but not communicated to the client should be discoverable.


\textsuperscript{156} *Id.* at *7-9.
files, the language quoted above leaves virtually no doubt that such files would be discoverable.

The court in *Variable-Parameter Fixture Development Co. v. Morpheus Lights, Inc.* also relied on the broad scope of the waiver set by *Mushroom Associates* to allow a patentee to discover a memorandum drafted by an associate at the firm previously used by the alleged infringer.\(^{157}\) That court reasoned "access to all documents before the opinion provider is essential to cross-examination."\(^{158}\) The court further distinguished *Thorn EMI* based on the fact that the opinions in *Variable-Parameter* were given verbally, rather than in writing.\(^{159}\) Given that set of facts, a broad interpretation of the scope of the waiver may have been warranted. Without a written patent opinion, supporting documentation forming the basis of the opinion of counsel would be required by a patentee to conduct an effective cross examination. Importantly, the court in *Variable-Parameter* did not apply *Mushroom Associates* in the context of documents produced by litigation counsel. Also, *Variable-Parameter* is easily limited to facts where written patent opinions are unavailable.

Such broad decisions as *Mushroom Associates* and *Timesavers*, as well as decisions which attempt to somewhat narrow the scope of the waiver like *Clintec Nutrition* and *RSA Data Security*, demonstrate the significant risks faced by accused patent infringers and their trial attorneys. Though critical of both *Mushroom Associates* and *Timesavers*, the court in *Electro Scientific* agreed that the waiver of work product protection, even where documents drafted by counsel had not reached the client, is appropriate in some circumstances.\(^{160}\) The court in *Electro Scientific* explained that the alleged infringer and its counsel typically claim that a limited amount of correspondence, in that case one letter, "reflect[es] accurately the substance of all of the communications from counsel that reached GSI's [the alleged infringer's] mind (before the suit was filed) on whether GSI would be violating ESI's [the patentee's] patents if GSI continued to attempt to manufacture, use or market products or systems covered by ESI's patents."\(^{161}\)

The court reasoned that, in such cases, work product not

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158. Id. (citing *Mushroom Assocs.*, 24 U.S.P.Q. 2d at 1770).
159. Id.
161. Id.
disclosed to the client would remain probative of whether additional documents or verbal communications passed between the attorney and client consisting of advice of counsel regarding possible infringement.\(^{162}\)

Few observers have commented on the vulnerability of trial counsel files, and the issue may become a significant trap in future patent cases.\(^{163}\) It is easy to envision a situation where an attorney evaluates a portion of a case concerning patent validity while advising the client, and tells the client that it might not win. In fact, to do otherwise might violate the canons of professional responsibility which prohibit an attorney from assuring a client of a victorious outcome in pending litigation.\(^{164}\) Given these facts, the court reasoned that a failure to allow some limited waiver of work product protection as to documents not directly communicated to the client would result in potential injustice. As the court explained:

\begin{quote}
I will assume that the kind of work product most likely to be in issue in settings like this is ‘opinion’ work product--the kind that enjoys the highest level of protection. Working from this assumption, we frame the issue as follows: are the values and interests that would be promoted or protected by ordering limited access to opinion work product in this situation appreciably weightier than the harm that would be done to the values that support protection for opinion work product?\(^{165}\)
\end{quote}

The court reasoned, “the kind of work product evidence that is in issue here could, in some cases, contribute a great deal to the reliability of the truthfinding process with respect to” whether additional, negative advice was given to the client regarding infringement.\(^{166}\)

The court limited the waiver of work product not communicated to the client in two ways. First, the court limited disclosure of these

\(^{162}\) *Id.* at *7.*

\(^{163}\) The problem has been recognized by some commentators. See Mark Alan Flagel & Rachel Terner, *An Accused Patent Infringer’s Dilemma: Waive the Attorney-Client Privilege, or Risk a Finding of Willful Infringement,* 11 COMPUTER LAW 20 (June 1994).

\(^{164}\) For example, ABA Model Rules of Professional Conduct, Rule 7.1 provides: “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: . . . (b) is likely to create an unjustified expectation about results the lawyer can achieve.” Does this mean that advice which would comply with the rules of professional responsibility by providing a candid evaluation of various litigation strategies would also of necessity “cast doubt” on a prior patent opinion?

\(^{165}\) *Id.* at *8.*

\(^{166}\) *Id.*
documents "only to plaintiff's outside counsel." In this way, the opposing party would not be privy to work product that evaluated the alleged infringer's product in a manner that revealed trade secrets or other sensitive information. Most importantly, the court in Electro Scientific placed a temporal limitation on the scope of the waiver, discussed below.

For example, an attorney could tell an accused infringer that, though their argument regarding a patent's obviousness under section 103 of the Patent Act is weak, the client has a strong argument under section 102 regarding the novelty of the invention. Does such a candid evaluation contradict or "cast doubt" on a prior patent opinion, issued by opinion counsel, which told the client that it had both a strong claim under sections 102 and 103? Though the lines drawn in Micron Separations and Thorn EMI seem reasonable, these cases can be used to abuse the discovery process in an attempt to gain access to an accused infringer's litigation strategy. Using the above example, a patentee could discover that it need not be concerned with the alleged infringer's case concerning patent obviousness. The patentee could then focus its efforts on defeating the section 102 arguments the patentee now knows will be the crux of the alleged infringer's validity argument. Regardless of the probative value of the information to the court in determining willful infringement, the information could be an invaluable insight into the litigation strategies of the litigation attorneys attempting to defend the accused infringer.

IV
Moving Towards a Reasonable Solution

Given the potential for discovery abuse by applying the recent trial court decisions described in Part II, a solution is required that will balance the fundamental principles underlying the attorney-client privilege and work product doctrines, while at the same time protecting patentees from unfair use of these doctrines to hide information critical to the question of willful infringement.

A. A Line Between Opinion and Litigation Counsel

At least one commentary which recognized this Achilles heel of litigation defense counsel in patent cases suggests the best way to

167. Id.
168. See infra notes 173-184 and accompanying text.
protect "the interests of all parties" would be "to draw a clear and unequivocal line of demarcation between litigation counsel, on the one hand, and separate counsel from whom opinions on validity and infringement may be solicited for the purpose of exploring a defense against willful infringement."\textsuperscript{169} Such a policy:

\begin{quote}
[W]ould allow for an equitable balancing of attorney-client privilege policies on the one hand, and the rights of a patentee to fully explore the basis of a defense against willful infringement on the other. . . . In our view, if an accused infringer does not solicit from or seek to rely on a formal opinion from litigation counsel or counsel hired in anticipation of litigation against a claim of willful infringement, the accused infringer must be able to protect its relationship with litigation counsel and its ability to secure confidential advice from litigation counsel concerning litigation strategy, and yet still be permitted to rely on an opinion of separate counsel. . . .\textsuperscript{170}
\end{quote}

Unfortunately, this solution faces several challenges. First, the line between opinion and litigation counsel does not address the fact that, at least in theory, the client waives the privilege and work product protections as to the subject matter at issue, not as to the individual rendering the opinion. There is no reason why a client cannot obtain a clean opinion from an opinion counsel, while relying on litigation counsel to give them a candid (and potentially negative) evaluation of patent validity and infringement.

Were litigation counsel entirely protected under the proposed limitation, the door could be opened to potentially dangerous discovery abuses. Though this solution would be a bright line test, and could be administered effectively, there is also no guarantee that courts will accept such a limitation. For example, courts generally have found that "[o]ne waiver consequently waives the privilege as to all the lawyers working jointly on the matter; there are not numerous privileges between each of the firm's attorneys and the client."\textsuperscript{171} In light of such precedent, the litigation counsel limitation is not likely to be accepted by many district courts, and Federal Circuit approval would be doubtful.

\begin{footnotes}
\item[169.] See Flagel & Terner, \textit{supra} note 164, at 20.
\item[170.] Id. at 21.
\end{footnotes}
B. A Temporal Limit on the Scope of the Waiver

The Micron Separations decision imposed one final limitation on the discoverability of litigation files in addition to the limitations discussed above. The alleged infringer needed only to produce documents disclosed to the client "prior to the date on which the instant action was filed." Unfortunately, the court failed to explain the rationale for imposing this limitation. The Micron Separations court is not alone in applying this temporal limitation, nor in its lack of reasoning to support it. Four years earlier, the court in Kelsey Hayes Co. v. Motor Wheel Corp. also crafted a temporal limitation in a scope of the waiver situation. That court held "the order to produce is limited to opinions and materials prepared prior to the date Plaintiff filed this action." 

Finally, and most recently, the court in Electro Scientific Industries v. General Scanning, Inc. applied a temporal limitation on the scope of the waiver. Following discussion of the need to waive work product protection of documents which were not communicated to the client, the court announced its order:

My order, however, will only reach documents that were prepared before the lawsuit was filed and that relate to the analyses of infringement, validity, and/or enforceability--so documents with more direct tactical sensitivity, like outlines of possible questions for deponents or trial witnesses, or compilations of materials to be used to support an argument to the jury, would remain off limits. 

Magistrate Judge Brazil explained the reasons behind the temporal limitation, stating:

There is a greater risk that the kind of order I am entering here will cause harm to the interests in creativity and candor that are advanced when lawyers believe that their analyses and conclusions will remain private. Again, however, it is important to bear in mind that this order will result in disclosure of no work product materials that were generated after the lawsuit was filed.

Though some harm would be done to the interests which underlie work product protection, those interests would be preserved by limiting the scope of waiver to work product created prior to the time

175. Id.
176. Id. at *9.
the case was filed.\textsuperscript{177} 

The court's use of the commencement of litigation as the end-date for the waiver of the privilege and work product protections makes a great deal of sense as a limitation on the scope of the waiver in addition to the limitations previously discussed. First, the state of mind of the alleged infringer is the key to the willfulness inquiry. The patentee will gain access to documents produced and relied upon by opinion counsel which may have influenced the accused infringer's state of mind. The patentee will also be able to discover information provided to the client prior to the initiation of litigation which may have influenced the accused infringer's state of mind. Further, the alleged infringer typically has actual notice of a pending patent dispute, as discussed above.\textsuperscript{178} In the absence of such notice, the prejudicial inferences which may be drawn in the absence of the advice of counsel cannot be drawn. The purity of an alleged infringer's intent is best judged before the filing of litigation. The temporal limitation thus makes sense as an evidentiary principle.

Such a rule is practical to apply, and fair in result. A bright line limitation set at the time of filing recognizes that "documents which relate directly to preparation for trial of a case likely have no bearing on the issues."\textsuperscript{179} General discussion of trial strategy, determinations of which defenses to utilize and which to de-emphasize, and so on, may seem to "cast doubt" on a preexisting patent opinion. As explained above, such evidence does not truly bear on the state of mind of the accused infringer in most cases. The accused infringer has decided that it has enough of a case to attempt a good-faith defense in federal court. At most, this additional evidence may be used by a patentee to learn about an alleged infringer's trial strategy, and what the accused infringer believes to be the strongest and weakest parts of their arguments. If the alleged infringer does not have a good faith argument, but decides to press the advice of counsel defense anyway, sanctions exist to punish the infringer's conduct.\textsuperscript{180} Typical trial strategy documents and discussions will shed no additional light on the situation; evidence of bad faith may be obtained elsewhere, and a frivolous claim is punishable regardless of whether the alleged

\textsuperscript{177} Id.

\textsuperscript{178} See supra notes 23-25 and accompanying text.


\textsuperscript{180} For example, FED. R. CIV. P. 11.
infringer actually thought the claim was frivolous.\textsuperscript{181}

An alleged infringer can, through the use of an action for declaratory relief, choose the time of filing. The potential for an alleged infringer to abuse a temporal limitation of the scope of the waiver by filing a declaratory judgment in order to preserve its discovery protections is virtually nonexistent. First, as explained above, the Federal Circuit places tremendous weight on patent opinions sought and issued prior to commencement of litigation.\textsuperscript{182} Filing of a good faith declaratory judgment action could allow a possible infringer the luxury of discovery protection while avoiding the traditional risks associated with the failure to obtain a patent opinion upon a notice of alleged infringement (\textit{i.e.}, the "contrary inference" of \textit{Underwater Devices}).\textsuperscript{183} But a potential infringer is unlikely to file a claim prior to receiving notice from the patentee. The action would be subject to Rule 11, making it important for the potential infringer to have some good-faith basis for its claim. Failure to obtain a patent opinion prior to filing a declaratory relief action could result in the \textit{Underwater Devices} inference. Finally, the uncertainty of success in litigation coupled with the uncertainty of whether a patent is valid and, if so, whether the party has infringed it would place substantial pressure on the vast majority of declaratory judgment plaintiffs to at least obtain the advice of counsel in a patent opinion prior to filing. Effective application of Rule 11 and other sanctions would prevent abuse by the small minority who ignore the economic pressures created by the resulting uncertainty.

Use of the time of filing limitation may not make a court's inquiry concerning documents which contradict or cast doubts on prior patent opinions easier, but nor will it hinder the court. It will, however, protect trial counsel's documents relating to trial strategy. Such post-filing communications deserve protection in order to allow litigation counsel to provide meaningful advice to an accused infringer. The uncertainty created by the \textit{Micron Separations} "casts doubt" test to set the scope of the waiver is justifiable prior to the filing of a patent

\begin{footnotesize}
\textsuperscript{181} \textit{Id.}
\textsuperscript{182} See supra Part I.B.2. Though the Federal Circuit has found that a showing that the alleged infringer maintained a good faith reliance on the advice of counsel will be an adequate substitute for a patent opinion, this is typical limited to the context where the actual filing of the case was the only actual notice of potential patent infringement. See \textit{Gustafson, Inc. v. Intersystems Indus. Prods., Inc.}, 897 F.2d 508, 511 (Fed. Cir. 1990).
\textsuperscript{183} \textit{Underwater Devices, Inc. v. Morrison-Knudsen Co., Inc.}, 717 F.2d 1380, 1389-90 (Fed. Cir. 1983).
\end{footnotesize}
action. Indeed, concerns regarding fairness, and the potential for an alleged infringer to abuse the discovery process by invoking the advice of counsel defense, make that test extremely important. After a patent case is filed, however, litigation counsel should provide an accused infringer with the best possible advice, and should not be chilled by the potential for a broad discovery order down the road. A bright line limitation at the time of filing will achieve this result, allowing an alleged infringer to continue to control litigation by obtaining the most forthright and reliable litigation strategy and advice from their trial counsel.

V

Conclusion

The scope of the waiver of discovery protections in patent cases involving the advice of counsel defense remains extremely vague. The ability of litigators to provide meaningful advice to their clients could be severely hindered should the trend towards a broad view of the scope of the waiver continue. The client’s ability to monitor litigation strategy, as well as to make an informed decision regarding whether or not a case should go forward, is in jeopardy. Trial courts can draw several lines to help clarify the scope of the waiver. A line between opinion and litigation counsel is one such limitation. A line set firmly at the filing date of a patent matter, in the absence of abuse by the accused infringer, would serve both to protect the first principles of the attorney-client privilege and work product doctrines. This limitation would also protect the ability of a patentee to challenge the advice of counsel defense. Without such a line, however, the potential for discovery abuse by patentees may present as significant a danger as the abuses of alleged infringers might be were there no waiver of discovery protection at all.