Strafford

*Presenting a live 90-minute webinar with interactive Q&A*

# Privilege in IP Litigation: Overcoming Challenges in Review, Applicability to Foreign Attorneys, Disclosure

THURSDAY, SEPTEMBER 12, 2019

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

Today's faculty features:

Sybil L. Dunlop, Partner, **Greene Espel**, Minneapolis

Jeffrey B. McIntyre, Partner, **Oblon McClelland Maier & Neustadt**, Alexandria, Va.

Maxwell J. Petersen, Partner, **Lewis Brisbois Bisgaard & Smith**, Chicago

The audio portion of the conference may be accessed via the telephone or by using your computer's speakers. Please refer to the instructions emailed to registrants for additional information. If you have any questions, please contact **Customer Service at 1-800-926-7926 ext. 1**.

# *Tips for Optimal Quality*

FOR LIVE EVENT ONLY

*Sound Quality*

If you are listening via your computer speakers, please note that the quality of your sound will vary depending on the speed and quality of your internet connection.

If the sound quality is not satisfactory, you may listen via the phone: dial **1-877-447-0294** and enter your **Conference ID and PIN** when prompted. Otherwise, please **send us a chat** or e-mail **sound@straffordpub.com** immediately so we can address the problem.

If you dialed in and have any difficulties during the call, press *0 for assistance.

*Viewing Quality*

To maximize your screen, press the 'Full Screen' symbol located on the bottom right of the slides. To exit full screen, press the Esc button.

# *Continuing Education Credits*

FOR LIVE EVENT ONLY

In order for us to process your continuing education credit, you must confirm your participation in this webinar by completing and submitting the Attendance Affirmation/Evaluation after the webinar.

A link to the Attendance Affirmation/Evaluation will be in the thank you email that you will receive immediately following the program.

For additional information about continuing education, call us at 1-800-926-7926 ext. 2.

# *Program Materials*

FOR LIVE EVENT ONLY

If you have not printed the conference materials for this program, please complete the following steps:

- Click on the link to the PDF of the slides for today's program, which is located to the right of the slides, just above the Q&A box.
- The PDF will open a separate tab/window. Print the slides by clicking on the printer icon.

# Overview of Privilege In IP Litigation

Presented by Maxwell J. Petersen

September 12, 2019

# What Is The Attorney-Client Privilege?

- Federal Rule of Evidence 501: Privilege is governed by common law unless provided otherwise by the U.S. Constitution, a federal statute or Supreme Court rule
- Exception: In a civil case, privilege is governed by state law for any claim or defense where state law supplies the rule of decision
- Many IP cases include both federal and state law civil claims
- Best approach: Apply the broader rules when reviewing documents

# Federal Common Law Privilege

- Four elements:
  1. Communication
  2. Between client and counsel
  3. Made in confidence
  4. For the purpose of seeking or providing legal advice or assistance
- Does not cover non-legal assistance, business advice
- Many, but not all states follow this approach

# State Law Privilege Often Broader

- New York CVP § 4503: Privilege protects confidential communications between the attorney or his or her employee and the client made in the course of professional employment
- California Evid. Code §954: Privilege protects confidential communications between client and lawyer
- Illinois: Privilege protects communications between attorney and client when made for the purpose of seeking, obtaining or providing legal assistance

# Attorney Work Product Protection

- The material must include theories, mental impressions or litigation plans of the party's attorney; facts are not covered
- The material must have been prepared in anticipation of litigation or trial
- Standards for waiver are generally the same as for the attorney-client privilege

# Scope of Waiver – Federal

- F.R.Evid. §502(a) addresses subject matter waiver
- A disclosure of privileged or work product material waives the protection as to undisclosed material only if:
  1. The waiver is intentional
  2. The disclosed and undisclosed material concern the same subject matter and
  3. The disclosed and undisclosed material ought in fairness to be considered together

# Scope of Waiver – Federal

- Fed.R.Evid. §502(b) addresses inadvertent disclosure
- The disclosure does not operate as a waiver or privilege or work product if:
  1. The disclosure is inadvertent
  2. The holder of the privilege took reasonable steps to prevent disclosure and
  3. The holder of the privilege promptly took reasonable steps to rectify the error

# Documents Protected By Privilege

- All documents that can be considered a communication, including emails, facsimiles, text messages, letters, memoranda, including documents created by the client and those that are addressed to the client.
- Includes documents created by the client to obtain legal advice, documents created by the attorney to provide legal advice, documents created by an entity client to gather information for the attorney or disseminate attorney advice within the entity, and documents shared among defendants who have a common interest and/or joint defense agreement.
- The communication must be confidential when made and the client must intend it to remain confidential.

# Challenges Applicable To IP Litigation

- Large volumes of documents, especially ESI
- Economically impractical to review every document for privilege or work product
- Computer searching might not identify all protected documents, leading to inadvertent production
- Key names and terms are not always known to the searcher
- Documents may use initials, abbreviations and acronyms to identify attorneys, law firms and important subject matter

# How To Proactively Minimize Inadvertent Production

- Store all attorney communications in separate legal files
- Store all inter-company transmission of attorney communications in separate legal files
- Do not mix attorney communications in general project files
- Do not mix inter-company discussions of attorney communications in general project files
- Do not mix inter-company implementation of attorney advice in general project files

# How To Minimize Inadvertent Production During Litigation

- Keyword searches that include not only attorney and law firm names but also focus on potentially privileged concepts and issues
- Exemplary key words in IP litigation: infringement, patent, trademark, copyright
- Other exemplary key words: litigation, lawsuit, suit, sue, court, trial, judge, jury
- Incorporate new key words as the review proceeds
- Ask the client about common abbreviations and acronyms

# How To Address Inadvertent Production Proactively

- Clawback provisions entered by Stipulation
- Clawback provisions entered as part of a Protective Order
- Stipulated procedures for contesting clawbacks
- Agreements between counsel are typically enforceable only if entered by the Court

# Elements of Clawback Provision

- Letter to opposing counsel identifying the inadvertently produced material and basis for privilege claim, promptly after learning of it
- 10-day (or appropriate) deadline for opposing counsel to return or destroy the material, certify its destruction, or challenge the clawback in court
- 10-day (or appropriate) deadline for the producer to answer the challenge
- Prohibition against accessing or using the inadvertently produced material while such challenge is pending

# Other Elements of Clawback Provision

- The inadvertent production shall not be a basis for alleging or finding that the attorney-client or work product privilege has been waived
- Returning or destroying inadvertently produced material shall not constitute an admission that the material is privileged or immune from discovery

# Case Study 1

- Party “X” produces 1 million documents to Party “Y” constituting an entire project file
- Six months later, while reviewing evidence during an intense briefing schedule, “X” learns that it produced a document reflecting an interoffice discussion of “possible infringement” based on review by outside counsel.
- Two months later, after the briefing is concluded, “X” notifies “Y” of the inadvertent production by letter and requests its return or destruction.
- “Y” challenges the attempted clawback in court.

# Case Study 1

- Will “X” likely prevail in the clawback dispute?
- Answer: Probably not, because §502(b) requires that the holder of the privilege promptly took reasonable steps to rectify the error. “X” waited two months to seek clawback.
- Will the scope of waiver extend to undisclosed material of the same subject matter?
- Answer: No, because §502(a) only extends waiver to undisclosed material when the waiver is intentional.

# Case Study 2

- Party “X” produces 1 million documents to Party “Y” constituting an entire project file but, due to time pressure or budget, does not review the production for privilege
- Six months later, while reviewing evidence during an intense briefing schedule, “X” learns that it produced a document reflecting an interoffice discussion of “possible infringement” based on review by outside counsel.
- “X” puts down the brief, immediately notifies “Y” of the inadvertent production by letter and requests its return or destruction.
- “Y” challenges the attempted clawback in court.

# Case Study 2

- Will “X” likely prevail in the clawback dispute?
- Answer: Probably not, because §502(b) requires that the holder of the privilege took reasonable steps to prevent disclosure.
- Will the scope of waiver extend to undisclosed material of the same subject matter?
- Answer: Probably yes, because “X” made a conscious decision not to review the documents. §502(a) extends waiver to undisclosed material when the waiver is intentional.

# Case Study 3

- Party “X” produces 1 million documents to Party “Y” constituting an entire project file and diligently reviews the production for privilege
- Six months later, “X” learns that it produced a document reflecting an interoffice discussion of “possible infringement” based on review by outside counsel.
- “X” views the document as harmless because it reflects good faith efforts to design around the patent
- “X” decides not to claw back the document because it is harmless and maybe helpful.
- “Y” then moves the court for an order granting a subject matter waiver of all privileged and work product communications relating to design-around attempts.

# Case Study 3

- Will “Y” likely prevail in securing a subject matter waiver?
- Probably “Yes” unless “X” can produce some evidence that the production was inadvertent
- The intentional failure to claw back raises a fair argument that the production was intentional
- Best practice: Always pursue claw back of inadvertently produced documents, no matter how benign they may seem

# Additional Considerations

- The attorney-client privilege and work product are generally considered substantive law instead of procedural law
- When a court is applying the substantive law of another forum; it will also apply the privilege law as interpreted by that forum
- Courts generally apply their own procedural laws even when they apply the substantive laws of another forum

# Additional Considerations

- The burden of establishing the privilege rests on the party asserting it, who must establish a prima facie case
- The privilege extends to communications with potential clients seeking legal advice
- The privilege survives the termination of the attorney-client relationship
- The privilege generally survives the death of the client
- The privilege does not protect legal advice sought by the client to help effectuate a crime or fraud

# Summary

- Become familiar with federal and state laws defining privilege, especially when both federal and state claims are present
- Encourage your clients to maintain attorney communications and internal disseminations in discrete and separate files
- Use carefully selected and evolving keyword searches to identify privileged materials during litigation
- Include strong claw back provisions in a stipulation or protective order
- Always claw back inadvertent productions, regardless of their content

GREENE ESPEL PLLP

Deliberately Different.

# Multiple defendants and the common interest doctrine

# What is the common interest doctrine?

- Common interest doctrine is an exception to the rule the disclosure of privileged material to a third-party waives the privilege
  - Must first satisfy general requirements of privilege.
  - Two elements: (a) a common goal; and (b) that the communications in question further that goal.
  - Exception evolved to mitigate harsh consequences of waiver and to promote the sharing of information

*In re Sealed Case*, 29 F.3d 715, 719 n.5 (D.C. Cir. 1994)

GREENE ESPEL PLLP

# What is the common interest doctrine?

- Three Related Concepts:
  - The co-client privilege
  - The allied lawyer or joint-defense privilege
  - Common commercial interest

GREENE ESPEL PLLP

# What is the common interest doctrine?

- The co-client privilege:
  - Applies when multiple clients hire the same counsel to represent them on a matter of common interest
  - Communications by either party to the lawyer are privileged as against third parties
  - Not privileged in subsequent litigation between the two clients

GREENE ESPEL PLLP

# What is the common interest doctrine?

- The allied lawyer doctrine
  - Sometimes called joint defense privilege
  - Separate lawyers, aligned parties
  - Subject to substantial criticism

GREENE ESPEL PLLP


*"This isn't working. We have nothing in common."*

# What is the common interest doctrine?

**Common commercial interest:**

- Applies when two or more parties share a common commercial interest and share legal advice with respect that interest
- Does not require or anticipate litigation
- Must be for the purpose of giving or receiving legal advice
- The interest in question must be a legal one, rather than purely commercial
- Narrowly construed and not widely recognized

GREENE ESPEL PLLP

# Common Interest Privilege in Patent Matters

- Litigation funding
  - *Acceleration Bay LLC v. Activision Blizzard*, No. 16-453-RGA, 2018 U.S. Dist. LEXIS 21506 (D. Del. Feb. 9, 2018)
  - *Mondis Tech., Ltd. V. LG Elecs., Inc.*, No. 2:07-CV-565-TJW-CE, 2011 U.S. Dist. LEXIS 47807 (E.D. Tex. May 4, 2011)
- Licensor-licensee negotiation
- Mergers/acquisitions
  - *Waymo LLC v. Uber Techs., Inc.*, 2017 WL 2694191, *8 (N.D. Cal. June 21, 2017)
- Joint-defense litigation

GREENE ESPEL PLLP

# Practical Considerations

- Execute a written agreement to have a common legal interest in the information exchanged and define the common legal interest.
- Execute NDAs to protect work product.
- Consider whether it will be helpful to commence litigation before exchanging materials with a third party.

GREENE ESPEL PLLP

GREENE ESPEL PLLP

Deliberately Different.

# Privilege Considerations For Non-U.S. Patent Professionals

OBLON

**Jeff McIntyre**
*jmcintyre@oblon.com*

# Outline

I. Overview Of Issues Involved
II. Patent Agents -- U.S. Perspective
III. Practical Considerations For Day-To-Day Practices

- All documents for which privilege is asserted are listed on a privilege log
  - Date, names of individuals on communication, general description
- Parties can challenge privilege assertion for any document
- If court determines that no privilege exists, production of document occurs

# Overview:
## Focus On Laws Of Relevant Country

- U.S. courts analyze privilege based on laws of country which communication touches

- Non-U.S. privilege law typically governs communications relating to foreign legal proceedings or foreign law
  - For patents, relevant law is “law of the foreign country in which the patent application is filed”

# Overview:
## Focus On Laws Of Relevant Country

- Issues affecting U.S. court's analysis
  - Many countries do not have broad discovery like the U.S., so no need for formal protection of communications from disclosure
  - Many patent professionals are patent agents, not attorneys
  - In-house employees play both IP and business roles

# Overview:
## Inconsistent Treatment

- U.S. attorney and client communication = privileged
- Courts have not treated non-U.S. patent professional communications consistently when addressing privilege
- For example, France…
  - Privileged: Duplan Corp. v. Deering Milliken Inc., 397 F. Supp. 1146 (D.S.C. 1974)
  - Not Privileged: Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc., 188 F.R.D. 189 (S.D.N.Y. 1999)

# U.S. Perspective:
## Patent Agents and Privilege

*In re Queen's University at Kingston,* 820 F.3d 1287 (Fed. Cir. 2016)

- Federal Circuit recognized “a patent-agent privilege extending to communications with non-attorney patent agents when those agents are acting within the agent's authorized practice of law before the Patent Office”

# U.S. Perspective:
## Patent Agents and Privilege

**37 C.F.R. § 11.5(b)(1)** Practice before the Office in patent matters includes, but is not limited to

- preparing and prosecuting any patent application
- consulting with or giving advice to a client in contemplation of filing a patent application or other document with the PTO
- drafting the specification or claims of a patent application
- drafting an amendment or reply to a communication from the PTO that may require written argument to establish the patentability of a claimed invention
- drafting a reply to a communication from the PTO regarding a patent application
- drafting a communication for a public use, interference, reexamination proceeding, petition, appeal to or any other proceeding before the Patent Trial and Appeal Board, or other proceeding

# U.S. Perspective:
## Patent Agents and Privilege

*In re Queen's University* – what isn't authorized?

- "For instance, communications with a patent agent who is offering an opinion on the validity of another party's patent in contemplation of litigation or for the sale or purchase of a patent, or on infringement, are not 'reasonably necessary and incident to the preparation and prosecution of patent applications or other proceeding before the Office'"

# U.S. Perspective:
## Patent Agents and Privilege

*Onyx Therapeutics v. Cipla,* D. Del (16-988-LPS) (Feb. 2019)

- Scientists consulted a patent agent for guidance in understanding the patent landscape in order to direct their research efforts
  - before finalizing a research plan
  - before undertaking testing or viability studies
  - before reducing their ultimate invention to practice
  - before committing to having claims drafted so a patent application could be prosecuted
- Del. Court = communications not "reasonably necessary and incident to" patent prosecution, not privileged
- Del. Court = agent privilege is narrow

# U.S. Perspective:
## Patent Agents and Privilege

**37 C.F.R. § 42.57 Privilege for patent practitioners (Nov. 2017)**

**(a)** *Privileged communications.* A communication between a client and a USPTO patent practitioner **or a foreign jurisdiction patent practitioner that is reasonably necessary and incident to the scope of the practitioner's authority** shall receive the same protections of privilege under Federal law as if that communication were between a client and an attorney authorized to practice in the United States, including all limitations and exceptions.

**(b)** *Definitions.* The term "USPTO patent practitioner" means a person who has fulfilled the requirements to practice patent matters before the United States Patent and Trademark Office under §11.7 of this chapter. **"Foreign jurisdiction patent practitioner" means a person who is authorized to provide legal advice on patent matters in a foreign jurisdiction, provided that the jurisdiction establishes professional qualifications and the practitioner satisfies them. For foreign jurisdiction practitioners, this rule applies regardless of whether that jurisdiction provides privilege or an equivalent under its laws**.

# Practical Considerations:
## Basic Elements Of Privilege

- A communication between privileged persons
- In confidence
- For the purpose of seeking, obtaining, or providing legal advice

# Practical Considerations:
## Privileged Persons

- Non-U.S. patent professionals (agents) have stronger arguments that communications are privileged

# Practical Considerations: Confidentiality

- Patent-related communications made with expectation of confidentiality
- Disclosure to third parties may defeat the privilege
  - Joint Defense Agreement

# Practical Considerations: Confidentiality

- Limit distribution to internal individuals on need-to-know basis
  - Need to freely communicate within company
  - But limited distribution helps with maintaining privilege
    - Footnote: "*Confidential – Attorney Client Privilege - Not for further distribution*"

# Practical Considerations:
## Confidentiality Case Study

- Document listed on privilege log (communication between EP attorney and client relating to U.S. patent)
- Privilege assertion challenged
- During briefing, document submitted to court…. But not under seal (publically-available after filing)
- No confidentiality, no privilege

# Practical Considerations:
## Legal Advice

- What is the primary purpose of the document -- legal or business?
  - Is the purpose to communicate, provide, seek, or provide legal advice?
  - Is the communication for a business-related purpose?

# Practical Considerations:
## Legal Advice

- Include patent professional in communication
  - Ideally, include U.S. attorney in communication if it relates to U.S. patent
  - Include patent professional whose scope of authority relates to communication

# Practical Considerations:
## Legal Advice Case Study

- Document listed on privilege log (analysis by inventor of prior art vis-à-vis company's patent application for his supervisor)
- Privilege assertion challenged
- Document created for non-legal purpose
- No privilege

# Thank you!

## A FULL – SERVICE U.S INTELLECTUAL PROPERTY LAW FIRM SERVING CLIENTS WORLDWIDE

OBLON

**Jeff McIntyre**
*jmcintyre@oblon.com*