FEBRUARY/MARCH 2004

CBA

RECORD

As published by
The Chicago Bar Association.

Use of Attorney-Client Privilege in Willful Infringement Case Raises Unique Issues

By Daniel Cotter, Editorial Board Member

If you step into a patent infringement suit, you will be entering into an upside down and different world with respect to the attorney-client and work product privileges. Practitioners need to understand how these privileges are handled in the patent infringement context.

Richard P. Beem, Beem Patent Law Firm, addressed the topic, "The Attorney-Client Privilege Under Attack: Patent Opinions & *Knorr-Bremse*," at a recent meeting of the YLS Intellectual Property Committee. Beem was one of the drafters and counsel for the American Bar Association's *Amicus Curiae* brief in the *Knorr-Bremse GMBH v. Dana Corp.* pending before the United States Court of Appeals for the Federal Circuit. The *Knorr-Bremse en banc* court is reviewing four issues, but the ABA's brief addresses only the question of whether or not it is appropriate for the trier of fact to draw an adverse inference with respect to willful infringement when a defendant in an infringement suit invokes the attorney-client privilege and/or work product privilege.

Beem indicated that the ABA's interest in filing the brief is the protection of the attorney-client relationship, because confidentiality and candor are central to the ABA's Model Rules of Professional Conduct. The ABA has long opposed an adverse inference from invocation of the attorney-client privilege, and at the 2001 ABA Annual Meeting, the organization adopted a policy that opposed a blanket rule under which the failure of a defendant in an infringement suit will permit an adverse inference to be drawn.

A major concern is that the line of cases providing for the adverse inference, such as *Fromson v. Western Litho & Plate Supply Co.*, 853 F.2d 1568 (Fed. Cir. 1988), provide for "showcase" opinions, which are really briefs. Defense attorneys in infringement cases, faced with the Hobson's choice of waiving the privilege and producing the opinion or asserting the privilege and having an adverse inference that there was no opinion or was adverse to the defendant's position, will not be as candid in giving advice to their clients.

In addition, the clients are chilled from giving full disclosure of the facts to their lawyers. As a result, the opinions given by defense attorneys, if any, are more like briefs, highlighting the main strengths and arguments of the defendant's position, with the expectation that the opinion will be disclosed.

Negates Confidentiality

According to Beem and the ABA brief, *Fromson* negates confidentiality and discourages lawyers from giving proper cautionary advice. The *Fromson* approach is unique in jurisprudence, because in other contexts, the invocation of the attorney-client privilege and/or the work product privilege does not result in an adverse inference being drawn against the client.

Beem concluded with an analysis of the ABA Model Rules of Professional Conduct and selected Illinois Rules of Professional Conduct and emphasized that under both sets of rules, confidentiality and candor are central. There are also protections in the rules against a lawyer presenting worthless claims, because Model Rules 3.1 provides that a lawyer should only advance "meritorious claims and contentions" and 3.3 provides that a lawyer should practice "candor" toward the courts. In Illinois, Rule 2.1 provides for a lawyer to "render candid advice" and Rule 3.1 requires that lawyers not bring or defend a "frivolous" suit or claim. Finally, Rule 3.3 governs a lawyer's proper conduct before a tribunal. These rules and requirements should prevent lawyers from using the attorney-client privilege and/or work product privilege to hide behind no opinion or a poor one.

The Federal Circuit heard the *Knorr-Bremse* oral arguments *en banc* on February 5, 2004.

The YLS Intellectual Property Committee meets on the first Wednesday of each month. ■