

4-20-2003

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Recommended Citation

Cecil C. Kuhne III *The Advice-of-Counsel Defense in Patent Infringement Cases: How Far Does Waiver of Work Product Extend?*, 30 Pepp. L. Rev. Iss. 3 (2003)

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The Advice-of-Counsel Defense in Patent Infringement Cases: How Far Does Waiver of Work Product Extend?

By Cecil C. Kuhne, III*

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I. INTRODUCTION

An alleged patent infringer responding to a lawsuit involving a claim of willful infringement—and most importantly, that claim's potential for treble punitive damages¹—will generally offer written evidence of the legal opinion which was reasonably and in good faith relied upon in making, using, or selling the device in dispute.² As a result, this legal opinion, which

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1. 35 U.S.C. § 284 (1982) (providing that in a patent infringement case tried to a jury, a trial court may order that a judgment be entered in favor of a claimant for up to three times the compensatory damages as determined by the court); *see also* Mathis v. Spears, 857 F.2d 749, 754 (Fed. Cir. 1988) (stating that “[p]rovisions for increased damages . . . are available as deterrents to blatant, blind, willful infringement of valid patents.”).

2. *See* Minnesota Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1559, 1580 (Fed. Cir. 1992) (stating that “[i]t is well settled that a potential infringer having actual notice of another's patent has an affirmative duty of due care that normally requires the potential infringer to obtain competent legal advice before infringing or continuing to infringe.”). Although reliance on competent counsel is evidence of good faith, it is not conclusive. *See* Delta-X Corp. v. Baker Hughes Prod. Tools, Inc., 984 F.2d 410, 414 (Fed. Cir. 1993).

was previously privileged as an attorney-client communication, now becomes relevant and admissible.³ The courts have held that many of the underlying documents and conversations relating to such an opinion are relevant, in that they are probative of the alleged infringer's intent,⁴ and are admissible because the defendant has effectively waived the privilege.⁵ The principle supporting such waiver is fundamental fairness – it is said that a party should not be allowed to rely on a self-serving document in its defense while withholding potentially damaging information under the guise of privilege.⁶

One court has described the strategic posturing that the parties to these cases typically take:

[T]he patent owner opens with a claim for willful infringement; the alleged infringer answers by denying willful infringement and asserts good faith reliance on advice of counsel as an affirmative defense; then the owner serves contention interrogatories and document requests seeking the factual basis for that good faith reliance defense and the production of documents relating to counsel's opinion; the alleged infringer responds by seeking to defer responses and a decision on disclosure of the opinion; the owner counters by moving to compel; and the alleged infringer moves to stay discovery and for separate trials.⁷

Clearly, the party claiming the advice-of-counsel defense has a simple but difficult decision: claim the defense – or claim the privilege.

II. SCOPE OF WAIVER

While the parties to a patent infringement case generally agree that good-faith reliance on a legal opinion is relevant to rebutting a claim of willful infringement and that assertion of the advice-of-counsel defense operates as a waiver of the attorney-client privilege, the parties often

3. See *Rolls-Royce Ltd. v. G.T.E. Valeron Corp.*, 800 F.2d 1101, 1109 (Fed. Cir. 1986).

4. See *Cordis Corp. v. SciMed Life Sys., Inc.*, 980 F. Supp. 1030, 1033 (D. Minn. 1997) (stating that “a rigorous examination of the factual predicates for an opinion of patent counsel, in defense of a claim of willfulness, is essential. To conclude otherwise, would be to effectively insulate the potential infringer from increased damages.”).

5. See *Panter v. Marshall Field & Co.*, 80 F.R.D. 718, 721 (N.D. Ill. 1978); see also *Hercules Inc. v. Exxon Corp.*, 434 F. Supp. 136, 156 (D. Del. 1977) (noting that voluntary waiver by the client of one or more privileged documents waives the privilege as to all communications between the attorney and the client).

6. See *Bd. of Trs. of Leland Stanford Junior Univ. v. Coulter Corp.*, 118 F.R.D. 532, 533 (S.D. Fla. 1987); see also *Abbott Labs. v. Baxter Travenol Labs., Inc.*, 676 F. Supp. 831, 832 (N.D. Ill. 1987).

7. *Johns Hopkins Univ. v. Cellpro*, 160 F.R.D. 30, 34 (D. Del. 1995).

disagree about the *scope* of that waiver as it relates to work product. Most courts have no trouble concluding that the attorney-client privilege is waived as to communications between attorney and client concerning the legal opinion relied upon.⁸ The more difficult issue relates to work product and whether the defendant must produce all documents reviewed by, or prepared for, legal counsel that were not communicated to the client. These include so-called "opinion" or "mental impression" work product, such as attorney notes, internal memoranda, and drafts of the opinion.⁹ The plaintiff seeking such documents will invariably contend that the evidence sought is germane to the competence of the legal opinion provided and to whether the defendant's good-faith reliance on it was justified. At the extreme, a broad waiver of the immunity would include virtually all documents, including "opinion" work product.¹⁰ At the other end of the spectrum, a narrow scope of waiver would extend only to those documents communicated between counsel and client.¹¹

The jurisdiction to resolve appeals in patent actions is invested exclusively in the United States Court of Appeals for the Federal Circuit.¹² The Federal Circuit has held, as a matter of policy, that discovery in procedural issues not unique to patent matters should be decided pursuant to the law of the regional circuit where the district court sits.¹³ However, questions involving the scope of waiver of work-product immunity in patent cases where willful infringement is an issue would appear to be unique to

8. See *Hercules*, 434 F. Supp. at 156.

9. This is particularly so in light of the restriction of Federal Rule of Civil Procedure 26(b)(3), which provides: "In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation." FED. R. CIV. P. 26(b)(3). The Supreme Court has declined to decide the issue of whether opinion work product can be ordered to be disclosed. *Upjohn Co. v. United States*, 449 U.S. 383, 401-02 (1981); see also *Micron Separations, Inc. v. Pall Corp.*, 159 F.R.D. 361, 364 (D. Mass. 1995) (noting that none of the appellate cases have dealt with an advice-of-counsel defense).

10. See, e.g., *Mushroom Assocs. v. Monterey Mushrooms, Inc.*, 24 U.S.P.Q.2d 1767, 1770-71 (N.D. Cal. 1992).

11. See, e.g., *Steelcase Inc. v. Haworth, Inc.*, 954 F. Supp. 1195, 1199-1200 (W.D. Mich. 1997) (providing that advice-of-counsel waiver "does not extend to attorney work product or documents upon which the attorney relied, unless they were somehow disclosed to [its clients]."); see also *Thorn EMI N. Am., Inc. v. Micron Tech., Inc.*, 837 F. Supp. 616, 622 (D. Del. 1993) (stating that "[c]ounsel's mental impressions, conclusions, opinions or legal theories are not probative of that state of mind unless they have been communicated to that client.").

12. 28 U.S.C. § 1295 (1982).

13. See *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1574-75 (Fed. Cir. 1984); accord *Nike, Inc. v. Wolverine World Wide, Inc.*, 43 F.3d 644, 648 (Fed. Cir. 1994).

patent litigation.¹⁴ Interestingly enough, there is no Federal Circuit authority on this important question of the scope of work-product waiver relative to the advice-of-counsel defense.¹⁵

The Federal Circuit has, nevertheless, made it clear that the relevant inquiry is the infringer's intent, not that of counsel.¹⁶ More significantly, the Federal Circuit has held that importance of the legal opinion to the waiver issue does not depend on its legal correctness.¹⁷ The question is whether counsel's opinion was thorough enough, as combined with other factors, to instill a belief in the alleged infringer that a court might reasonably hold the patent to be invalid, not infringed, or unenforceable.¹⁸ Consequently, the infringer's "intent and reasonable beliefs" are generally considered the primary focus of a willful infringement inquiry.¹⁹ With this in mind, the scope to which otherwise privileged or immune materials must be produced by the party asserting the defense should be broad enough "to illuminate that issue, but no broader."²⁰

However, a number of cases, acknowledging that the infringer's state of mind is the important matter, have held that it may be necessary to inquire into the attorney's state of mind in order to better determine the infringer's

14. See *Steelcase*, 954 F. Supp. at 1197.

15. "[T]he Federal Circuit has been silent on the discovery issue of the extent of attorney-client/work product waiver primarily because such discovery issues have not surfaced in post-trial appeals to the knowledge of the parties or the undersigned." *Chiron Corp. v. Genetech*, 179 F. Supp. 2d 1182, 1186 (E.D. Cal. 2001).

16. See *Ortho Pharm. Corp. v. Smith*, 959 F.2d 936, 944 (Fed. Cir. 1992); see also *Graco, Inc. v. Binks Mfg. Co.*, 60 F.3d 785, 793 (Fed. Cir. 1995). The courts have identified a number of factors that may be relevant to determining the alleged infringer's state of mind, including evidence that the infringer copied the ideas or design, that the infringer had actual notice of the patent, and that the infringer sought, obtained, and justifiably relied upon legal advice from counsel on whether or not the patents were invalid or infringed. *Thorn*, 837 F. Supp. at 620.

17. See *Ortho Pharm.*, 959 F.2d at 944; see also *Graco*, 60 F.3d at 793 (stating that "[w]hether or not an opinion was 'legally' correct is not the proper focus.").

18. In determining whether or not an alleged infringer's reliance on an opinion of counsel was reasonable, courts have looked at: when the infringer sought counsel's advice (before or after commencing the infringing activities); the infringer's knowledge of the attorney's independence, skill, and competence; the infringer's knowledge of the nature and extent of analysis performed by counsel in providing the opinion; and whether the opinion contains sufficient internal indicia of credibility, including a validity analysis predicated on a review of the file histories, and an infringement analysis that compares and contrasts the potentially infringing method or apparatus with the patented inventions. *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 828-29 (Fed. Cir. 1992); see also *Ortho Pharm.*, 959 F.2d at 944; see also *Underwater Devices Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380, 1390 (Fed. Cir. 1983).

19. See *Thorn*, 837 F. Supp. at 620-22 (providing that "[t]he 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.>").

20. See *Steelcase*, 954 F. Supp. at 1198; see also *Kelsey-Hayes Co. v. Motor Wheel Corp.*, 155 F.R.D. 170, 172 (W.D. Mich. 1991); *Johns Hopkins Univ. v. Cellpro*, 160 F.R.D. 30, 34 (D. Del. 1995) (providing that the attorney-client privilege is worthy of maximum legal protection and citing cases to support this assertion).

state of mind.²¹ These courts have therefore required that the files of the defendant's attorney, even those containing opinion work product, be produced, usually under certain restrictions designed to prevent disclosure of litigation strategy and the like.²² The broad reach of Federal Rule of Procedure 26(b)(1)²³ – allowing the court to order discovery of any relevant matter – and Rule 26(b)(3)²⁴ – allowing discovery of work product when there is a showing of substantial need and the inability without undue hardship to obtain substantially equivalent materials – is typically invoked to justify this disclosure.²⁵

III. THE NARROW WAIVER POSITION

Courts advocating a narrow waiver of work product in willful infringement cases typically reason that it is the mind of the allegedly infringing party, not that of his attorney, which is at issue. In order to explore the mind of the alleged infringer, it is necessary to know all the information that reached that mind; however, information that did not do so is irrelevant and therefore not discoverable. Under this line of reasoning,

21. See *Dunhall Pharm., Inc. v. Discus Dental, Inc.*, 994 F. Supp. 1202, 1205 (C.D. Cal. 1998). The court in *Dunhall* further noted:

Additionally, focusing solely on whether evidence was clearly communicated by the attorney to the client can obscure the fact that evidence which does not facially reflect communication to the client may nonetheless be relevant to showing the client's state of mind. This is so simply because negative evidence contained in the attorney's files raises the reasonable circumstantial inference that the client was somehow appraised of the negative opinions.

Id.

22. *Id.* at 1206. Further stating that:

Once the lawsuit is filed, the waiver of work product protection ends. This temporal limitation follows from the enhanced interest in protecting against disclosure of trial strategy and planning. Following the filing of the lawsuit, defense counsel is engaged in critical trial preparation, often including analysis of the weaknesses of their client's case. Such analysis, while likely related to the subject matter of the asserted defense, is fundamentally different from a similar pre-litigation analysis.

Id.

23. FED. R. CIV. P. 26(b)(1) (providing that “[f]or good cause, the court may order discovery of any matter relevant to the subject matter involved in the action.”); see also *Dunhall Pharm.*, 994 F. Supp. at 1205-06.

24. FED. R. CIV. P. 26(b)(3) (explaining that work product is 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.”).

25. See *Mushroom Assocs. v. Monterey Mushrooms, Inc.*, 24 U.S.P.Q.2d 1767, 1771 (N.D. Cal. 1992); see also *Handgards, Inc. v. Johnson & Johnson*, 413 F. Supp. 926, 930-31 (N.D. Cal. 1976).

documents in the attorney's files that constitute work product, but do not reflect communications with the client, remain protected from discovery.

The leading case advocating a narrow waiver of work product is *Thorn EMI North America, Inc. v. Micron Technology, Inc.*²⁶ The *Thorn* case and its progeny²⁷ emphasize that the facts of consequence in determining willful infringement relate to the infringer's state of mind, and therefore, "[c]ounsel's mental impressions, conclusions, opinions, and legal theories are not probative of that state of mind unless they have been communicated to the client".²⁸ In *Thorn*, the plaintiff requested all documents of defendant's attorneys in order to explore a number of issues including: (a) why only one of the four patents was analyzed with respect to validity; (b) why the opinions were written one year after notice of the alleged infringement; (c) why a doctrine of equivalents analysis was missing in some of the opinions; and (d) why counsel did not consult an independent technical person with respect to the patents.²⁹ The plaintiff contended that it needed access to defendant's work product in order to examine the theories disclosed in the legal opinions and to evaluate the competence of those opinions.³⁰

The court in *Thorn* held that the plaintiff should indeed be entitled to discover facts related to whether defendant's reliance on the opinions was reasonable, including: (a) when defendant sought the legal advice; (b) what defendant knew about the law firm's independence, skill, and competence to provide the opinions; (c) what defendant knew about the nature and extent of analysis performed by the firm; and (d) what defendant knew and concluded about the credibility, value, and reasonableness of the opinions.³¹ But the court, determining that counsel's mental impressions were not probative of defendant's state of mind unless they had been communicated to the client, concluded that any information not communicated was not probative of intent, and was therefore not relevant or discoverable.³²

26. 837 F. Supp. 616 (D. Del. 1993).

27. See also *Micron Separations*, 159 F.R.D. at 363 (stating that work materials not probative unless communicated to client).

28. *Thorn*, 837 F. Supp. at 622.

29. *Id.* at 619.

30. *Id.*

31. *Id.* at 621. See also *Nitinol Med. Techs. v. AGA Med. Corp.*, 135 F. Supp. 2d 212, 218 (D. Mass. 2000). The Court in *Nitinol* further stated that:

Unless it can be established that the defendant knew of the factual basis for counsel's opinions, such work product should not have to be produced . . . here. The inquiry should focus on what [defendant] knew about its counsel's 'independence, skill and competence to provide the opinions, what [defendant] knew about the nature and extent of analysis performed by the firm, and what [defendant] knew and had concluded about the credibility, value and reasonableness of the opinion.'

Id.

32. *Thorn*, 837 F. Supp. at 622-23. Cf. *Cordis Corp. v. SciMed Life Sys., Inc.*, 980 F. Supp.

The decision in *Steelcase, Inc. v. Haworth, Inc.*³³ also required that all documents underlying the legal opinion be produced, but drew the line at any evidence concerning whether the opinion was “legally correct.”³⁴ The court, deciding that such evidence related to the attorney’s state of mind and was thus inadmissible, explained how the waiver of privilege and immunity in such cases is both broad and narrow:

[T]he privilege must be deemed waived concerning all documents in the client’s hands that refer or relate to counsel’s opinion or represent information relayed to counsel as a basis for the opinion. Furthermore, 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 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. Especially irrelevant is discovery addressed to the “legal correctness” of the opinion.³⁵

The court in *Steelcase*, noting that the Federal Circuit had not directly dealt with the scope of the waiver, pointed to other areas in which the court has made it clear that the relevant issue is the infringer’s intent, not the intent of counsel.³⁶ Whether a legal opinion is legally correct, the court said, is not the proper issue – only whether the opinion was thorough enough to instill a reasonable belief in the client that the patent at issue was invalid, not infringed, or unenforceable.³⁷

IV. THE BROAD WAIVER POSITION

By contrast, other courts have concluded that discovery in advice-of-counsel cases should include all information considered by counsel when the

1030, 1033 (D. Minn. 1997) (stating that “[a]lthough we agree with the Defendant’s reading of *Steelcase* and *Thorn*, we are not persuaded that either decision properly resolves the issue before us. Rather, we believe the rule expressed by these Courts is both impractical, and fundamentally unsound.”).

33. 954 F. Supp. 1195 (W.D. Mich. 1997).

34. *Id.* at 1198-99 (citing *Graco, Inc. v. Binks Mfg. Co.*, 60 F.3d 785, 793 (Fed. Cir. 1995)).

35. *Id.* (emphasis in original).

36. *Id.* at 1199.

37. *Id.* at 1199-1200. See also *Ortho Pharm. Corp. v. Smith*, 959 F.2d 936, 944 (Fed. Cir. 1992); *Graco, Inc. v. Binks Mfg. Co.*, 60 F.3d 785, 793 (Fed. Cir. 1995).

opinion was formulated.³⁸ At its extreme, this would include opinion work product, which has typically been given greater protection than ordinary work product.³⁹ Seminal among the decisions advocating a broad waiver is *Mushroom Associates v. Monterey Mushrooms, Inc.*,⁴⁰ where the court observed that under Federal Rule of Civil Procedure 26(b)(3)⁴¹ work product is discoverable upon a showing of substantial need and inability without undue hardship to obtain substantially equivalent materials – two standards, the court suggested, that are present in most advice-of-counsel cases.⁴² The court concluded that “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 defense case.”⁴³

The court in *Mushroom Associates* considered separately the issues of attorney-client privilege and work-product immunity. In finding waiver of the attorney-client privilege with respect to *all* documents pertaining to the patent, the court noted that a plaintiff needs access to privileged information underlying the opinion letter because reliance on advice-of-counsel cannot be analyzed without reference to the circumstances surrounding the issuance of that advice.⁴⁴ Rejecting the defendant’s argument that the waiver is limited to documents pertaining to willful infringement, the court stated that it would be difficult to distinguish between documents relating to infringement and those to willful infringement.⁴⁵ As regards work product, the court concluded that principles of fairness with respect to the attorney-client privilege are just as applicable to work-product immunity.⁴⁶ As for *opinion* work product, the court held that the plaintiff’s need for this information is compelling and that the “only way” the plaintiff can attack the defendant’s advice-of-counsel defense is to have access to circumstances and factors surrounding the advice.⁴⁷

38. See *FMT Corp., Inc. v. Nissei ASB Co.*, 24 U.S.P.Q.2d 1073, 1075 (N.D. Ga. 1992) (stating that defendant must produce “all documents relied upon or considered by counsel at the time and in conjunction with rendering that opinion.”).

39. See *Micron Separations*, 159 F.R.D. at 364; see also *Bio-Rad Labs., Inc. v. Pharmacia, Inc.*, 130 F.R.D. 116, 122 (N.D. Cal. 1990).

40. 24 U.S.P.Q.2d 1767 (N.D. Cal. 1992); see also *Hoover Universal, Inc. v. Graham Packaging Corp.*, 44 U.S.P.Q.2d 1596, 1598 (C.D. Cal. 1997); *Frazier Indus. Co., Inc. v. Advance Storage Prods.*, 33 U.S.P.Q.2d 1702, 1703 (C.D. Cal. 1994).

41. FED. R. CIV. P. 26(b)(3) (providing that work product is 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.”).

42. *Mushroom Assocs. v. Monterey Mushrooms, Inc.*, 24 U.S.P.Q.2d 1767, 1771 (N.D. Cal. 1992).

43. *Id.*

44. *Id.* at 1770.

45. *Id.*

46. *Id.* at 1771.

47. *Id.* See also *Beneficial Franchise Co., Inc. v. Bank One, N.A.*, 205 F.R.D. 212, 218 (N.D. Ill.

Other courts have adopted this theme, that evidence of the attorney's mindset can be relevant to determining the client's mindset. In *Electro Scientific Industries, Inc. v. General Scanning, Inc.*,⁴⁸ the court ordered defendant's attorneys to produce all pre-litigation files to plaintiff's outside counsel.⁴⁹ *Electro Scientific* acknowledged that its order might harm the creativity and candor of attorneys who believed their analyses would remain private, but the court rationalized that any harm would be compensated by gains in the truth-finding process.⁵⁰ The court also noted that documents of tactical significance, such as deposition or witness outlines and jury arguments, would be protected under the court's carefully prescribed order.⁵¹ By ordering discovery, the court stated that it wished to avoid a formalistic distinction between evidence communicated to the client and that which was not:

Certainly it would not be rational to assume that everything in counsel's files reached the client, or that counsel communicated to the client all of what he or she really thought, but it would be comparably irrational to assume that there could be no relationship

2001). The court in *Beneficial Franchise* further reasoned:

Not all information conveyed to a client is neatly reflected in a transmittal letter or in a memorandum specifically directed to the client. The practical reality is that if negative information was important enough to reduce to a memorandum, there is a reasonable possibility that the information was conveyed in some form or fashion to the client.

Id. at 218.

48. 175 F.R.D. 539 (N.D. Cal. 1997).

49. *Id.* at 544; see also *Mosel Vitelic Corp. v. Micron Techn., Inc.*, 162 F. Supp. 2d 307, 312 (D. Del. 2000); *Cordis Corp. v. SciMed Life Sys., Inc.*, 980 F. Supp. 1030, 1033 (D. Minn. 1997).

50. *Electro Scientific*, 175 F.R.D. at 547. The court explained:

Of course, our system also has an interest in encouraging lawyers to brainstorm, ruminate, and undertake frank analyses before lawsuits are filed. And my disposition of this part of plaintiff's motion will harm that interest. How much harm it will do I am not sure, but, as explained in the next paragraph, the order I am fashioning will limit that harm except in the probably unusual case where the contribution to the truth finding process that would be made by permitting litigation use of the work product materials will visibly outweigh the competing work product interests.

Id.

51. *Id.* at 546. (noting that the order "will only reach documents that were prepared before the lawsuit was filed and that relate to the analyses of infringement, validity, and/or enforceability."). Thus, 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." *Id.* See also *Dunhall Pharms.*, 994 F. Supp. at 1205-06 (holding that there is no waiver of work product protection after filing of lawsuit because there is an "enhanced interest in protecting against disclosure of trial strategy and planning" and therefore "the balance of competing interests shifts at the time the lawsuit is filed."); but see *Beneficial Franchise Co.*, 205 F.R.D. at 217-18.

between what counsel really thought (as reflected in her private papers) and what she in fact communicated to her client. In this important sense, evidence about what was really in the lawyer's mind could be quite relevant to the issue of what was really in the client's mind.⁵²

Several courts have noted that a narrow waiver would actually encourage counsel to place only the most favorable version of the facts and law in their opinion letters, with the knowledge that unfavorable information would be protected from discovery.⁵³

The decision of *Dunhall Pharmaceuticals, Inc. v. Discus Dental, Inc.*,⁵⁴ relying on the broad reach of Federal Rule of Civil Procedure 26(b)(1),⁵⁵ also required discovery of the work product because it might lead to a better understanding of the client's mindset:

While negative evidence contained in an attorney's files may not ultimately reflect upon the client's state of mind, and will therefore not be admissible as evidence of willfulness, that evidence could very well lead to the discovery of relevant and admissible evidence of the client's state of mind that might not otherwise come to light. If the attorney's files contain evidence contradicting or questioning the opinion relied on by the client, the plaintiff has a right to know about such evidence in order to fully question defendants and their counsel regarding that evidence, disclosure to the client, and other related issues.⁵⁶

52. *Electro Scientific*, 175 F.R.D. at 545; see also *Dunhall Pharm.*, 994 F. Supp. at 1205 (noting that evidence in an attorney's file is not always going to reflect whether its contents were communicated to the client, such as an attorney's notes concerning discussions with a client about negative opinions).

53. See *Mosel Vitelic*, 162 F. Supp. 2d at 312 (stating that "[the holding in *Thorn*] effectively encourages patent attorneys to deliberately omit damaging information from their opinion letters in order to insulate their client from a finding of willful infringement."); see also *Cordis*, 980 F. Supp. at 1034, n.1 (providing that it is doubtful "that the law would intend, however inadvertently, to reward incompetence, or willful artifice, by insulating such opinions from searching scrutiny").

54. 994 F. Supp. 1202 (C.D. Cal. 1998).

55. FED. R. CIV. P. 26(b)(1) (stating that material must appear "reasonably calculated to lead to the discovery of admissible evidence"); see also *Hoover Universal*, 44 U.S.P.Q.2d at 1598. The court in *Hoover* found that discovery was permissible for a broader range of documents than may ultimately be discoverable at trial. *Id.* "The internal memoranda and other work product of the law firms that prepared the opinion letters in this matter could reveal circumstantial evidence of conflicting or contradictory opinions that were in fact communicated to Graham by counsel." *Id.* "Hoover is entitled to discover such circumstantial evidence and to cross-examine Graham and Graham's counsel about its possible relevance." *Id.* The Court could not state definitively "that the only documents clearly communicated to Graham by counsel could ever lead to relevant and admissible evidence as to Graham's state of mind at the time of the alleged infringement." *Id.*

56. *Dunhall Pharms.*, 994 F. Supp. at 1205.

The court in *Dunhall Pharmaceuticals* took a fairly aggressive approach, holding that the scope of the waiver extended to the subject matter of the defense.⁵⁷ But perhaps the broadest possible view of waiver was articulated in the recent decision in *Novartis Pharmaceuticals Corp. v. Eon Labs Mfg.*,⁵⁸ where the court shifted emphasis from the state of mind of the alleged infringer to that of waiver and its absolute consequences:

[T]here is no reason why an accused infringer's waiver of the attorney-client privilege should not be considered unlimited, and therefore, apply broadly to any and all materials available to the attorneys rendering the legal advice. In the Court's view, it is critical for the patentee to have a full opportunity to probe, not only the state of mind of the infringer, but also the mind of the lawyer upon which the infringer so firmly relied. There is no reason why the alleged infringer's waiver of the attorney-client privilege should not be considered absolute, encompassing materials typically protected by the work product doctrine.⁵⁹

The court continued:

Further the Court believes this approach, in addition to being consistent with the principles of waiver, supports the policy considerations of an advice of counsel defense. Specifically, by focusing on the waiver as the gateway for permissible discovery, the defense will most likely only be invoked by infringers who prudently and sincerely sought competent advice from competent counsel. Moreover, focusing on the infringer's waiver rather than state of mind may reduce the chances of legal gamesmanship creeping into the practice of rendering infringement and validity opinions.⁶⁰

Other courts, while endorsing the concept of a broad waiver, have limited discovery to avoid unnecessary invasion of work product. The court,

57. *Id.* (explaining "that the waiver of work product protection does not involve such 'gatekeeping' by defense counsel" but rather "the waiver extends, and is limited, to the subject matter of the defense."); *see also Electro Scientific*, 175 F.R.D. at 546 (extending the order to reach only documents prepared pre-suit and which are relevant to the analysis of infringement, validity, and/or enforceability).

58. 206 F.R.D. 396 (D. Del. 2002).

59. *Id.* at 399.

60. *Id.*

in an otherwise broad holding in *Micron Separations, Inc. v. Pall Corp.*,⁶¹ made it clear that it was restricting the work-product waiver to opinion work product of trial counsel which was inconsistent with the opinion letter, and which cast doubt upon the validity of the opinion.⁶² This limitation, the court reasoned, would prevent “an unnecessarily broad invasion of trial counsel’s work product.”⁶³ And the court in *Cordis Corp. v. SciMed Life Systems*⁶⁴ required discovery of work papers of defendant’s law firm as they “relate to the garnering of factual bases for the opinions that are expressed in the firm’s letter opinions to the Defendant.”⁶⁵ But the court stopped short of requiring disclosure of any other work product:

[We see no reason to allow] the Plaintiff to peruse the legal research, and preliminary drafts of the opinion letters, that were ultimately transmitted to [defendant’s attorneys], unless those drafts were reviewed, and/or edited by the employees or agents of the Defendant. In our view, the capacity of the Plaintiff to appraise the competency of [defendant’s attorney’s] interpretation of the governing law is not dependent upon any intrusion into [defendant’s attorney’s] legal research papers, or intra-firm discussion drafts. Accordingly, [defendant’s attorney] is not required to divulge such papers, except to the extent that they have been shared with the Defendant.⁶⁶

As for work product created *after* the filing of the lawsuit, most courts have followed the reasoning of *Dunhall Pharmaceuticals*⁶⁷ and have refused to allow the discovery.⁶⁸

[F]ollowing the filing of the lawsuit, defense counsel is engaged in critical trial preparation, often including analysis of the weaknesses of their client’s case. Such analysis, which while likely related to the subject matter of the asserted defense, is fundamentally different

61. 159 F.R.D. 361 (D. Mass. 1995).

62. *Id.* at 365. In *Micron* the court stated that:

[s]urely the waiver extends to any documents communicated to MSI by present trial counsel before suit was filed which contain ‘potentially damaging information’ and/or express ‘grave reservations’ respecting the opinion letter. But I decline 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 any doubt on the validity of the opinions expressed or the basis for those opinions.

Id. (emphasis in original).

63. *Id.*

64. 980 F. Supp. 1030 (D. Minn. 1997).

65. *Id.* at 1034.

66. *Id.*

67. 994 F. Supp. 1202 (C.D. Cal. 1998).

68. See also *Electro Scientific*, 175 F.R.D. at 546.

from a similar pre-litigation analysis. In comparison to work product produced prior to the filing of the lawsuit, litigation-related work product deserves greater protection.⁶⁹

The court in *Dunhall* thus held that “[o]nce the lawsuit is filed, the waiver of work-product protection ends.”⁷⁰ However, the court in *Beneficial Franchise Co., Inc. v. Bank One, N.A.*⁷¹ disagreed, and allowed discovery of post-suit work product on the basis of fairness:

The overriding principle is one of fairness. When a party chooses to inject into the case attorney opinions, fairness is served by allowing the opposing party to have access to documents casting doubt or contradicting those opinions – even if prepared by trial counsel after suit was commenced. Moreover, we believe that that is consistent with what a party’s expectation should be if he or she chooses to inject attorney advice into the case – a party cannot fairly expect to offer only the privileged information which he or she deems helpful, and to withhold the rest.⁷²

The wide disparity in results and in policies espoused by the courts in the cases discussed above underscores the need for the Federal Circuit to address in a definitive way this important issue, which can have profound consequences in the trial of a patent infringement case.

V. SUMMARY

Although the Federal Circuit has not specifically defined the scope of work-product waiver which results from an advice-of-counsel defense in willful infringement cases, the Court has made clear that it is the infringer’s intent, not that of counsel, which is the relevant issue. With this principle in mind, the production of otherwise protected work product must be broad enough to illuminate the issue, but no broader.

The courts dealing with the waiver question have typically engaged in a balancing of interests, with a variety of policy implications being articulated for the results reached. The plaintiff’s interest in obtaining all work product relating to the subject matter of the asserted defense is balanced against defendant’s countervailing interest in protecting traditional opinion work

69. *Dunhall Pharms.*, 994 F. Supp at 1206; accord *Micron Separations*, 159 F.R.D. at 365-66.

70. *Dunhall Pharms.*, 994 F. Supp. at 1206.

71. 205 F.R.D. 212 (N.D. Ill. 2001).

72. *Id.* at 218.

product. The courts tackling the issue have ranged from the very circumscribed position that only material communicated to the client is discoverable, to one where virtually all opinion work product must be revealed because it might lead to information which ultimately had some influence on the alleged infringer's state of mind. Neither position is entirely satisfactory. The overly narrow approach often leads to preclusion of certain information that is in fact relevant to the alleged infringer's state of mind, while the overly broad approach reveals work product containing mental impressions of the attorney, which were never communicated to the client, and which contain otherwise protected trial strategy.

It is submitted that the best compromise between these two extremes is an *in camera* inspection by the court of the work product at issue, in order to determine whether there is evidence of a position contrary to the written legal opinion which is relevant to the alleged infringer's state of mind. If so, such specific evidence can then be brought to the attention of the trier of fact for its consideration, while the traditional protection afforded opinion work product is maintained for all other documents in the attorney's files.