

# ATTORNEY-CLIENT PRIVILEGE AND THE PATENT PROSECUTION PROCESS IN THE POST- SPALDING WORLD

## I. INTRODUCTION

One of the oldest traditions of the Anglo-American judicial system is the concept of attorney-client privilege.<sup>1</sup> This privilege and its much younger sibling, the work-product doctrine,<sup>2</sup> limit the discoverability of private communications between attorney and client.<sup>3</sup> Private communications<sup>4</sup> between a patent attorney and a client, however, have not always enjoyed this protection.<sup>5</sup> Due to a misconception of the role of a patent attorney within the patent prosecution process, courts denied attorney-client privilege first to all patent prosecution documents, and later to documents containing technical information. This effectively denied the privilege to most documents generated during a prosecution.<sup>6</sup>

More recently, courts afforded certain documents containing technical information protection, but under a patchwork of different standards.<sup>7</sup> Frequently, a disagreement existed between different district courts within a circuit,<sup>8</sup> as well as among different circuits.<sup>9</sup> The exponential technology

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1. 8 JOHN HENRY WIGMORE, EVIDENCE IN TRIALS AT COMMON LAW § 2290 (McNaughton rev. ed. 1961).

2. EDNA SELAN EPSTEIN, THE ATTORNEY-CLIENT PRIVILEGE AND THE WORK-PRODUCT DOCTRINE 287 (3d ed. 1997). The work-product doctrine and the attorney-client privilege respond to altogether different concerns. Attorney-client privilege only protects communications requesting legal advice made between attorneys and their clients. *See infra* note 15 and accompanying text. The work-product doctrine instead provides limited protection to all documents generated by an attorney in preparation for litigation and does not include the client communication restriction. EPSTEIN at 287.

3. *Id.* Under the Federal Rules of Civil Procedure, discovery is limited to material not protected by any privilege. FED. R. CIV. P. 26(b)(1) (“Parties may obtain discovery regarding any matter, *not privileged*, that is relevant to the subject matter involved in the pending action.” (emphasis added)).

4. *See* EPSTEIN, *supra* note 2, at 9. One commonly overlooked element of the attorney-client privilege is that the privilege only protects the communications themselves, not the underlying information. *Id.* *See also In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377, 389-90 (D.D.C. 1978) (discussing the misconception about the attorney-client privilege test).

5. *See infra* notes 32-40, 61 and accompanying text.

6. *See, e.g.,* Daniel A. DeVito & Michael P. Dierks, *Exploring Anew the Attorney-Client Privilege and Work-Product Doctrine in Patent Litigation: The Pendulum Swings Again, This Time in Favor of Protection*, 22 AIPLA Q.J. 103, 109 (1995).

7. *Id.*

8. *Compare* Rohm & Haas Co. v. Brotech Corp., 815 F. Supp. 793 (D. Del. 1993), *aff’d*, 19 F.3d 41 (Fed. Cir. 1994) (favoring protection of certain technical documents), *with* Howes v. Med. Components, Inc., No. 84-4435, 1988 WL 15191 (E.D. Pa. Feb. 23, 1988) (holding against protection of similar technical documents).

9. *Compare* Saxholm AS v. Dynal, Inc., 938 F. Supp. 120 (E.D.N.Y. 1996), *with* Advanced

growth seen in the last few decades, coupled with increased litigiousness placed great strain on courts to handle complex technical cases.<sup>10</sup> During much of the 1990s, federal courts moved slowly toward greater protection, but patent attorneys still communicated with their clients knowing that those communications might be discoverable in litigation.<sup>11</sup> Because this is a federal problem,<sup>12</sup> there is a need for a broad and national solution.

A recent decision by the Court of Appeals for the Federal Circuit, *In re Spalding Sports Worldwide, Inc.*,<sup>13</sup> offers some hope for resolving this dilemma. While not solving the uncertain protection problem outright, the Federal Circuit cleared up much of the confusion surrounding attorney-client privilege in documents created during the patent prosecution process.<sup>14</sup>

This Note will discuss the current climate of document discoverability relating to patent prosecution in the wake of *In re Spalding Sports*<sup>15</sup> and a possible direction for the future of attorney-client privilege in this field. Part II of this Note examines the history and background for the protection of documents including *Spalding* and beyond.<sup>16</sup> Part III of this Note analyzes the effects of the *Spalding* decision in two distinct directions: the precedential effect of the decision based upon the Federal Circuit's jurisdiction over patent issues<sup>17</sup> and the persuasiveness of the case rationale itself.<sup>18</sup> Part IV of this Note proposes a scheme by which a stable attorney-client privilege system can exist.<sup>19</sup> The ultimate goal is to create a rational and consistent attorney-client privilege system for documents created during patent prosecution.<sup>20</sup> The attorney-client privilege system does not stand alone, and a court may modify the system under certain circumstances.<sup>21</sup>

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Cardiovascular Systems, Inc. v. C.R. Bard, Inc., 144 F.R.D. 372 (N.D. Cal. 1992).

10. S. REP. NO. 97-275, at 2-6 (1981).

11. See *infra* note 162 (describing attorney-client privilege in patent litigation as a "mine field" as late as 1997).

12. See 28 U.S.C. § 1338 (1998). As a federal creation, patent cases have federal question jurisdiction, with all of the advantages and disadvantages that entails. The patent bar (practitioners in the patent field) is a national entity, with one examination covering practice before the Patent and Trademark Office (PTO) regardless of the state of practice. 37 C.F.R. § 10.6 (2001). For information on the work of the United States Patent and Trademark Office, see <http://www.uspto.gov> (last visited Mar. 23, 2003).

13. 203 F.3d 800 (Fed. Cir. 2000).

14. This is a result of the precedential effect of Federal Circuit's decisions in cases involving patent law. See notes 114, 115 and accompanying text.

15. 203 F.3d 800.

16. See *infra* notes 22-141 and accompanying text.

17. See *infra* notes 142-56 and accompanying text.

18. See *infra* notes 157-84 and accompanying text.

19. See *infra* notes 185-202 and accompanying text.

20. EPSTEIN, *supra* note 2, at 7.

21. For example, while various patent doctrines have implications upon the use of attorney-client

## II. BACKGROUND AND HISTORY

### A. Attorney-Client Privilege in General

The concept of attorney-client privilege has its roots at least as far back as Elizabethan jurisprudence.<sup>22</sup> Much like the U.S. treatment of patent prosecution documents, the rationale for the privilege has changed over the years. Today, the theory encompasses two public policy concerns: a need for full and frank disclosure between attorney and client<sup>23</sup> and the desire for people to use attorneys to help them follow the law.<sup>24</sup> The modern American rule on attorney-client privilege has two similar formulations:<sup>25</sup> Dean Wigmore's treatise<sup>26</sup> and Judge Wyzanski's opinion in *United States v. United Shoe Machinery Corp.*,<sup>27</sup> which are practically identical in scope. Both tests require an attorney-client relationship, a communication requesting legal advice and some level of confidentiality to protect a communication.<sup>28</sup>

privilege, such as willful patent infringement, these are beyond the scope of this Note.

A showing of a prima facie case of willful patent infringement creates a conundrum for both client and attorney. One defense for willful patent infringement is good-faith reliance on counsel, which waives the attorney-client privilege. If the party stands on the privilege, it risks that the court will make a negative inference regarding the content of the missing information. For discussion of this dilemma, see Matthew D. Powers & Steven C. Carlson, *The Evolution and Impact of the Doctrine of Willful Patent Infringement*, 51 SYRACUSE L. REV. 53 (2001).

22. WIGMORE, *supra* note 1, § 2290.

23. See WIGMORE, *supra* note 1, § 2291. The theory posits that clients who are unsure of protection for attorney-client communications will withhold information from their attorney, thereby resulting in incomplete representation. See EPSTEIN, *supra* note 2, at 4.

24. See WIGMORE, *supra* note 1, § 2291. Ancient versions of the attorney-client rule limited the privilege to communications regarding litigation, a rule resembling the modern work-product doctrine. *Id.* § 2290. This iteration of the rule often defeated its purpose because by the time a party was involved in litigation, the time for the "preventive medicine" that free communications was supposed to foster, i.e., legal counseling, had long passed. EPSTEIN, *supra* note 2, at 6-9.

25. *Id.* Unlike many evidentiary rules in federal court codified by the Federal Rules of Evidence, Congress decided that privileges should develop as common law to better address future situations. FED. R. EVID. 501 advisory committee's notes.

26. According to Wigmore,

- (1) Where legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the legal adviser, (8) except the protection be waived.

WIGMORE, *supra* note 1, § 2292. Dean Wigmore provides few citations for his rule and seems to ground his test in a general historical basis. See *id.*

27. *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 358-59 (D. Mass. 1950). Wyzanski's test for attorney client privilege applies if: 1. the holder is or attempted to be a client; 2. the asserted holder made the communication to a person acting as, or as an agent to, an attorney; 3. the communication relates to a fact from the client, in secret, to obtain legal advice, and not to commit a crime; 4. the privilege was claimed and not waived. *Id.* Judge Wyzanski, in a brief opinion, set out a general test (absent citations to any authority) and then applied it to a corporate context. *Id.*

28. Compare notes 26, 27 *supra*.

These tests have been static for nearly one hundred years, but have not been without demands for change; for instance, removing the confidentiality component.<sup>29</sup> Even though broadly interpreting these tests might lead to the protection of a large number of documents, most courts interpret the tests narrowly.<sup>30</sup> Thus, courts walk a fine line between obstructing discovery and protecting privileged communications.<sup>31</sup>

These tests pose numerous problems for patent attorneys.<sup>32</sup> First, some courts suggest that documents outside of opinion letters and similar matters are not communications seeking legal advice because of their technical content, thus failing either of the tests above.<sup>33</sup> Second, the law requires attorneys to create the protected documents while practicing law.<sup>34</sup> Thus, scriveners, who merely complete forms and do not practice law, cannot claim the privilege.<sup>35</sup> The lingering effects of the scrivener rationale created a split

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29. See *infra* notes 176-81.

30. EPSTEIN, *supra* note 2, at 12-14. This narrow interpretation stems primarily from the likely effects of protecting documents from discovery: the hiding of potentially important facts from a court in its search for the truth. See, e.g., *In re Grand Jury Proceedings*, 727 F.2d 1352, 1355 (4th Cir. 1984) (commenting that because the attorney-client privilege inhibits the search for the truth, the privilege should be "strictly confided within the narrowest possible limits consistent with the logic of the principle") (quoting *In re Grand Jury Investigation*, 559 F.2d 1224, 1235 (3d Cir. 1979)).

31. 1 MCCORMICK ON EVIDENCE § 72, at 299-300 (John W. Strong ed., 5th ed. 1999). This balancing places privilege issues in a category separate from most evidence issues. *Id.* While most rules ensure the accuracy of evidence and decisions, privilege issues depend on whether the relationships "are . . . of sufficient social importance to justify some sacrifice of availability of evidence." *Id.* at 299.

32. In his opinion in *United Shoe Machinery*, Judge Wyzanski specifically held out patent law as an area unworthy of protection. *United Shoe Mach.*, 89 F. Supp. at 360-61.

33. Paul R. Rice, *Attorney-Client Privilege: Continuing Confusion About Attorney Communications, Drafts, Pre-Existing Documents, and the Source of the Facts Communicated*, 48 AM. U. L. REV. 967 (1999) [hereinafter Rice, *Continuing Confusion*]. It is important to stress that the privilege does not protect the facts underlying the communication; the privilege only protects the communication itself. *Id.* at 969. This means that the nature of the attorney-client dialogue, not its content, should play a strong role in the determination of admissibility. See *id.* Therefore, as Professor Rice notes, discoverable fact A (in our case perhaps prior art A) is not protected and the client can be forced to disclose that fact. *Id.* at 980. However, the client cannot be forced to disclose the opinion letter that evaluated the impact on claims discussing that fact. *Id.* at 980-82. Courts frequently combine the two concepts although they should be distinct. See, e.g., *Am. Standard, Inc. v. Pfizer, Inc.* 828 F.2d 734, 746 (Fed. Cir. 1987) (holding that because an opinion letter lacked any confidential information, the document was admissible).

34. Following the *Sperry v. Florida State Bar* decision, 373 U.S. 379 (1963), on the legal content of patent law, many courts changed their classification and fell in line with the spirit of that decision. See *infra* notes 62-64 and accompanying text.

35. See, e.g., *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 360-61 (D. Mass. 1950) (treating patent practitioners largely as scriveners and thus not practicing law). See also *Zenith Radio Corp. v. Radio Corp. of Am.*, 121 F. Supp. 792, 794 (D. Del. 1954) (discussing this principle at length). One traditional view of patent attorney work treats a patent attorney as nothing more than a scrivener. Several cases see the relationship as one where the attorney takes the information from the client, shuffles it about a bit, clears up the language, and transmits that information directly to the PTO, which hopefully registers and publishes that patent. See, e.g., *Knogo Corp. v. United States*, 213

of authority that culminated in the *Spalding*<sup>36</sup> case.<sup>37</sup> The third and most important problem with the intersection of patent law and attorney-client privilege is confidentiality. Specifically, Professor Wigmore's test requires that the communications must be "in confidence."<sup>38</sup> Thus, a failure to keep documents "in confidence" may work a waiver of the privilege.<sup>39</sup> Some courts find that patent documents violate this element of the test because a great deal of communication between client and attorney will become part of the application and patent—and thus the public record.<sup>40</sup>

The attorney-client privilege is designed to ensure that attorneys and clients know precisely the boundaries of the protection that the privilege guarantees.<sup>41</sup> This predictability allows an unhindered flow of information between attorney and client. Without a reliable and easily discernable test for admissibility, the policy ultimately becomes self-defeating.<sup>42</sup> Since the exact boundaries of attorney-client privilege in patent prosecution remain elusive,

U.S.P.Q. 936, 940 (Ct. Cl. 1980) (noting the presence of the conduit theory in other decisions). This paradigm understates the importance of a patent attorney in the process. See *infra* notes 72-75 and accompanying text (describing the conduit theory of patent prosecution).

36. *In re Spalding Sports Worldwide*, 203 F.3d 800 (Fed Cir. 2000).

37. One line followed the reasoning of *Jack Winter, Inc. v. Koratron Co.*, 50 F.R.D. 225, 228-29 (N.D. Cal. 1970) (viewing the role of a patent attorney as a conduit for information). The other line followed the reasoning of *Knogo*, 213 U.S.P.Q. at 940-41 (viewing the process as more dialectical and worthy of protection).

38. Confidence is "[a] communication made in trust and not intended for public disclosure." BLACK'S LAW DICTIONARY 294 (7th ed. 1999).

39. Courts find that releasing documents to the public constitutes a waiver of the privilege. MCCORMICK ON EVIDENCE, *supra* 31, § 93, at 371. This waiver plays a prominent role in attorney-client privilege in a corporate context. Corporations not only must worry about the effects of using the document in negotiations with third parties but also the protection of the drafts of that document. See Rice, *Continuing Confusion*, *supra* note 33, at 999. While this concept certainly applies to the final draft of a document, the confidentiality of prior drafts should not be waived merely because the PTO published the final draft. See *id.* at 996-1005.

40. The Domestic Publication of Foreign Filed Patent Applications Act of 1999 made publication a near certainty by ordering the publication of patent applications eighteen months after filing. Intellectual Property and Communications Omnibus Reform Act of 1999, Pub. L. No. 106-113, § 4502, 113 Stat. 1501 (adding an exception to the confidential status of patent applications). Before 1999, the PTO held applications in strict confidence until they were published after issuance.

41. See WIGMORE, *supra* note 1, § 2291. In order to foster communication between attorney and client, the client must feel comfortable divulging information that might embarrass or hurt its business interests. To enable this disclosure, an attorney needs to be able to sketch accurately the boundaries of the protection, or the privilege cannot serve its stated purpose of providing the best legal representation possible. See *id.*

42. Moreover, the interstate nature of the patent process injects further confusion into the process. See DONALD S. CHISUM ET AL., PRINCIPLES OF PATENT LAW: CASES AND MATERIALS 22 (2d ed. 2001). Because patent protection is federal, one could fight an infringement action in any state and thus any circuit. *Id.* Due to the previously discussed uneven application of patent laws, uncertainty clouded privilege coverage. See DeVito, *supra* note 6, at 131-32. The unpredictability of the jurisdiction combined with a plethora of different rules engendered caution on the part of both the attorney and client, thus restricting the free flow of information intended by the privilege. See *id.*

this foundational element of the privilege has provided a vaporous goal in patent prosecution documents over the last fifty years.

### B. Patent Prosecution

A patent attorney plays an integral role in procuring patent rights from the Patent and Trademark Office (PTO). The conception of a new invention is only the beginning; specially trained counsel play an important role in sculpting an application<sup>43</sup> into a finished patent.<sup>44</sup> Contrary to the belief of some courts,<sup>45</sup> patent practitioners have a great deal of discretion, circumscribed by certain boundaries,<sup>46</sup> over disclosures.<sup>47</sup> In writing patent applications, practitioners sculpt claims to balance between conflicting considerations of coverage<sup>48</sup> and brevity.<sup>49</sup> Attorney and client must work

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43. This application consists of two primary parts, the written description (a detailed description of the invention, the best mode of practice, etc.) and the claims (identifying precisely what the discovery is and delineating the bounds of protection). CHISUM, *supra* notes 42, 95-106. The application also contains an oath, signed by the inventor. *Id.* at 94.

44. *Advanced Cardiovascular Sys. v. C.R. Bard, Inc.*, 144 F.R.D. 372, 375 (N.D. Cal. 1992). The importance of the paper record to both sides involved in an infringement suit illustrates the vital role that patent counsel plays in the patent law system. The suit hinged in large part on patent counsel's reactions to PTO office actions during prosecution. *See* CHISUM, *supra* note 42, at 829-36. For the PTO's point of view on the practitioner's importance, see PATENT & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, MANUAL OF PATENT EXAMINING PROCEDURE § 400 (8th ed. 2001) [hereinafter M.P.E.P.] (including a form paragraph for examiners to pro se applicants commenting that "lack of skill in this field usually acts as a liability in affording the maximum protection for the invention disclosed").

45. *See, e.g., Jack Winter, Inc. v. Koratron Co., Inc.*, 50 F.R.D. 225, 228 (N.D. Cal. 1970) (characterizing, incorrectly, the patent attorney as a conduit from the client to the PTO).

46. Todd M. Becker, Note, *Attorney-Client Privilege Verses the PTO's Duty of Candor: Resolving the Clash in Simultaneous Patent Representations*, 71 WASH. L. REV. 1035, 1040-46 (1996). Because of the ex parte nature of the patent process, and the importance of the patent monopoly granted, the regulations place a great deal of onus upon the applicant to provide the PTO with the necessary information. *See* M.P.E.P., *supra* note 44, § 2000. These duties include one of "candor and good faith in dealing" with the PTO, with particular emphasis on disclosing "all information known to that individual to be material to patentability as defined" by the section. 37 C.F.R. § 1.56(a) (2001). However, "there is *no duty* to submit information which is *not material* to the patentability of any existing claim." *Id.*

47. *See* M.P.E.P., *supra* note 44, § 2001. As long as the known information (prior art citations, etc.) is not material, it need not be included in an application. *Id.* § 2001.05. The regulations define materiality as "not cumulative to information already of record . . . and . . . it establishes . . . a prima facie case of unpatentability of a claim" or is not consistent with an argument made to PTO. 37 C.F.R. § 1.56(b) (2001).

48. By statute, patents must have a claim "particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention," and further demanding that applications describe the claims as precisely as possible. 35 U.S.C. § 112 (1998). Very precise claims describing every detail, also known as limitations, of an invention result in very narrow protection as an accused device must contain every limitation of that claim. *See* CHISUM, *supra* note 42, at 103-04.

49. Shorter claims with fewer limitations result in a broad patent that provides a great deal of protection. *Id.* The two act as opposite ends of a scale with the duty of disclosure requirements mediating between them.

together during prosecution to do an accurate application because any malfeasance in prosecution may result in penalties to both parties.<sup>50</sup> After filing, the patent attorney maintains a negotiation-like dialogue with the PTO over the breadth of the claim.<sup>51</sup> During their review of the application, PTO examiners conduct their own search for prior art<sup>52</sup> and determine whether the application can stand as written.<sup>53</sup> The *ex parte* nature of patent prosecution alters the admissibility of the documents used therein as it is not generally considered in anticipation of litigation.<sup>54</sup>

During the patent prosecution process, a patent attorney generates several categories of documents with different discoverability implications depending upon the nature of the communication. The most prevalent document is the opinion letter (or memorandum), which provides an opinion on patentability.<sup>55</sup> Another common type of document is the patent application draft.<sup>56</sup> In addition, attorneys also generate large numbers of administrative documents, such as a summation of fees or business advice,

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50. See, e.g., *Argus Chemical Corp. v. Fibre Glass-Evercoat Co.*, 812 F.2d 1381, 1387 (Fed. Cir. 1987) (Nies, J., concurring). Regulations extend the effect of the duties of disclosure to all people involved in the prosecution—including the inventor and attorney prosecuting the patent. 37 C.F.R. § 1.56(c) (2001). Violating the duty of candor can result in the unenforceability of the patent, an award of attorney's fees as damages or disciplinary action by the PTO. See CHISUM, *supra* note 42, at 1225-26.

51. See CHISUM, *supra* note 42, at 110-13 (describing the patent prosecution process).

52. *Id.* at 110. Due to the enormous cost of a patent prosecution, patent attorneys regularly conduct prior art searches before filing, thereby minimizing waste. Regulations do not require the searches, however. See M.P.E.P., *supra* note 44, § 609. Violation of disclosure rules only occurs when a reference actually known to the applicant is not included, not when the applicant should have known about the reference. See *id.* § 2001.06.

53. CHISUM, *supra* note 42, at 93. The deficiencies are legion, including but not limited to inappropriate subject matter, lack of enablement, or lack of novelty due to prior art. *Id.* at 112.

54. DeVito, *supra* note 6, at 122-23. The *ex parte* nature of the prosecution has a variety of effects, most notably its effect on the work-product doctrine. *Id.* The attorney-client privilege works to protect communications of legal advice before trial; however, once litigation commences, notes and other documents created in preparation may be inadmissible under the work-product doctrine. EPSTEIN, *supra* note 2, at 293. However, this exception *only* applies during litigation or in anticipation thereof. *Id.* One district court noted that while “the process involves preparation and defense of legal claims in a quasi-adjudicatory forum, the give-and-take of an adversary proceeding is by and large absent.” *Hercules, Inc. v. Exxon Corp.*, 434 F. Supp. 136, 152 (D. Del. 1977). This holding does not foreclose the possibility of using the work-product privilege in patent prosecution, but makes using it narrow and more difficult by using an alternative motive as a trigger. *Id.* (limiting privilege's use to cases where “the primary concern of the attorney is with claims which would potentially arise in future litigation, the work-product immunity applies”).

55. See, e.g., *McCook Metals L.L.C. v. Alcoa, Inc.*, 192 F.R.D. 242, 253-54 (N.D. Ill. 2000). *But see* *Am. Standard, Inc. v. Pfizer, Inc.*, 828 F.2d 734, 744-46 (Fed. Cir. 1987).

56. See, e.g., *Applied Telematics, Inc. v. Sprint Communications Co. L.P.*, No. 94-4603, 1996 WL 539595 at \*6 (E.D. Penn. Sept. 18, 1996) (asserting that draft applications were not fundamentally legal opinions and ordered admissible); *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 5 (N.D. Ill. 1980) (holding drafts of patent applications admissible).

which are admissible in court.<sup>57</sup> Finally, there is a large group of documents (generically invention records, prior art analysis, and questionnaires) that are primarily administrative in nature, but aid the attorney in drafting the application or responding to the PTO.<sup>58</sup> These various types of documents lie at different points on a continuum of protection, with opinion letters likely to be protected and technical documents likely to be admitted.<sup>59</sup>

### *C. Early History of the Attorney-Client Privilege for Patent Work*

Even though there are several requirements to practice in front of the PTO, neither membership to a state bar nor graduation from an accredited law school are necessary.<sup>60</sup> This potential lack of a formal legal education led to the long-standing position by the bench and bar that patent practitioners were not practicing law, and therefore the attorney-client privilege did not extend to them.<sup>61</sup>

The United States Supreme Court drastically changed the prevailing view of the practice of patent law with its ruling in *Sperry v. State of Florida*.<sup>62</sup> This case did not directly address attorney-client privilege and patent prosecution, but instead dealt with state control over the federal practice of patent law. In reaching its decision, the Court reviewed the statutory provisions allowing for a special Patent Bar and the legislative history from the modifications of patent practice regulations.<sup>63</sup> Ultimately, after the Court

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57. See, e.g., *McCook Metals*, 192 F.R.D. at 253 (holding that a summary of aerospace patent portfolios and interoffice memoranda containing business information were not privileged). The rationale for such a holding is that these documents are not requests for legal advice, but are rather requests for business advice. *Id.* at 253-55.

58. *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 805 (Fed. Cir. 2000) (dealing specifically with invention records, intake forms that collect information from the inventor regarding the knowledge of the discovery and its place in the state of the art); *McCook Metals*, 192 F.R.D. at 254 (dealing with both invention records and questionnaires designed to ensure that the attorney has a complete base of information to avoid potential problems like co-inventors or diligence issues).

59. *Id.* at 252-53. This protection continuum depends on two variables, an expectation of "confidence" and a request for legal advice. See *id.* Opinion letters are in confidence and explicitly request legal advice. See, e.g., *id.* at 253-54. Draft patent applications are confidential until their filing. See, e.g., *id.* at 252-53. Business advice does not constitute a request for legal advice and thus fails the test completely.

60. PATENT & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, GENERAL REQUIREMENTS BULLETIN FOR ADMISSION TO THE EXAMINATION FOR REGISTRATION TO PRACTICE IN PATENT CASES BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE § 10.7, at 2 (2001).

61. See, e.g., *Zenith Radio Corp. v. Radio Corp. of Am.*, 121 F. Supp. 792, 794 (D. Del. 1954). This position at one time included both patent agents, who have not passed a state bar, and patent attorneys who had both a state bar membership and a patent bar membership, in their actions in patent prosecution. *Sperry v. State of Florida*, 373 U.S. 379, 383-87 (1963).

62. *Id.* See *infra* note 64 and accompanying text.

63. *Id.* at 385-89. In justifying its decision, the court examined the separate standards created for patent practitioners, including an oath to fulfill one's duty. *Id.* at 400-03.



ruled that the practice of patent law is the practice of law and thus governed by federal law, many courts reversed precedent and extended attorney-client privilege to patent attorneys.<sup>64</sup>

*D. The Jack Winter v. Koratron Line*

Some commentators have aptly described the evolving body of law relating to attorney-client privilege in patent prosecution as a pendulum.<sup>65</sup> *Jack Winter, Inc. v. Koratron Company, Inc.*<sup>66</sup> (*Jack Winter I*) and *Jack Winter, Inc. v. Koratron Company, Inc.*<sup>67</sup> (*Jack Winter II*) together espoused a conduit theory of patent prosecution, in essence rehashing pre-*Sperry* arguments.<sup>68</sup> Due to the *Sperry* decision ripple effect,<sup>69</sup> many courts modified their rules regarding attorney-client privilege to protect some patent prosecution documents.<sup>70</sup> However, in the *Jack Winter* cases the Northern District of California reversed this trend.<sup>71</sup>

While it accepted the *Sperry* rationale and agreed that patent practice is the practice of law, the *Jack Winter* court, which had a simplified view of patent practice, held against full privilege protection.<sup>72</sup> As the court viewed it, “the attorney exercises no discretion as to what portion of this information

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64. DeVito, *supra* note 6, at 109. For precedent, see *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357 (D. Mass. 1950), *Am. Cyanamid Co. v. Hercules Powder Co.*, 211 F. Supp. 85 (D. Del. 1962), and *Zenith*, 121 F. Supp. 792. For post-*Sperry* reaction, see *Ledex, Inc. v. United States*, 172 U.S.P.Q. 538, 539 (Ct. Cl. 1972) and *Chore Time Equip., Inc. v. Big Dutchman, Inc.*, 255 F. Supp. 1020 (W.D. Mich. 1966).

65. DeVito, *supra* note 6, at 109 (viewing the continuum as having a pendulum indicating the current majority view on admissibility of patent prosecution documents in litigation and discussing the constantly shifting position of that pendulum).

66. 50 F.R.D. 225 (N.D. Cal. 1970).

67. 54 F.R.D. 44 (N.D. Cal. 1971).

68. *Jack Winter I*, 50 F.R.D. at 228. *Jack Winter I* specifically laid down the court’s rationale for attorney-client privilege in patent prosecution documents subject to a motion to compel. 50 F.R.D. at 226-29. *Jack Winter II* tempered *Jack Winter I* by allowing some documents (like opinion letters) but otherwise applied the *Jack Winter I* holding to the facts of the case. 54 F.R.D. at 47-48. Most courts view the cases together as a single rationale. See, e.g., *Knogo Corp. v. United States*, 213 U.S.P.Q. 936, 940 (Ct. Cl. 1980). Commentators consider these decisions as substantially changing the admissibility of patent prosecution documents in litigation. DeVito, *supra* note 6, at 114-16. The conduit theory posits that patent practitioners merely act as a conduit of information between a client and the PTO. This conduit theory is essentially the same as the pre-*Sperry* views, because both systematically undervalue the function of the attorney in the patent discourse. See *supra* notes 35 and 61 for pre-*Sperry* arguments.

69. See generally *Chore Time Equipment*, 255 F. Supp. 1020 (altering its view of patent practice to allow the use of attorney-client privilege).

70. See *supra* notes 63-64 and accompanying text.

71. See *infra* note 77.

72. *Jack Winter I*, 50 F.R.D. at 228-29. The court viewed the process as straightforward filing, much like a recorder of deeds, rather than a complex set of negotiations between applicant and the government on the scope of the limited monopoly rights. *Id.*

must be relayed to the Patent Office.”<sup>73</sup> This view of patent attorney discretion led the court to conclude: “[w]ith respect to such material [technical documents] he acts as a conduit between his client and the Patent Office.”<sup>74</sup> As such, those documents containing significant technical aspects do not warrant protection because they fail the “in confidence” aspect of attorney-client privilege tests.<sup>75</sup>

The *Jack Winter* decisions shifted the pendulum in favor of disclosure of private documents.<sup>76</sup> Subsequent cases adopted the rationale found in *Jack Winter I* and applied in *Jack Winter II*<sup>77</sup> and was the dominant theory until the Court of Claims<sup>78</sup> opinion in *Knogo v. United States*.<sup>79</sup>

#### E. *The Knogo v. United States Line*

The Court of Claims decision in *Knogo v. United States* granted more protection to technical documents.<sup>80</sup> The court criticized the *Jack Winter* analysis as incomplete and adopted a different rationale.<sup>81</sup> First, the court considered whether technical information could remain “in confidence” when the attorney transmits much of that information directly to the PTO.<sup>82</sup> Deciding that question in the affirmative, the court further noted that the presence of public information in the document should not vitiate the

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73. *Id.* at 228.

74. *Id.*

75. *Id.* The rationale behind this holding is that patent practitioners only shepherd the information that the client intends the PTO to have in evaluation of patent rights. *Id.* If the communication is with the express purpose of providing a party (one without a confidentiality agreement) information, it cannot be “in confidence.” *Id.* Some courts refer to this as an intent analysis. See *infra* note 92 and accompanying text.

76. See DeVito, *supra* note 6, at 114-15.

77. *Burlington Ind. v. Exxon Corp.* 65 F.R.D. 26 (D. Md. 1974) (4th Cir. case); *Duplan Corp. v. Deering-Milliken, Inc.*, 397 F. Supp. 1146 (D.S.C. 1974) (5th Cir. case); *Choat v. Rome Indus., Inc.*, 462 F. Supp. 728 (N.D. Ga. 1978) (5th Cir. case); *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1 (N.D. Ill. 1980) (7th Cir. case); *Howes v. Med. Components, Inc.*, No. 84-4435, 1988 WL 15191 (E.D. Pa. 1988) (3d Cir. case); *McNeil-PPC, Inc. v. Proctor & Gamble Co.*, 136 F.R.D. 666 (D. Col. 1991) (10th Cir. case); *Saxenholm AS v. Dynal, Inc.*, 164 F.R.D. 331 (E.D.N.Y. 1996) (2d Cir. case).

78. In 1982, the Court of Claims was subsumed into the Court of Appeals for the Federal Circuit. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25.

79. 213 U.S.P.Q. 936 (Ct. Cl. 1980).

80. See *id.* at 940-41. The Federal courts’ reaction to *Knogo* shows the difference in authoritative power between the old Court of Claims and the modern Federal Circuit. See *infra* notes 115-16 and accompanying text. Whereas the Court of Claims’ opinion has only persuasive appeal, the Federal Circuit is mandatory authority for patent issues. See Charles W. Adams, *The Court of Appeals for the Federal Circuit: More than a National Patent Court*, 49 MO. L. REV. 43, 62 (1984).

81. 213 U.S.P.Q. 936, 940-941 (Ct. Cl. 1980). “The conclusion reached by the authorities in the *Jack Winter* camp rests upon an oversimplification of the role performed by the patent attorney during the patent application process.” *Id.*

82. *Id.* at 939.

privilege.<sup>83</sup> Explicitly discounting the concept of a patent attorney as a scrivener,<sup>84</sup> the Court of Claims stated that patent work was more complex and thus worthy of more protection.<sup>85</sup> Moreover, there was a sharp division between the disclosure requirements to the PTO, the dispositive element in the *Jack Winter* cases, and the content of an attorney's contact with a client, suggesting that disclosure requirements should not necessarily play a role in privilege determination.<sup>86</sup>

The *Knogo* court's decision, balancing privilege and discovery, hinged upon several components. First, the privilege protects the communication between attorney and client, not the facts.<sup>87</sup> Moreover, the court suggested that a patent practitioner does more than transfer facts from the client-attorney transmission to the attorney-PTO transmission.<sup>88</sup> For instance, an attorney has the discretion and training to decide what prior art to disclose to the PTO.<sup>89</sup> According to the court this discretion only disappears when the attorney prepares the final draft for transmission.<sup>90</sup> This transmission was just like any other type of attorney practicing before any other administrative agency.<sup>91</sup> The *Knogo* court noted that an intent based test as seen in *Jack Winter I* and *II* is too difficult to apply.<sup>92</sup> Therefore, the court turned to Judge Wyzanski's test, arguing that the only requirement should be whether the

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83. *Id.* (citing *In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377, 389 (D.D.C. 1978)).

84. *Knogo*, 213 U.S.P.Q. at 940. This rationale is characteristic of the *Jack Winter* line of cases.

85. *Id.* The court went on to claim that the scrivener characterization of a patent attorney's job is "inaccurate" and "uninformed." *Id.*

86. *Id.* Because the disclosure requirements do not force an attorney to divulge all information, the waiver should only act upon those documents transmitted to the PTO without confidentiality. *See id.*

87. *Id.* "The client cannot assert the privilege if asked how the invention works, but he can assert the privilege if he is asked to recount what he told his attorney concerning how the invention works."

88. *Id.* at 940-41 (noting the cooperative effort and citing to 37 C.F.R. § 1.56(b) (1979): "[t]he attorney 'has no duty to transmit information which is not material to the examination of the application'").

89. *Knogo*, 213 U.S.P.Q. at 941. Without this training, there would be no reason to pay large salaries to patent attorneys—they would be little more than patent secretaries. *See supra* note 44 (discussing the PTO's belief of the importance of a patent practitioner).

90. *Knogo*, 213 U.S.P.Q. at 941. The court stated, "[t]he signed, sworn, and filed application might be considered a communication for relay and not for the attorney's ears alone, but the same cannot be said about the technical communications which preceded the signed, sworn, and filed patent application."

91. *See id.* While the character of the relationship between the attorney, client, and the PTO is somewhat unique, the treatment of documents like prior drafts of petitions to the Internal Revenue Service should not substantially differ from prior drafts of office actions to the PTO. *See Rice, Continuing Confusion, supra* note 33, at 984-86 (discussing the properties of a petition to the Internal Revenue Service, with clear applicability to PTO actions).

92. *Knogo*, 213 U.S.P.Q. at 941. The intent test looks at whether, at the time, the client intended to disclose the material to the public. Separating out intent in the creation of a patent application is "unreliable at best, and an invitation for false swearing at worst," making the inquiry more difficult. *Id.*

client disclosed the information outside of the presence of others and as part of an ongoing prosecution dialogue between attorney and client.<sup>93</sup>

With this decision, the pendulum began swinging back in favor of protecting technical documents.<sup>94</sup> Over the next nineteen years, both courts and practitioners were confused over the applicable standards.

#### *F. Slow Drift: Courts Wrestle with Two Inconsistent Rationales*

Left without strong guidance, the courts developed two distinct lines of protection, founded upon *Jack Winter* and *Knogo*, in the 1980s and early 1990s.<sup>95</sup> Some courts ambitiously attempted to reconcile the two sets of cases, but met with only limited success.<sup>96</sup> The most notable attempt at reconciliation was *Laitram Corp. v. Hewlett-Packard Co.*<sup>97</sup> In *Laitram*, The Eastern District of Louisiana believed that by distilling the issue down to “whether the client had a reasonable intention that a communication remain confidential,” one could reconcile the two cases.<sup>98</sup> *Laitram*, however, left a great deal of confusion over the admissibility issue because its reconciled standard satisfies neither test consistently.<sup>99</sup>

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93. *Id.* This holding turns on a slightly different version of the “in confidence” aspect than *Jack Winter I and II* (dealing with legal use of information provided outside of the presence of others rather than secret or confidential information). This holding more closely reflects the proper view of “in confidence.” See Rice, *Continuing Confusion*, *supra* note 33, at 983-85. While a document or conversation released to the public is obviously not confidential, and is therefore admissible, a court should not make an otherwise protected document admissible merely because the document contains public information like a piece of prior art. *Id.* at 984-85.

94. *FMC Corp. v. Old Dominion Brush Co.*, 229 U.S.P.Q. 150 (W.D. Mo. 1985) (protecting a technical sketch in the Eighth Circuit); *Minn. Mining and Mfg. Co. v. Ampad Corp.*, 7 U.S.P.Q.2d 1589 (D. Mass. 1987) (protecting invention records and memoranda in the First Circuit); *Advanced Cardiovascular Sys., Inc. v. C.R. Bard, Inc.* 144 F.R.D. 372 (N.D. Cal. 1992) (protecting a wide range of documents in the Ninth Circuit); *Fromson v. Anitec Printing Plates, Inc.*, 152 F.R.D. 2 (D. Mass. 1993) (protecting memoranda in the First Circuit); *Rohm & Haas Co. v. Brotech Corp.*, 815 F. Supp. 793 (D. Del. 1993) (protecting draft patent applications and memorandum in the Third Circuit).

95. See *supra* notes 77, 94 and accompanying text.

96. See, e.g., *Am. Standard, Inc. v. Pfizer, Inc.*, 828 F.2d 734 (Fed. Cir. 1987); *Laitram Corp. v. Hewlett-Packard Co., Inc.*, 827 F. Supp. 1242 (E.D. La. 1993); *Golden Trade, S.r.L. v. Lee Apparel Co.*, 143 F.R.D. 514 (S.D.N.Y. 1992).

97. 827 F. Supp. 1242 (E.D. La. 1993).

98. *Id.* at 1246. The primary difference between the two cases is paradigmatic rather than merely a different question. See DeVito, *supra* note 6, at 118-20. One case sees a patent attorney essentially as a scrivener and construes the privilege narrowly while the other case sees the patent attorney as part of a legal process and construes the privilege broadly. *Id.* The court failed to consider that the technology discussion might actually be part of a substantive patent law dialogue.

99. *Id.* DeVito and Dierks point to the inconsistent handling of two similar items, a draft patent application and a prior art memorandum, essentially an opinion letter. *Id.* at 119. The court protected the draft patent application and failed to protect the prior art memorandum, even though both are protected under *Knogo* and both discoverable under *Jack Winter I and II*. Furthermore, the court in the same sentence announced, “[w]hile it is possible to reach the same answer to the question using either

Other cases indicate the difficulties in reconciling two separate paradigms, even in opinions authored by the Court of Appeals for the Federal Circuit.<sup>100</sup> In one notable reversal, *Advanced Cardiovascular Systems, Inc. v. C.R. Bard, Inc.*, the Northern District of California<sup>101</sup> overruled the *Jack Winters I* and *II* rationale and adopted the *Knogo* rationale.<sup>102</sup> The *Advanced Cardiovascular Systems* court noted the shift of current authority in rejecting “the notion that attorney-client privilege should not attach, presumptively to private [attorney-client] communications.”<sup>103</sup> Furthermore, the court recognized the changing perception of the patent prosecution process as the preeminent reason for the shift.<sup>104</sup> The Northern District of California also noted that both parties, attorney and client, bring different elements to the table,<sup>105</sup> that both parties make choices as the process evolves,<sup>106</sup> and that the ex parte process at the PTO has a quasi-adversarial nature.<sup>107</sup> Finally, the court found that the attorney only passes along to the PTO a certain percentage of information that the client provides.<sup>108</sup> Thus, the *Advanced Cardiovascular Systems* opinion clearly follows *Knogo*.

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model, the approach adopted under *Knogo*, and explained in *Advanced Cardiovascular Systems* appears to be more consistent with the professional realities of the patent attorney relationship.” *Id.* The confusing rationale found in *Lairtram* shows the inherent difficulties in trying to use both rationales simultaneously.

100. *Am. Standard, Inc. v. Pfizer Inc.*, 828 F.2d 734 (Fed. Cir. 1987). The court concluded that an opinion letter was not confidential and therefore not protectable because it lacked the components of a standard letter; the court did not look at the material within the letter. Judge Newman noted the inconsistency of the majority position in her dissent. In a tersely worded statement, she commented that the majority “negates decades of hard won precedent and is a giant step backward into uncertainty, confusion, and prejudice.” *Id.* at 748 (Newman, J., dissenting).

101. The Northern District of California was *Jack Winter*’s progenitor court. *Jack Winter, Inc. v. Koratron Co., Inc.*, 50 F.R.D. 225 (N.D. Cal. 1970).

102. *Advanced Cardiovascular Sys., Inc. v. C.R. Bard, Inc.*, 144 F.R.D. 372 (N.D. Cal. 1992).

103. *Id.* at 374.

104. *Id.* at 375. The court stated, “[w]e view that process as fundamentally dialectical and, in very important respects, legal.”

105. *Id.* (arguing that the inventor brings “little reliable legal knowledge but much technical information” while the patent attorney brings “an understanding of . . . the criteria used by the PTO . . . and of the legal principles”).

106. *Id.* at 376 (characterizing the relationship as one where both attorney and client participate in decisions regarding the scope of the claims).

107. *See supra* notes 51-54 and accompanying text.

108. *Id.* at 376-77. “In this respect, the inventor’s expectations [of information disclosed to the PTO] would seem to parallel the expectations of a prospective litigant who confers at length with counsel prior to the drafting of a complaint to launch civil litigation.” *Id.* While the expectation of privacy is the same, the duty of candor is greater in the case of the patent practitioner. *Id.*

### G. The Spalding Decision

*In re Spalding Sporting Goods* presented the Court of Appeals for the Federal Circuit with two related issues.<sup>109</sup> The first issue involved the applicability of the attorney-client privilege to “invention records.”<sup>110</sup> Instead of addressing the confidence issue as other courts have done, the *Spalding* court focused on the document’s place within the dialogue between attorney and client.<sup>111</sup> The court explicitly adopted the *Knogo* line of cases<sup>112</sup> in as much as it dealt with invention records.<sup>113</sup> Viewing the attorney-client relationship as a cooperative process that requires free flowing information, the *Spalding* court used the same rationale found in non-patent attorney-client privilege cases and adopted in *Advanced Cardiovascular*.<sup>114</sup>

The second issue was the choice of law and thus the amount of precedential weight that should be given to the Federal Circuit’s holding.<sup>115</sup> Congress created the Federal Circuit with the intention of stabilizing patent law across the country and thus gave it the power to bind all district courts to its patent precedent.<sup>116</sup> Here, the court held that it should apply its own law rather than the law of the circuit.<sup>117</sup> The basis for this holding stemmed from

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109. 203 F.3d 800.

110. *Id.* at 805. These “invention records” are forms, used primarily by corporations, where inventors disclose their inventions and other crucial information to the prosecution, including closest prior art. *Id.* at 802. Patent attorneys use these documents as an aid in drafting the most complete application possible. *Id.*

111. *Id.* at 805. The request may either be explicit or implicit. See EPSTEIN, *supra* note 2, at 148. This method steps away from maintaining confidence when clients divulge information in an application for the PTO, thus avoiding the problems courts have had in applying the “in confidence” standard. See *supra* notes 33, 39 and accompanying text.

112. Theoretically, when the court adopted the Court of Customs and Patent Appeals and Court of Claims precedent as its own, it adopted the *Knogo* theory on this issue. However, this argument exists only in law reviews. See, e.g., William S. Blair, Comment, *Intellectual Property—The Pitfalls of Attorney-Client Privilege Waiver in Patent Law*, 39 S. TEX. L. REV. 769, 786 (1998).

113. 203 F.3d 800, 805-06.

114. *Id.* at 806. See also *Advanced Cardiovascular Sys., Inc. v. C.R. Bard, Inc.*, 144 F.R.D. 372, 375-78 (1992).

115. *Spalding*, 203 F.3d 800 at 802-04. The court’s determination of the applicable choice of law plays a crucial role in the precedential strength of a holding. If the Federal Circuit’s law applies on a patent issue, the holding on the issue becomes mandatory precedent. See *infra* note 116.

116. See CHISUM, *supra* note 42, at 25. Whereas all other circuits have a limited geographic jurisdiction, subject matter is Federal Circuit’s only jurisdictional limitation. *Id.* at 26. Congress fashioned this court as a powerful and unique remedy to a particular problem. S. REP. NO. 97-275, at 4 (1981). The committee determined that the Federal Circuit will “increase doctrinal stability in the field of patent law.” *Id.* Moreover, “the Hruska Commission singled out patent law as an area in which the application of the law to the facts of a case often produces different outcomes in different courtrooms in substantially similar cases.” *Id.* at 4-5. Finally, “the Patent Bar indicated that uncertainty created by the lack of national law precedent was a significant problem.” *Id.* at 5 (noting forum shopping as an additional concern).

117. *Id.*

the unique jurisdiction that Congress granted the court.<sup>118</sup> Specifically, the court has exclusive jurisdiction over substantive matters relating to patents.<sup>119</sup> The Federal Circuit interpreted this grant to include procedural issues if “[they] bear an essential relationship to matters committed to our exclusive [jurisdiction] by statute or if [they] clearly implicate the jurisprudential responsibilities of this court.”<sup>120</sup> The court concluded that attorney-client privilege in unique patent prosecution documents fell under the rubric of the Federal Circuit’s “jurisprudential responsibilities” to unify patent law.<sup>121</sup>

In what would normally be a commendable exercise of judicial restraint, the court only mentioned, without authoritative comment, the *Jack Winter* line of cases.<sup>122</sup> The Federal Circuit limited its holding to invention records specifically, deciding that the *Knogo* line of cases espoused the “better rule.”<sup>123</sup> This limited holding opened the door for further confusion in this area.

#### *H. The Post-Spalding Period: Hope and Cause for Concern*

Courts responded to *Spalding* with mixed results. Some courts, like the Northern District of Illinois in *McCook Metals L.L.C v. Alcoa, Inc.*,<sup>124</sup> fully adopted the *Spalding* rationale from. Other courts, like the Eastern District of Virginia in *Fordham v. Onesoft Corp.*,<sup>125</sup> had a decidedly cooler opinion of *Spalding*.

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118. *Id.* at 803.

119. 28 U.S.C. § 1295(a)(1) (1998). The legislature excepted from the exclusive grant of jurisdiction “a case involving a claim arising under any Act of Congress relating to copyrights . . . or trademarks.” *Id.* This portion of its jurisdiction provides the court with roughly twenty-seven percent of its caseload. See CHISUM, *supra* note 43, at 29-30.

120. 203 F.3d 800, 803 (2000). The Federal Circuit will apply independent reasoning if it “clearly implicates the jurisprudential responsibilities of this court in a field within its exclusive jurisdiction.” *Gardco Mfg., Inc. v. Herst Lighting Co.*, 820 F.2d 1209, 1212 (Fed. Cir. 1987). Other variations of the rule include “pertain[s] to patent law”, *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1359 (Fed. Cir. 1999) (quoting *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1574-74 (Fed. Cir. 1984) and “bears an essential relationship to matters committed to our exclusive control by statute.” *Id.* (quoting *Biodex Corp. v. Loredan Biomed., Inc.*, 946 F.2d 850, 858-59 (Fed. Cir. 1991). In many respects, the Federal Circuits’ choice of law determination resembles the federal court’s *Erie* inquiry by examining whether a rule has substantive effect or merely procedural effect. *Cf. Erie R.R. v. Tompkins*, 304 U.S. 64 (1938).

121. *Spalding*, 203 F.3d at 803.

122. *Id.* at 806 n.3.

123. *Id.* Its holding stems from a belief that the technical documents, in patent prosecution, play a vital role in providing legal opinion and work product. *Id.* at 806.

124. *McCook Metals L.L.C. v. Alcoa, Inc.*, 192 F.R.D. 242 (N.D. Ill. 2000).

125. *Fordham v. Onesoft Corp.*, No. 00-1078-A, 2000 WL 33341416 (E.D. Va. Nov. 6, 2000).

In *McCook Metals*, the court examined the *Jack Winter* and *Knogo* line of cases as well as the *Spalding* case.<sup>126</sup> Using a dialogue examination similar to that seen in *Knogo*—whether or not the client was seeking legal assistance—as the primary test for determining admissibility, the court avoided the trap that many courts fall into, namely, confusing public information with a public document.<sup>127</sup> The court adopted a cooperative theory of attorney-client privilege between the holding of *Spalding* and the more traditional attorney-client privilege rules in the Seventh Circuit.<sup>128</sup> According to the court, if the document is unique to patent law, Federal Circuit precedent governs, as it did in the *Spalding* case.<sup>129</sup> However, where the document was not unique to patent law, the court held that Seventh Circuit law applies.<sup>130</sup> Under this rationale, the court granted protection to a large number of documents generated during a patent prosecution.<sup>131</sup> Several other courts adopted a rationale similar to that of *McCook Metals*.<sup>132</sup>

However, the federal judicial system still lacks uniformity as illustrated by decisions like *Fordham v. Onesoft*,<sup>133</sup> a recent case from the Eastern District of Virginia. *Fordham*<sup>134</sup> highlights a different approach than that taken in *McCook Metals*.<sup>135</sup> In a brief opinion, the court strictly construed the *Spalding* holding to find that *Spalding* had no precedential effect upon draft patent applications.<sup>136</sup> Moreover, the court did not even grant persuasive effect to the *Spalding* case. Instead, it proceeded to apply Fourth Circuit law,

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126. 192 F.R.D. at 248-50. The court ultimately decided that the *Knogo* line “more accurately illustrates the activities of a patent attorney and the patent application process.” *Id.* at 250.

127. See Rice, *Continuing Confusion*, *supra* note 33, at 999-1000.

128. *Id.* at 251-52.

129. *Id.* at 251.

130. *Id.*

131. *McCook Metals*, 192 F.R.D. at 252-56. The court protected several types of documents, including drafts of patent applications, forms containing a request for information and reminding the inventor of various aspects of the patent prosecution process, a completed questionnaire containing a log of discussion topics between attorney and client, an interoffice memo requesting legal guidance, attorney’s notes, invention control sheets (exactly like the invention reports from the *Spalding* case), and letters between attorneys who share the same client. *Id.* All of these contained either an implicit or an explicit request for advice. *Id.* The court compelled discovery on other types of documents including fax coversheets, technical drawings, test results, and memoranda not requesting legal advice. *Id.*

132. *SmithKline Beecham Corp. v. Apotex Corp.*, 193 F.R.D. 530 (N.D. Ill. 2000); *Softview Computer Prod. Corp. v. Haworth, Inc.*, 58 U.S.P.Q.2d 1422 (S.D.N.Y. 2000); *Transonic Sys., Inc. v. Non-Invasive Med. Tech.*, 192 F.R.D. 710 (D. Utah 2000).

133. No. 00-1078-A, 2000 WL 33341416 (E.D. Va. Nov. 6, 2000).

134. *Id.*

135. *Id.* at \*2 (holding that the magistrate did not commit clear error by failing to apply the *Spalding* decision to the present case).

136. *Id.* (avoiding the question of whether the Federal Circuit would hear the appeal by construing the *Spalding* decision narrowly).



which requires full admissibility of draft patent applications and offers no privilege at all.<sup>137</sup> Thus, the court found that the communications, protected in *McCook Metals*,<sup>138</sup> were admissible in *Fordham*.<sup>139</sup> The court determined that the privilege should be construed narrowly and adopted a quasi-*Jack Winter* rationale to support its contention.<sup>140</sup> Other courts in the wake of the *Spalding* decision used a similar tack when evaluating claims of attorney-client privilege.<sup>141</sup>

### III. ANALYSIS

The last two cases discussed above, *McCook Metals* and *Fordham*, along with others like them, suggest that the task undertaken by the Court of Appeals for the Federal Circuit is not quite complete.<sup>142</sup> The Federal Circuit in *Spalding* clearly hoped to carve out a uniform rationale in this area by its invocation of its jurisdictional power,<sup>143</sup> and this invocation should act as a signal to other courts in this area to follow its example.<sup>144</sup> This effort, however, has been less than successful. Upon similar facts, jurisdictional differences still exist, breeding the type of confusion that is anathema to attorney-client privilege.

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137. *Id.* The magistrate relied on *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 143 F.R.D. 661 (E.D.N.C. 1992).

138. *McCook Metals L.L.C. v. Alcoa, Inc.*, 192 F.R.D. 242, 252-53 (N.D. Ill. 2000).

139. 2000 WL 33341416 at \*2.

140. *Id.* at \*3 (making the curious argument that OneSoft's disclosure of certain confidential information, which helped it prepare patent applications, suggests that the applications were not legal opinions and should be admitted).

141. *See, e.g.*, *Gorman v. Polar Electro, Inc.* 137 F. Supp. 2d 223 (E.D.N.Y. 2001).

142. A disagreement between a magistrate judge and district court judge in the Southern District of New York further shows the need for more direction. A magistrate took *Spalding* too far, interpreting the decision as covering all documents in patent cases. A district judge disagreed, however, by suggesting that *Spalding* only goes to novel patent documents. *Compare* *Softview Computer Prod. Corp. v. Haworth, Inc.*, No. 97 CIV 8815 KMWHBP, 2000 WL 351411, \*2 (S.D.N.Y. Mar. 31, 2000), with *Aktiebolag, v. Andrix Pharm.*, 208 F.R.D. 92, 97 (S.D.N.Y. 2002).

143. *In re Spalding Sports Worldwide*, 203 F.3d 800, 802 (Fed. Cir. 2000). *See also supra* notes 115-21 and accompanying text (discussing the Federal Circuit's argument). By invoking its appellate jurisdiction, the Federal Circuit's holding becomes mandatory precedent on all district courts.

144. Perhaps this decision is an attempt by the Federal Circuit to nudge the district courts in the proper direction without explicitly dictating policy in the area of attorney-client privilege. Joan E. Schaffner, *Federal Circuit 'Choice of Law': Erie Through the Looking Glass*, 81 IOWA L. REV. 1173, 1208-10 (1996) (discussing the sometimes competing interests of the Federal Circuit in maintaining uniformity across the country and the regional courts' interest in maintaining uniform rules within their circuits).

### A. Jurisdiction

The dearth of attorney-client privilege review at the appellate level illustrates the difficulties of bringing appeal.<sup>145</sup> With regard to attorney-client privilege in the patent prosecution process, two separate goals meet.<sup>146</sup> The goal for the creation of the Federal Circuit, in part, was to unify patent jurisprudence under a single rubric, removing jurisdictional discontinuity.<sup>147</sup> In much the same way as the federal judiciary deals with *Erie R.R. v. Tompkins*<sup>148</sup>-type choice of law cases, the Court of Appeals for the Federal Circuit approaches its choice of law issues by examining the district court's basis for its jurisdiction<sup>149</sup> and then determining whether the issue is procedural or substantive.<sup>150</sup>

The procedural or substantive character of the privilege in patent litigation is a complex question. Attorney-client privilege, while facially possessing procedural characteristics, has important substantive ramifications because the exercise of the privilege may potentially conceal information crucial to discovery of the truth.<sup>151</sup> By limiting discovery, though only indirectly,<sup>152</sup> attorney-client privilege plays an important and substantive role in the

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145. Evidentiary issues have an abuse of discretion standard for review and must affect a party's substantial rights to result in reversal. FED. R. EVID. 103. The wide berth afforded by this standard stems from the "deference appellate courts owe to the district judge's decisions on many of the questions of law and fact that arise before judgment." *Richardson-Merrell, Inc. v. Koller*, 472 U.S. 424, 430 (1985). Absent a serious error by the trial judge, evidentiary appeals are difficult bring and more difficult to win.

146. These two goals are the formation of the Federal Circuit to create uniformity in patent law, see *supra* note 116, and sufficient clarity in attorney-client privilege for an effective privilege. See *supra* notes 41-42.

147. S. REP. NO. 97-275, at 4-5 (1981).

148. See generally *Erie R.R. v. Tompkins*, 304 U.S. 64 (1938) (adopting state law for substantive aspects and federal law for procedural aspects of cases in an attempt to minimize forum shopping).

149. See, e.g., *In re Cambridge Biotech Corp.*, 186 F.3d 1356, 1369 (Fed. Cir. 1999) (holding that the threshold issue is whether the district court based its jurisdiction on 28 U.S.C. § 1338 (1998), which grants federal question jurisdiction over patent issues).

150. Schaffner, *supra* note 142, 124-25 (drawing parallels between *Erie* and Federal Circuit jurisdiction). Professor Schaffner argues that the parallel logic between the *Erie* doctrine and Federal Circuit jurisdiction suggests a broad functional approach where the court exercises its jurisdiction over "patent-related primary behavior . . . patent policy . . . and [issues that require] the expertise of the court." *Id.* at 1223-24. See also *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1358-61 (Fed. Cir. 1999) (adopting an approach similar to the one suggested by Professor Schaffner).

151. Attorney-client privilege exists as "an exception to the general duty to disclose. Its benefits are all indirect and speculative; its obstruction is plain and concrete." *NLRB v. Harvey*, 349 F.2d 900, 907 (4th Cir.) (quoting WIGMORE, *supra* note 1, § 2291).

152. See WIGMORE, *supra* note 1, § 2291. The privilege does not cover the factual material underlying the communication-just the communication itself. See *supra* note 2. However, if the information is not elsewhere, such as a murder suspect confessing to defense counsel, opposing counsel may not have access to that evidence or even gain knowledge of the underlying facts. See WIGMORE, *supra* note 1, § 2291.

adjudication of disputes. However, in instances where procedural issues have substantive effects, the decision ultimately comes down to whether attorney-client privilege could be a patent issue, thus requiring use of the special jurisdiction.<sup>153</sup> Placed within the context of patent litigation, the privilege implicates matters best understood by the Federal Circuit.<sup>154</sup> Courts should see attorney client privilege in patent litigation as a matter touching on the Federal Circuit's grant of jurisdiction.<sup>155</sup>

In the case of attorney-client privilege in patent litigation, the needs of the federal evidence rules (certainty in treatment of documents) dovetail well with the Federal Circuit's mandate (uniform treatment of patents), suggesting a proper invocation of the jurisdiction.<sup>156</sup> As such, courts like the *Fordham* court should follow the *Spalding* decision based on its precedential effect.

### B. Persuasive Appeal

Some post-*Spalding* courts construe *Spalding*'s holding narrowly to avoid its precedential effect and then fail to give the *Spalding* rationale substantial persuasive weight.<sup>157</sup> The courts that do not follow *Spalding* instead conduct

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153. See Schaffner, *supra* note 142, at 1228. Some types of documents encountered in patent litigation appear only in patent matters and others exist in general litigation matters but have a different function in that forum. Whereas technical specifications or an analysis of prior art would have no bearing on legal advice in standard litigation, in patent matters this becomes an integral part of an attorney's opinion. See *Advanced Cardiovascular Sys., Inc., v. C.R. Bard, Inc.*, 144 F.R.D. 372, 375-77 (N.D. Cal. 1992).

154. The court in *Midwest Industries* noted several instances where an appeal crosses the substantive/procedural barrier, but still satisfies their tests for authority: personal jurisdiction, right to a preliminary injunction, right to a jury trial, and relevancy for discovery purposes. *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1359 (Fed. Cir. 1999). The inclusion of relevancy in this list, also an evidentiary issue, suggests that attorney-client privilege might also have such a substantial effect on patent policy that it "bears an essential relationship to matters committed to our exclusive control by statute." *Id.* (quoting *Biodex Corp.*, 946 F.2d 850, 858-59 (Fed. Cir. 1991)).

155. While perhaps attenuated slightly, the substantive effects of a change in the attorney-client privilege could have very serious effects on the ability of attorneys to give advice to their clients. See EPSTEIN, *supra* note 2, at 7-8. An increase in the certainty of attorney-client privilege surrounding patent prosecution documents may increase the amount of information provided to an attorney by the client. *Id.* at 4-7. This allows attorneys to provide better advice and allow client to follow the law more precisely. *Id.* at 7-8. As Congress gave the Federal Circuit exclusive appellate jurisdiction over patent matters, any issue affecting patent law to this extent should be considered to have "an essential relationship" to patent law. *Cf. Midwest*, 175 F.3d at 1359-60.

156. Without some sort of certainty, attorney-client privilege becomes ineffectual—clients are not certain the privilege applies and thus will not take advantage of the privilege. See EPSTEIN, *supra* note 2, at 7. The Senate Judiciary Committee noted, "uniformity in the law will be a significant improvement from the standpoint of the businesses that rely on the patent system." S. REP. NO. 97-275, at 6 (1981) (noting predictability as an important factor in the creation of the Federal Circuit).

157. See, e.g., *Fordham v. OneSoft Corp.*, No. 00-1078-A, 2000 WL 33341416, \*2 (E.D. Va. Nov. 6, 2000) (noting the case but passing over the rationale to move on to the issue of admissibility under Fourth Circuit law).

a standard attorney-client privilege determination<sup>158</sup> without realizing the distinction between standard business documents and technical information in a patent context.<sup>159</sup> These courts not only misunderstand the purpose of a patent attorney and the role of certain documents in patent prosecution,<sup>160</sup> but also misunderstand the long-term negative consequences that uneven application of attorney-client protection will cause.<sup>161</sup> Commentators regularly note the broad confusion in this particular area of evidence law.<sup>162</sup> The *Spalding* case gives cause for hope of a reliable standard, but decisions like *Fordham*<sup>163</sup> and *McCook Metals*<sup>164</sup> indicate that confusion persists. Use of the *Knogo* decision as a blueprint and construing the request for legal services broadly provide the key to solving the historical shortcomings of privilege in this area.<sup>165</sup> Reliability and consistency are the only policy rationales that will enable courts to arrive at an appropriate rule.<sup>166</sup>

Many of the documents created in a patent prosecution are unique to patent law. Patent attorneys plying their craft use documents like invention

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158. See *supra* notes 26 and 27.

159. *Nestle Co., Inc. v. A. Cherney & Sons, Inc.*, 207 U.S.P.Q. 930, 933 (D. Md. 1980) (finding that to the extent the document “has legal significance” it may be immune from discovery). The distinction between patent and non-patent cases is that the technical documents often constitute a request for legal advice, asking about the best method for presenting the invention to the PTO and the scope of the claims, whereas technical documents in non-patent cases usually deal with business advice. See DeVito, *supra* note 6, at 125-26.

160. See *Knogo Corp. v. United States*, 213 U.S.P.Q. 936, 940-41 (Ct. Cl. 1980). This misunderstanding seems to take one of two forms: an incorrect belief that certain technical documents (like draft applications and invention records) within a patent prosecution fail to embody an either explicit or implicit request for advice. See *supra* note 61. The other common misconception is a belief that the duty of candor forces a patent attorney to create every document so that other people will see it results in a waiver of the “in confidence” element of the privilege test. See *supra* notes 72-75.

161. See EPSTEIN, *supra* note 2, at 7-9. As noted previously, the utilitarian goal of the modern attorney-client privilege is to alter client’s behavior by fostering a greater flow of information, which ensures that attorneys are well informed and can give the best possible advice. *Id.* If the courts cannot handle the privilege in a consistent and predictable manner, the privilege is worthless. Unless a client can be certain that what he discusses with the attorney will not go beyond the confidential relationship (except when authorized) his behavior will not change. *Id.*

162. See EPSTEIN, *supra* note 2 at 105. “[C]ourts in patent law cases frequently draw distinctions without palpable differences from case to case. The case law is a veritable mine field for the unwary.” *Id.* This is not a ringing endorsement for a doctrine that depends on predictability and comfort for efficacy.

163. *Fordham v. OneSoft Corp.*, No. 00-1078-A, 2000 WL 33341416 (E.D. Va. Nov. 6, 2000). For a discussion of the *Fordham* case, see *supra* notes 133-40 and accompanying text.

164. *McCook Metals L.L.C. v. Alcoa, Inc.*, 192 F.R.D. 242 (N.D. Ill. 2000). For a discussion of the *McCook Metals* case, see *supra* notes 126-31 and accompanying text.

165. *Spalding*, 203 F.3d at 805 (following *Knogo* to require a determination of which documents constituted requests for legal services regardless of form). A court should broadly construe the implicit request for advice so that it resembles the dialectical process seen in *Advanced Cardiovascular Systems*, thus allowing protection of many documents including patent drafts and invention records. *Id.*

166. See *supra* notes 41-42 and accompanying text.

reports and draft applications as aids to work through the dialectic process that is a patent prosecution.<sup>167</sup> Because of the infrequency with which many district courts see patent issues, it is unrealistic to expect every judge to have a complete understanding of patent process, procedure, and law.<sup>168</sup> Those courts that regularly compel discovery of documents like patent application drafts and invention records<sup>169</sup> fail to understand that while the technical information is not itself protectable, it forms the basis for the legal advice by the patent attorney.<sup>170</sup> These documents then satisfy the “request for advice” element of the privilege test.<sup>171</sup>

The crux of the argument from the *Jack Winter* line of cases lies in the destruction of the confidentiality element of Dean Wigmore’s protection test, thus nullifying any privilege rights that may exist.<sup>172</sup> This element of Dean Wigmore’s test centers on the legal maxim that if one fails to protect his rights, he may not retrieve those rights later.<sup>173</sup> Strict application of confidentiality in the patent context might be best addressed in one of two ways. First, as pointed out by the *Knogo* line, not all of the information provided to a patent attorney will be included in application or patent.<sup>174</sup> Some courts’ instinctive reaction to patent prosecution as a conduit between client and the PTO is off base.<sup>175</sup> An alternative, suggested by Professor

167. For a discussion of the dialectical process, see *Advanced Cardiovascular Sys., Inc. v. C.R. Bard, Inc.*, 144 F.R.D. 372 (N.D. Cal. 1992).

168. See CHISUM, *supra* note 42, at 22. After all, the Federal Circuit receives *all* patent appeals, but patent work still only comprises about twenty percent of its caseload. *Id.* at 29. Many district courts also see patent cases as a bit of an annoyance. See Adams, *supra* note 80, at 61 (finding that many appellate court judges happily ceded their patent authority to the Federal Circuit).

169. See, e.g., *Applied Telematics, Inc. v. Sprint Communications Comp., L.P.*, No. 94-4603, 1996 WL 539595, at \*5 (E.D. Pa. Sept. 18, 1996) (demanding production of draft applications).

170. See *Advanced Cardiovascular Sys.*, 144 F.R.D. at 376 (arguing that many communications between attorney and client, including invention records and patent application drafts, contain an implicit request that the patent attorney use his expertise to maximize protection while fulfilling the PTO’s guidelines for disclosure).

171. See *Spalding*, 203 F.3d 800, 805-06.

172. See *supra* notes 38-40.

173. Oliver Wendell Holmes, *The Path of the Law*, 10 HARV. L. REV. 457, 476-77 (1897) (discussing adverse possession in real property law and stating “[I]f a man neglects to enforce his rights, he cannot complain if . . . the law follows his example”).

174. See *supra* notes 82-92 and accompanying text. The regulations on the duty to disclose do not require complete disclosure. Until the early 1990s, the PTO required a statement of relevance for each item in an information disclosure statement, suggesting a desire to limit information to material documents. M.P.E.P., *supra* note 44, § 2001.04.

175. The general rule of narrow construction in attorney-client privilege cases exists because of the privilege’s effect on the search for the truth. *Supra* notes 30-31. Therefore, most courts prefer to err on the side of admission. See EPSTEIN, *supra* note 2, at 12-13. In the general (non-patent) litigation context, technical advice delivered to counsel would be a request to the attorney in his business capacity. However, in a patent prosecution context, technical communications between attorney and client shift to a request to the attorney in his legal capacity. Instinctively, district courts apply the

Rice, is the elimination of the “in confidence” portion of Dean Wigmore’s Test<sup>176</sup> because of the difficulties in using “in confidence,”<sup>177</sup> the expenses incurred at trial,<sup>178</sup> and uneven application<sup>179</sup> of the “in confidence.”<sup>180</sup> In its place, a simple fairness test, which collapses much of the inquiry into one question, would greatly simplify the current attorney-client test.<sup>181</sup> Such a change would have a positive effect on district court treatment of privilege in patent litigation by making application much more straightforward. This change effects a technical document in patent litigation because it removes the key cognitive disconnect district courts encounter—the “in confidence” aspect—in dealing with items for later publication like draft applications.<sup>182</sup>

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general litigation logic in the patent arena even though the documents have an entirely different relevance. See DeVito, *supra* note 6, at 126.

176. See Paul R. Rice, *Attorney-Client Privilege: The Eroding Concept of Confidentiality Should be Abolished*, 47 DUKE L.J. 853 (1998) [hereinafter Rice, *Attorney-Client Privilege*]; Paul R. Rice, *A Bad Idea Dying Hard: A Reply to Professor Leslie’s Defense of the Indefensible*, 2001 WIS. L. REV. (2001) [hereinafter Rice, *A Bad Idea*]. But see Melanie B. Leslie, *The Costs of Confidentiality and the Purpose of Privilege*, 2000 WIS. L. REV. 31 (2000) (arguing for the retention of the “in confidence” element of the privilege).

177. Rice, *Attorney-Client Privilege*, *supra* note 176, at 889-91. A modern inquiry into the validity of a claim of attorney-client privilege takes into account many factors, including a determination of the client’s identity, the possibility of improper distribution constituting a waiver of the privilege, and the applicability of a defense like inadvertence. *Id.* at 862-64. In addition to an in camera inspection of the document, investigation into the surrounding circumstances, especially considering the size of today’s large corporations, requires massive manpower. *Id.* at 864.

178. *Id.* at 889. The claimant of the privilege must prove the circumstances surrounding the creation of every document including each copy, every initial, and every notation, usually using affidavits. *Id.* This requirement proves costly to the claimant, monetary costs and transaction costs in identification and proof. *Id.* Furthermore, the court must accommodate all of this proof, a tough task in complex litigation. *Id.* Transaction costs also exist outside of litigation, as entities may not be able to use certain documents to assist in negotiations, for fear of waiving the privilege by divulging to third parties. *Id.* at 890-91.

179. See *id.* at 865. Mistaking public information for public communications, courts misapply the privilege and admit documents based solely upon the facts contained in the document. *Id.* at 896-97. For an example of this mistake, see *Am. Standard, Inc. v. Pfizer, Inc.*, 828 F.2d 734, 746 (Fed. Cir. 1987). See also Rice, *Continuing Confusion*, *supra* note 33, at 983-85.

180. See Rice, *Attorney-Client Privilege*, *supra* note 176, at 864-66. Professor Rice refers to the confidentiality requirement as a “secrecy” requirement because rather than examining the nature of the communication, courts often restrict the protection to documents that contain secret information. See *id.* at 869-74. The results are evidentiary decisions with higher certainty and greater speed than allowed under the current common law rules, as the complex maneuvering done to establish and maintain the “in confidence” is unnecessary. *Id.* at 890-95.

181. *Id.* at 893. A one-step “determination of whether, and to what extent the client should be required to relinquish the privilege protection” might be appropriate according to Professor Rice. *Id.* at 892. This test includes the claims at issue, the way the privileged material will be used, the presence of good faith, and consideration of any unfair advantage provided by the protection. *Id.* at 893-94. Due to the large number of exceptions already created in courts to prevent injustice dealing with fairness, the test is not a large departure. *Id.* at 894-95.

182. See DeVito, *supra* note 6, at 126-27. In a general sense, if companies take the proper steps, i.e., confidentiality agreements, opinion letters and other documents would not have to be locked away for fear of waiving privilege over a disclosure. For a discussion of the corporate concern regarding

The *Spalding* decision provides “the better rule” for attorney-client privilege, protecting a larger class of documents created in patent prosecution.<sup>183</sup> The *Knogo/Spalding* rationale furthers the purpose of the Federal Circuit to unify patent law and provides an atmosphere that is conducive to the free exchange of information between attorney and client. Alternatively, courts could discard the “in confidence” aspect of the attorney-client privilege test, simplifying the admission procedure and also resulting in protection akin to that under *Spalding*.<sup>184</sup> Both routes find roughly the same destination.

#### IV. USING *IN RE SPALDING SPORTS WORLDWIDE* AS A MEANS TO EFFECT CHANGE IN THE FEDERAL SYSTEM

##### A. Broad Reading of *Spalding*

The Federal Circuit laid the groundwork in *In re Spalding Sports Worldwide*<sup>185</sup> for a unified and rational system of attorney-client privilege in patent prosecution. However, the dichotomy shown in *Fordham* and *McCook Metals* illustrates that *Spalding* alone is insufficient to resolve the issue and that further steps are necessary<sup>186</sup> to ensure effective assertion and recognition of attorney-client privilege.<sup>187</sup>

The easiest way to resolve the problems inherent in the *Fordham* case is to broadly interpret the *Spalding* decision.<sup>188</sup> Unfortunately, *Spalding*

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waiver, see *supra* note 39 and accompanying text.

183. *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 806 (Fed. Cir. 2000). The admissibility problems include more than just the invention records that the *Spalding* court specifically dealt with. See DeVito, *supra* note 6, at 125-29. As such, the answer to the problem must cover a wider range of documents. *Id.*

184. A proper application of the *Knogo*-influenced *Spalding* decision should result in the protection of those patent prosecution documents that play a role in legal advice given by patent attorneys. See *supra* notes 92-94 and accompanying text. However, evidence indicates that proper application of attorney-client privilege tests may be difficult to achieve. See, e.g., Rice, *Continuing Confusion*, *supra* note 33, at 983-84. The alternate route, as proposed by Professor Rice, makes judicial handling of attorney-client privilege issues easier by removing the most misunderstood element of the test. See Rice, *Attorney-Client Privilege*, *supra* 176, at 891-94. Removing the “in confidence” element of the attorney client privilege test means that future transmittal of a portion of the information to the PTO will not sound the death knell for many patent prosecution documents. See *supra* notes 72-79 and accompanying text. This should increase protection of the documents to roughly the same level *Spalding*.

185. 203 F.3d 800.

186. See *supra* notes 124-42 and accompanying text.

187. See *supra* notes 41, 42 and accompanying text.

188. As noted previously, evidentiary decisions are notoriously difficult to appeal because of the “abuse of discretion” standard applied to most evidentiary issues. See *supra* note 145 and accompanying text. Due to the difficulty of appeal, the Federal Circuit will not have many

provided a limited holding, failing to excise the *Jack Winter* line of cases from the federal system.<sup>189</sup> Taken to its logical conclusion, the court appears ready to exercise its authority on this issue.<sup>190</sup> A cooperative approach, one that utilizes Federal Circuit precedent for novel patent documents and regional circuit precedent for other documents, may be the most palatable option.<sup>191</sup>

Under *Knogo/Spalding*, courts should examine a communication determine whether the communication took place outside of the presence of others and happened within the context of the patent attorney/client dialogue for prosecution of an application.<sup>192</sup> Applying this test, documents such as opinion letters, invention records, questionnaires, and drafts of patent applications should garner protection while business documents should not.<sup>193</sup> An expansive reading of *Spalding* promotes the purpose of the Federal Circuit and should resolve the twenty-year debate over the privilege.

### *B. Elimination of the "In Confidence" Element*

Alternatively, the more sweeping change eliminating of the "in confidence" element would provide similar results and eliminate the need to use the unifying power of the Federal Circuit to resolve the issue.<sup>194</sup> Coupled

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opportunities to address these issues. The *Spalding* decision is unique because it arrived at the court on a writ of mandamus, which generally requires an "important issue of first impression." *Spalding*, 203 F.3d at 804.

189. After noting the existence of the *Jack Winter* line of cases, the court concluded, "[t]hese cases did not deal specifically with invention records, and moreover, they are not binding on this court. We conclude that the better rule is the one articulated in this case." *Id.* at 804 n.3.

190. See *id.* at 803-04. Despite its narrow holding in *Spalding*, the court's broad strokes in the opinion apply to a whole spectrum of documents. See *id.* at 805-06. The technical information discourse is a central element in patent prosecution. *Id.* at 806. The language of the opinion applies with equal force to other categories of documents.

191. See generally *McCook Metals, L.L.C. v. Alcoa, Inc.*, 192 F.R.D. 242 (N.D. Ill. 2000). Judges tend to prefer regular application of local evidentiary rules, rather than wrestling with outside influences. See *supra* note 144. This approach balances the twin concerns of uniform application of patent law and circuit-based control over court procedures.

192. *Knogo Corp. v. United States*, 213 U.S.P.Q. 936, 941 (Ct. Cl. 1980). See also *supra* note 91 and accompanying text. This avoids an examination of prior intent inherent in most *Winter* line analyses.

193. See *supra* notes 91-93.

194. By eliminating the "in confidence" element of the attorney-client privilege test, the largest block to protection of patent prosecution communications is excised. For an example of the existence of this block still in effect after *Spalding*, see *Fordham v. OneSoft Corp.*, No. 00-1078-A, 2000 WL 33341416 (E.D. Va. Nov. 6, 2000) (holding a draft application admissible due to disclosure). While a broad reading of *Spalding* succeeds in creating a workable attorney-client privilege system, district court resistance coupled with unfamiliarity with specialized patent documents suggests that not every court will apply the holding uniformly. See *supra* notes 124-41 and accompanying text. Professor Rice's suggestion removes the block and simplifies the test that should result in a uniform application.



with the numerous costs of ascertaining prior intent under Dean Wigmore's test,<sup>195</sup> the straightforward nature of Professor Rice's proposal, replacing the "in confidence" element of the attorney-client privilege test with a simple fairness test, will tend to provide the consistency necessary in this area.<sup>196</sup> A close watch by the judiciary and opposing counsel over the contents of the privilege logs stand as strong barrier against misuse of the system.<sup>197</sup> Without drawing bright line distinctions between what documents are, and what documents are not novel patent documents, district courts unfamiliar to patent law may be unsure about the contours of the privilege without removing the confusion of the "in confidence" element.<sup>198</sup>

For years, various commentators for years have advocated for the adoption of the *Knogo* rationale, which is a more rational and useful system.<sup>199</sup> However, the district courts, who ultimately will have to wrestle with the issue, lack clear direction on what is, and what is not, a type of document that "clearly implicates the jurisprudential responsibilities" of the Federal Circuit.<sup>200</sup> Courts need a broader set of guidelines for determining special subject matter,<sup>201</sup> beyond the invention record noted in *Spalding*.<sup>202</sup>

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See Rice, *Attorney-Client Privilege*, *supra* note 176, at 894-95.

195. See *supra* note 177-81. Use of judicial resources and the costs involved in the production of proof that a modern business maintained confidence are all costs imposed on courts when an attorney-client privilege issue develops in the business setting. See Rice, *Attorney-Client Privilege*, *supra* note 177, at 889-90. This does not include the costs imposed on businesses outside the courtroom—like not being able to disclose patent opinions in licensing negotiations in order to preserve protection in the future. *Id.* at 891.

196. Professor Rice's fairness test, described *supra* notes 181-82 and accompanying text, collapses the attorney-client privilege test into one central issue of fairness. Following the normal period of adjustment to the new rule, courts should be able to apply the test with a higher degree of consistency. Rice, *Attorney-Client Privilege*, *supra* note 176, at 894-95. This is because it removes the attorney-client privilege test element regularly misapplied by district courts and simplifies the inquiry essentially on the equities of the situation, courts may be more consistent in their holdings. *Id.* This improvement can only help give form to a rather insubstantial current test for attorney-client privilege in patent prosecution documents. See also Rice, *Continuing Confusion*, *supra* note 33, at 980-86. (discussing repeated missteps by a variety of courts attempting to use "in confidence" to admit technical and/or other public information).

197. *Id.* at 896-97. The strong adversarial system in patent litigation provides opposing counsel with an incentive to attentively watch claims of privilege and thus catch any deviations from the easier test proposed by Professor Rice. *Id.*

198. See *supra* notes 159-60, and 168.

199. DeVito, *supra* note 6, at 119; Todd M. Becker, *supra* note 46, at 1061; James Y. Go, Comment, *Patent Attorneys and the Attorney-Client Privilege*, 35 SANTA CLARA L. REV. 611, 648 (1995).

200. *Gardco Mfg., Inc. v. Herst Lighting Co.*, 820 F.2d 1209, 1212 (Fed. Cir. 1987).

201. This does not necessarily mean that these documents should be held inadmissible in court, but merely that these documents are not found outside of the patent context and should be treated in a different manner.

202. Many district courts have very little experience dealing with patent issues, and therefore fall back on prior experience to provide answers with mixed success. See DeVito, *supra* note 6, at 126-28.

The Federal Circuit must promulgate a broader rationale to eliminate these problems—either an expansion of *Spalding* or something akin to Professor Rice's proposal.

## V. CONCLUSION

With more than four hundred years of history—in both America and Britain—one might imagine that the concepts of attorney-client privilege are well established. However, because of shifting notions regarding the system's goals and the viability of roadblocks to pursuit of the truth, judicial conceptions of attorney-client privilege have shifted over the years. The modern realities do not resemble those that existed even fifty years ago when Professor Wigmore wrote his seminal treatise on evidence.

While patent attorneys practicing before the PTO have a duty of candor to disclose pertinent information regarding a patent, this duty does not require that all information provided by the client must be included in the application. Moreover, the goal of fostering enhanced communication between attorney and client through the use of privileged communications lacks a great deal of the predictability necessary for full effectiveness. A broad reading of the holding in *Spalding* is appropriate in so far as the decision deals with the Federal Circuit's position on attorney-client privilege in technical documents. Rigid and dogmatic adherence to the rules of evidence is contrary to the realities of patent prosecution as well as the policy behind attorney-client privilege. Alternatively, excising the "in confidence" element of Dean Wigmore's test would have a similar effect by eventually stabilizing the precedent in this field and creating a reliable system of attorney-client privilege regarding patent prosecution. Only then may we find our way out of the minefield.

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Better guidance regarding the contours of patent practice might help district courts' consistency in this area. Besides the invention record, excellent examples of items that are good candidates for protection include draft patent applications, opinion letters, and discussions of prior art (not lists). All of these are either unique to patent law or take on a unique form when applied to the patent field. See *McCook Metals L.L.C. v. Alcoa Inc.*, 192 F.R.D. 242, 252-55 (N.D. Ill. 2000) (discussing many of these and coming to similar conclusions).

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