# PATENT PROSECUTION BARS IN LITIGATION

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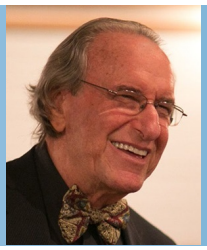

Patent attorneys whose practices focus upon both litigation and patent prosecution may find themselves trapped by a little known, court-ordered 'prosecution bar'. Such an order barring an attorney, or his (or her) law firm, from preparing and prosecuting patent applications directed to specific technologies can have far-reaching negative economic consequences for lawyers. In extreme cases, a law firm may find itself both emotionally and financially embarrassed by being unable to continue to represent significant clients whose products or services embrace such technologies.

Many seasoned patent attorneys enjoy practices which include full-service intellectual property capabilities. Such capabilities typically include engagement in all aspects of IP law, such as preparing and prosecuting patent applications, as well as representing litigants in hard-fought patent infringement actions. While individual attorneys without a full service background may specialise in either *ex parte* or *inter parte* representations, there are law firms which will typically employ specialists in both, or all, such practice areas. These practice areas are often separately staffed and governed.

A problem may arise when litigation counsel for a party, and/or his/her firm, is also actively engaged in the writing and prosecuting of patent applications for the client. This attorney, during litigation, will often be able to see highly sensitive pending patent applications, technical data and strategic documents of the opposing party. Armed with such secrets, it is next to impossible to avoid benefiting from access to these opposing party secrets during development of his/her own client's patent prosecution strategy, including the drafting of broad patent claims covering this technology field. An attorney drafting patent claims will not normally compartmentalise what he/she has learned in this way.

In patent infringement litigation between competitors, as in other types of civil cases, confidential and sensitive information of the parties and witnesses is normally protected from unlimited disclosure and is limited to certain prescribed individuals. This is accomplished by means of a 'protective order', which is issued by the court. Particularly during discovery proceedings, the protective order permits proper inquiry but serves to prevent inadvertent disclosure as well as to limit or avoid harassment. A protective order may provide for different layers of access, the most restrictive layer being attorney's eyes only. Most often, litigation counsel will stipulate the general type of protective order.

That said, the problem remains where litigation counsel will also be actively engaged in patent prosecution. Where this occurs, one or both parties may seek protective order provisions under which the lawyer(s) who will have access to an opposing party's secrets will be precluded from engaging in patent prosecution dealing with the same or a closely related technical field.

"IN PATENT INFRINGEMENT LITIGATION BETWEEN COMPETITORS, AS IN OTHER TYPES OF CIVIL CASES, CONFIDENTIAL AND SENSITIVE INFORMATION OF THE PARTIES AND WITNESSES IS NORMALLY PROTECTED FROM UNLIMITED DISCLOSURE."

As an example, Apple Inc on January 25, 2012 asked an administrative judge at the US International Trade Commission in its patent infringement litigation against HTC Corporation to bar HTC attorneys from prosecuting any patents related to the wireless communications and user interface technologies involved in the dispute. Apple asked the judge to amend the protective order in this case to include this so-called prosecution bar. HTC, predictably, will aggressively oppose this move, and the judge deciding this motion will necessarily need to examine what activities might be prohibited by a bar, what persons might be subject to the bar, what might be subject matter scope of the bar, how long the bar might last, and might there be a waiver provision.

The Federal Circuit in *In re Deutsche Bank Trust Co. Americas*, in a case of first impression, determined that whether or not a protective order should include a patent prosecution bar is a matter governed by Federal Circuit law. The court criticised district court decisions holding that patent prosecution inherently involves competitive decision-making, and cautioned that the trial court must balance the risk of inadvertent disclosure against the potential harm to the opposing counsel from restrictions imposed on that party's right to have the benefit of counsel of its choice.

There are many patent litigators who, for this reason (and others), elect not to engage at all in patent prosecution activities. Indeed, there are law firms that have shed their patent prosecution practices in favour of litigation, in which huge fees are generated. It is the wise patent attorney who carefully assesses all of the considerations discussed here before embarking upon a representation that may carry a risk of a prosecution bar. ■

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