

To Submit “Confidential” Prior Art Documents or Not, That is the Question: Conflicts of Interest in Representing Two Clients from Related Industries for Patent Prosecution

Ping-Hsun Chen
Assistant Professor, Graduate Institute
of Intellectual Property

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When simultaneously representing two clients in related industries, an attorney for patent prosecution may encounter conflicts of interest because the patent agency requires a duty to disclose prior art documents. This article discusses whether a patent attorney can disclose to the agency prior art documents learned from non-applicant clients. To reduce the risk of violating the ethical rules governing the attorney–client relationship and the duties to the patent agency, this article provides that an idea of implementing a technology-oriented system for collecting prior art documents learned from different clients is necessary.

Introduction

An attorney who specialises in patent prosecution may encounter conflicts of interest when he simultaneously represents two clients in related industries for patent

prosecution.¹ The dilemma is especially unavoidable if he owns a technology specialty which attracts clients who need an expert to precisely describe their inventions.²

The dilemma comes from the duty to disclose prior art documents. The US Patent and Trademark Office (USPTO) requires a patent applicant and his patent attorney to submit “prior art documents”³ that relate to the patentability of his patent application.⁴ If the applicant or attorney fails to do so, the severe consequence could be the USPTO’s rejection of the patent application or a court’s denial of the enforcement of the patent.⁵ Additionally, the attorney could be sanctioned by the USPTO.⁶

Imagine that Intel and AMD are from the CPU-manufacturing industry and that they use the same attorney to represent them for prosecuting their patent applications. The conflicts of interest arise when the prior art documents provided to the attorney by AMD are materially related to the patentability of Intel’s patent application.⁷ On one hand, the attorney has to disclose to the USPTO those documents for the prosecution of Intel’s patent application.⁸ On the other hand, the attorney has a duty of confidentiality to AMD in keeping those documents secret from third parties.⁹ Todd M. Becker once provided a legal defence that if the information is not material to the patentability of Intel’s patent application the attorney can assert attorney–client privilege to waive the duty of disclosure.¹⁰ However, the law of the disclosure duty does not ask how or from where a patent applicant or attorney knows the related prior arts.¹¹ Such a legal defence might be irrelevant.

Therefore this article intends to provide another approach and explain to what extent a patent attorney can disclose to the USPTO the prior art documents learned from non-applicant clients. The second part presents the legal theories related to the existence of conflicts of interest in representing two clients from related industries. The third part discusses whether the violation of the confidentiality duty is established when the prior art documents of AMD are submitted to the USPTO for Intel’s patent application. This part also indicates the grey area of the violation of the duty of confidentiality. The fourth part provides a solution to minimise the potential violation of the confidentiality duty.

* JD (2010) and LLM (2008), Washington University in St Louis School of Law; LLM (2007), National Chengchi University, Taiwan; BS (1997) and MS 1999 in Chem. Eng., National Taiwan University, Taiwan.

¹ See Todd M. Becker, Note & Comment, “Attorney-Client Privilege Versus the PTO’s Duty of Candor: Resolving the Clash in Simultaneous Patent Representations” (1996) 71 Wash. L. Rev. 1035, 1035–1036.

² See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1035.

³ “Prior art documents” as used in the article represents a document that contains the information of pre-existing technology. The information could be either technical or commercial. In addition, the documents could be publicly accessible.

⁴ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1041.

⁵ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1045–1046.

⁶ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1046.

⁷ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1055–57.

⁸ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1041–46.

⁹ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1047–1050.

¹⁰ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1061–1062.

¹¹ See *Molins Plc v Textron, Inc* 48 F. 3d 1172, 1178 (Fed. Cir. 1995).

Conflict of interest issues in representing two clients from related industries

When representing Client A and Client B simultaneously, a patent attorney may encounter conflicts of interest between these two clients, because helping Client A fulfil a duty to disclose to the USPTO prior art documents related to the patentability of Client A’s patent application may break the attorney’s duty of confidentiality to Client B.¹²

Duty of disclosure in front of the USPTO

The duty of disclosure of prior art documents means that Client A has an obligation to tell USPTO about pre-existing prior art documents which he knows could be related to the patentability of the he application. 35 USC §2(b)(2) vests in the USPTO a power to regulate the conduct of patent prosecution.¹³ Regarding the submission of prior art documents, under 37 CFR §1.105, the USPTO could ask an applicant to provide prior art documents, either non-material or material to the patentability of the application, or, under 37 CFR §1.56(a), the applicant has an affirmative duty to disclose those documents material to the patentability.¹⁴ In addition, the duty of disclosure “extends also to the applicants’ representatives”.¹⁵

A prior art document is “material” when “there is a substantial likelihood that a reasonable examiner would have considered the [document] important in deciding whether to allow the application to issue as a patent”.¹⁶ If a prior art document is “not as pertinent as” or “merely cumulative to” what should have been considered by the examiner, it is not material.¹⁷

Legal consequence

A breach of the duty of disclosure constitutes inequitable conduct.¹⁸ A patent acquired by inequitable conduct will be held unenforceable by the courts.¹⁹ To establish inequitable conduct, the infringer has to prove that the patentee/applicant intended to deceive the USPTO by (1) affirmatively misrepresenting a material fact; (2) failing to disclose material information; or (3) submitting false material information.²⁰ Particularly:

“[O]ne who alleges a ‘failure to disclose’ form of inequitable conduct must offer clear and convincing proof of: (1) prior art or information that is material; (2) knowledge chargeable to applicant of that prior art or information and of its materiality; and (3) failure of the applicant to disclose the art or information resulting from an intent to mislead the PTO.”²¹

Disclosure of prior art learned from other clients

In determining the “material” element, courts do not ask from where or how an applicant or attorney knew material prior art documents.²² The disclosure duty implanted by the USPTO does not care about the sources of the attorney’s knowledge of prior art documents.²³ Thus, if a patent attorney is simultaneously doing patent prosecution for two clients whose patent applications are technologically related, the attorney has to disclose to the USPTO the prior art documents which are materially related to the patentability of Client A’s patent application and were learned only from Client B. However, in doing so, the patent attorney will breach the duty of confidentiality to Client B, if Client B has expressed or implied that the prior art documents provided by Client B should not be used for the purposes other than Client B’s patent application.

Although prior art documents may be publicly accessible so that Client B may not expect confidentiality,²⁴ the prior art documents were in fact secret from the patent attorney before he knew them from Client B. The concept of the secrecy here is that without being taught by Client B the patent attorney should not have known that those prior art documents are related to Client B’s invention. Therefore the patent attorney still owes the duty of confidentiality to Client B.

On the other hand, let us assume that the material prior art documents learned from Client B were not disclosed during the prosecution of Client A’s patent. If the “inequitable conduct” issue of Client A’s patent is litigated in a court, the patent attorney may assert the duty of confidentiality to Client B to prevent the discovery of the documents.²⁵ However, after Client B’s patent was granted and issued, the prior art documents disclosed by Client B are open to the public. The documents could still

¹² See Lisa A. Dolak, “Risky Business: The Perils of Representing Competitors” (2002) 30 AIPLA Q.J. 413, 417–418.

¹³ *Star Fruits SNC v United States* 393 F. 3d 1277, 1282 (Fed. Cir. 2005).

¹⁴ *Star Fruits* 393 F. 3d 1277, 1282–1283 (Fed. Cir. 2005). A decision of requiring the disclosure of non-material prior art documents is reviewed by courts under the “arbitrary or capricious” standard: see 1284.

¹⁵ *Molins* 48 F. 3d 1172, 1178 (Fed. Cir. 1995).

¹⁶ *Molins* 48 F. 3d 1172, 1179 (Fed. Cir. 1995).

¹⁷ *Molins* 48 F. 3d 1172, 1179 (Fed. Cir. 1995).

¹⁸ *Molins* 48 F. 3d 1172, 1178 (Fed. Cir. 1995).

¹⁹ *Kingsdown Medical Consultants, Ltd v Hollister Inc* 863 F. 2d 867, 877 (Fed. Cir. 1988) (en banc) (“When a court has finally determined that inequitable conduct occurred in relation to one or more claims during prosecution of the patent application, the entire patent is rendered unenforceable”).

²⁰ *Molins* 48 F. 3d 1172, 1178 (Fed. Cir. 1995).

²¹ *FMC Corp v Manitowoc Co* 835 F. 2d 1411, 1415 (Fed. Cir. 1987).

²² See *Molins* 48 F. 3d 1172, 1184–1186 (Fed. Cir. 1995).

²³ See David Hricik, “How Things Snowball: The Ethical Responsibilities and Liability Risks Arising from Representing a Single Client in Multiple Patent-related Representations” (2005) 18 Geo. J. Legal Ethics 421, 431–432.

²⁴ See David Hricik, “The Risks and Responsibilities of Attorneys and Firms Prosecuting Patents for Different Clients in Related Technologies” (2000) 8 Tex. Intell. Prop. L.J. 331, 339 (“Public information normally does not become “secret” or “confidential” merely because an attorney learns of it during the course of representing a client”).

²⁵ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1060–1067.

be found and used as evidence against Client A's patent. Therefore the patent attorney hardly voids disclosing the Client B's prior art documents to the USPTO.

Conflicts of interest analysis

A conflict of interest does exist. Rule 1.7 of the American Bar Association Model Rules of Professional Conduct (ABA Model Rules) provides guidance on the issues of conflicts of interest²⁶ which is useful for the discussion.²⁷ The basic rule is that "a lawyer shall not represent a client if the representation involves a concurrent conflict of interest".²⁸ Rules 1.7(a)(1) and (a)(2) provide two definitions of "concurrent conflict of interest". Rule 1.7(b) provides the exception to the basic rule.²⁹

Rule 1.7(a)(1)—direct adversity

Rule 1.7(a)(1) provides: "A concurrent conflict of interest exists if: (1) the representation of one client will be directly adverse to another client."³⁰ That is, "a lawyer may not act as advocate in one matter against a person the lawyer represents in some other matter, even when the matters are wholly unrelated".³¹ Direct adversity is clearly seen when a patent attorney represents two clients in the same patent litigation.³² On some occasions regarding patent prosecution, direct adversity can be found when a patent attorney drafts claims for two clients whose inventions are similar.³³ For determining whether the disclosure duty to Client A is directly adverse to the confidentiality duty to Client B, Client B's prior art documents could be categorised into two types: material and immaterial to the patentability of Client A's invention.

One example of direct adversity is that "a lawyer is required to cross-examine a client who appears as a witness in a lawsuit involving another client, as when the testimony will be damaging to the client who is represented in the lawsuit".³⁴ Similarly, a patent attorney is required to disclose to the USPTO the material prior art documents learned from Client B in a patent application involving Client A, when the disclosure will harm Client B by violating the confidentiality duty to Client B. Additionally, the patent attorney cannot risk the enforceability of Client A's patent in order to retain the duty of confidentiality to Client B.³⁵ Therefore direct adversity exists.

With regard to immaterial prior art documents, a patent attorney is more likely to keep them secret. Because those documents are not material to the patentability of Client A's patent, though they may be found during the discovery of the patent litigation involving Client A's patent, they will not cause Client A's patent to be unenforceable. Therefore, even if a patent attorney finds in the file of Client B's patent application relevant prior art documents, as long as they are not material to the patentability of Client A's invention, he is free from direct adversity. However, the analysis does not end, because r.1.7(a)(2) may still apply.

Rule 1.7(a)(2)—material limitation

Rule 1.7(a)(2) provides:

"A concurrent conflict of interest exists if ... (2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer."³⁶

The analysis is a two-part inquiry.³⁷ First, courts look at whether "a difference in interests will [likely] eventuate".³⁸ If the difference exists, the second question is "whether [the difference] will materially interfere with the lawyer's independent professional judgment in considering alternatives or foreclose courses of action that reasonably should be pursued on behalf of the client".³⁹

Here, Client A's interest is to disclose the material prior art documents learned from Client B, while Client B's interest is to prevent those documents from being used for Client A. The conflicting situation will restrict a patent attorney's judgment on the materiality of Client B's prior art documents. On one hand, the patent attorney may overestimate the materiality to include more prior art documents so that Client A will more likely avoid the "inequitable conduct" challenge. On the other hand, the patent attorney may underestimate the materiality to reduce the number of the disclosed documents for Client A's patent application so that his violation of the confidentiality duty to Client B could be mitigated.

²⁶ Lisa A. Dolak, "Recognizing and Resolving Conflicts of Interest in Intellectual Property Matters" (2001) 42 IDEA 453, 464–465 (discussing one previous version of the ABA Model Rules).

²⁷ The sixth edition of the ABA Model Rules is used for the discussion in this article.

²⁸ ABA Model R. Prof. Conduct r.1.7(a).

²⁹ This article does not analyse the issues related to r.1.7(b) because the hypotheses assume that Client B is not willing to let his prior art documents be disclosed to the USPTO for third parties' patent applications.

³⁰ ABA Model R. Prof. Conduct r.1.7(a)(1).

³¹ *Enzo Biochem, Inc v Applera Corp* 468 F. Supp. 2d 359, 365 (D. Conn. 2007) (discussing r.1.7(a)(1) of the Connecticut Rules of Professional Conduct and citing the Commentary to r.1.7(a)(1)).

³² See Dolak, "Recognizing and Resolving Conflicts of Interest in Intellectual Property Matters" (2001) 42 IDEA 453, 465.

³³ See Dolak, "Recognizing and Resolving Conflicts of Interest in Intellectual Property Matters" (2001) 42 IDEA 453, 466.

³⁴ *Enzo Biochem* 468 F. Supp. 2d 359, 365 (D. Conn. 2007).

³⁵ See Becker, "Attorney-Client Privilege Versus the PTO's Duty of Candor" (1996) 71 Wash. L. Rev. 1035, 1060.

³⁶ ABA Model R. Prof. Conduct r.1.7(a)(2).

³⁷ *Hjersted Family Ltd Partnership v Hallauer* 2007 WL 2789829 at 3–4 (D. Kan. September 21, 2007) (applying the Kansas Rules of Professional Conduct, where the State of Kansas adopted the ABA Model Rules).

³⁸ *Hjersted Family* 2007 WL 2789829 at 4.

³⁹ *Hjersted Family* 2007 WL 2789829 at 4.

Therefore a conflict of interest in simultaneously representing two clients from related industries for patent prosecution exists under r.1.7(a)(2).

Violation of the duty of confidentiality—myth or reality

The conflicts of interest may be myth in part. The duty of confidentiality in the context of patent prosecution is different from that in the traditional concept. The prior art documents prepared by Client B may be used either for his patent application or affirmatively for future attacks against Client A’s patent. The latter use is similar to a situation where a patent attorney provides Client B’s prior art documents to the patent examiner who reviews Client A’s patent application. Thus the patent attorney does not violate the duty of confidentiality to Client B per se.

Traditional concept of the duty of confidentiality

The duty of confidentiality in the traditional context is to facilitate an environment where a client can freely say anything to his attorney without being afraid that his secret will be disseminated to third parties.⁴⁰ Courts implement two measures, “attorney-client privilege” and “work product immunity”, to secure the protection of such confidential relationship between attorneys and clients.⁴¹

Rule 1.6 of the ABA Model Rules

Under r.1.6(a), a patent attorney should not reveal the information acquired from Client B unless Client B agrees with the revelation or implicitly authorises the disclosure for purposes of Client B’s patent prosecution.⁴² To comply with the inequitable conduct rule, under r.1.6(b)(6), the patent attorney can disclose to the USPTO any information material to the patentability of Client B’s invention, though he has neither informed consent nor implied authorisation from Client B.⁴³ However, courts have said nothing about whether the material information regarding Client A’s patent prosecution covers the prior art documents learned from Client B.

Attorney-client privilege

Attorney-client privilege protects a communication made between a client and his attorneys, in confidence, for the purposes of obtaining or providing legal assistance for the client.⁴⁴ In the service of patent prosecution, a patent applicant may speak to his patent attorney about some prior art documents which may be related to the background or patentability of his invention. Such information is within the scope of the communication that could be subject to the attorney-client privilege. However, the protection only covers the communication itself, not the underlying facts, which could be independently discovered.⁴⁵ For instance, in a lawsuit, one party can refuse to point out a particular prior art document, but the other party could use such particular prior art document as evidence if he independently finds it.

In addition, attorney-client privilege was designed to protect clients, not attorneys.⁴⁶ When an attorney asserts the privilege, he in fact acts on behalf of his client.⁴⁷ For example, in a lawsuit where Client A is one party, the attorney for Client A could refuse to tell what prior art documents he learned from Client B because he acts as Client B to assert the attorney-client privilege to prevent third parties from knowing that the alleged prior art documents come from Client B’s patent application.

However, the attorney-client privilege has some limitations. It cannot protect communications about “furtherance of crime or fraud”, “an issue between two parties who claim through the same deceased client”, “breach of duty by a lawyer to his client or by a client to his lawyer”, “documents attested by a lawyer” and “a matter of common interest between joint clients where the communication was between one client and the attorney”.⁴⁸

Work product immunity

Work product immunity was designed to protect “tangible material or its intangible equivalent in unwritten or oral form, other than underlying facts”, prepared by an attorney for potential or ongoing litigation.⁴⁹ In the context of patent prosecution, the fact that a patent applicant retains his patent attorney for filing a patent application cannot imply that the applicant anticipates a future lawsuit regarding his patent, because the invention may be commercially useless and “[a] useless patent will not be infringed”.⁵⁰

⁴⁰ See Thomas D. Morgan and Ronald D. Rotunda, *Professional Responsibility* (10th edn 2008), p.133; see also Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1051–1052.

⁴¹ See Morgan and Rotunda, *Professional Responsibility* (2008), p.133.

⁴² See ABA Model R. Prof. Conduct r.1.6(a).

⁴³ See ABA Model R. Prof. Conduct 1.6(b)(6).

⁴⁴ See Morgan and Rotunda, *Professional Responsibility* (2008), p.134.

⁴⁵ See Becker, “Attorney-Client Privilege Versus the PTO’s Duty of Candor” (1996) 71 Wash. L. Rev. 1035, 1047–1048.

⁴⁶ See Morgan and Rotunda, *Professional Responsibility* (2008), p.135.

⁴⁷ See Morgan and Rotunda, *Professional Responsibility* (2008), p.135.

⁴⁸ See Morgan and Rotunda, *Professional Responsibility* (2008), p.135.

⁴⁹ See Morgan and Rotunda, *Professional Responsibility* (2008), p.138.

⁵⁰ See F. Scott Kieff, “The Case for Registering Patents and the Law and Economics of Present Patent-Obtaining Rules” (2003) 45 B.C. L. Rev. 55, 107.

Contractual obligation

Besides the evidentiary aspect, the duty of confidentiality is inherently a contractual obligation which is created by the principal-agent relationship.⁵¹ A patent attorney is an agent of his client in front of the USPTO for patent prosecution. As a result, the patent attorney is bound by such agency relationship and restricted from unauthorised use or disclosure of the information, either confidentially given by his client or acquired during the course of his representation.⁵² The rule has an exception. If the information is “generally known”, a patent attorney is allowed to use it.⁵³ For example, a prior art document may be a “bible” in the technical field related to the invention. People who have an educational background in the field should know the document. So, a patent attorney could certainly use the bible document in other patent matters.

Different story about a patent applicant and his patent attorney

The duty of confidentiality in the context of patent prosecution is not that confidentiality-oriented, because a patentable invention is deemed to be disclosed to the public and a client has to tell his patent attorney about pre-existing prior art documents for the disclosure to the USPTO.⁵⁴

A client has an invention and wants it to be patented. The choice between keeping the invention secret and acquiring an exclusive right of patent protection has been made.⁵⁵ The secrecy of the invention will be lost,⁵⁶ but the client will enjoy the monopoly for 20 years from the filing date of the patent application.⁵⁷ The only risk is that the client may eventually lose the secrecy of the invention if he eventually gains no patent protection.

The client will bring all kinds of information to his patent attorney. The patent attorney will use his professional knowledge to judge which prior art document should be disclosed to the USPTO. After the USPTO starts to review the patentability of the invention, those disclosed prior art documents are scheduled to be published.⁵⁸ That is, eventually the public will know that those prior art documents are related to the invention.

Therefore, once a client decides to look for patent protection, he should have expected that his invention and the prior art documents thereof will be disclosed to the public. That situation is different from a traditional context of confidentiality where a client informs his attorney of all surrounding facts but anticipates the existence of the secrecy of those facts.

Myth in part and reality in part

Myth

The occurrence of the conflict of interest is in part myth. First, filing a patent application for an invention means that the client does not want to use trade secret law to protect the invention. The duty of confidentiality in the context of patent prosecution may be modified as a duty of attorney-controlled confidentiality because a patent attorney has the best knowledge of determining which information should be submitted to the USPTO to fulfil the duty of disclosure and to prevent the unenforceability of the patent. Additionally, the patent attorney has a professional responsibility to identify which document to submit, and failure to reasonably do so may cause the attorney to face malpractice claims from clients. The relationship between a patent attorney and his client can be characterised as a situation where the client delegates his decision-making power to his patent attorney for purposes of avoiding inequitable conducts. Therefore the client may not have an ultimate control.

Moreover, the disclosure of Client B’s prior art documents for Client A’s patent prosecution may not be harmful per se to Client B. Keep in mind that Client A and Client B are from related industries. Client A’s patents may potentially limit Client B’s business. The disclosure could increase the likelihood of USPTO’s rejections of Client A’s patents. Eventually, Client B could be less restricted by Client A. Thus the disclosure of Client B’s prior art documents to the USPTO for Client A’s patent prosecution actually benefits Client B. The conflicts of interest do not exist to some extent because Client B could enjoy a less restrictive market while Client A could avoid inequitable conduct.

Reality

Undeniably, the conflicts of interest are in part reality in terms of the agency-principal relationship between a client and his patent attorney for patent prosecution. A patent attorney is paid for learning his client’s invention as well as pre-existing technology. The cost of discovering prior art documents for Client A should be imposed on Client A, not Client B. However, in the simultaneous representations, the disclosure of Client B’s prior art documents for Client A’s patent prosecution is nothing but improper allocation of the cost from Client A to Client B. The hourly fees are paid by Client B to let his patent attorney learn prior art documents for Client A’s patent prosecution. That situation is certainly unfair to Client

⁵¹ See Ronald D. Rotunda, *Professional Responsibility* (8th edn 2008), p.69.

⁵² See Rotunda, *Professional Responsibility* (2008), p.69.

⁵³ See Rotunda, *Professional Responsibility* (2008), p.71.

⁵⁴ See Elizabeth Peters, Notes, “Are We Living in a Material World?: An Analysis of the Federal Circuit’s Materiality Standard under the Patent Doctrine of Inequitable Conduct” (2008) 93 Iowa L. Rev. 1519, 1526.

⁵⁵ See Karl F. Jorda, “Patent and Trade Secret Complementariness: An Unsuspected Synergy” (2008) 48 Washburn L.J. 1, 10–11.

⁵⁶ See Jorda, “Patent and Trade Secret Complementariness” (2008) 48 Washburn L.J. 1, 11–12. Know-how related to the invention will still be protected under trade secret law.

⁵⁷ See James W. Beard and Albert P. Halluin, “An Analysis of Cigs Solar Cell Technology” (2009) 6 Nanotechnology L. & Bus. 19, 22–23.

⁵⁸ Under 35 USC §122, a patent application will be published 18 months after it was filed. See Rajiv P. Patel, “An Introduction to U.S. Patent Prosecution” (2005) 851 PLI/PAT 29, 49–50.

B, particularly when the disclosed prior art documents cannot bar Client A’s invention from being patentable. Therefore a proposal to eliminate such conflicts will be given next.

Avoidance of conflict of interest issues

The duty of attorney-controlled confidentiality may not impair the traditional duty of confidentiality if a law firm applies a technology-oriented system for collecting prior art documents learned from different clients. The duty of attorney-controlled confidentiality is proposed to redefine the meaning of the confidentiality duty in the context of patent prosecution. The technology-oriented system is proposed in order to give a win-win solution to simultaneously represented clients from related industries.

New definition of the duty of confidentiality in the context of patent prosecution

The traditional duty of confidentiality may be violated because Client B may not want his patent attorney to disclose to the USPTO his prior art documents for prosecuting Client A’s patent application. But the traditional duty of confidentiality is not appropriate in the context of patent prosecution. First, the prior art documents are expected to be eventually open to the public and to be associated with certain technology. Secondly, the prior art documents are not trade secrets to the patent attorney. Thirdly, the prior art documents will be incorporated into the knowledge of the patent attorney.

A new definition of the duty of confidentiality in the context of patent prosecution includes several features. First, after prior art documents are handed to a patent attorney, Client B becomes incapable of controlling the dissemination of those documents. Particularly, if the documents are material to the patentability of Client B’s invention, Client B has no right to hide them.

Secondly, the prior art documents are not secret but may be new to the patent attorney. The real secrecy is the technological relationship between the invention and prior art documents. Such secrecy can be protected even though the patent attorney discloses the prior art documents to the USPTO. When attaching Client B’s prior art documents to Client A’s patent application, the patent attorney certainly will say nothing about Client B’s invention. Therefore there is no potential risk that the disclosure of Client B’s prior art documents will cause the loss of the secrecy of Client B’s invention.

Thirdly, the delivery of the prior art documents to the patent attorney indicates that Client B intends to disseminate the prior art documents to the public. The patent law requires patent applications or issued patents to be published,⁵⁹ so Client B should know or have known that the prior art documents will become part of the publication of his invention. Thus the transfer of the prior

art documents to the patent attorney may mean the abandonment of the secret non-disclosure of the documents.

Lastly, once the attorney learns the prior art documents, they become part of attorney’s knowledge of pre-existing technology related to the invention. Patent attorneys usually have a technology background. When they receive prior art documents, they decide whether to disclose the documents by reading and understanding the documents. After that, they actually acquire the knowledge embedded in the documents. That is, they do not merely submit Client B’s prior art documents right after acquiring the documents, but also exercise their judgment regarding whether to disclose the prior art documents which happen to be the same as Client B’s prior art documents.

However, if some of the documents are not material to Client B’s invention, the above-mentioned features could be outweighed by the fact that there is no reason to disclose those immaterial prior art documents. To further resolve that issue, a technology-oriented system for collecting prior art documents learned from different clients is proposed.

A technology-oriented system for collecting prior art documents learned from different clients

Creating a technology-oriented system for collecting the prior art documents is designed so that a patent attorney will not know which prior art document is from which client, and therefore the patent attorney is simply in a situation where he finds those prior art documents in the public space.

Analogy to r.1.9(c)(1) of the ABA Model Rules

The idea of the proposed system is analogous to r.1.9 of the ABA Model Rules. Under r.1.9(c)(1), a patent attorney shall not use the information acquired from a former client to cause the “disadvantage” of such client unless the information has become “generally known”.⁶⁰ Under r.1.9(c)(2), the patent attorney shall not reveal the information acquired from such client.⁶¹

The period of the representation of Client B in doing patent prosecution starts from the filing of a patent application, and ends at either the issue of the patent from the USPTO or the receipt of the rejection of the patent application. Then Client B becomes a former client for a single invention, theoretically. When a patent attorney acquires prior art documents from Client B during the patent prosecution of such single invention, he acquires the r.1.9(c) information. Then, the next question is

⁵⁹ See Scott D. Locke, “Fifth Avenue and the Patent Lawyer: Strategies for Using Design Patents to Increase the Value of Fashion and Luxury Goods Companies” (2005) 5 J. Marshall Rev. Intell. Prop. L. 40, 43.

⁶⁰ See ABA Model R. Prof. Conduct r.1.9(c)(1).

⁶¹ See ABA Model R. Prof. Conduct r.1.9(c)(2).

whether his use of Client B's prior art documents for Client A's patent prosecution will create disadvantage to Client B.

In answering the r.1.9(c)(1) question, the use of Client B's prior art documents could be divided into two types. The first type is doing a prior art search for Client A's patent application by using the knowledge learned from Client B's prior art documents. The second type is disclosing Client B's prior art documents to fulfil Client A's duty of disclosure. The second type overlaps with the revelation issue under r.1.9(c)(2), but r.1.9(c)(2) is more analogous to the above discussion regarding the duty of confidentiality.

The first type of r.1.9(c)(1) use may disadvantage Client B, because his patent attorney could find other material prior art documents to draft a narrow claim which could avoid Client A's invention from being invalidated by those prior art documents. Such a narrow claim in Client A's patent could be so strong that Client B could not easily invalidate it in a future patent dispute with Client A. However, narrowing a claim scope in Client A's patent application may help Client B get rid of the restrictions imposed by Client A's patent, because Client B may easily design round Client A's patent.⁶² Thus the disadvantage could exist or not in the first type of r.1.9(c)(1) use.

The disadvantage analysis of the second type of r.1.9(c)(1) use could be understood in the same way as the first type does. When the patent examiner in charge of Client A's patent application receives Client B's prior art documents, he may use the documents as a ground to reject Client A's claims. The consequence of any rejection could be either the abandonment of Client A's patent application or the amendment of the original claims. The former consequence is good for Client B. The latter consequence could be either good or bad for Client B. First, the amended claims are so narrow that Client B does not need to worry about Client A's patent. Secondly, the amended claims could be strong enough to restrain Client B's business. Therefore the disadvantage could exist or not in the second type of r.1.9(c)(1) use.

To avoid the violation of r.1.9(c)(1), the "generally known" exception may be the ultimate solution. To meet the exception, a law firm may implement a technology-oriented system for collecting the prior art documents acquired from clients. The idea will be further elaborated.

Design concepts of the proposed system

Regarding the "generally known" exception, the Sixth Circuit once stated: "Whether information is generally known depends on all circumstances relevant in obtaining the information."⁶³ Two concepts follow the proposition. First:

"Information contained in books or records in public libraries, public-record depositories such as government offices, or in publicly accessible electronic-data storage is *generally known if the particular information is obtainable through publicly available indexes and similar methods of access.*"⁶⁴

Secondly,

"Information is *not* generally known when a person interested in knowing the information could obtain it only by means of special knowledge or substantial difficulty or expense."⁶⁵

Client B's prior art documents may fit the first concept very well, because a qualified prior art document is generally publicly accessible. However, without a technology specialty, a patent attorney generally will not know some or all of Client B's prior art documents. Or, without Client B's information, the patent attorney cannot find some or all of Client B's prior art documents by relying on Client A's limited budget for the prior art search. The second concept is a main concern. Thus the violation of r.1.9(c)(1) could still exist.

To prevent any potential violations, the concept of a technology-oriented system for collecting the prior art documents acquired from clients is provided. The key feature of the system is to hide the sources of collected prior art documents. The second feature is that a prior art document is only labelled with its technical characteristics so that a patent attorney only uses the proposed system as a resource of learning prior art.

When Client B brings his invention to a patent attorney for filing a patent application, he intends to teach the patent attorney the invention by using relevant prior art knowledge. As a result, Client B should expect that the patent attorney will transform what he learns to his own knowledge. The client-blind feature will eliminate the sense where a patent attorney learns directly from Client B the prior art documents necessarily used for Client A's patent prosecution. Instead, since Client B's prior art documents are just part of the database of the proposed system with purely technological labelling, they could be considered to be accessible to the public, though the proposed system is private. The use of the proposed system could be similar to acquiring "the particular information [which] is obtainable through publicly available indexes and similar methods of access".⁶⁶ Therefore, with the proposed system, the degree of violating the confidentiality duty could be reduced to nearly zero.

⁶² See Thomas F. Cotter, "Patent Holdup, Patent Remedies, and Antitrust Responses" (2009) 34 J. Corp. L. 1151, 1181–1182.

⁶³ *CenTra, Inc v Estrin* 538 F. 3d 402, 423 (6th Cir. 2008) (citing the *Restatement (Third) of the Law Governing Lawyers* §59, cmt (d)).

⁶⁴ *CenTra v Estrin* 538 F. 3d 402, 423 (6th Cir. 2008) (emphasis added).

⁶⁵ *CenTra v Estrin* 538 F. 3d 402, 423 (6th Cir. 2008).

⁶⁶ See *CenTra v Estrin* 538 F. 3d 402, 423 (6th Cir. 2008).

Conclusion

In the world of patent prosecution, the interest of enforcing a duty of disclosure competes with the interest of a duty of keeping strictly confidential the prior art documents learned from non-patent-applicant clients. The conflict is serious when two clients are from related industries. To maintain the integrity of the legal service in the context of patent prosecution, there should be a mechanism to eliminate the degree of violating the confidentiality duty to one non-patent-applicant client who is a patent applicant in another case. Therefore a technology-oriented system for collecting prior art

documents learned from different clients is conceptually provided. The system has two primary features. One is to hide the sources of prior art document, and the other is to provide each prior art document with purely technological labelling.

Based on the current patent law system, a patent applicant should expect that his prior art documents could be eventually disclosed to the public. Therefore the protection of the confidentiality of the prior art documents is not strictly unchallengeable. But, to reduce unwanted conflicts among clients, implementing the technology-oriented system for collecting prior art documents learned from different clients is necessary.