

*Are You Experienced?:
Examining the Need for Special Ethics Rules in Patent Litigation*

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Abstract:

Any attorney licensed to practice before a federal district court, regardless of his or her area of specialization, may file a patent infringement suit on behalf of a client in that court. The possibility exists, therefore, for an attorney having little or no intellectual property experience to represent clients in complex patent litigation matters. Due to this, infringement defendants and their counsel may find themselves on the receiving end of a dubious patent claim brought by attorneys lacking patent law experience. This article discusses whether the existing rules governing attorney conduct, such as professional responsibility, procedural, or statutory rules, are sufficient to address these concerns. Additionally, specialized rules proposed or promulgated for other legal specialties are examined, as well as the impact of inexperienced juries and judges in complex patent law issues and suggested remedies proffered by other commentators. This article concludes with the suggestion that the existing rules regarding attorney conduct, appropriately enforced, are sufficient to foster responsible representation and deter, or punish, abuses.

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I. Introduction

Any attorney licensed to practice before a particular federal district court, regardless of his or her area of specialization, may file a patent infringement suit on behalf of a client in that court.² The possibility exists, therefore, for an attorney having little or no intellectual property law experience to represent clients in complex patent litigation matters without associating with a patent specialist. Patent cases are frequently complex,³ and infringement defendants and their counsel may find themselves on the receiving end of a dubious patent claim brought by attorneys lacking patent law experience. Resolving such disputes can be particularly difficult, because attorneys who lack patent law expertise may be unduly influenced by the potential for large recoveries,⁴ while failing to appreciate the weaknesses in their own cases.

This article examines whether the existing rules governing attorney conduct are sufficient to address these concerns, or whether there is a need for special ethics rules governing the filing and litigation of patent claims. Additionally, this article discusses whether attorneys who file patent infringement claims should be required to possess credentials like those required for

² Discussed *infra* Section III.

³ Discussed *infra* notes 63-76, 133-146 and accompanying text.

⁴ The relevant statute in regard to infringement damages is 35 U.S.C. § 284 (2003):

“Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.
When the damages are not found by a jury, the court shall assess them. In either event the court may increase damages up to three times the amount found or assessed...”

See also, e.g., Smith Engineering Co. v. Eisenmann Corp., 28 Fed. Appx. 958 (Fed. Cir. 2002) (damages totaling \$6.4 million for infringement of patent covering a rotary valve for a regenerative thermal reactor); Fonar Corp. v. General Electric Co., 107 F.3d 1543 (Fed. Cir. 1997) (reasonable royalty damages of \$34.125 million for infringement of magnetic resonance imaging (MRI) technique); Gau v. Conair Corp., No. 94 Civ. 5693(FM), 2003 WL 223859 (S.D.N.Y. Feb. 3, 2003) (after finding infringement of a patent directed towards an protective electrical shut-off mechanism on hair dryers if the dryer becomes immersed in water, the court determined that a reasonable jury could have awarded damages totaling \$28,500,000 based on multiplying 77 million hair dryers by a reasonable royalty of 37 cents per unit).

practice before the U.S. Patent and Trademark Office - - including a demonstrated facility with patent law and procedure⁵ - - or to associate with an attorney who possesses such credentials.

Sections II and III of this article address the requirements to practice before the U.S. Patent and Trademark Office and in federal district court, respectively, since any legal matter relating to patents must necessarily appear in one (or both) of these two venues. Section IV discusses the existing state ethics rules promulgated to regulate attorney conduct and their application to the filing and litigation of patent claims by inexperienced attorneys. Section V discusses the existing rules and statutes designed to deter and punish attorney abuses in the filing and litigation of claims in the federal courts. Section VI discusses specialized ethics rules proposed and/or adopted for particular specialties and considers whether special ethics rules are appropriate for patent litigation. This article concludes with the suggestion that the existing rules regarding attorney conduct - - appropriately enforced - - are sufficient to foster responsible representation and deter, or punish, abuses. Accordingly, special ethics rules are not a necessity.

II. Requirements to Practice Before the U.S. Patent and Trademark Office

Patents on inventions are granted after an examination process by the U.S. Patent and Trademark Office (“PTO”).⁶ Proceedings in the PTO include an evaluation of whether the application satisfies the statutory requirements of patentability.⁷ The examination process, called patent prosecution, begins with the filing of a patent application in the PTO by a registered

⁵ Discussed *infra* Section II.

⁶ 35 U.S.C. § 131 (2003).

⁷ *Id.* §§ 101, 102, 103, 112.

patent attorney or agent on behalf of his client.⁸ Any U.S. citizen who is a member in good standing of the bar in any state may seek admission to practice before the PTO.⁹ Patent attorney practice within the PTO is unique, however, in that the PTO requires more of its registered practitioners.¹⁰ Specifically, the PTO requires that an attorney establish that he or she possess “good moral character and repute” and the “legal, scientific, and technical qualifications necessary to enable him or her to render applicants for patents valuable service.”¹¹ The latter is demonstrated, in part, by taking and passing the Registration Examination for Patent Attorneys and Agents, commonly known as the “patent bar.”¹² In order to qualify to take the patent bar, the attorney must possess a “Bachelor’s Degree in a Recognized Technical Subject.”¹³ These degree requirements include, but are not limited to, biology, general and organic chemistry, physics, various engineering degrees, and computer science.¹⁴ An attorney without such a

⁸ *Id.* § 111; 37 C.F.R. § 10.5, 10.6(a) (2003). Non-attorneys may also become registered to practice before the PTO, and are designated as “patent agents.” 37 C.F.R. § 10.6(b) (2003). They are subject to the same requirements to practice in the PTO as attorneys, and may perform the same tasks. *Id.* However, such practitioners would not be authorized to represent clients in matters before state or federal courts. Discussed *infra* Section III.

It is also possible for an inventor to proceed in the prosecution of a patent in the PTO without representation by a patent attorney or agent. *See* 37 C.F.R. § 10.9(a) (2003) (“Any individual not registered under § 10.6 may, upon a showing of circumstances which render it necessary or justifiable, be given limited recognition by the Director to prosecute as attorney or agent a specified application or specified applications, but limited recognition under this paragraph shall not extend further than the application or applications specified.”).

⁹ 37 C.F.R. §§ 10.1(c), 10.6(a) (2003).

¹⁰ *Id.* § 10.6.

¹¹ *Id.* § 10.7(a)(2)(i)-(ii).

¹² *Id.* § 10.7(b).

¹³ General Requirements Bulletin for Admission to the Examination for Registration to Practice in Patent Cases Before the United States Patent and Trademark Office, Category A, *available at* <http://www.uspto.gov/web/offices/dcom/olia/oed/index.html> (last visited October 20, 2003).

¹⁴ *Id.*

technical degree is thus precluded from sitting for the patent bar exam, and from practice before the PTO, but may still litigate cases relating to patents in the federal courts.¹⁵

III. Patent Litigation in the Federal Court System and the Requirements to Practice Therein

The ninety-four federal district courts are authorized to hear a vast range of cases, including, “all civil actions arising under the Constitution, laws, or treaties of the United States.”¹⁶ However, the district courts have exclusive jurisdiction over “any civil action arising under any Act of Congress relating to patents.”¹⁷

It can be argued that the requirements for litigating cases in federal courts are less demanding than those the PTO imposes on its practitioners. All federal district courts generally have the same requirements for admission.¹⁸ Practice in federal court requires admission to the bar of any state and “fair private and professional character.”¹⁹ The district courts typically require bar admission of at least the state in which the district court sits.²⁰ The admission process

¹⁵ Attorneys are licensed by the state bar/licensing authorities and are thereby authorized to represent clients in state court proceedings. Those who wish to practice before a particular federal district court must apply for admission to the Bar of that district court. Discussed *infra* Section III.

¹⁶ 28 U.S.C. § 1331 (2003).

¹⁷ *Id.* §§ 1295(a)(1), (a)(4)(A).

¹⁸ See Carol A. Needham, *Splitting Bar Admission Into Federal And State Components: National Admission For Advice On Federal Law*, 45 U. KAN. L. REV. 453, 504-507 (1997) (discussing some of the similarities and differences in federal court local rules for admission to practice).

¹⁹ *Selling v. Radford*, 243 U.S. 46, 49 (1917).

²⁰ See, e.g., E.D. MISSOURI LOCAL RULE 83-12.01(B) (“Any attorney of good moral character who holds a license to practice law from, and who is a member of good standing of the bar of, the highest court of any state or the District of Columbia...”); S.D. IOWA LOCAL RULE 83.2(b)(1) (“good standing as an attorney admitted to practice in the state courts of Iowa”); E.D.N.Y. LOCAL CIVIL RULE 1.3 (requires membership in good standing of the New York state bar, or “good standing of the bar of the United States District Court in New Jersey, Connecticut or Vermont and of the bar of the State in which such district court is located).

For attorneys to appear in a district court in a state in which they are not admitted, however, they may be allowed to appear “pro hac vice” (for this one particular occasion) at the court’s discretion. The usual requirements are that the

usually also requires an application form, a fee, and the sponsorship of another attorney already admitted to that particular federal court.²¹ Some district courts are more strict than others, but all tend to follow the “good character plus state bar admission” formula.²²

Once a person has been admitted to a particular state bar, he may give advice on all areas of state and federal law. At least one commentator has argued that there is a need to more clearly distinguish between state and federal practice, since federal law is a “separate body of law.”²³ As this commentator notes, the current system “treats legal advice as a single undifferentiated body of knowledge.”²⁴ Such an argument is relevant to the qualification of attorneys who bring claims in federal court. Patent law is indeed a “separate body of law” and its complexity and importance may dictate that further requirements, such as distinct bar requirements at the federal court level, are necessary to prevent attorney abuses in the filing and litigation of patent claims.

IV. State Ethics Rules as a Check on Attorney Conduct

The American Bar Association (“ABA”) first created ethical rules for attorney conduct in 1908 with the Canons of Professional Ethics.²⁵ In 1970, the ABA adopted the Model Code of Professional Responsibility (“Model Code”), and not long after, all states had adopted these rules

attorney be a member in good standing to practice in another federal district court or highest court of another state. *See, e.g.*, S.D. IOWA LOCAL RULE 83.2(d)(2).

²¹ *See, e.g.*, E.D. MISSOURI LOCAL RULE 83-12.01(C); S.D. IOWA LOCAL RULE 83.2(c)(1).

²² In order to practice in the Federal Courts of Appeals, an attorney must be “of good moral and professional character and is admitted to practice before and of good standing in” any of the courts that are prerequisites to admission to any other Appellate Court. FED. R. APP. PRO. 46(a)(1). These courts are the U.S. Supreme Court, the “highest court of a state,” another U.S. Court of Appeals, or any U.S. District Court. *Id.*

²³ Needham, *supra* note 18, at 458.

²⁴ *Id.*

²⁵ GILLERS, REGULATION OF LAWYERS, 4 (6th ed. 2002).

in some form or another.²⁶ Due to perceived weaknesses in the Model Code, the ABA adopted the Model Rules of Professional Conduct (“Model Rules”) in 1983.²⁷ As of 2001, over 40 states have adopted the Model Rules, though usually with significant variation.²⁸ In fact, no state has adopted verbatim either the Model Rules or the Model Code.²⁹

State ethics rules govern the conduct of attorneys engaged in all areas of specialization, and generally do not distinguish among particular legal specialties.³⁰ Nevertheless, the state

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.* at 5. New York (adhering to the Model Code format) and California (adhering to the Model Rules format, but with several unique provisions) are two significant states not following the majority. *Id.* Since the vast majority of states have adopted variations on the Model Rules, this article will focus primarily on those rules.

²⁹ *Id.* at 7.

³⁰ One exception is the subset of rules relating to the advertisement of legal services, Model Rules 7.1, 7.2 and 7.4:

Model Rule 7.1 states that

“a lawyer shall not make a false or misleading communication about the lawyer or the lawyer’s services. A communication is false or misleading if it: (a) contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading; (b) is likely to create an unjustified expectation about results the lawyer can achieve, or states or implies that the lawyer can achieve results by means that violate the Rules of Professional Conduct or other law; or (c) compares the lawyer’s services with other lawyers’ services, unless the comparison can be factually substantiated.” MODEL RULES OF PROF’L CONDUCT R. 7.1 (2002).

This general rule “governs all communications” the attorney makes about his or her services, and requires the attorney to tell the truth in the statements he or she makes in those communications. MODEL RULES OF PROF’L CONDUCT R. 7.1 cmt. 1 (2002).

Model Rule 7.2 states that

“a lawyer may advertise services through public media, such as a telephone directory, legal directory, newspaper or other periodical, outdoor advertising, radio or television, or through written or recorded communication.” MODEL RULES OF PROF’L CONDUCT R. 7.2 (2002).

This rule generally permits the communication to the public of information such as the attorney’s address and phone number, as well as “the kinds of services the lawyer will undertake.” MODEL RULES OF PROF’L CONDUCT R. 7.2 cmt. 2 (2002).

Model Rule 7.4 states that

“a lawyer may communicate the fact that the lawyer does or does not practice in particular fields of law.” MODEL RULES OF PROF’L CONDUCT R. 7.4 (2002).

ethics rules purport to limit the ability of potentially “unqualified” attorneys to file complex patent cases in federal courts.

Each state has adopted rules of attorney conduct that govern the members of its bar, but federal law determines the standards of ethics that govern attorney conduct in federal court.³¹ Each district court has the authority to create and adopt Local Rules governing practice within that court.³² With respect to attorney discipline, the district courts vary as to whether they adopt the same professional ethics rules adopted by the state in which the district court sits.³³ Even

One subsection to this rule relates specifically to patent practice. In an advertisement or otherwise,

“[a] lawyer shall not state or imply that the lawyer has been recognized or certified as a specialist in a particular field of law except as follows: (a) a lawyer admitted to engage in patent practice before the United States Patent and Trademark Office may use the designation “Patent Attorney” or a substantially similar designation...” MODEL RULES OF PROF’L CONDUCT R. 7.4 (2002).

This rule allows attorneys “to indicate areas of practice in communications” to the public. MODEL RULES OF PROF’L CONDUCT R. 7.4 cmt. 1 (2002). An attorney may assert that he is a “‘specialist,’ practices a ‘specialty,’ or ‘specializes in’ particular fields” but such statements are subject to the truthfulness requirement of Model Rule 7.1. MODEL RULES OF PROF’L CONDUCT R. 7.4 cmt. 2 (2002). Pursuant to Model Rule 7.4 (c)(1)-(2), if the attorney’s jurisdiction grants attorneys the ability to obtain certification as a specialist in a particular area by a regulatory authority, that too may be communicated to the public provided that certifying authority has been given regulatory authority. MODEL RULES OF PROF’L CONDUCT R. 7.4 (c)(1)-(2) (2002). If the jurisdiction does not have a procedure for certification of specialties, the attorney may still communicate that he has been certified as a specialist, but must state that the jurisdiction has no procedure to approve such certification. MODEL RULES OF PROF’L CONDUCT R. 7.4 (c) (2002).

These three rules relate only to the attorney’s advertisement of their services, not the filing and litigation of patent claims. Obviously, an attorney who communicated to the public or advertised that he was registered to prosecute patent applications before the PTO when he in fact was not would be subject to sanctions for violating Rules 7.1, 7.2, and 7.4. But what about an attorney who called himself a “patent litigation specialist?” The first question would be whether there are certifying organizations for these specialty designations. The second question deals with whether this means that the attorney in accepting the patent infringement litigation really is knowledgeable about the subject of patent law and applicable technology, or is going to be associating with one who is. This naturally leads us to a Model Rule 1.1 “competence” discussion, where an attorney with no experience in the field may be required to associate with someone who is, or else risk ethical violations. Discussed *infra* Section IV.A.

³¹ In re Snyder, 472 U.S. 634, 645 n.6 (1985).

³² 28 U.S.C. § 2071 (2003); FED. R. CIV. P. 83.

³³ In 1991, the 7th Circuit in *Rand v. Monsanto* provided an appendix listing the various district court’s adoption of local rules for attorney conduct and whether it is consistent with the state’s adoption of either the Model Rules or the Model Code. 926 F.2d 596, 601-03 (7th Cir. 1991) The totals from that appendix are reproduced as follows:

where a federal court has adopted state ethics rules, however, the court is not bound by the state's interpretation of the rules.³⁴ Several federal courts, in fact, have declined to follow a particular state's perception of ethical attorney conduct and discipline.³⁵ The problem, then, with relying on state ethics rules is that the federal courts do not uniformly apply any one set of ethics rules, nor are they required to follow the state's interpretation or codification of them.³⁶ While

Category	Number	Percent
Model Rules	28	31.82%
- Adopted Rules unilaterally	(0)	-
- Adopted state's Rules	(28)	-
Model Code	23	26.14%
- Adopted Code unilaterally	(10)	-
- Adopted state's Code	(13)	-
Model Rules plus Model Code	8	9.09%
Uniform Federal Rules	13	14.77%
No rules	16	18.18%

Total	88*	100.00%

(*D. Minn. and M.D. Penn. were omitted due to the inability to discover the source of those rules, and the analysis was limited to district courts within the 50 states.)

³⁴ See, e.g., *Bell Atlantic Corp. v. Bolger*, 2 F.3d 1304, 1316 (3d Cir. 1993) (“The ethical standards imposed upon attorneys in federal court are a matter of federal law.”); *In re American Airlines, Inc.*, 972 F.2d 605, 610 (5th Cir. 1992) (“Federal courts may adopt state or ABA rules as their ethical standards, but whether and how these rules are to be applied are questions of federal law.”).

³⁵ See, e.g., *County of Suffolk v. Long Island Lighting Co.*, 710 F. Supp. 1407, 1413-4 (E.D.N.Y. 1989) *aff'd* 907 F.2d 1295 (2d Cir. 1990). In this particular case, the Eastern District of New York preferred to rely on the ABA Model Rule of Professional Conduct 1.8(e) rather than New York's Code of Professional Responsibility DR 5-103(B). *Id.* at 1414. The court stated that an attempt by New York to enforce its ethical rule by initiating a disciplinary proceeding against a New York lawyer that violated this rule in a federal court that approved an alternative rule would be barred by the Supremacy Clause of the U.S. Constitution. *Id.* at 1414-5.

See also *Figueroa-Olmo v. Westinghouse Electric Corp.*, 616 F. Supp. 1445, 1449-50 (D.P.R. 1985) (declining to follow the conflict of interest provisions adopted by the Supreme Court of Puerto Rico in the Canons of Ethics of Puerto Rico); *Black v. Missouri*, 492 F. Supp. 848, 874-5 (W.D. Mo. 1980) (declining to follow a Missouri Bar Advisory Committee Opinion in regards to a conflict of interest issue); *Cord v. Smith*, 338 F.2d 516, 524 (9th Cir. 1964) (declining to follow California case law with respect to a disciplinary issue).

³⁶ See, e.g., Philip K. Lyon & Bruce H. Phillips, *Professional Responsibility in the Federal Courts: Consistency is Cloaked in Confusion*, 50 ARK. L. REV. 59 (1997) (discussing this problem generally); Lisa A. Dolak, *Conflicts of Interest: Guidance for the Intellectual Property Practitioner*, 39 IDEA 267 (1999) (mentioning the potential differences in the federal court's interpretation of state ethics laws regarding conflicts of interest).

uniform ethics rules for the federal courts have been proposed, they are not yet a reality.³⁷ Both the Model Rules and the Model Code do, however, have provisions regarding the competence of attorneys.

A. The Competence Rule

Model Rule 1.1 states that an attorney “shall provide competent representation to a client.”³⁸ In order for an attorney to represent his client competently, he must possess “the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.”³⁹

Factors to consider in determining whether an attorney possesses the knowledge and skill required to provide adequate representation in a particular case include the “complexity and specialized nature of the matter,” the attorney’s “general experience,” any “training and experience” the attorney has in the field, and the “preparation and study” the lawyer will be able to devote to the matter.⁴⁰ Additionally, it should be considered whether it is possible for the attorney to “refer the matter, or associate or consult with” another attorney who does possess the requisite competence in the area of law at issue.⁴¹ Commentary to Model Rule 1.1 states that it is

³⁷ On February 11, 1998, the Federal Judiciary’s rules committee asked its advisory board to review a set of 10 rules that would standardize attorney conduct in the federal courts. *See Federal Judges Weigh Proposal to Issue Uniform Ethics Rules*, 66 U.S.L.W. 2549 (March 17, 1998). Upon admission to the bar of a federal court, the lawyer would be subject to the ten Federal Rules of Attorney Conduct. *Id.* As of this writing, no further action has been taken on these rules.

³⁸ MODEL RULES OF PROF’L CONDUCT R. 1.1 (2002). *Compare* MODEL CODE OF PROF’L RESPONSIBILITY DR 6-101 (2002):

DR 6-101: Failing to Act Competently

(A) A lawyer shall not:

(1) Handle a legal matter in which he knows or should know that he is not competent to handle, without associating with him a lawyer who is competent to handle it.

³⁹ *Id.*

⁴⁰ MODEL RULES OF PROF’L CONDUCT R. 1.1 cmt. 1 (2002).

⁴¹ *Id.* Model Code DR 6-101 states this explicitly. *See supra* note 38.

possible for an attorney to “provide adequate representation” in an entirely new field “through necessary study.”⁴² Commentary to Model Rule 1.1 also states that “[c]ompetent representation can also be provided through the association with a lawyer of established competence in the field in question.”⁴³ Attorneys may be subject to disciplinary proceedings for agreeing to represent clients in areas that they are “neither qualified nor competent to handle.”⁴⁴ Disciplinary consequences may also follow from an attorney’s failure to associate with or consult a “sufficiently experienced attorney.”⁴⁵ Moreover, an attorney can be sued for malpractice for “venturing into an unfamiliar area without the assistance of a specialist.”⁴⁶

B. Rule on Declining or Terminating Representation

In addition to Model Rule 1.1, Model Rule 1.16 states that “...a lawyer shall not represent a client or, where representation has commenced, shall withdraw from the representation of a client if: (1) the representation will result in violation of the rules of professional conduct or other law...”⁴⁷ Commentary to Model Rule 1.16 provides that “[a] lawyer should not accept representation unless it can be performed competently [or] promptly...”⁴⁸ Therefore, in order to satisfy Model Rule 1.16, an attorney with little or no patent experience may need to either decline representation of the client or seek the assistance of

⁴² MODEL RULES OF PROF’L CONDUCT R. 1.1 cmt. 2 (2002). *But see infra* note 49 and accompanying text.

⁴³ *Id.*

⁴⁴ Florida Bar v. Gallagher, 366 So. 2d 397, 397 (Fla. 1978) (per curiam).

⁴⁵ Center Foundation v. Chicago Ins. Co., 278 Cal. Rptr. 13, 19 n.7 (Cal. Ct. App. 1991) (citing Lewis v. State Bar, 28 Cal.3d 683, 688-689 (Cal. 1981)).

⁴⁶ *Id.* (citing Horne v. Peckham, 158 Cal. Rptr. 714 (Cal. Ct. App. 1979)).

⁴⁷ MODEL RULES OF PROF’L CONDUCT R. 1.16 (2002).

⁴⁸ MODEL RULES OF PROF’L CONDUCT R. 1.16 cmt. 1 (2002).

another attorney who does possess experience in the matter. If the attorney has already accepted representation, he has similar options: seek the assistance of another attorney who can help in providing competent representation, educate himself in the matter, or withdraw from the case. However, if an attorney decides to educate himself in order to accept representation of a client in an area in which he lacks experience, the client “should not be expected to pay for the education of the lawyer...”⁴⁹

The competence rules, like other professional responsibility requirements, are subject to enforcement in state bar disciplinary proceedings.⁵⁰ Potential sanctions for violations include disbarment, suspension, and censure.⁵¹ Accordingly, fear of disciplinary proceedings based on professional ethics violations alone could deter an inexperienced attorney from accepting representation in a complex patent infringement case. Given the complexity of patent law and patent infringement litigation,⁵² it would be extremely difficult for an attorney with little or no experience in the field to completely grasp its intricacies in a reasonable amount of time. The challenge would be compounded in many patent cases by the need to understand complex technology. The competence requirement, therefore, may act as a check on the filing and litigation of patent claims by conscientious counsel inexperienced in patent law and the technological matter involved in the suit.

⁴⁹ *Matter of Fordham*, 668 N.E.2d 816, 823 (Mass. 1996). This case involved a “very experienced trial attorney with impressive credentials” who accepted representation of a client in a drunk-driving case even though he never previously tried such a case. *Id.* at 819. The state bar counsel sanctioned the attorney for charging an excessive fee, \$50,000, when the average amount was between \$3,000 and \$10,000. *Id.* at 818. The court upheld the sanctions against the attorney and ordered public censure even though the attorney presented “novel theories” in the case ultimately resulting in a not guilty finding and even though he disclosed to the client that he had never done that type of case. *Id.* at 822-25.

⁵⁰ GILLERS, *supra* note 25, at 835-838.

⁵¹ *Id.*

⁵² Discussed *infra* notes 63-76, 133-146 and accompanying text.

V. Rules Governing Attorney Conduct in the Federal Courts

Aside from the professional ethics rules, there are other provisions that should discourage the filing and litigation of frivolous or meritless patent claims, and should give pause to attorneys lacking experience with patent matters. These provisions include Rule 11 of the Federal Rules of Civil Procedure, 28 U.S.C. § 1927, and 35 U.S.C. § 285.⁵³ Additionally, federal court judges have the inherent authority to impose sanctions on attorneys for improper conduct.⁵⁴ This section discusses the instruments under which sanctions may be levied against attorneys who fail to act properly during the course of filing or litigating patent claims.

A. Federal Rules of Civil Procedure Rule 11

Rule 11 of the Federal Rules of Civil Procedure (“Rule 11”) governs the filing and litigation of claims in the federal courts.⁵⁵ Rule 11 requires that “[e]very pleading, written motion, and other paper shall be signed by at least one attorney of record.”⁵⁶ By his or her signature on the pleading, the attorney

“is certifying that to the best of the person’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances;-- (1) it is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation; (2) the claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law; (3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to

⁵³ In addition to these provisions, attorneys could potentially be sanctioned for improper conduct under Rule 37 of the Federal Rules of Civil Procedure and Rule 38 of the Federal Rules of Appellate Procedure. See Breton August Bocchieri, *Obtaining Attorney Fees in Intellectual Property Cases: Rule 11 and Other Sanctioning Mechanisms*, 33 IDEA 211, 218-222 (1993).

⁵⁴ See *Roadway Express, Inc. v. Piper*, 447 U.S. 752, 765 (1980).

⁵⁵ The Federal Rules of Civil Procedure generally were created to “govern the procedure in the United States district courts in all suits of a civil nature.” FED. R. CIV. P. 1.

⁵⁶ FED. R. CIV. P. 11(a).

have evidentiary support after a reasonable opportunity for further investigation or discovery; and (4) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief.”⁵⁷

The primary purpose of Rule 11 is to “deter baseless filings in district court...and streamline the administration and procedure of the federal courts.”⁵⁸ As a penalty for failing to comply with this section, the court may “impose an appropriate sanction upon the attorneys, law firms, or parties.”⁵⁹ Sanctions under Rule 11 serve the purpose of “(1) deterring future litigation abuse, (2) punishing present litigation abuse, (3) compensating victims of litigation abuse, and (4) streamlining the court docket and management of the case.”⁶⁰ Rule 11 sanctions can be requested upon motion by opposing counsel or simply on the court’s own initiative.⁶¹ Sanctions for Rule 11 violations can include all reasonable expenses incurred during the litigation, including attorney’s fees.⁶²

Rule 11 has been interpreted to impose certain specific requirements on parties prior to the filing of patent infringement claims. A patent owner may assert an infringement claim against any party that “makes, uses, offers to sell, or sells any patented invention, within the

⁵⁷ FED. R. CIV. P. 11(b).

The Model Rules themselves contain a similar provision:

“A lawyer shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis for doing so that is not frivolous, which includes a good faith argument for an extension, modification or reversal of existing law...” MODEL RULES OF PROF’L CONDUCT R. 3.1 (2002).

The PTO also has a provision similar to this. *See* 10 C.F.R. § 10.18 (2003).

⁵⁸ *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 393 (1990).

⁵⁹ FED. R. CIV. P. 11(c).

⁶⁰ *White v. General Motors Corp., Inc.*, 908 F.2d 675, 683 (10th Cir. 1990).

⁶¹ FED. R. CIV. P. 11(c)(1)(A)-(B).

⁶² *See, e.g., Refac Intl. v. Hitachi Ltd.*, 141 F.R.D. 281, 287 (C.D. Cal. 1991) (sanctions totaling \$1,446,511.49). *See also View Engineering v. Robotic Vision Systems, Inc.*, 208 F.3d 981, 989 (Fed. Cir. 2000) (affirming the decision of the district court to impose sanctions totaling \$97,825). Sanctions under Rule 11 are limited to whatever is “sufficient to deter repetition of such conduct or comparable conduct by others...” FED. R. CIV. P. 11(c)(2).

United States, or imports into the United States any patented invention during the term of the patent.”⁶³ The claims of a patent serve to define what constitutes the invention, and any other device or process falling within the scope of one or more claims will be found to infringe the patent.⁶⁴ The Court of Appeals for the Federal Circuit⁶⁵ (“Federal Circuit”) has stated that Rule 11 requires an attorney who is considering instituting a patent infringement suit to,

“at a bare minimum, apply the claims of each and every patent that is brought into the lawsuit to an accused device and conclude that there is a reasonable basis for a finding of infringement of at least one claim of each patent so asserted.”⁶⁶

The Federal Circuit has given some guidance on what does and does not constitute a reasonable pre-filing inquiry.⁶⁷ In order to satisfy Rule 11 and avoid sanctions, an attorney must refrain from giving “blind deference” to his client’s opinion that a product or device infringes his patent.⁶⁸ While the patent owner or its employees may possess expertise in the field, they have a

⁶³ 35 U.S.C. § 271 (2003).

⁶⁴ *Hoganas AB v. Dresser Industries, Inc.*, 9 F.3d 948, 951 (Fed. Cir. 1993).

⁶⁵ The Court of Appeals for the Federal Circuit was created in 1982 through the merging of the Court of Claims and the Court of Customs and Patent Appeals. *See* Federal Courts Improvement Act of 1982, P.L. 97-164, 96 Stat. 25 (April 2, 1982). The primary reason for the creation of this court was to “produce uniformity” in the area of patent law and eliminate forum-shopping due to differing attitudes regarding patents in the numbered circuit courts of appeals. *See* H.R. REP. NO. 312, 97th Cong. 1st Sess. 20-22 (1981); S. REP. NO. 275, 97th Cong., 1st Sess. 5 (1981). The Federal Circuit has exclusive jurisdiction over final decisions from the district court relating to patents, as well as appeals from the Board of Patent Appeals and Interferences in the PTO. 28 U.S.C. §§ 1295(a)(1), (a)(4) (2003). However, the Supreme Court recently held that patent law *counter-claims* do not confer appellate jurisdiction to the Federal Circuit. *See* *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*, 535 U.S. 826 (2002).

⁶⁶ *View Engineering v. Robotic Vision Systems, Inc.*, 208 F.3d 981, 986 (Fed. Cir. 2000).

⁶⁷ Several commentators have also made suggestions on reasonable pre-filing investigations in light of key Federal Circuit decisions. *See, e.g.*, Silvana Merlino, *Prefiling Investigations in Patent Litigation: Heeding the Requirements of Rule 11*, 19 NO.5 E-COMMERCE L. & STRATEGY 1 (2002) (listing “alternate steps” where “traditional means of investigating suspected infringement are unavailable or unavailing”); L. Craig Metcalf, *Satisfying Rule 11 Prior to Initiating Patent Infringement Claims*, 7 FED. CIR. BAR J. 321, 327 (1997).

⁶⁸ *Antonious v. Spalding & Evenflo Co.*, 275 F.3d 1066, 1074 (Fed. Cir. 2002); *Judin v. U.S.*, 110 F.3d 780, 784 (Fed. Cir. 1997); *View Engineering v. Robotic Vision Systems, Inc.*, 208 F.3d 981, 985 (Fed. Cir. 2000). *See also* *S. Bravo Systems, Inc. v. Containment Technologies Corp.*, 96 F.3d 1373, 1375 (Fed. Cir. 1996) (On remand, the district court was to consider whether the plaintiff’s attorneys conducted any legal and factual merits of the infringement claim other than to rely on the clients “lay opinion” that the accused device was infringing.).

personal stake and may not be able to consider the situation objectively. The attorney must therefore perform an independent claim construction and infringement analysis⁶⁹ before filing his infringement action.⁷⁰ Courts have noted that “[p]atent [claim] construction in particular ‘is a special occupation, requiring, like all others, special training and practice.’”⁷¹

It is well established, then, that an attorney must conduct a reasonable pre-filing investigation for infringement purposes prior to filing the complaint. Additionally, however, he or she must also make a determination of the validity and enforceability of a client’s patent.⁷² While issued patents are presumed valid, an alleged infringer may assert as a defense that the patent is invalid or unenforceable.⁷³ To conduct a validity and/or enforceability analysis, an

⁶⁹ Every infringement analysis has two steps: first, the meaning and scope of the patent claims asserted to be infringed must be determined (i.e., claim construction); second, the construed claims must be compared to the allegedly infringing device. *Markman v. Westview Instruments*, 52 F.3d 967, 976 (Fed. Cir. 1995) *aff’d* 517 U.S. 370 (1996). Claim construction is performed for the purpose of “defin[ing] the scope of the patented invention.” *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). First, the words of the patent claims themselves must be analyzed. *Id.* Second, the patent specification must be analyzed since “[patent] claims are read in view of the specification, of which they are a part.” *Id.* Finally, the prosecution history of the patent should be considered, since the applicant may have made representations to the PTO regarding the scope of the patent claims. *Id.*

The Northern District of California has created several Local Rules relating specifically for patent cases, much for the purpose of managing the difficult claim construction process. *See generally* CHISUM ET AL., *PRINCIPLES OF PATENT LAW* 848-9 (2d ed. 2001). For example, N.D. CAL. PATENT LOCAL RULE 3-1 requires that the party claiming infringement must submit to all parties a “chart identifying where each element of each asserted claim is found within each” allegedly infringing product. For a detailed look at the Northern District of California’s Patent Local Rules, see Note, Ellisen S. Turner, *Swallowing The Apple Whole: Improper Patent Use By Local Rule*, 100 MICH. L. REV. 640 (2001).

⁷⁰ *View Engineering v. Robotic Vision Systems, Inc.*, 208 F.3d 981, 986 (Fed. Cir. 2000).

⁷¹ *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388 (1996) (citing *Parker v. Hulme*, 18 F. Cas. at 1140).

⁷² *Metcalf*, *supra* note 67, at 327.

⁷³ 35 U.S.C. § 282 (2003) states that:

“A patent shall be presumed valid.”

[...]

“The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded: (1) Noninfringement, absence of liability for infringement, or unenforceability, (2) Invalidity of the patent or any claim in suit on any ground...,” (3) Invalidity of the patent or any claim in suit for failure to comply with any requirements of sections 112 or 251 of this title...”

attorney must obtain and study the entire file history of his client's patent and essentially determine that the PTO did in fact issue the patent properly. This would include analysis of prior art related to the patent,⁷⁴ a determination that the patent claims are valid over the prior art,⁷⁵ and that the disclosure requirements of the patent law were met.⁷⁶

Since an infringement analysis requires the attorney to compare the allegedly infringing device with the patent claims, the attorney may have a duty to attempt to obtain a sample of the allegedly infringing device for inspection. To illustrate, the failure to ask for or attempt to procure a sample of the device on one's own has been viewed as insufficient to satisfy Rule 11.⁷⁷ A reliance on "marketing materials, white papers and other product documentation" alone has also been found to be insufficient to satisfy the pre-filing inquiry requirements.⁷⁸ However, asking for a sample for testing from the alleged infringer and being refused has led to a finding that the pre-filing inquiry was reasonable.⁷⁹ It seems, therefore, that the attempt to obtain the device is key, not whether the allegedly infringing device was actually obtained and analyzed.⁸⁰ Additionally, if an allegedly infringing device is obtained, the failure to reverse engineer it may also lead to a finding that the pre-filing inquiry was unreasonable.⁸¹

⁷⁴ *Id.* § 102.

⁷⁵ *Id.* § 103.

⁷⁶ *Id.* § 112.

⁷⁷ See *View Engineering v. Robotic Vision Systems, Inc.*, 208 F.3d 981, 985-7 (Fed. Cir. 2000); *Judin v. U.S.*, 110 F.3d 780, 781 (Fed. Cir. 1997).

⁷⁸ *Network Caching Technology, LLC v. Novell, Inc.*, No. C-01-2079 VRW, 2003 WL 21699799, at *6 (N.D. Cal. Mar 21, 2003).

⁷⁹ See *Hoffman La-Roche v. Invamed*, 213 F.3d 1359, 1365 (Fed. Cir. 2000).

⁸⁰ See Jeffrey I. D. Lewis & Art C. Cody, *Unscrambling The Egg: Pre-Suit Infringement Investigations Of Process And Method Patents*, 84 J. PAT. & TRADEMARK OFF. SOC'Y 5, 31 (2002).

⁸¹ *Refac Intl. v. Hitachi Ltd.*, 141 F.R.D. 281, 286 (C.D. Cal. 1991); *Network Caching Technology, LLC v. Novell, Inc.*, 67 U.S.P.Q.2d 1034, 1038-9 (N.D. Cal. 2002).

While Rule 11 applies to the assertions contained in papers filed to the court, the filing party has the obligation to avoid “reaffirming to the court and advocating positions contained in those pleadings and motions after learning that they cease to have merit.”⁸² Thus, in addition to requiring a pre-filing investigation, Rule 11 should have a potential deterrent effect on continuing to press claims once they are found to be baseless through information acquired later.

Satisfying the requirements of Rule 11 in patent infringement cases are a significant challenge, even for experienced patent practitioners.⁸³ Even with an understanding of patent law and procedure within the PTO, the claim language and file history of a patent can be confusing, not to mention the comparison of patent claims to products in an unfamiliar technology. Thus, it seems that unqualified and inexperienced attorneys who do not associate with those who are competent in complex patent matters have little business asserting patent infringement claims, lest they risk sanctions under Rule 11.

B. 28 U.S.C. Section 1927

A separate statutory provision also potentially deters the filing and litigation of frivolous claims. 35 U.S.C. § 1927 states that

“[a]ny attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorney’s fees reasonably incurred because of such conduct.”⁸⁴

⁸² Young v. Corbin, 889 F. Supp. 582, 585 (N.D.N.Y. 1995).

⁸³ Metcalf, *supra* note 67, at 321.

⁸⁴ 28 U.S.C. § 1927 (2003).

In addition to Rule 11 sanctions, an accused infringer may ask for sanctions under § 1927 where the party asserting infringement failed to conduct a reasonable pre-filing investigation.⁸⁵

Whether to sanction attorney abuses under § 1927 or Rule 11 lies within the discretion of the district court.⁸⁶ However, unlike Rule 11, sanctions under § 1927 are limited to the conduct of attorneys.⁸⁷

The award of sanctions under § 1927 requires at least a showing of “unreasonabl[e] and vexatious[]” conduct, and may require bad faith on the part of the litigant.⁸⁸ Since § 1927 applies to “excess” costs, courts are also split on whether § 1927 sanctions can apply to the claims made in the original complaint or only to improper conduct during the resulting litigation.⁸⁹ Clearly though, continuing to press claims after they have been found to lack merit can result in an impermissible “multiplication” of proceedings warranting § 1927 sanctions.⁹⁰

Sanctions under § 1927 have been levied for “unprofessional” case management resulting in “‘ragtag’ and ‘rough edge’ performances with hurried work products.”⁹¹ The attorney without

⁸⁵ *Hoffman La-Roche v. Invamed*, 213 F.3d 1359, 1362 (Fed. Cir. 2000).

⁸⁶ *Travelers Ins. Co. v. St. Jude Hospital of Kenner, LA., Inc.*, 38 F.3d 1414, 1418 (5th Cir. 1994).

⁸⁷ *FTC v. Alaska Leasing, Inc.*, 799 F.2d 507, 510 (9th Cir. 1986).

⁸⁸ *Compare Gamla Enterprises North America, Inc. v. Lunor-Brillen Design U. Vertriebs GmbH*, 54 U.S.P.Q.2d 1097, 1099-1100 (S.D.N.Y. 2000) (bad faith required) *and* *Zuk v. Eastern Pennsylvania Psychiatric Institute of the Medical College of Pennsylvania*, 103 F.3d 294, 297-8 (3d Cir. 1996) (at least some implicit evidence of bad faith required) *with* *Fiskars, Inc. v. Hunt Mfg. Co.*, 221 F.3d 1318, 1328 (Fed. Cir. 2000) (applying 7th Circuit law, no bad faith required) *and* *Collins v. AT & T*, 41 U.S.P.Q.2d 1835, 1837 (5th Cir. 1996) (no bad faith required).

⁸⁹ *Compare In re Keenan Management Co. Secur. Litig.*, 78 F.3d 431, 435 (9th Cir. 1996) (“The filing of a complaint may be sanctioned pursuant to Rule 11 or a court’s inherent power, but it may not be sanctioned pursuant to § 1927.”) *with* *Ridder v. City of Springfield*, 109 F.3d 288, 299 (6th Cir. 1997) (upholding sanctions under § 1927 for the litigation costs arising from the initial complaint).

⁹⁰ *See, e.g.,* *Edwards v. General Motors Corp.*, 153 F.3d 242, 247 (5th Cir. 1998) (“[Attorney] deliberately acted so as to force [the defendant] to continue to incur costs, preparing to defend her now-abandoned claim. Although she ‘anticipated and desired’ that the case should be dismissed on the merits, [the attorney] filed witness and exhibit lists as if she were gearing up for trial.”).

⁹¹ *Julien v. Zeringue*, 864 F.2d 1572, 1575 (Fed. Cir. 1989).

patent law expertise or assistance could find himself the subject of a § 1927 sanctions motion, regardless of bad faith, if he is unable to properly manage the patent infringement claim he is asserting. Section 1927, therefore, may act as another check on attorney conduct in the filing and litigation of patent claims.

C. 35 U.S.C. Section 285

Another safeguard that may operate to deter general practitioners and other attorneys lacking patent law experience from filing and litigating complex patent claims is 35 U.S.C. § 285. Under this statute, “the court in exceptional cases may award reasonable attorney fees to the prevailing party.”⁹² Section 285 has been interpreted to contain four parts: “1) the case must be exceptional; 2) the district court may exercise its discretion; 3) the fees must be reasonable; and 4) the fees may be awarded only to the prevailing party.”⁹³ To establish that a case is “exceptional,” the prevailing party’s burden of proof is that of clear and convincing evidence.⁹⁴ Conduct that may result in the finding of an exceptional case can include, among other things, misconduct during litigation, willful infringement, unprofessional behavior and, generally, bad faith litigation.⁹⁵ Evidence of misconduct during litigation and unprofessional behavior alone may also make a case exceptional.⁹⁶

⁹² 35 U.S.C. § 285 (2003).

⁹³ *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1480 (Fed. Cir. 1998) (quoting *Machinery Corp. of America v. Gullfiber AB*, 774 F.2d 467, 470 (Fed. Cir. 1985)).

⁹⁴ *See, e.g.*, *Machinery Corp. of America v. Gullfiber AB*, 774 F.2d 467, 470 (Fed. Cir. 1985); *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1378-9 (Fed. Cir. 2001); *Cambridge Products, Ltd. v. Penn Nutrients, Inc.*, 962 F.2d 1048, 1050 (Fed. Cir. 1992).

⁹⁵ *See, e.g.*, *Epcon Gas Systems, Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1034 (Fed. Cir. 2002); *Hoffman La-Roche v. Invamed*, 213 F.3d 1359, 1365 (Fed. Cir. 2000).

⁹⁶ *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1574 (Fed. Cir. 1996).

Section 285 can be applied to the filing and litigation of patent infringement cases where the patent owner knew or should have known after a reasonable investigation that the suit is baseless.⁹⁷ Fees and expenses awarded under § 285 could, therefore, hinge upon the adequacy of the pre-filing investigation.⁹⁸ Bad faith failure by the patentee to perform tests suggested by the alleged infringer on the products that were the subject of the claim has resulted in a finding of an exceptionality for purposes of § 285.⁹⁹ Additionally, the continued maintenance of a patent infringement claim after the facts have established that it is baseless may result in § 285 sanctions.¹⁰⁰ Moreover, the failure to consult an attorney competent to decide whether to proceed with a patent claim may result in a finding of bad faith.¹⁰¹ Thus, § 285 can act as yet another check on attorney conduct in the filing and litigation of patent claims by inexperienced attorneys.

D. Other Sources of Attorney Sanctions

In addition to the statutes and rules authorizing sanctions for attorney misconduct, federal court judges have the “inherent power...to levy sanctions in response to abusive litigation practices.”¹⁰² Like other provisions, this power is “necessary in order to prevent undue delays in the disposition of pending cases and to avoid congestion in the calendars of the District

⁹⁷ *Eltech Systems Corp. v. PPG Industries*, 710 F. Supp. 622, 636 (W.D. La. 1988) *aff’d* 903 F.2d 805 (Fed. Cir. 1990). *See also* *Hughes v. Novi American, Inc.*, 724 F.2d 122, 125 (Fed. Cir. 1984); *Standard Oil Company v. American Cyanamid Company*, 774 F.2d 448, 455 (Fed. Cir. 1985).

⁹⁸ *Epcon Gas Systems*, 279 F.3d at 1035; *Superior Fireplace Co. v. Majestic Prods. Co.*, 270 F.3d 1358, 1377-78 (Fed. Cir. 2001).

⁹⁹ *Eltech Systems Corp.*, 903 F.2d at 810.

¹⁰⁰ *Automated Business Companies, Inc. v. NEC America, Inc.*, 202 F.3d 1353, 1354 (Fed. Cir. 2000)

¹⁰¹ *Underwater Devices Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380, 1390 (Fed. Cir. 1983).

¹⁰² *Roadway Express, Inc. v. Piper*, 447 U.S. 752, 765 (1980).

Courts.”¹⁰³ Similar to § 285 and, in some jurisdictions, § 1927, the court’s inherent power to sanction may require a showing of bad faith on the part of the attorney.¹⁰⁴

Even without the aforementioned Rule 11, § 285, and § 1927, the court could use its “inherent power” to sanction an inexperienced attorney who files and litigates a patent claim where bad faith is present. An interesting question that remains unanswered is whether the act of filing and litigating a case an attorney knows he is incompetent to handle could alone amount to sanctionable bad faith conduct under the court’s inherent power.

VI. Should There Be Specialized Ethics Rules For Patent Litigation?

There have been numerous suggestions to “federalize” legal ethics rules.¹⁰⁵ As previously mentioned, the ethics rules adopted by the federal courts are often essentially state codes.¹⁰⁶ Since state ethics rules are not uniform, the rules governing attorney conduct in the federal courts necessarily vary. One commentator cites four reasons for the need for uniformity in ethical regulation in the federal courts.¹⁰⁷ First, since lawyers often perform their activities in multiple states, differing rules result in confusion and difficulty in following the requirements of

¹⁰³ *Link v. Wabash R. Co.*, 370 U.S. 626, 632 (1962) (Harlan, J.).

¹⁰⁴ *See Chambers v. NASCO, Inc.*, 501 U.S. 32 (1991) (requiring bad faith). *But see United States v. Seltzer*, 227 F.3d 36, 42 (2d Cir. 2000) (recognizing inherent power of court to sanction absent bad faith for the “conduct of attorneys as officers of the court, and to sanction attorneys for conduct not inherent to client representation, such as, violations of court orders or other conduct which interferes with the court’s power to manage its calendar and the courtroom.”).

¹⁰⁵ *See, e.g., Fred C. Zacharias, Federalizing Legal Ethics*, 73 TEX. L. REV. 335 (1994) [hereinafter Zacharias, *Federalizing*]; Bruce A. Green, *Whose Rules of Professional Conduct Should Govern Lawyers in Federal Court and How Should the Rules Be Created?*, 64 GEO. WASH. L. REV. 460 (1996).

¹⁰⁶ Discussed *supra* notes 25-37 and accompanying text.

¹⁰⁷ Zacharias, *Federalizing*, *supra* note 105, at 345.

each jurisdiction.¹⁰⁸ Second, as a result of multi-state litigation and transactions, conflicts between the two jurisdictions may arise.¹⁰⁹ Third, the variability in rules affect the relationship between lawyer and client, due to the “skew[ed]” perception the client has of lawyers’ obligations due to conflicts among jurisdictions.¹¹⁰ Finally, federal decisions and administrative regulations can diminish the applicability of state rules, thus creating confusion in how attorneys may advocate.¹¹¹

The creation of a federal set of ethics rules is not without controversy. Arguments against federalization of ethics rules include the issue of federalism: the adoption of federal ethics rules will take away the state’s power to “gauge the nature of the profession and the demand for legal services within the jurisdiction” and adopt ethics rules that fit the state’s needs.¹¹² The Supreme Court has stated, however, that “[w]hile a lawyer is admitted into a federal court by way of a state court, he is not automatically sent out of the federal court by the same route,” in holding that disbarment by a state does not necessarily mean disbarment from federal court practice.¹¹³ Presumably, then, if an attorney were sanctioned within the federal court system, he or she would not automatically expect to be sanctioned by the state bar he or she was admitted to.¹¹⁴

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² Zacharias, *Federalizing*, *supra* note 105, at 373-76.

¹¹³ *Theard v. United States*, 354 U.S. 278, 281 (1957).

¹¹⁴ *See id.* at 282. (“The two judicial systems of courts, the state judiciatures and the federal judiciary, have autonomous control over the conduct of their officers, among whom...lawyers are included.”) *But see* *Succession of Wallace*, 547 So. 2d 348, 350 (La. 1991) (“This court has exclusive and plenary power to define and regulate all

Any consideration of potential federal ethics rules is further complicated by the question of whether to adopt either of the ABA models, warts and all, or to create new rules.¹¹⁵

Moreover, if new rules are created, there is the question of who should be in charge of their creation, adoption, and regulation.¹¹⁶ Since it seems unlikely that there will be federalized ethics rules in the near future, alternative suggestions have been made for remedying the gaps and problems with present ethics rules.

There have been a number of calls for specialized ethics rules for other distinct areas of law.¹¹⁷ Such proposals have been based on the view that the general ethics rules are insufficient to deal with the particularities of certain specific legal areas.¹¹⁸ In particular, for example, commentators have suggested that due to “fictions of symmetry,” the general ethics rules are insufficient to deal with particular problems encountered in specialized areas of law.¹¹⁹ Two such “fictions” inherent in the general ethics codes are that “all lawyers are...equally competent” and that “all clients are the same.”¹²⁰ Certainly, not all lawyers are competent, let alone equally competent with respect to every area of law, since lawyers who take the same type of case exclusively would likely have an advantage over an attorney who had never handled such a

facets of the practice of law, including the admission of attorneys to the bar, the professional responsibility and conduct of lawyers, the discipline, suspension and disbarment of lawyers, and the client-attorney relationship.”)

¹¹⁵ Zacharias, *Federalizing*, *supra* note 105, at 376-77.

¹¹⁶ *Id.*

¹¹⁷ See, e.g., Fred C. Zacharias, *Reconceptualizing Ethical Roles*, 65 GEO. WASH. L. REV. 169 (1997) [hereinafter Zacharias, *Reconceptualizing*] (offering several examples); Nancy B. Rapoport, *Our House, Our Rules: The Need for a Uniform Code of Bankruptcy Ethics*, 6 AM. BANKR. INST. L. REV. 45 (1998) (bankruptcy); Stanley Sporkin, *The Need for Separate Codes of Professional Conduct for the Various Specialties*, 7 GEO. J. LEGAL ETHICS 149 (1988) (corporate and securities law).

¹¹⁸ See, e.g., Rapoport, *supra* note 117, at 65.

¹¹⁹ Fred C. Zacharias, *The Future Structure and Regulation of Law Practice: Confronting Lies, Fictions, and False Paradigms in Legal Ethics Regulation*, 44 ARIZ. L. REV. 829, 838 (2002).

¹²⁰ *Id.* at 838-41.

case.¹²¹ Additionally, not all clients are the same, and ethics rules may impact how a lawyer interacts with a particular client in a particular legal matter.¹²² Given that the “traditional” role of lawyers that ethics codes sought to govern has changed due to increased specialization, the context of ethics rules may not apply to distinct specialties, nor may the enforcement provisions for the ethics rules apply in light of other disciplinary sanctions such as FRCP Rule 11.¹²³

Many of the practice areas for which specialized ethics codes have been proposed or implemented can be analyzed not by the type of legal matter involved, but by the nature of the client involved or third parties that have an interest in the outcome of the matter.¹²⁴ Indeed, commentator Fred C. Zacharias focuses much of his analysis on the type of client represented in the particular area of law as well as duties to third parties effected by the matter.¹²⁵ For example, with respect to matrimonial law, attorneys who represent a party in a divorce must consider the interests of the non-client children.¹²⁶ Suggestions for specialized ethics rules have also appeared in the context of environmental law due to an enhanced duty of the environmental lawyer to not only the client but to the integrity of the environment and the ability for future generations to enjoy it.¹²⁷ It is also argued that other areas of law may need specialized ethics

¹²¹ *Id.* at 839.

¹²² *Id.* at 840-41.

¹²³ David B. Wilkins, *Making Context Count: Regulating Lawyers After Kaye*, *Scholar*, 66 S. CAL. L. REV. 1145, 1152-54 (1993).

¹²⁴ See Mark H. Aultman, *Cracking Codes*, 7 GEO. J. LEGAL ETHICS 735 (1994) (response to Sporkin, *supra* note 117).

¹²⁵ Zacharias, *Reconceptualizing*, *supra* note 117, at 191-203.

¹²⁶ *Id.* at 191. See also *The Bounds of Advocacy: American Academy of Matrimonial Lawyers Standards of Conduct*, 9 J. AM. ACAD. MATRIM. L. 1 (1992) (the specialized ethics code for matrimonial law).

¹²⁷ *Id.* at 191-2. See also J. William Futrell, *Environmental Ethics, Legal Ethics, and Codes of Professional Responsibility*, 27 LOY. L.A. L. REV. 825 (1994).

rules due to regulatory and administrative compliance duties of lawyers.¹²⁸ Still other commentators have discussed the presence of those that merely “dabble” in the specialized area of law and the need to provide sufficient guidance to these novices through specialized ethics rules.¹²⁹ To illustrate, in suggesting specialized bankruptcy ethics rules, Nancy B. Rapoport advocates a heightened competency requirement for bankruptcy practitioners.¹³⁰ She states that the current competency rule requiring association with experienced counsel is “too lenient.”¹³¹ According to Rapoport, in bankruptcy cases “time is money,” therefore if a lawyer does not possess basic knowledge regarding bankruptcy law, he or she either should not take the case or should not charge the client for his or her education.¹³²

Clearly, similar arguments to the above can be made with respect to patent infringement litigation. The question then becomes whether patent litigation is so complex as to justify specialized ethics rules.¹³³ One commentator has stated that “the complexity of patent law lies

¹²⁸ *Id.* at 200-02. For example, a tax attorney has two roles: a duty to his client and a duty to “maintain the integrity of the tax system.” *Id.* at 201. This argument could also apply to the role of the environmental lawyer representing clients that must adhere to the many federal environmental regulations. Futrell, *supra* note 127, at 836.

¹²⁹ Rapoport, *supra* note 117, at 72.

¹³⁰ *Id.* at 99-100.

¹³¹ *Id.* at 100.

¹³² *Id.* This same idea was expressed by the court in *In re Fordham*, discussed *supra* note 49.

¹³³ It is necessary to separate patent prosecution from patent litigation, since those attorneys registered to practice in the PTO are subject to the PTO’s rules of ethical conduct found at 37 C.F.R. § 10 et seq. and Chapter 400 of the Manual of Patent Examining Procedure.

Interestingly, the PTO recently proposed a periodic certification program for patent practitioners as part of their 21st Century Strategic Plan. See Monitor Practitioner Adherence to Rules of Practice: Periodic Recertification for Registered Practitioners, available at <http://www.uspto.gov/web/offices/com/strat21/action/lr1cp51.htm> (last visited October 31, 2003). Certification appears likely to occur through some sort of examination, similar to the registration examination, the patent bar. *Id.* According to the PTO, “[t]hough practitioners are ethically prohibited from handling a legal matter without preparation adequate in the circumstances, this has not prevented members of the public from criticizing the competence of practitioners.” *Id.* Additionally, the PTO states that “the ethics rules have not compelled practitioners to promptly become and remain familiar with changes to patent application practices and procedures.” *Id.* For additional information and commentary regarding the periodic certification portion of the PTO’s 21st Century Strategic Plan, see Dale L. Carlson et al., “Are We Certifiable?” *Redux – A Strategic Plan for*

not in its legal principles but in the scientific fact-finding required to apply those legal principles properly.”¹³⁴ The courts have also spoken on the complexity of patent law on a few occasions. One example is the well-known statement that a patent “constitute[s] one of the most difficult legal instruments to draw with accuracy.”¹³⁵ Other court cases have involved upholding higher-than-average attorney’s fees in the “highly specialized area of complex patent litigation.”¹³⁶ Additionally, with respect to trials involving patent law, some have called for the elimination of jury trials, since the average lay-juror may not be able to grasp the complexity of the law or the technology.¹³⁷ Similar concerns have also been expressed with respect to federal judges that decide patent cases at the district court level.¹³⁸ None of these arguments, however, can be said to provide specific justification for special ethics rules in patent litigation, since other areas of law are complex as well. While it is true that patent law often involves complex legal and technical matters, higher-than-average fee awards have been upheld in cases involving other

Maintaining Patent Practice Competence, 28 J. PAT. & TRADEMARK OFF. SOC'Y 287 (2003) and Stephen Nagin, *Certification: Let's Make it Better, Fairer, and More Valued*, 77 FLA. B.J. 23, 26 (2003).

¹³⁴ Arti K. Rai, *Specialized Trial Courts: Concentrating Expertise on Fact*, 17 BERKELEY TECH. L.J. 877, 878 (2002).

¹³⁵ *Topliff v. Topliff*, 145 U.S. 156, 171 (1892); *Sperry v. Florida*, 373 U.S. 379, 383 (1963).

¹³⁶ See, e.g., *Howes v. Medical Components, Inc.* 761 F. Supp 1193, 1195-97 (E.D. Pa. 1990); *Yamanouchi Pharmaceuticals Co. v. Danbury Pharmacal, Inc.*, 51 F. Supp.2d 302, 305 (1999). See also Ivar M. Kaardal, *The American Inventors Protection Act, The Independent Inventor's Interest & Consumer Choice in the Market*, 84 J. PAT. & TRADEMARK OFF. SOC'Y 503, 520 (2002) (noting that “[f]or the most part, the only legal services available in the patent area are high-cost.”).

¹³⁷ See, e.g., Advisory Comm’n on Pat. Law Reform, *A Report to the Secretary of Commerce* 107-110 (1992) (discussing problems with jury trials of patent cases); Fourth Biennial Patent System Major Problems Conference, 34 IDEA 77 (1994) (debate on the role of the jury in patent cases by several patent attorneys and professors); Richard B. Schmitt, *Juries’ Role in Patent Cases Reconsidered*, WALL ST. J., Feb. 18, 1994, at B6 (quoting patent attorney Donald Dunner as saying, “[g]ive [jurors] a complicated biotechnology case or one involving lasers or computers, and their eyes glaze over.”); Robert J. Shillman, *Defending Patents*, FORTUNE, June 25, 2001, at 30 (recommending that jury trials in patent cases be eliminated due to the complexity of the technology).

¹³⁸ Discussed *infra* notes 141-146 and accompanying text.

legal matters such as ERISA law and products liability.¹³⁹ Commentators have also noted the inherent complexity of certain other legal matters.¹⁴⁰ Since there are clearly varying degrees of difficulty in many legal areas, the purported complexity of patent law alone cannot justify the creation of specialized ethics rules for patent litigation.

Two other factors warrant further consideration in a discussion of the competence of attorneys involved in patent litigation matters. First, patent litigation often costs each party millions of dollars.¹⁴¹ Additionally, several commentators have suggested that a lack of particularized judicial experience also create problems in some cases.¹⁴² Just as attorneys should be knowledgeable to handle the cases they accept, judges must be able to grasp the complexity of the cases before them. In his article arguing the need for a specialized trial court for patent cases, John B. Pegram specifically proposes that the U.S. Court of International Trade should be given patent jurisdiction parallel to that of the district courts in order to “address[] some of the

¹³⁹ See, e.g., *Morgan v. Admin. Comm. of Wal-Mart Stores, Inc. Assoc. Health And Welfare Plan*, 214 F. Supp.2d 1047 (D. Ariz. 2002) (ERISA law); *Fed'n of Fly Fishers v. Daley*, 200 F. Supp.2d 1181 (N.D. Cal. 2002) (environmental law); *Planned Parenthood of Cent. New Jersey v. Att'y Gen. of New Jersey*, 297 F.3d 253 (3d Cir. 2002) (constitutional challenges to abortion statutes); *In re Teletronics Pacing Systems, Inc.*, 137 F. Supp.2d 1029 (S.D. Ohio 2001) (products liability class action); *Borden, Inc. v. Martinez*, 19 S.W.3d 469 (Tex. App. 2000) (guardians ad litem in personal injury suit); *O'Rourke v. City of Providence*, 235 F.3d 713 (1st Cir. 2001) (Title VII action).

¹⁴⁰ See, e.g., Mary Elliott Rollé, *Unraveling Accountability: Contesting Legal And Procedural Barriers In International Toxic Tort Cases*, 15 GEO. INT'L ENVTL. L. REV. 135 (2003) (toxic torts); Edward Lee, *Rules And Standards For Cyberspace*, 77 NOTRE DAME L. REV. 1275 (2002) (internet law); John P. Cronan, *Is Any Of This Making Sense? Reflecting On Guilty Pleas To Aid Criminal Juror Comprehension*, 39 AM. CRIM. L. REV. 1187 (2002) (criminal law).

¹⁴¹ In 1995, the American Intellectual Property Law Association conducted a survey examining the cost of a patent infringement case from filing to judgment, including fees, expenses, and court costs. AMERICAN INTELLECTUAL PROP. LAW ASS'N, REPORT OF ECONOMIC SURVEY 72, table 22 (1999).

¹⁴² See, e.g., Kimberly A. Moore, *Are District Court Judges Equipped to Resolve Patent Cases?*, 12 FED. CIR. BAR. J. 1 (2002) (finding that district court judges improperly construe patent claim terms in one-third of cases appealed to the Federal Circuit); John B. Pegram, *Should There Be A U.S. Trial Court with a Specialization in Patent Litigation?*, 82 J. PAT. & TRADEMARK OFF. SOC'Y 766 (2000); John B. Pegram, *Should the U.S. Court of International Trade Be Given Patent Jurisdiction Concurrent with that of the District Courts?*, 32 HOUS. L. REV. 67 (1995) [hereinafter Pegram, *Patent Jurisdiction*]. Cf. Rai, *supra* note 134, at 895-897.

problems of delay, expense, and unpredictability in patent litigation.”¹⁴³ Pegram quotes

numerous sources that stress the importance of judicial knowledge and experience in patent law:

“For example, [patent law concepts] the doctrine of equivalence; the reverse doctrine of equivalence. Now, nobody in their right mind would come to those ideas with any understanding of them if they hadn't been taught something about them, right?”

Judge J. Avern Cohn of the Eastern District of Michigan has reported that district judges need a lot of help in patent cases: “(D)istrict judges have to constantly learn and re-learn patent law. They simply cannot keep current with developments in the law.”

As one patent attorney has said, “(I)t does bother me quite a bit when judges show clearly in decisions that they don't understand technology.”

Another patent attorney suggested that a “rough correspondence between the technical background” of the judge--chemical, biotech, electrical and mechanical--and the technology of the case would be “an enormous leg up in comparison to trying a case to a district judge whose undergraduate degree is in Medieval English Literature or Political Science or the like.”¹⁴⁴

Moreover, according to Pegram, people in the business community are similarly dissatisfied with the present state of the patent enforcement system. He quotes William S.

Thompson of Caterpillar, Inc., as follows:

“I start with the premise that we do have this very serious problem which I think borders on denial of due process, certainly in the complex technological case We're seeing cases where people are playing the lottery, they're bringing poor cases, supported by contingent fee arrangements so they have no financial investment in the litigation and they have some remote possibility of hitting the jackpot. Those people are not interested in the right result. They're not interested in going to mediation if that means that we can

¹⁴³ Pegram, *Patent Jurisdiction*, *supra* note 142, at 114.

¹⁴⁴ *Id.* at 128-9 (internal citations omitted). See also Symposium, *Judicial Patent Specialization: A View from the Trial Bench*, 2002 U. ILL. J.L. TECH. & POL'Y 425, 429-31 (2002) (Statements of Judge James F. Holderman, United States District Judge for the Northern District of Illinois in his keynote address endorsing John B. Pegram's suggestion to give the U.S. Court of International Trade the “special responsibility of patent infringement litigation at the trial level concurrent with the present district court system”) (“Typically, U.S. District Judges have little or no background experience in patent litigation upon which to draw as they come to the bench. I know that when my credentials were being reviewed for my position as a U.S. District Judge, the President did not ask if I had patent infringement experience.”)

get a sensible solution. They're not interested in going to . . . a more expert court where the possibility of fogging one through is going to be reduced”¹⁴⁵

Therefore, the problem addressed by Pegram can be applied not only to judges' lack of experience, but to attorneys as well. Whether or not specialized ethics rules are necessary or whether or not a specialized trial court is both necessary and feasible, until one or both comes to pass, “[t]he court [will] benefit[] from attorneys who have specialized knowledge in...complex patent litigations.”¹⁴⁶

VII. Conclusion

This article has sought to examine the existing checks for regulating attorney conduct in federal court and discuss the possible need for specialized ethics rules for patent litigation. Although the ethics rules are not uniformly adopted in the federal courts, the competence rules for attorneys are straightforward and have little room for variation in their overall purpose. Such a rule may be valuable in its simplicity: if you are competent to handle the case, fine; if not, either get help from someone who is, withdraw, or don't accept the case in the first place. Rule 11, as well, can and has worked to guide litigants in the filing and litigation of patent cases by providing the practitioner with a roadmap to proceed by. The cases interpreting Rule 11 in patent infringement claims state that before filing the complaint the attorney must conduct a reasonable pre-filing investigation, a task that involves knowledge of patent law and an

¹⁴⁵ *Id.* at 75 (citing Remarks of William S. Thompson, Fourth Biennial Patent System Major Problems Conference (May 22, 1993), in 34 IDEA 67, 112 (1994)).

¹⁴⁶ *Hewlett-Packard Co. v. Nu-Kote Intl., Inc.*, No. C-94-20647 (RPA), 1995 WL 110558, at *5 (N.D. Cal. March 8, 1995) (paraphrasing *Laker Airways Ltd. v. Pan American World Airways*, 103 F.R.D. 22, 28 (D. D.C. 1984) (“The court benefits from attorneys who have a special expertise, for such attorneys bring to the process both experience and a special insight into those problems which are encountered within the areas of their expertise”)).

understanding of the technology that is the subject of the litigation. Again, if the attorney is ill equipped to handle this, he can get help or get out.

Questions of whether specialized ethics rules for patent litigation are appropriate remain intriguing. However, they seem to have more applicability to legal matters pertaining to non-traditional attorney roles rather than typical client advocacy. Moreover, an inventor who believed that his patent was being infringed may likely first go to the patent attorney that initially prosecuted the patent in the PTO. The patent attorney that prosecuted the inventor's patent would possess a detailed knowledge of the patent laws and familiarity with the technology described and claimed in the patent. The patent attorney could then refer the inventor to a litigator experienced in patent issues, assist an "inexperienced" litigator, or perhaps even file the complaint himself.

Should a decision be made to promulgate special ethics rules for patent litigation, they would arguably be most effective if John B. Pegram's proposal to give the U.S. Court of International Trade trial level jurisdiction in patent cases were to become a reality. This type of specialized court, much like the bankruptcy courts,

Still another possibility could be the creation of a specialized addendum to Rule 11 in patent litigation circumstances, similar to the Northern District of California's Patent Local Rules, requiring not only the signature of the attorney of record, but also the signature of his or her technical and/or patent law advisor, if necessary. This would further support the complaint's contentions, inasmuch as the technical and legal merits of the case would have been examined and investigated by qualified and experienced individuals.

While the issues present in patent law and patent infringement litigation are frequently complex and often require significant legal resources, promulgation of additional rules regarding

the resolution of such cases may only complicate matters further. Attorneys possessing the knowledge and expertise to litigate complex patent claims should be just as cognizant of the existing rules regarding attorney conduct as the inexperienced practitioner, since many do not necessarily apply only to general competence and can sting the professional as well as the amateur.