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MEETING : EXCO Meeting in Amsterdam, The Netherlands

MEETING DATE : June 3-6, 2007

DRAWN UP BY : Mac Waldbaum, CET 6

SUBJECT : Amicus Curae Brief in the Seagate Case

PURPOSE: For ratification

TABLED TO: Delegates

MEMORANDUM

TO: Eric Le Forestier
FROM: Maxim H. Waldbaum
CLIENT: In Re Seagate Technologies LLC – Executive Summary
RE: Standards for Waiver of the Attorney/Client Privilege on the Issue of Willful Conduct in The Patent Infringement Case
DATE: April 18, 2007

The Federal Circuit asked the parties and amicus curiae to respond to three questions:

1. Should a party's assertion of the advice of counsel defense to willful infringement extend waiver of the attorney/client privilege to communications with that party's trial counsel?
2. What is the effect of any such on work product immunity?
3. Given the impact of the duty of due care standard announced in Underwater Devices on the issue of waiver of attorney/client privilege, should this Court reconsider that decision and the duty of care standard itself?

FICPI answered all three questions. All three questions have a profound impact on how defendants protect themselves in a case where willful infringement is asserted (usually 100% of the time).

We concluded as follows:

1. In answering question #1 FICPI believed that the attorney/client privilege should not extend to trial counsel's work and that any waiver of the attorney/client privilege should only extend up until the date the complaint is filed. In the United States when the complaint is filed the case commences. FICPI set forth a bright line test that all communications after that date would not be considered producible if the attorney/client privilege was waived before that date. This would also be true with respect to trial counsel being the counsel that submitted an attorney/client opinion prior to the filing of the complaint and it was submitted to plaintiffs and waived. The main exception to this rule, we believe, would be when after the filing of the complaint trial counsel rendered an opinion to a client and the client decided to produce that opinion to the plaintiff, i.e., the patent owner. We understand there are arguments on both sides of this question but felt a bright line test is absolutely necessary to preserve the balance between the parties.



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2. FICPI believed that the same effect should occur with respect to work product. There is no difference in the work product of an attorney after a case commences and perhaps more reason to have a bright line test for work product. Typically, in litigation in the United States the parties reach an agreement that once a case is filed neither party will ask for discovery beyond that except perhaps for damages and in other unusual situations.

3. FICPI believes that the decision in Underwater Devices which established an affirmative duty of care to the defendant (i.e., alleged infringer) was a wrong standard, a standard that shifted the burden of proof to the defendant for alleged reprehensible conduct by the defendant and was contrary to all tort principles in all other tort situations.

Our position was that the plaintiff was claiming willfulness on behalf of the defendant and the plaintiff must prove it. We believe it was so inappropriate to establish an affirmative duty of care that we agreed with the Sedona Conference papers, an established and well respected conference in the United States, that the affirmative duty of care should be removed completely. It is the plaintiff's burden.

This, of course, is the most controversial issue as many patent attorneys wish that there be an affirmative duty of care on the part of defendants. We do not believe so because it lends itself to difficult situations where it becomes impossible to answer a charge of willful infringement except by producing an attorney/client opinion, which immediately triggers the issues of waiver and the cut-off of production. Placing the burden on the plaintiff will make a clean break with difficult and, we believe, wrong precedent that placed undue burdens on the defendant. If the defendant is reprehensible that will show up in the evidence. It is not necessary to add another burden to the defendant.

MHW/lc

cc: Lori D. Greendorfer, Esq.
Henry Lee Mann, Esq.