

# 2022 NYIPLA TRANSACTIONS BOOTCAMP DAY 3 – M&A DUE DILIGENCE AND RELATED ETHICAL ISSUES

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# DISCLAIMER

The opinions herein are those solely of the speakers,  
and do not reflect those of the speakers' organizations or clients.

# TODAY'S AGENDA

- Diligence Basics
- Data Room
- Non-Data Room Diligence
- Substantive IP Analysis
- Reviewing Deal Documents
- Problem Solving
- Ethics

# DILIGENCE BASICS - TYPES OF M&A

- Types of IP M&A
  - Horizontal, vertical, concentric, market-extension or product extension, conglomeration, stock purchase, asset purchase, collaboration.....don't get bogged down on the corporate transaction details! Focus on IP transfer(s) and technology/science at issue, and determine what to focus your attention. This will guide documents to review and questions to ask (e.g., on conference call with key personnel). For example:
    - Purpose of M&A: to acquire patent portfolio that can be asserted in litigation
      - ❑ Documents sufficient to ensure acquiror has standing to sue
      - ❑ Documents that may indicate warts (validity/enforceability concerns)
    - Purpose of M&A: collaboration
      - ❑ Third party inbound/outbound-licenses

# DILIGENCE = AN INSURANCE POLICY

- Determining the Appropriate **Scope and Focus** of Diligence
- **Minimizing Risk:** How much risk (time and \$\$) is client willing to take on?
  - Identify client's goals
  - Which IP or products matter?
  - Who are competitors?
- Identify issues important to business objectives
  - Patent protection / Barrier to entry / Term of exclusivity
  - Freedom to operate / Litigation concern
  - Company-Owned IP / In-Licensed IP
  - Trade Secrets / Key employees

# TYPES OF IP TRANSFERS

- M&As typically involve the following types of IP transfers:
  - Full acquisition of target company and all its IP assets
  - Partial acquisition of certain business of target company and related IP assets
  - Collaboration agreements, in which IP is split or jointly owned
  - License agreements
- Many M&As involve multiple types of IP transfers. For example, a partial acquisition may require a license-back by the acquiror to the target of IP that overlaps both the acquired business and the target's retained business.

# DILIGENCE BASICS

- Most deals involve different types of lawyers.
- Only a small cohort of those lawyers have relevant experience with intellectual property or underlying technology/science.
- As IP counsel, you will be uniquely suited to spot and advise on:
  - IP-related legal issues
  - Technology/science related issues
- It is your job spot and **to propose solutions** to those issues.

# DILIGENCE BASICS – TIMING

- The timeline for conducting diligence will be dictated by factors beyond your control, including:
  - Business/regulatory issues
  - Data room opening
  - Data room population
  - Public announcement of deal
  - Closing date
- Many due diligence tasks will be of the “hurry up and wait” kind!
- Be flexible and patient.



# DILIGENCE BASICS – CLIENT INTERACTIONS

- Ideally, **a single line of communication** should flow between the deal lawyers at your firm and the in-house lawyers at the client.



- Without a single line of communication, key issues may be miscommunicated or missed.
- There are exceptions: check with more senior members of the team before communicating directly with client/outside-counsel.

# DILIGENCE BASICS – CLIENT INTERACTIONS

- Beware of **memorializing negative issues in writing** without prior client approval.
  - Such written communications may unnecessarily expose the client to liability.
- Ideally, a negative issue should be discussed first with the client on a call.
- If the client asks for a written communication addressing the issue, use appropriate measures to preserve attorney-client privilege.
- Do not identify a problem in writing without also proposing a solution.

# DILIGENCE BASICS – OTHER INTERACTIONS

- Interactions with other individuals who are not your client or your firm's attorneys.
- Preserve attorney-client privilege when interacting with them.
- Observe the line of communication.
- If in doubt, ask a more senior attorney at your firm whether/how you should respond to a communication or request from those individuals.
- **Watch out for who is in the “To:” and “cc:” lines when emailing!**

# DATA ROOM

- A data room is a secure online (or physical) location that contains the confidential documents of the target company.
- You must sign an NDA as a condition to gaining access to the data room.
- You may have limited access to data room documents (need to know docs., limited only to viewing images, no printing, downloading or copying allowed).
- The organization and content of the data room will vary with each deal.
- The organization and content of a data room may change significantly even over the course of one deal.
- **Check the data room frequently for additional documents!**

# DATA ROOM – ORGANIZATION

- If possible, organize data room like request list.

10-October-2022¶

## PROJECT GAMER¶ LEGAL DUE DILIGENCE REQUEST LIST¶

In relation to Target Company, Inc. (the "Company"), please supply copies of the following documents and other requested information (or an appropriate negative statement). We reserve the right to make further enquiries in the light of the information received.¶

### 1. → INTELLECTUAL PROPERTY ¶

1.1 → Please provide an overview of what registered intellectual property rights (including pending applications) are owned by the Company (including patent rights, trade marks and designs). For each please:¶

1.1.1 → provide their registration/application number, territory of registration/application, status and the proprietor details;¶

1.1.2 → give details of any known or reasonably expected risks affecting the validity, enforcement or ownership of the same; and¶

1.1.3 → confirm whether any challenge has been made in respect of the same.¶

1.2 → Please provide an overview of the software architecture in respect of the Company's products, and the ownership and licensing of the intellectual property and copyright thereof. In particular, please:¶

1.2.1 → provide a description of the software architecture, including details of modules, operating systems and applications thereof, including, in each case, for the following products (including all historical, current and beta/prototype versions): Company Product 1, Company Product 2 (collectively the "Products");¶

1.2.2 → confirm that the Company holds all necessary licenses and consents to third party software required for each Product or on which each Product runs (e.g. operating systems, database software etc.);¶

1.2.3 → explain what technical documentation exists for each Product (e.g. to enable engineers to understand the software, coding, routines, architecture etc.) and how frequently this is updated and tested for each Product;¶

1.2.4 → provide details of who created and/or developed the code relating to the software in each of the Products, in particular, please:¶

(a) → confirm whether the code was exclusively developed "in-house" by employees and, if so, by whom;¶

# DATA ROOM – ORGANIZATION

Example data room:

The screenshot displays the VDRPro interface for a data room. The top navigation bar includes 'VDRPro', 'Open - Project Advisor Feed', and a user profile 'Richard'. Below this is a menu with 'DOCUMENTS', 'INSIGHTS', 'PERMISSIONS', 'USERS AND GROUPS', 'REPORTS', 'Q&A', and 'REDACTION'. A 'Settings' icon is also present. The main content area shows a list of folders under 'All Folders'. The left sidebar contains 'All Folders', 'Favorites', 'Recent', and 'Deleted Documents'. The table below lists 12 folders with columns for #, TITLE, TYPE, ADDED BY, ADDED ON, LAST MODIFIED BY, and MODIFIED ON.

#	TITLE	TYPE	ADDED BY	ADDED ON	LAST MODIFIED BY	MODIFIED ON
1.0	Registered Patents	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:23 AM
2.0	Registered Trademarks	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:23 AM
3.0	Inbound Licenses	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:24 AM
4.0	Outbound Licenses	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:24 AM
5.0	Open Source Licenses	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:25 AM
6.0	Legal and Regulatory	Folder	James	02/20/2017 07:19 AM	James B	02/20/2017 07:19 AM
7.0	Employment Agreements	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:30 AM
8.0	Material Trade Secrets	Folder	James	02/20/2017 07:19 AM	Richard	08/26/2021 10:31 AM
9.0	Copyright Registrations	Folder	Richard	08/26/2021 10:32 AM	Richard	08/26/2021 10:33 AM
10.0	Assignment Agreements	Folder	Richard	08/26/2021 10:33 AM	Richard	08/26/2021 10:33 AM
11.0	Past Litigation	Folder	Richard	08/26/2021 10:34 AM	Richard	08/26/2021 10:34 AM
12.0	Investigation History	Folder	Richard	08/26/2021 10:35 AM	Richard	08/26/2021 10:35 AM

# DATA ROOM – MAKING/HANDLING REQUESTS

- Target company may state that request list is overly broad
- Work together to request most relevant documents and if applicable based on stage of negotiations (e.g., are fundamentals acceptable, is system compatible, is IP value commensurate with deal, etc.)
- Thorough and complete due diligence still must be performed

# DATA ROOM – EXAMPLE RE PATENT DOCUMENTS

For patent diligence purposes, typical minimum request includes the following documents:

- All patents and patent applications assigned to the target, and prosecution histories thereof
- All patents and patent applications in- and out-licensed by target, and prosecution histories thereof
- All patent assignment agreements to which the target is a party
- All patent in- and out-license agreements to which the target is a party
- Employment agreements between the target and the named inventors of the above-mentioned patents
- Freedom-to-operate and validity analyses for the above-mentioned patents
- Publications of subject matter of the above-mentioned patents
- Litigation documents concerning the above-mentioned patents



# DATA ROOM – PATENT DOCUMENTS

- While you should prioritize review of documents directly related to patents, many other data room documents may be potentially important and may even save you time. For example:
  - A general business PowerPoint may list the patents that the target considers most valuable, and the target's loss-of-exclusivity assumptions for key products.
  - FDA or other regulatory documents can disclose manufacturing processes for the products, which processes the client may want to have analyzed for FTO.
  - The “other contracts and agreements” folder may include end-user IP licenses that do not permit transfer of the target's licensee rights.
  - Patent marking compliance.

# NON-DATA ROOM DILIGENCE

- Several aspects of IP diligence can be addressed before the data room is open, using non-confidential resources. For example:

<b>SEC Edgar</b> <a href="https://www.sec.gov/edgar/searchedgar/companysearch.html">https://www.sec.gov/edgar/searchedgar/companysearch.html</a>	Significant litigation, IP agreements and licenses, information re potential on-sale or public-use bars, regulatory issues
<b>Espacenet</b> <a href="https://worldwide.espacenet.com/">https://worldwide.espacenet.com/</a>	INPADOC patent families, US and EP prosecution histories, EP opposition proceedings
<b>USPTO PAIR</b> <a href="https://portal.uspto.gov/pair/PublicPair">https://portal.uspto.gov/pair/PublicPair</a>	US prosecution histories, US continuity data, recorded assignments of US patents, PTAs
<b>Docket Navigator</b>	US patent litigation
<b>Darts IP (Clarivate)</b>	Worldwide patent litigation
<b>Derwent Innovation (Clarivate)</b>	INPADOC and DERWENT patent families, projected expiration dates

# NON-DATA ROOM DILIGENCE

- Non-confidential resources can be used before the data room is open to make a preliminary assessment of:
  - Chain of title to relevant patents
    - Note that recordation of patent assignments and licenses at USPTO PAIR and EDGAR is voluntary; thus, not all relevant assignments and licenses may be publicly available.
  - Scope (claim coverage and geographic) of target patent estate
  - Potential patentability/validity issues
  - Potential issues concerning non-employee inventors and third party co-assignees or licensees

# SUBSTANTIVE ANALYSIS OF TARGET PATENTS

## 1. Assess Chain Of Title

- Ensure that key patents have clear chain of title from inventors to target by analyzing all relevant agreements.
- Ensure that there are no limitations in any agreements that may impede the acquisition of patents by acquiror.
  - Review target's agreements with third parties (co-assignees, licensees) to ensure that none include restrictions on acquisition of target's patents by acquiror.
  - Resolve any such issues through novations/side letters with third parties.

# SUBSTANTIVE ANALYSIS OF TARGET PATENTS

## 2. Assess Scope Of Patent Estate

- Identify all issued patents and pending patent applications, including all family members.
- Identify filing dates and putative priority dates for each patent family.
- Summarize claim and geographic scope for each patent family.
- Note any variation in inventive entity among different members of each family.
- Estimate, if possible, expiration dates for each patent family.
  - Include PTA/PTE where applicable.
  - Assess potential double patenting issues.

# SUBSTANTIVE ANALYSIS OF TARGET PATENTS

## 3. Assess Strengths And Weaknesses Of Patent Estate

- Review status of pending patent applications and summarize patent office rejections.
- Review status of any pending patent post-grant proceedings.
  - USPTO PGRs/IPRs
  - EPO opposition proceedings
- Review status of any pending patent litigation.
- If requested by the client, conduct FTO and validity analyses, respectively, for target's key products and patents.

# FTO AND VALIDITY ANALYSES

- As part of the diligence, your client may ask you to conduct a freedom-to-operate (FTO) analysis of the target's key products.
- Your client may also ask you to conduct a validity analysis of the target's key patents.
- FTO and validity analyses differ in that:
  - FTO analyses focus on the **present**: unexpired or about-to-issue patents owned by a third party that may cover the key products and thus may subject the acquiror to infringement liability.
  - Validity analyses focus on the **past**: prior art that may render the acquired patents invalid for anticipation, obviousness, and/or double patenting. 112 issues also should be assessed.

# FTO AND VALIDITY ANALYSES

- FTO and validity analyses are related in that:
  - Prior art identified in a **validity search** can potentially be used to address **FTO concerns**.
  - For example, a prior art reference identified when assessing the validity of the target's patent portfolio may also potentially render a problematic FTO patent anticipated or obvious.



# FTO AND VALIDITY ANALYSES

- To search for references relevant to either FTO and validity, consider engaging a third party search service.
- Before pulling the trigger:
  - Ensure that you have **client permission** to share relevant information about the relevant products and patents with the search service.
  - Ensure that the service can conduct the search within the appropriate time and budget constraints.
  - Ensure that you and your team have sufficient time and personnel to review and analyze the results of the search.

# FTO AND VALIDITY ANALYSES

- Search strategies will vary depending on technology. Some search strategies include:
  - Keyword searches (including synonyms and aliases)
  - Chemical structures
  - Sequence searches for proteins and nucleic acids
- Search strategies often involve a tradeoff between comprehensiveness and relevance.
  - Broad searches are more likely capture important references.
  - But broad searches also are more likely to include irrelevant references that must be weeded out.

# FTO AND VALIDITY ANALYSES

- Certain technologies (e.g., chemical compounds) are more amenable to FTO and validity searching than others (e.g., software), wherein nomenclature is less uniform and the relevant prior art can include materials, such as trade show brochures, that is difficult to find.
- Even well-defined technologies such as chemical compounds may pose challenges. For example:
  - Conducting searches for claims to nucleotide sequences that display “>80% homology” to a specific sequence.
  - Conducting searches for a finished compound that can be made using several potentially patented intermediates.
  - Reviewing search results which include patents that claim large genres of chemical compounds.

# FTO AND VALIDITY ANALYSES

- The target may have previously conducted its own FTO and/or validity analyses.
- If the target's FTO and/or validity analyses are not included in the data room, consider asking for them.
  - The target, however, may be unwilling to share in view of a potential waiver of attorney-client privilege.
  - “To take advantage of the common interest doctrine the plaintiffs must still satisfy their burden of proving first that the material is privileged and second that the parties had an identical legal, and not solely commercial, interest.”

*Katz v. AT&T Corp.*, 91 F.R.D. 433 (E.D. Pa. 2000)

# REPORTING ISSUES TO CLIENT

- Ask the client before putting anything in writing.
- Do not identify problems in writing without also proposing solutions.
- State clearly any assumptions on which you are relying (e.g., assumed patent priority and expiration dates, assumed construction of relevant patent claims).
- State clearly any limitations on searches conducted (e.g., search strategy and search terms used, date restrictions on search results).
- Identify the legal authority upon which you are relying. If there are ambiguities, note them.

# REPORTING ISSUES TO CLIENT

Sample reporting letter:

## Loh & Berschadsky LLP

Debra Cohen | Jonathan Berschadsky  
555-555-1212  
JBerschadsky@lohberschadsky.com

November 10, 2022

### Acme, Inc.: IP Due Diligence Report on FTO and Patentability

#### **CONFIDENTIAL AND PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

This Memorandum sets forth our evaluation of Acme Inc.'s ("Acme" or the "Company") Freedom-to-Operate (FTO) in the U.S. with its three most advanced therapeutic antibody products (ABC-123, DEF-321 and GHW-555; hereinafter "the Acme Products"), along with a U.S. FTO assessment on two of the three technologies considered essential to Acme's antibody discovery platform (hereinafter "the Acme Platform Technologies"). It also provides our preliminary assessment on whether any of Acme's U.S. patent applications (or international applications designating entry into the U.S.) provide support for the Acme Products and the Acme Platform Technologies, along with a patentability assessment of the claims currently pending in Acme's relevant patent applications to determine the scope of potentially patentable coverage available to the Acme Products and the Acme Platform Technologies.

#### I. EXECUTIVE SUMMARY

\*\*\*

#### II. SCOPE AND LIMITATIONS OF OUR INVESTIGATION

As a part of this due diligence, Acme's publicly available U.S. and International (PCT) application publications were identified, and then analyzed to determine which applications potentially describe, and preferably claim, the Acme Products and Platform Technologies. Further analysis of these publications was conducted to better understand the nature of the Acme xxxx

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# REVIEWING DEAL DOCUMENTS

While the structure of a deal may be dictated largely by non-IP concerns, your client may ask you to review and comment on provisions of the deal documents.

Because you will likely be one the few members of the diligence team that is familiar with patents and the relevant technology, your input on those provisions can be particularly valuable.

# REVIEWING DEAL DOCUMENTS

## Reviewing definitions:

- Non-IP counsel may not have the expertise or familiarity to determine whether definitions in the document match the scope of key patents and products.
- You will thus be uniquely situated to ensure that the definitions are technically accurate and align with your client's interests.
- You should review/revise definitions with an eye to ensuring that they match what your client intends to acquire or transfer as part of the deal.
- Pay close attention to geographic, temporal and field-of-use limitations in the definitions!



# REVIEWING DEAL DOCUMENTS

## Reviewing IP assignment and licensing provisions:

- Exclusive or non-exclusive assignment or license?
- Geographic scope?
- Right to transfer, license and/or sublicense included?
- Any carve-out of standard patent rights (make, use, sell, offer for sale, distribute, import)?
- Any field-of-use limitations?
- Any reservation of rights by target, successor or third parties?
- **Limitations on an assignment/license can affect standing to sue.**

# REVIEWING DEAL DOCUMENTS

## Other deal document provisions relevant to patents/IP:

- Ownership of future or joint IP
- Prosecution/litigation responsibilities and cost-sharing
- Key employee/resource sharing
- Representations and warranties
- Non-compete provisions
- Indemnification provisions
- Survival provisions
- Patent/IP schedules

# REVIEWING DEAL DOCUMENTS

## Following the money:

- Royalties and milestone payments
- Fees associated with transfer of title to technology, e.g. third party pharma/biologics service agreements

# PROBLEM SOLVING

A client will not want to hear about a problem without also being presented with a potential solution!

Communicating a problem to a client without proposing a potential solution also may expose the client to liability.

# PROBLEM SOLVING

**Potential solutions to restrictions on transfer of patent rights, licenses, obligations, to acquiror:**

- Novation allowing acquiror to substitute in for target in an existing agreement
- Side agreements
- Written consent to acquisition

# PROBLEM SOLVING

## Potential solutions to patent claim scope/validity issues:

- Continuation/divisional applications
- Request for continued examination (RCE)
- Reexamination and reissue
  - But look out for potential intervening rights issues!
- Walk away?

# PROBLEM SOLVING

## Potential solutions to FTO issues:

- Licensing problematic patents
- Obtaining opinion of counsel re non-infringement and/or invalidity
- Pre-grant patent proceedings, e.g., IPRs/PGRs
- Declaratory judgment litigation
- Using representations and warranties and indemnification provisions
- Walk away?

# ETHICS CONSIDERATIONS

- **Preserve the confidentiality of the deal until its public announcement.**
  - Follow provisions of all NDAs.
  - Maintain single line of communication.
- **Maintain attorney-client confidentiality.**
  - Against other individuals working on the deal.
  - Against third party search services.
- **Avoid exposing client to liability on potentially negative issues.**
  - Don't write on potentially negative issues unless asked to do so by the client.



# ETHICS CONSIDERATIONS

- **Conflicts of Interest in M&A Transactions.**
  - Know who is your client.
  - Joint Representation.
    - Waivers
- **Attorney-Client Privilege.**
  - Disclosure of Confidential Information.
  - Common Interest Rules/Agreements.
    - May depend on forum.
- **Ways to avoid waiving privilege of opinions of counsel.**

**QUESTIONS?**

# Intellectual Property Transactions & Ethics

NYIPLA  
October 19, 2022

# Agenda

- Advising Clients: Choice of Law
- Outsourcing Services
- Working Remotely
- Communicating with a Counterparty
- Summary of Core Ethical Rules Applicable To Any Transactional Matter

# New York Rules of Professional Conduct

- Modified version of the ABA Model Rules of Professional Conduct
- Governs New York licensed attorneys
- Helpful guidance on the NY Rules of Conduct:
  - NYSBA website has comments on NY Rules
  - NY City Bar Assoc. Opinions
- If your practice takes you outside NY, you are still governed by NY Rules; you are also governed by the rules of conduct of the other jurisdiction(s)
- In a multi-jurisdiction setting, conduct yourself under the most stringent rule in each case

# Advising Clients: Choice of Law (i)

- While working on an agreement, your client requests a choice of law for a jurisdiction in which you are not licensed to practice as required by counterparty. Which of the following is correct:
  - (a) You must inform your client that you cannot represent them if they continue down that dangerous path.
  - (b) You can work on the agreement provided you inform the client you are not licensed to practice in the other jurisdiction and advise them to have the agreement reviewed by an attorney licensed in that jurisdiction.

# Advising Clients: Choice of Law (i)

- While working on an agreement, your client requests a choice of law for a jurisdiction in which you are not licensed to practice as required by counterparty. Which of the following is correct:
  - (a) You must inform your client that you cannot represent them if they continue down that dangerous path.
  - (b) You can work on the agreement provided you inform the client you are not licensed to practice in the other jurisdiction and advise them to have the agreement reviewed by an attorney licensed in that jurisdiction.**

# Advising Clients: Choice of Law (ii)

- By negotiating with counterparty in the other jurisdiction, you:

(a) can be subject to disciplinary action only in that jurisdiction, there is no double jeopardy.

(b) can be subject to disciplinary action only in your licensed jurisdiction, only it has jurisdiction over your ethical missteps.

(c) can be subject to disciplinary action in both your licensed jurisdiction and the other jurisdiction.



# Advising Clients: Choice of Law (ii)

- By negotiating with counterparty in the other jurisdiction, you:

(a) can be subject to disciplinary action only in that jurisdiction, there is no double jeopardy.

(b) can be subject to disciplinary action only in your licensed jurisdiction, only it has jurisdiction over your ethical missteps.

**(c) can be subject to disciplinary action in both your licensed jurisdiction and the other jurisdiction.**

# ABA Rule 8.5(b): Disciplinary Authority; Choice of Law

- (a) Disciplinary Authority. A lawyer admitted to practice in this jurisdiction is subject to the disciplinary authority of this jurisdiction, **regardless of where the lawyer's conduct occurs.**
- **A lawyer not admitted in this jurisdiction is also subject to the disciplinary authority of this jurisdiction if the lawyer provides or offers to provide any legal services in this jurisdiction.** A lawyer may be subject to the disciplinary authority of both this jurisdiction and another jurisdiction for the same conduct.
- (b) Choice of Law. In any exercise of the disciplinary authority of this jurisdiction, the rules of professional conduct to be applied shall be as follows:
  - (1) for conduct in connection with a matter pending before a tribunal, the rules of the jurisdiction in which the tribunal sits, unless the rules of the tribunal provide otherwise; and
  - (2) **for any other conduct,** the rules of the jurisdiction in which the lawyer's conduct occurred, or, if the predominant effect of the conduct is in a different jurisdiction, the rules of that jurisdiction shall be applied to the conduct. **A lawyer shall not be subject to discipline if the lawyer's conduct conforms to the rules of a jurisdiction in which the lawyer reasonably believes the predominant effect of the lawyer's conduct will occur.**
- **Safe Harbor:**
  - Protects lawyers who act upon a **reasonable belief** that the conduct would not violate the rules of the relevant jurisdiction in which the conduct occurred.
  - Rule 8.5, cmt. 5

# Outsourcing Services (i)

- You are asked to consider the strength of a patent in a diligence review. You want to outsource an invalidity search. You should:
  - (a) Just do it, no need to get consent.
  - (b) Never do it, it's *per se* malpractice.
  - (c) Seek client's informed consent before you do it.

# Outsourcing Services (i)

- You are asked to consider the strength of a patent in a diligence review. You want to outsource an invalidity search. You should:

(a) Just do it, no need to get consent.

(b) Never do it, it's *per se* malpractice.

**(c) Seek client's informed consent before you do it.**

# ABA Rule 1.4: Communications

- (a) A lawyer shall:
  - (1) promptly inform the client of any decision or circumstance with respect to which the client's informed consent, as defined in Rule 1.0(e), is required by these Rules;
  - (2) **reasonably consult with the client about the means by which the client's objectives are to be accomplished;**
  - (3) keep the client reasonably informed about the status of the matter;
  - (4) promptly comply with reasonable requests for information; and
  - (5) consult with the client about any relevant limitation on the lawyer's conduct when the lawyer knows that the client expects assistance not permitted by the Rules of Professional Conduct or other law.
- (b) A lawyer shall explain a matter to the extent reasonably necessary to **permit the client to make informed decisions** regarding the representation.

# Outsourcing Services (ii)

- Same scenario, should you inquire as to the skillset of the service provider?

(a) No, it's their insurance issue.

(b) Yes, you can be accountable for outsourced services.

# Outsourcing Services (ii)

- Same scenario, should you inquire as to the skillset of the service provider?

(a) No, it's their insurance issue.

**(b) Yes, you can be accountable for outsourced services.**

# Outsourcing: ABA Formal Ethics Opinion 08-451

- In complying with her **Rule 1.1 [Competence]** obligations, a lawyer who engages lawyers or nonlawyers to provide outsourced legal or nonlegal services is required to comply with Rules 5.1 and **5.3 [Responsibilities Regarding Nonlawyer Assistance]**.
- She should make reasonable efforts to ensure that the conduct of the lawyers or nonlawyers to whom tasks are outsourced is compatible with her own professional obligations as a lawyer with "direct supervisory authority" over them.
- In addition, appropriate disclosures should be made to the client regarding the use of lawyers or nonlawyers outside of the lawyer's firm, and client consent should be obtained if those lawyers or nonlawyers will be receiving **information protected by Rule 1.6 [Confidentiality]**.
- The fees charged must be reasonable and otherwise in compliance with Rule 1.5, and the outsourcing lawyer must avoid assisting the **unauthorized practice of law under Rule 5.5.**



# Outsourcing Implicates Several Ethical Rules

- Rule 1.1: Competence
  - A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, **thoroughness** and preparation reasonably necessary for the representation.
- Rule 1.6: Confidentiality of Information
  - (a) A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent....
- Rule 5.3: Responsibilities Regarding Nonlawyer Assistance
  - With respect to a nonlawyer employed or retained by or associated with a lawyer:
    - (b) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and
    - (c) a lawyer shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if:
      - (1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved.
- Rule 5.5: Unauthorized Practice of Law; Multijurisdictional Practice of Law
  - (a) A lawyer shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.
  - “[T]o avoid aiding the unauthorized practice of law, the lawyer must at every step shoulder complete responsibility for the non-lawyer’s work. In short, the lawyer must, by applying professional skill and judgment, first set the appropriate scope for the non-lawyer’s work and then vet the non-lawyer’s work and ensure its quality.”
    - See NYC Bar Ethics Op. 2006-3 (Aug. 2006), n. 9

# Working Remotely (i)

- During a virus lockdown, you work continuously from a jurisdiction in which you are not licensed. Which of the following is correct:
  - (a) According to Federal Law, this is acceptable provided each communication from you includes a disclaimer that you are not licensed *in situ*.
  - (b) This is malpractice.
  - (c) Depends on your state, but in NY this is acceptable provided you only practice law of the jurisdiction in which you are licensed and do not hold yourself out as licensed in the other jurisdiction.

# Working Remotely (i)

- During a virus lockdown, you work continuously from a jurisdiction in which you are not licensed. Which of the following is correct:
  - (a) According to Federal Law, this is acceptable provided each communication from you includes a disclaimer that you are not licensed *in situ*.
  - (b) This is malpractice.
  - (c) **Depends on your state, but in NY this is acceptable provided you only practice law of the jurisdiction in which you are licensed and do not hold yourself out as licensed in the other jurisdiction.**

# Working Remotely (ii)

- Same scenario, which of these is correct:
  - (a) You can update your signature file to identify your local address as your office address until you return home.
  - (b) You can advertise that your services are available to those in the local jurisdiction.
  - (c) You can solicit new business from others in the local jurisdiction provided they are from your licensed jurisdiction.
  - (d) None of the above.

# Working Remotely (ii)

- Same scenario, which of these is correct:
  - (a) You can update your signature file to identify your local address as your office address until you return home.
  - (b) You can advertise that your services are available to those in the local jurisdiction.
  - (c) You can solicit new business from others in the local jurisdiction provided they are from your licensed jurisdiction.
  - (d) **None of the above.**

# ABA Rule 5.5(b): Unauthorized Practice of Law; *Multijurisdictional Practice of Law*

- (b) A lawyer who is not admitted to practice in this jurisdiction shall not:
  - (1) except as authorized by these Rules or other law, establish an office or other systematic and continuous presence in this jurisdiction for the practice of law; or
  - (2) hold out to the public or otherwise represent that the lawyer is admitted to practice law in this jurisdiction.
- A lawyer, licensed in one jurisdiction, does not violate Model Rule 5.5(b) by working continuously in another jurisdiction (the “local” jurisdiction), as long as she:
  - Does not establish an office or other systematic presence in that local jurisdiction.
  - Does not “hold out” a presence or availability to perform legal services in that local jurisdiction.
  - Does not actually provide legal services for matters in that local jurisdiction, unless otherwise authorized.
- ABA Formal Opinion 20-495-Lawyers Working Remotely (December 16, 2020)

# Communicating with Counterparty (i)

- A counterparty's attorney emails you regarding an ongoing transaction. The counterparty is copied on the email, although you have never spoken with them. Which of the following is correct :
  - (a) You have implied authorization to leave the counterparty cc'd in a "reply to all" email, though the email should be directed to the counterparty's attorney.
  - (b) You have implied authorization to communicate directly with the counterparty in a "reply to all" email.
  - (c) You cannot reply to the email. You must contact the counterparty's attorney and seek consent before going forward.

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  - (b) You have implied authorization to communicate directly with the counterparty in a "reply to all" email
  - (c) You cannot reply to the email. You must contact the counterparty's attorney and seek consent before going forward.



# Communicating with Counterparty (ii)

- Your implied authorization to “reply to all” covers what subject matter:
  - (a) Only that in the original email.
  - (b) Only that in the original email, and subject matter that would be considered reasonably related by one of ordinary skill.
  - (c) All subject matter to which the counterparty’s attorney represents the counterparty.

# Communicating with Counterparty (ii)

- Your implied authorization to “reply to all” covers what subject matter:

(a) **Only that in the original email.**

(b) Only that in the original email, and subject matter that would be considered reasonably related by one of ordinary skill.

(c) All subject matter to which the counterparty’s attorney represents the counterparty.

# Communicating with Counterparty (iii)

- Your implied authorization to “reply to all” lasts:
  - (a) For a reasonable time based on the circumstances.
  - (b) For as long as needed to address any related issue.
  - (c) Two weeks.

# Communicating with Counterparty (iii)

- Your implied authorization to “reply to all” lasts:

(a) **For a reasonable time based on the circumstances.**

(b) For as long as needed to address any related issue.

(c) Two weeks.

# ABA Rule 4.2: Communication with Person Represented by Counsel

- In representing a client, a lawyer **shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter**, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order.
- **Express Consent:**
  - You cannot communicate directly with the other party without consent.
  - “[S]ending a letter or email to a represented person, and simultaneously sending a copy of the communication to counsel, is impermissible under DR 7-104(A)(1) unless the represented person’s lawyer has provided prior consent to the communication or the communication is otherwise authorized by law.”
- **Implied consent:**
  - An objective test is applied when determining whether you have **implied consent** to leave the counterparty in the email chain when communicating with their attorney.
  - Implied consent is limited in scope and duration. Limitations. “An email sent by a lawyer to opposing counsel, with a copy to the client, would imply the lawyer’s consent to a ‘reply to all’ response limited to the subject matter of the initial email (unless otherwise clearly indicated).”

# Communicating with Unrepresented Counterparty (i)

- You receive communication from a counterparty who you believe is not represented. They want to execute your circulated agreement. Which of the following is correct:
  - (a) You have a duty to confirm they remain unrepresented before going forward.
  - (b) There is no duty to confirm they remain unrepresented before going forward.

# Communicating with Unrepresented Counterparty (i)

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# Communicating with Unrepresented Counterparty (ii)

- You receive communication from a counterparty who you know is not represented. They ask you whether the terms of a proposed agreement are reasonable. You believe they are. You should:
  - (a) Be honest and let them know the terms are fair and they should sign the agreement before missing out if that's how you feel.
  - (b) Seek a waiver from your client regarding whether you can answer the question. Once you secure the waiver, give your honest opinion.
  - (c) Let them know they must seek counsel from another attorney on the matter.



# Communicating with Unrepresented Counterparty (ii)

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  - (a) Be honest and let them know the terms are fair and they should sign the agreement before missing out if that's how you feel.
  - (b) Seek a waiver from your client regarding whether you can answer the question. Once you secure the waiver, give your honest opinion.
  - (c) **Let them know they must seek counsel from another attorney on the matter.**

# ABA Rule 4.3: Dealing With Unrepresented Person

- In dealing on behalf of a client with a person who is not represented by counsel, a lawyer shall not state or imply that the lawyer is disinterested. When the lawyer knows or reasonably should know that the unrepresented person misunderstands the lawyer's role in the matter, the lawyer shall make reasonable efforts to correct the misunderstanding.
- **The lawyer shall not give legal advice to an unrepresented person, other than the advice to secure counsel, if the lawyer knows or reasonably should know that the interests of such a person are or have a reasonable possibility of being in conflict with the interests of the client.**

# Representing Multiple Parties

- You represent two parties who decide to enter into an agreement with each other. Which of the following is correct:
  - (a) You cannot ever do this.
  - (b) You can represent both parties provided you have authorization and consent.

# Representing Multiple Parties

- You represent two parties who decide to enter into an agreement with each other. Which of the following is correct:

(a) You cannot ever do this.

**(b) You can represent both parties provided you have authorization and consent.**

# ABA Rule 1.7: Conflict of Interest: Current Clients

- (a) Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:
  - (1) the representation of one client will be directly adverse to another client; or
  - (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.
- (b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), **a lawyer may represent a client if:**
  - (1) **the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;**
  - (2) the representation is not prohibited by law;
  - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and
  - (4) **each affected client gives informed consent, confirmed in writing.**

# ABA Rule 1.7: Conflict of Interest: Current Clients

- Note: when an attorney represents multiple clients, the attorney has a duty of loyalty to each client.
- The lawyer may share information discussed with each client, compromising the attorney-client privilege.
- “[I]t must be assumed that if litigation eventuates between the clients, the privilege will not protect any such communications, and the **clients should be so advised.**”
  - ABA Rule 1.7 note 30

# Correcting Misinformation (i)

- During communications, you become aware that the counterparty is mistaken as to a material fact. Which of the following is correct:
  - (a) You may remain silent, no matter how such silence is perceived.
  - (b) You are allowed to adopt and promote the mistake because it did not originate from you or your client.
  - (c) You have no obligation to clear up the misunderstanding provided your actions do not intentionally adopt or promote the misrepresentation.

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# Correcting Misinformation (ii)

- During communications, you become aware that your client has misrepresented certain facts to the counterparty. Which of the following is correct:
  - (a) Regardless of the issue, you are not obligated to correct your client, you may remain silent.
  - (b) Regardless of the issue, you are allowed to adopt and promote the mistake because it did not originate from you.
  - (c) If the misrepresentation represents puffery or exaggeration, you may be able to remain silent on the issue.

# Correcting Misinformation (ii)

- During communications, you become aware that your client has misrepresented certain facts to the counterparty. Which of the following is correct:
  - (a) Regardless of the issue, you are not obligated to correct your client, you may remain silent.
  - (b) Regardless of the issue, you are allowed to adopt and promote the mistake because it did not originate from you.
  - (c) If the misrepresentation represents puffery or exaggeration, you may be able to remain silent on the issue.**

# ABA Rule 4.1: Truthfulness in Statements to Others

- In the course of representing a client a lawyer shall not knowingly:
  - (a) make a false statement of material fact or law to a third person; or
  - (b) fail to disclose a material fact to a third person when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6 (confidentiality).
- However, a “lawyer may refrain from confirming or denying the exogenous information, provided that in doing so he or she refrains from intentionally adopting or promoting a misrepresentation.”
  - “Puffery and exaggeration, which have long been prevalent in settlement negotiations, is not prohibited per se. . . .”
  - N.Y. County Lawyers Ass’n Comm. On Prof’l Ethics, Op. 731 (2003).
- The lawyer may **not** be silent if doing so assists a client in perpetrating a fraud.
  - *See In re Westreich*, 212 A.D.2d 109, 112 (N.Y. App. Div. 1995).

# ABA Rule 4.1: Truthfulness in Statements to Others

- Note 4.1 applies to reps and warranties in agreements.
- Serve as assurances to the other party of the current condition of the business and its IP assets. General areas:
  - (1) Target/Seller is the owner of the subject patents, trademarks, and other IP, which are valid and enforceable;
  - (2) Target/Seller is not aware of any violation of the IP rights of others; and
  - (3) Target/Seller has no knowledge of any third parties violating Target's IP rights.
- The representing party may be held accountable for the accuracy of those statements.
- Use “knowledge” qualifiers and define whether knowledge should be actual or constructive knowledge (or both).

# ABA Rule 5.5(c): Safe Harbor For Temporary Practice In Other Jurisdiction

- (c) A lawyer admitted in another United States jurisdiction, and not disbarred or suspended from practice in any jurisdiction, **may provide legal services on a temporary basis** in this jurisdiction that:
  - (4) ...arise out of or are reasonably related to the lawyer's practice in a jurisdiction in which the lawyer is admitted to practice.
  - “Such reasonably related services include services that are within the lawyer’s recognized expertise in an area of law, developed through the regular practice of law in that area in a jurisdiction in which the lawyer is licensed to practice law.”
  - “[T]he services may draw on the lawyer’s recognized expertise developed through the regular practice of law on behalf of clients in matters involving a particular body of federal, nationally-uniform, foreign, or international law.”
  - *In re Panel File 39302*, 884 N.W.2d 661 (Minn. 2016)
- Note: Sending an email to a jurisdiction may be considered temporary practice in that jurisdiction.

# Duty of Disclosure to USPTO (i)

- Through a diligence review of your files, you become aware that material art has accidentally not been cited to the USPTO in a pending application.

(a) Only report the art if it has been in possession for less than three months.

(b) Cite the art to the USPTO.

(c) There is no duty to cite art, that's what Examiners get paid for.

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**(b) Cite the art to the USPTO.**

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## Duty of Disclosure to USPTO (ii)

- During a diligence review of an issued patent that your client wants to acquire, you learn art has not been cited and you find a note in the file stating “Have not yet reviewed but could be dangerous—do not disclose, ever!”

(a) There was no duty to cite art, the patent is fine.

(b) The patent is unenforceable, *per se*, due to the inequitable conduct.

(c) Review the art to determine whether it is material to patentability.



## Duty of Disclosure to USPTO (ii)

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(a) There was no duty to cite art, the patent is fine.

(b) The patent is unenforceable, *per se*, due to the inequitable conduct.

**(c) Review the art to determine whether it is material to patentability.**

# 37 C.F.R. § 1.56 Duty to Disclose Information Material to Patentability

- Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability ...
  - The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned

# Inequitable Conduct

- The patent may be deemed unenforceable due to inequitable conduct if:
  - (a) there was an intent to deceive the patent office; and
  - (b) the prior art is but-for material
    - “prior art is but-for material if the PTO would not have allowed a claim had it been aware of the undisclosed prior art”

*Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F. 3d 1276 (Fed. Cir. 2011)

# Summary of Core Ethical Rules Applicable To *any* transactional matter

- **Competence** (Rule 1.1)
  - Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.
  - Work with someone experienced, don't be afraid to say you don't know/ask questions, don't guess.
- **Scope of Representation and Allocation of Authority Between Client and Lawyer** (Rule 1.2)
  - Confirm the expected scope of representation in an engagement letter.
- **Diligence** (Rule 1.3)
  - Act with reasonable diligence and promptness in representing a client.
  - Watch your deadlines.

Source: *The Ethics of Non-Traditional Contract Drafting*, 84 U. Cin. L. Rev. 595

# Summary of Core Ethical Rules Applicable To *any* transactional matter

- **Communication** (Rule 1.4)
  - Promptly inform the client of any decision or circumstance requiring the client's informed consent.
  - Don't make decisions at the negotiation table that substantively affects your client.
- **Confidentiality of Information** (Rule 1.6)
  - Know what you can and cannot share with the other side during negotiations.
- **Conflict of Interest** (Rule 1.7)
  - Always run a conflicts check.

Source: *The Ethics of Non-Traditional Contract Drafting*, 84 U. Cin. L. Rev. 595

# Summary of Core Ethical Rules Applicable To *any* transactional matter

- **Truthfulness in Statements to Others (i.e., Duty of Honesty) (Rule 4.1)**
  - Do not withhold material facts during negotiations
- **Communication with Persons Represented by Counsel (Rule 4.2)**
  - Do not communicate with a party if their lawyer is not present, unless the other party's lawyer authorizes
- **Unauthorized Practice of Law (Rule 5.5)**
  - Watch the choice of law provisions—you may need to instruct your client to seek advice from an attorney licensed in the jurisdiction in which substantive issues may arise.
  - E.g., noncompete agreements, trade secret protections
- **Disciplinary Authority and Choice of Law (Rule 8.5)**
  - Where are your actions subject to review? In the jurisdiction in which your conduct occurred, or, if the **predominant effect** of the conduct is in a different jurisdiction, the rules of that jurisdiction shall be applied to the conduct.

Questions?

2022 NYIPLA  
TRANSACTIONS BOOTCAMP  
DAY 4  
IN-HOUSE COUNSEL

GONZALO MERINO  
VINAY THAKUR



# Disclaimer

- The information provided herein is solely based on the speakers experience and do not reflect opinions of the speakers' organizations or clients

# TRANSACTIONAL ASPECTS OF IN-HOUSE PRACTICE

- Helsinn Healthcare S.A. v Teva Pharms. USA, Inc. q39 S.Ct. 628
- The U.S. Court of Appeals for the Federal Circuit properly found that a Swiss pharmaceutical company was prohibited by the “on sale” bar in [35 U.S.C.S. § 102\(a\)\(1\)](#) from obtaining a U.S. patent on a drug that treated chemotherapy-induced nausea and vomiting because it entered into a license agreement and a supply and purchase agreement with a Minnesota pharmaceutical company to sell the drug in the United States more than a year before it applied for a U.S. patent; [2]-Although the Swiss company and the Minnesota company did not disclose the dosage of the active ingredient that was in the drug, they disclosed the existence of both agreements, and that disclosure qualified as “prior art” under [§ 102\(a\)\(1\)](#) for purposes of determining the patentability of the drug.
- **Outcome:** The Supreme Court affirmed the Federal Circuit's decision. Unanimous decision.

# Transactional and Inventorship in University Licensing

- Annous v. Blaschek, **799 Fed. Appx. 402** | [2020 U.S. App. LEXIS 578](#) | [2020 U.S.P.Q.2D \(BNA\) 10252](#)

Ownership in University

[799 Fed. Appx. 402](#) | [2020 U.S. App. LEXIS 578](#) | [2020 U.S.P.Q.2D \(BNA\) 10252](#)

While he was a graduate student at the University of Illinois at Urbana-Champaign, Bassam Annous discovered a process, later patented by the University, that isolates a strain of bacteria. When Hans Blaschek later received \$5 million for selling a business that relied on a license from the University for this patent, Annous sued Blaschek for some of that money.

While he was a graduate student at the **University** of Illinois at Urbana-Champaign, Bassam Annous discovered a process, later patented by the **University**, that isolates a strain of bacteria. When Hans Blaschek later received \$5 million for selling a business that relied on a **license** from the **University** for this patent, Annous sued Blaschek for some of that money.

# INVENTORSHIP

The in-house patent counsel knows the players in R&D, Management, and Marketing.

What are the obligations of in-house counsel when it comes to determining inventorship?

# University of Colo. Found., Inc. v. American Cyanamid Co. 196F.3d 1366

- Cross-appellants and appellant sought review from the district court, which held appellant liable for fraudulent nondisclosure and unjust enrichment, denied appellant's claims of patent infringement, and granted summary judgment to appellant on copyright infringement, concerning prenatal multivitamin/mineral supplements. The court first determined that federal patent law preempted states from dictating standards for **inventorship**, in view of the objectives of rewarding inventors and supplying uniform patent law standards. Consequently, the court vacated the district court's conclusion based on state common law that cross-appellant doctors were the inventors of the supplements, and, without a correct finding of **inventorship**, also vacated the district court's finding that appellant had a duty to disclose the filing of the application to cross-appellants. The court vacated the district court's conclusion that appellant was liable for fraudulent nondisclosure for the same reason, and the associated damages, punitive damages, and awards.

- 

## **Outcome**

The court vacated the district court's decision on **inventorship**, the fraudulent nondisclosure and unjust enrichment decisions and damages awards, and the summary judgment in favor of appellant on the correction of **inventorship** and equitable patent title claims, and affirmed the copyright damages and affirmative defense decisions.

- 

[University of Colo. Found., Inc. v. American Cyanamid Co., 1999 U.S. App. LEXIS 30117, 52 U.S.P.Q.2D \(BNA\) 1801, Copy. L. Rep. \(CCH\) P28,095](#)

# American Inventors at a German Company

- In Germany the Employee Invention Act (EIA) protects employee-inventors' interests through rights of reasonable compensation when the inventors transfer the ownership to their employees.
- Bayh-Dole Act in the US has resulted in a widely used pre-employment assignment
- [Article: Serious Flaw of Employee Invention Ownership Under the Bayh-Dole Act in Stanford v. Roche: Finding the Missing Piece of the Puzzle in the German Employee Invention Act, 20 Tex. Intell. Prop. L.J.281 Author Toshiko Takenaka, PhD.](#)

# Who Determines Inventorship

The definition for inventorship can be simply stated: "The threshold question in determining inventorship is who conceived the invention. Unless a person contributes to the conception of the invention, he is not an inventor. ... Insofar as defining an inventor is concerned, MPEP 2109.

# COMMUNICATIONS

- Stock v Schnader Harrison DeGal & Lewis LLP, 142 A.D.3d 210 \* | 35 N.Y.S.3d 31 | 2016 N.Y. App. Div. LEXIS 5082
- Applicable specifically to attorneys (as opposed to fiduciaries in general), the current client exception to the attorney-client privilege holds that a law firm cannot invoke attorney-client privilege to withhold from a client evidence of any internal communications within the firm relating to the client's representation, including consultations with the firm's **in-house** counsel, that occurred while the representation was ongoing. Unlike the fiduciary exception, the current client exception apparently bars invocation of the attorney-client privilege regardless of the identity of the "real client" to whom the legal advice in question was rendered.