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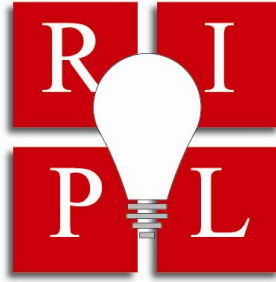
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# THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW



## IP LEGAL ETHICS IN THE EVERYDAY PRACTICE OF LAW: AN EMPIRICAL PERSPECTIVE ON PATENT LITIGATORS

WILLIAM T. GALLAGHER

### ABSTRACT

This article presents preliminary findings from a qualitative empirical study of patent litigators. Part of a larger and ongoing project studying intellectual property lawyers in patent, trademark, and copyright enforcement and litigation actions, this article focuses on ethical decision-making by patent litigators in the pretrial discovery process. The article is based on data from in-depth, semi-structured interviews with fifty-five patent litigators and from a detailed case study of the infamous *Qualcomm* patent sanctions case. The article critically examines how patent litigators perceive of and respond to ethical issues that arise in the discovery process. It also analyzes the structural and cultural factors that influence ethical decision-making, as patent litigators navigate the multiple and often conflicting demands made throughout the discovery process by clients, firms, colleagues, and ethical rules. A significant finding from this study is that the threat of *Qualcomm*-like discovery sanctions is largely irrelevant to the everyday practice of patent litigators and has had little effect on their ethical decision-making. To-date there are few empirical studies of intellectual property lawyers or of legal ethics “in action.” This study begins to fill that gap.

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IP LEGAL ETHICS IN THE EVERYDAY PRACTICE OF LAW:  
AN EMPIRICAL PERSPECTIVE ON PATENT LITIGATORS

WILLIAM T. GALLAGHER

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IP LEGAL ETHICS IN THE EVERYDAY PRACTICE OF LAW:  
AN EMPIRICAL PERSPECTIVE ON PATENT LITIGATORS

WILLIAM T. GALLAGHER\*

INTRODUCTION: THE ETHICAL LANDSCAPE OF PATENT LITIGATION

This article presents findings from an empirical study of U.S. patent litigators—lawyers who regularly represent clients involved in patent disputes filed in federal courts. Based on original data from interviews with fifty-five patent litigators and a case study of a prominent patent lawsuit,<sup>1</sup> this study analyzes how patent lawyers experience and respond to ethical issues that arise in the everyday practice of law, with particular emphasis on ethics in the pretrial discovery process. It also examines how lawyers' firms, practice groups, clients, norms, and professional ideology influence ethical decision-making in patent litigation. As discussed more fully below, there is little empirical research focused on patent lawyers in general and litigators specifically. We thus know very little about this segment of the legal profession, which is surprising given the increasing significance of intellectual property worldwide over the past two decades and the concomitant transformation of patent law practice from a relatively obscure specialization to an elite and prominent practice area. Indeed, while only a generation ago patent law was mostly the province of small specialty firms, today virtually all major general practice U.S. law firms have significant intellectual property and patent law practices. This study thus provides a unique view into a segment of the legal profession that has not been well explored.

The focus for this study is ethical issues in the patent litigation pretrial discovery process. Discovery is an important part of the litigation process in complex cases, and it is certainly an area where most patent litigators spend a significant amount of time in their daily practices. It is an area that patent litigators themselves readily identify as raising ethical issues that must be dealt with. Discovery is also a potentially revealing part of litigation practice because it is in discovery that patent litigators must manage the often competing demands of clients, colleagues and their professional obligations towards the courts and the

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\* © William T. Gallagher 2011. Associate Professor of Law, Golden Gate University School of Law, Visiting Scholar, Center for the Study of Law and Society, University of California Berkeley School of Law (Aug. 2009–Jan. 2011). Earlier versions of this research were presented at the Tenth Annual IP Law Scholars Conference, University of California Berkeley School of Law (2010); the Fourth International Legal Ethics Conference, Stanford Law School (2010); the University of Wisconsin School of Law (2009); Stanford Law School (2009); and the Law and Society Association Annual Conference, Denver, Colorado (2009). I appreciate the feedback I received at each of these presentations. I also specially thank the attorneys who participated in this study. Without them, this research could not have been done. This research was generously supported by a faculty research grant from the Golden Gate University School of Law.

<sup>1</sup> This article discusses district court proceedings in *Qualcomm, Inc. v. Broadcom Corp.*, 539 F. Supp. 2d 1214 (S.D. Cal. 2007), *aff'd in part and vacated in part*, 548 F.3d 1004 (Fed. Cir. 2008). All citations to court-filed documents are provided by docket number and electronic case files ("ECF") document number, used on the Southern District of California's Public Access to Court Electronic Records ("PACER") system. More information about PACER is available at <http://www.pacer.gov>.

administration of justice. In discussing their discovery practices, patent litigators reveal significant insights into their perception of the lawyer's professional roles and visions of what constitutes ethical lawyering. Discovery is also important because it is an arena where litigators risk significant sanctions against their clients and even themselves for failure to comply with ethical duties. This risk is perhaps best illustrated by *Qualcomm Inc. v. Broadcom Corp.*,<sup>2</sup> a recent, very prominent—even infamous—patent litigation lawsuit that raised the specter of lawyer sanctions for discovery abuse in highly dramatic circumstances.<sup>3</sup> In *Qualcomm*, a U.S. District Court awarded \$8.5 million in sanctions for discovery abuse by the plaintiff company in a complex patent trial.<sup>4</sup> The Court also initially ordered sanctions against several of Qualcomm's outside attorneys for alleged unethical conduct in discovery,<sup>5</sup> although it ultimately concluded that sanctions were not warranted—albeit after two years of pleadings and evidence that rivaled the underlying patent case in size and complexity.<sup>6</sup>

This article is organized as follows: Part I identifies the main research issues and goals for this article. It locates the present research in context of both the existing empirical literature on intellectual property law and legal ethics as well as the larger, ongoing research from which this study derives. Part II details the research methodology employed in this qualitative empirical study. Part III presents the main findings derived from the patent lawyer interview portion of this study. It analyzes what patent litigators understand as their main ethical duties, how they identify ethical problems in the course of litigation, and how they respond to them. This section also examines the main influences on lawyer ethical decision-making in the pretrial discovery process. Based on the lawyer interview data presented in Part III, this article argues that the threat of discovery sanctions—such as those initially recommended in the *Qualcomm* case—are not likely to significantly influence patent lawyers' ethical decision-making or deter unethical conduct. Part IV examines the *Qualcomm* sanctions case, based on an analysis of the voluminous factual record and legal briefing presented in that litigation. This section uses the *Qualcomm* case to further interpret the findings on patent litigators presented in Part III. In light of both the lawyer interview findings and analysis of *Qualcomm*, this article concludes that *Qualcomm* may be best understood not as an aberration or “trouble case,” but more as a mundane, “everyday” set of practices that are common to complex, high-

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<sup>2</sup> 539 F. Supp. 2d 1214.

<sup>3</sup> “Infamous” is not hyperbole. One legal press reporter characterized the *Qualcomm* sanctions case as “the most infamous discovery fiasco in recent times.” Zusha Elinson, *Lawyers in Discovery Scandal Say Qualcomm Lied*, RECORDER (S.F.), Nov. 3, 2009, available at <http://www.law.com/jsp/ca/PubArticleCA.jsp?id=1202435137932>. The case was the subject of numerous blogs on legal ethics and discovery. It is also prominently included in a new e-discovery law school casebook. See SHIRA SCHEINDLIN ET AL., *ELECTRONIC DISCOVERY AND DIGITAL EVIDENCE: CASES AND MATERIALS* 425–42 (2009).

<sup>4</sup> Order Adopting Report and Recommendation on Amount of Attorneys' Fees and Other Expenses, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Dec. 11, 2007), ECF No. 717, 2007 WL 4351017, at \*1.

<sup>5</sup> Order Granting in Part and Denying in Part Broadcom's Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*25.

<sup>6</sup> See Order Declining to Impose Sanctions Against the Responding Attorneys and Dissolving the Order to Show Cause, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Apr. 2, 2010), ECF No. 998, 2010 WL 1336937, at \*7.

stakes litigation, of which patent litigation is perhaps a prime contemporary example.

### I. BACKGROUND: WHY PATENT LITIGATORS? WHY ETHICS? WHY DISCOVERY?

This study of patent litigators<sup>7</sup> is both informed by and contributes to three related bodies of scholarly literature: (1) “law and society” scholarship generally; (2) empirical studies of the legal profession and lawyers’ ethics; and (3) empirical studies of lawyers’ ethics specifically dealing with civil pretrial discovery issues. Each of these areas of scholarship has guided the research questions and methodological approaches employed in this study.

#### *A. Studying Patent Litigators: A “Law and Society” Perspective on Intellectual Property “In-Action”*

This study applies insights and methods from the rich, interdisciplinary “law and society” scholarly tradition to the study of patent litigators.<sup>8</sup> Law and society scholarship has its intellectual roots in emerging twentieth-century movements such as Legal Realism that emphasize the need to study “law-in-action,” or law as it

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<sup>7</sup> By the term “patent litigators,” I simply mean those lawyers who practice patent litigation in federal court. Patent litigators need not obtain any specialized license to represent clients in patent lawsuits, unlike those who represent applicants filing for U.S. patents in the U.S. Patent and Trademark Office (“PTO”). Such licensure requires passage of the patent bar exam. 37 C.F.R. § 11.7(b)(1)(ii) (2010). Lawyers admitted to any state bar (or that of D.C.) who pass this exam are generally referred to as “patent lawyers,” while individuals who pass the exam but do not hold any bar membership (and who need not be law school graduates) are generally referred to as “patent agents.” 37 C.F.R. § 10.34. For an excellent historical analysis of the development of the professional PTO patent practitioner, see Kara W. Swanson, *The Emergence of the Professional Patent Practitioner*, 50 TECH. & CULTURE 519 (2009). See also KENNETH W. DOBYNS, *THE PATENT OFFICE PONY: A HISTORY OF THE EARLY PATENT OFFICE* (2d ed. 1997). Currently, there are approximately 40,000 registered U.S. patent attorneys and agents. *Patent Attorney/Agent Search*, U.S. PAT. & TRADEMARK OFF., <https://oedci.uspto.gov/OEDCI> (last modified Dec. 20, 2010). California, where this present study was conducted, has the largest number of attorneys and agents of all fifty states, *id.*, which is perhaps not surprising given the prominence of its high-tech and biotechnology industries. It is difficult to estimate the current number of patent litigators, even if it is clear that this segment of the legal profession has increased dramatically over the past two decades.

<sup>8</sup> For a discussion of what constitutes a “law and society” approach to the study of law, see KITTY CALAVITA, *INVITATION TO LAW & SOCIETY: AN INTRODUCTION TO THE STUDY OF REAL LAW* (2010); Lawrence Friedman, *The Law and Society Movement*, 38 STAN. L. REV. 763 (1986); Bryant Garth & Joyce Sterling, *From Legal Realism to Law and Society: Reshaping Law for the Last Stages of the Activist State*, 32 LAW & SOC’Y REV. 409, 409 (1998); SIMON HALLIDAY & PATRICK SCHMIDT, *CONDUCTING LAW AND SOCIETY RESEARCH: REFLECTIONS ON METHODS AND PRACTICES* (2009); CARROLL SERON, *Introduction*, in *INTERNATIONAL LIBRARY OF ESSAYS IN LAW AND SOCIETY: THE LAW AND SOCIETY CANON* (Carroll Seron ed., 2006). For an argument as to how this perspective should be applied to the study of intellectual property, see William T. Gallagher, *What is a “Law and Society” Perspective on Intellectual Property Law?*, in *INTERNATIONAL LIBRARY OF ESSAYS IN LAW AND SOCIETY: INTELLECTUAL PROPERTY* (William T. Gallagher ed., 2007).

actually operates in society rather than merely as a self-contained system of rules.<sup>9</sup> The law and society tradition also emphasizes empirical methods to the study of legal actors, legal institutions, and legal processes, drawing methodologies and theories primarily from the social sciences, including sociology, political science, history, anthropology, psychology, and, to a lesser extent, economics. More recently, the law and society tradition has also embraced more humanistic and interpretive approaches to the study of legal culture, everyday legal experiences, and the socially constitutive nature of law.<sup>10</sup>

Yet, despite the increasing prominence of intellectual property law over the past several decades, this area of law remains relatively under-examined and under-theorized from a law and society perspective.<sup>11</sup> For example, we simply don't know a lot about the key legal actors in intellectual property law (such as lawyers), or about key legal institutions (such as the United States Patent and Trademark Office ("PTO")).<sup>12</sup> There is a significant body of law and society scholarship focusing on lawyers. We thus know much about the historical development and social structure of the American legal profession,<sup>13</sup> and about what lawyers do in very different practice settings such as divorce lawyers,<sup>14</sup> white-collar criminal defense lawyers,<sup>15</sup> "cause" lawyers,<sup>16</sup> tort lawyers,<sup>17</sup> public interest lawyers,<sup>18</sup> public defenders,<sup>19</sup>

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<sup>9</sup> Gallagher, *supra* note 8; see THE OXFORD COMPANION TO AMERICAN LAW 490 (Kermit L. Hall et al. eds., 2002) (discussing the "law and society movement" in historical context).

<sup>10</sup> See, e.g., Lawrence M. Friedman, *Coming of Age: Law and Society Enters an Exclusive Club*, 1 ANN. REV. LAW & SOC. SCI. 1 (2005); AUSTIN SARAT & JONATHAN SIMON, CULTURAL ANALYSIS, CULTURAL STUDIES, AND THE LAW: MOVING BEYOND LEGAL REALISM 1–37 (2003).

<sup>11</sup> See Rosemary J. Coombe, *Commodity Culture, Private Censorship, Branded Environments, and Global Trade Politics: Intellectual Property as a Topic of Law and Society Research*, in THE BLACKWELL COMPANION TO LAW AND SOCIETY (Austin Sarat ed., 2004); see generally Gallagher, *supra* note 8 (surveying law and society scholarship on intellectual property and advocating for more such studies).

<sup>12</sup> For a recent "law and society" study of the world's patent offices, see PETER DRAHOS, THE GLOBAL GOVERNANCE OF KNOWLEDGE: PATENT OFFICES AND THEIR CLIENTS (2010).

<sup>13</sup> See generally RICHARD L. ABEL, AMERICAN LAWYERS (1989); JOHN P. HEINZ & EDWARD O. LAUMANN, CHICAGO LAWYERS: THE SOCIAL STRUCTURE OF THE BAR (1982); JOHN P. HEINZ ET AL., URBAN LAWYERS: THE NEW SOCIAL STRUCTURE OF THE BAR (2005).

<sup>14</sup> See generally LYNN MATHER ET AL., DIVORCE LAWYERS AT WORK: VARIETIES OF PROFESSIONALISM IN PRACTICE (2001); AUSTIN SARAT & WILLIAM L. FELSTINER, DIVORCE LAWYERS AND THEIR CLIENTS: POWER AND MEANING IN THE LEGAL PROCESS (1995).

<sup>15</sup> See generally KENNETH MANN, DEFENDING WHITE-COLLAR CRIME: A PORTRAIT OF ATTORNEYS AT WORK (1985).

<sup>16</sup> See generally AUSTIN SARAT & STUART SCHEINGOLD, THE CULTURAL LIVES OF CAUSE LAWYERS (2008); AUSTIN SARAT & STUART SCHEINGOLD, THE WORLDS CAUSE LAWYERS MAKE: STRUCTURE AND AGENCY IN LEGAL PRACTICE (2005); AUSTIN SARAT & STUART SCHEINGOLD, SOMETHING TO BELIEVE IN: POLITICS, PROFESSIONALISM, AND CAUSE LAWYERING (2004); AUSTIN SARAT & STUART SCHEINGOLD, CAUSE LAWYERING AND THE STATE IN A GLOBAL ERA (2001); AUSTIN SARAT & STUART SCHEINGOLD, CAUSE LAWYERING: POLITICAL COMMITMENTS AND PROFESSIONAL RESPONSIBILITIES (1998).

<sup>17</sup> See generally HERBERT M. KRITZER, RISKS, REPUTATIONS, AND REWARDS: CONTINGENCY FEE LEGAL PRACTICE (2004).

<sup>18</sup> See generally COREY S. SHDAIMAH, NEGOTIATING JUSTICE: PROGRESSIVE LAWYERING, LOW-INCOME CLIENTS, AND THE QUEST FOR SOCIAL CHANGE (2009).

<sup>19</sup> See generally LISA J. MCINTYRE, THE PUBLIC DEFENDER: THE PRACTICE OF LAW IN THE SHADOWS OF REPUTE (1987).

conservative movement lawyers,<sup>20</sup> lawyers in large firms,<sup>21</sup> lawyers in solo and small firms,<sup>22</sup> lawyers in franchise law firms,<sup>23</sup> and lawyers in international arbitration,<sup>24</sup> but very little about intellectual property lawyers, what they do and what effect it has on the development of intellectual property law, practice, and policy. A major aim of this study is to begin to fill that gap.

The genealogy of this study warrants brief mention in order to set the context for the research. This study of patent litigators was derived from a larger and ongoing “law and society” research project that began in 2005 focusing on the strategic enforcement of intellectual property rights. One part of this research examines intellectual property disputes and focuses on how lawyers enforce trademark and copyright claims on behalf of intellectual property owners.<sup>25</sup> This project builds on the fact that although most intellectual property scholarship examines statutes or published legal cases, the vast majority of intellectual property enforcement never reaches the stage of filed litigation, and most filed litigation in intellectual property cases (as in most other civil litigation) settles well before trial. Thus, if we want to know about how intellectual property rights are enforced—and whether they are over-enforced<sup>26</sup>—we need to examine the everyday practice of the lawyers who help clients identify potential targets for enforcement, send “cease and desist” letters, and negotiate settlements, all in the “shadow of the law.” This is where most intellectual property law enforcement occurs, which is simply under the radar of most traditional intellectual property scholarship. The second part of this ongoing study examines patent litigators.<sup>27</sup> One issue that arose in this patent litigator study was ethical issues that arise in enforcing patent rights, including in patent litigation. As this issue was probed in many of the research interviews, the *Qualcomm* case made legal press headlines and thus generated rich discussions of the ethical issues faced by patent litigators. Because the patent lawyers studied were so articulate and forthcoming in discussing the issues they believed were raised by *Qualcomm*, this topic appeared to warrant a study of its own. The present research was thus carved out of this originally broader study of patent litigators.

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<sup>20</sup> See generally ANN SOUTHWORTH, *LAWYERS OF THE RIGHT: PROFESSIONALIZING THE CONSERVATIVE COALITION* (2008).

<sup>21</sup> See generally, e.g., John M. Conley & Scott Baker, *Fall from Grace or Business as Usual? A Retrospective Look at Lawyers on Wall Street and Main Street*, 30 *LAW & SOC. INQUIRY* 783 (2005) (comparing empirical studies of lawyers’ ethics in solo, small, and large firms over time).

<sup>22</sup> See generally, e.g., JEROME E. CARLIN, *LAWYERS’ ETHICS: A SURVEY OF THE NEW YORK CITY BAR* (1966); JEROME E. CARLIN, *LAWYERS ON THEIR OWN: A STUDY OF INDIVIDUAL PRACTITIONERS IN CHICAGO* (1962)..

<sup>23</sup> See generally JERRY VAN HOY, *FRANCHISE LAW FIRMS AND THE TRANSFORMATION OF PERSONAL LEGAL SERVICES* 1 (1997).

<sup>24</sup> See generally YVES DEZALAY & BRYANT G. GARTH, *DEALING IN VIRTUE: INTERNATIONAL COMMERCIAL ARBITRATION AND THE CONSTRUCTION OF A TRANSNATIONAL LEGAL ORDER* (1996).

<sup>25</sup> See William T. Gallagher, *Cease and Desist: Strategic Intellectual Property Enforcement of Trademark and Copyright Claims* (unpublished manuscript) (on file with author).

<sup>26</sup> See, e.g., William T. Gallagher, *Strategic Intellectual Property Litigation, the Right of Publicity, and the Attenuation of Free Speech: Lessons from the Schwarzenegger Bobblehead Doll War (and Peace)*, 45 *SANTA CLARA L. REV.* 581 (2005) (arguing that weak intellectual property rights are routinely over-enforced by repeat-player owners and suggesting further need to study this phenomenon empirically).

<sup>27</sup> William T. Gallagher, *Strategic Intellectual Property Enforcement of Patent Claims* (unpublished manuscript) (on file with author).



### *B. Empirical Studies of Lawyers' Ethics*

The scholarly literature that informs this study specifically deals with studies of lawyers' ethics. This topic has long been central to the sociology of professions literature, with its historical emphasis on either justifying or critiquing lawyers' claimed "professional" status and prerogatives, especially the right to promulgate ethical codes and self-regulate lawyer misconduct.<sup>28</sup> There is also a strong tradition of studying lawyers' ethics empirically. Carlin's classic studies of solo and small-firm lawyers' ethics in-action has been highly influential to subsequent generations of scholars of the legal profession.<sup>29</sup> A major theme from this work is the contrast between the ethical worlds of solo and small-firm lawyers and their counterparts in elite, usually large law firms. In this narrative, elite lawyers' are generally considered at the pinnacle of ethical and professional propriety, while the solo and small-firm lawyers' are characterized as ethically-deficient. Yet, more recent scholarship on lawyers' ethics has explored how social and economic changes in large-firm practice over the past several decades has made large-firm practice more competitive, uncertain, and unstable.<sup>30</sup> A major theme of this research is the effect these changes have had on elite lawyers' visions of professionalism and ethics. There is by now a significant empirical literature that examines large firm and elite lawyers' ethics in a variety of contexts, although none of this literature focuses on patent lawyers.<sup>31</sup>

### *C. Lawyers' Ethics and Civil Pretrial Discovery*

It may seem that examining ethics in the pretrial discovery process is a somewhat narrow focus. In some ways it is, yet discovery is a significant part of patent litigators' practice, certainly compared with the amount of time they spend in trial or in court generally. Moreover, as discussed below, when asked to identify areas where "ethical" issues arose in their daily practice, these lawyers identified pretrial discovery and conflicts of interests as the two main areas of ethical concern in their practices.<sup>32</sup> Discovery is an area of practice where litigators must balance

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<sup>28</sup> See, e.g., William T. Gallagher, *Ideologies of Professionalism and the Politics of Self-Regulation in the California State Bar*, 22 PEPP. L. REV. 485, 492–95 (1995) (surveying sociology of professional theories of lawyer ethics and regulation).

<sup>29</sup> See JEROME E. CARLIN, *LAWYERS' ETHICS: A SURVEY OF THE NEW YORK CITY BAR* (1966); JEROME E. CARLIN, *LAWYERS ON THEIR OWN: A STUDY OF INDIVIDUAL PRACTITIONERS IN CHICAGO* (1962).

<sup>30</sup> See, e.g., Conley & Baker, *supra* note 21.

<sup>31</sup> See, e.g., Elizabeth Chambliss & David B. Wilkens, *Promoting Effective Ethical Infrastructure in Large Law Firms: A Call for Research and Reporting*, 30 HOFSTRA L. REV. 691 (2002); Kimberly Kirkland, *Ethics in Large Law Firms: The Principles of Pragmatism*, 35 U. MEM. L. REV. 631 (2005). For recent books employing a mix of empirical approaches to the study of lawyer's ethics, see generally RICHARD L. ABEL, *LAWYERS IN THE DOCK: LEARNING FROM LAWYER DISCIPLINARY PROCEEDINGS* (2008); JANINE GRIFFITHS-BAKER, *SERVING TWO MASTERS: CONFLICTS OF INTEREST IN THE MODERN LAW FIRM* (2002); MILTON C. REGAN, *EAT WHAT YOU KILL: THE FALL OF THE WALL STREET LAWYER* (2004); SUSAN P. SHAPIRO, *TANGLED LOYALTIES: CONFLICTS OF INTEREST IN LEGAL PRACTICE* (2002).

<sup>32</sup> See *infra* Part III.A.

their duties to clients, colleagues, courts, and the administration of justice. Moreover, because the lawyers in the present study were also all aware of the then-pending *Qualcomm* sanctions case, which dealt directly with potential sanctions against individual lawyers for alleged discovery and ethical violations, they had many opinions about its relevance to their daily practices, which was a potentially rich source of data. Because of this, the narrow focus on ethical issues in discovery seemed to warrant in-depth analysis even if it came at the expense of interviewing these lawyers on a broader set of ethical topics.<sup>33</sup>

Another reason for focusing on ethics issues in pretrial discovery was that it allows the present study to build on and compare the study findings with an existing and revealing scholarly literature on this topic.<sup>34</sup> Wayne Brazil's early work on civil discovery and reform, for instance, was highly influential.<sup>35</sup> Brazil's studies were based on data from a large set of structured interviews of Chicago lawyers in the late 1970s. Perhaps the key finding from his work was that the character of the discovery process in federal court litigation depends significantly on the size and complexity of the case. Most cases, he revealed, are quite "ordinary." They raise relatively simple legal issues that require little or no discovery by the parties and typically do not result in discovery battles.<sup>36</sup> In contrast, Brazil found that in a much smaller set of cases, typically those involving complex, high-stakes litigation, discovery problems were acute.<sup>37</sup> Brazil characterized the practices his lawyers described as painting a "disturbing picture" of discovery abuse.<sup>38</sup> The high-stakes cases created significant incentives for lawyers and their clients to try to "game" the system in order to gain advantages in the discovery process, including "tactical jockeying, evasive and dilatory practices, and various forms of harassment" designed to impose burdens on the other party in discovery.<sup>39</sup> In half of the complex cases that settled, Brazil's study found that the attorneys for one side believed that they had informational advantages over their opposing party due to that party's inability to obtain information in discovery.<sup>40</sup> Indeed, the lawyers Brazil studied who worked on these complex and high-stakes cases indicated that they wanted judges to issue more sanctions for such abusive tactics in discovery, which suggests two important points. First, the lawyers believed that abusive discovery tactics were a significant problem

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<sup>33</sup> This is, of course, a trade-off that arises in using in-person interviews as a data source. Many lawyer interviewees are busy and at some point in the interview process indicate that they do not have unlimited time to talk. With limited time to ask questions, probe responses, and ask follow-up questions, it is often more productive to focus in-depth on fewer topics in order to get more detailed descriptions, examples, and explanations. This was a primary justification for carving out the present project as an independent project. In the ongoing original study of patent litigators, other ethical topics are examined, which can complement the finding in the present study.

<sup>34</sup> See generally, e.g., Carrie J. Menkel-Meadow & Bryant G. Garth, *Process, People, Power and Policy: Empirical Studies of Civil Procedure and Courts*, in THE OXFORD HANDBOOK OF EMPIRICAL LEGAL RESEARCH (Peter Cane & Herbert M. Kritzer eds., 2010) (providing an insightful historical overview of empirical studies of civil discovery and the politics of discovery "reform").

<sup>35</sup> Wayne D. Brazil, *Views from the Front Lines: Observations by Chicago Lawyers About the System of Civil Discovery*, 1980 AM. B. FOUND. RES. J. 217 (1980); Wayne D. Brazil, *Civil Discovery: Lawyers' Views of its Effectiveness, Its Problems, and Abuses*, 1980 AM. B. FOUND. RES. J. 787 (1980).

<sup>36</sup> Brazil, *Views from the Front Lines*, *supra* note 35, at 223–24.

<sup>37</sup> *Id.* at 229–34.

<sup>38</sup> Brazil, *Civil Discovery*, *supra* note 35, at 789.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.* at 813.

in complex litigation, such that enhanced judicial sanctions were a preferred solution. And, second, the fact that these lawyers believed that sanctions were infrequent likely means they did not realistically fear them.

Garth's late-1990s examination of civil discovery re-confirms Brazil's many of Brazil's findings about differences between "ordinary" and "high-stakes" litigation. As Garth explains, recent studies of the civil discovery process establish "beyond any reasonable doubt that we have two very distinct worlds of civil discovery . . . involving different kinds of cases, financial stakes, contentiousness, complexity and . . . probably even lawyers."<sup>41</sup> Lastly, the late-1990s set of preliminary studies in the so-called "Ethics Beyond the Rules" project also focused primarily on large-firm lawyers' ethical decision-making in civil discovery, examining many of the structural and cultural influences on lawyer conduct in that setting.<sup>42</sup> This work calls for more empirical research examining whether distinct areas of legal practice generate distinct ethical issues and pressures in discovery. The present research aims to begin that task in the context of patent litigation.

## II. METHODOLOGY

The study presented in this article is based on original data derived from two main sources: semi-structured interviews with patent litigators and a case study of the *Qualcomm* sanctions case documents.

### A. Semi-Structured Interviews

The interviews for this study were conducted between 2006 and 2010. A total of fifty-five California lawyers who practice patent litigation at least fifty percent of the time were interviewed. Interviewees were selected by means of a non-random "snowball" sample technique, which is based on building a sample by means of referrals.<sup>43</sup> For the present study, several initial respondents were interviewed because they were known to be experienced patent litigators. Each of these lawyers in turn was asked to identify other patent litigators who were also asked to participate in the interviews (after confirming that they did indeed practice patent

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<sup>41</sup> See Bryant G. Garth, *Two Worlds of Civil Discovery: From Studies of Cost and Delay to the Markets in Legal Services and Legal Reform*, 39 B.C.L. REV. 597 (1998).

<sup>42</sup> Douglas N. Frenkel, Robert L. Nelson, & Austin Sarat, *Introduction: Bringing Legal Realism to the Study of Ethics and Professionalism*, 67 FORDHAM L. REV. 697 (1998); Robert W. Gordon, *The Ethical Worlds of Large-Firm Litigators Preliminary Observations*, 67 FORDHAM L. REV. 709 (1998); Carla Messikomer, *Ambivalence, Contradiction, and Ambiguity: The Everyday Ethics of Defense Litigators*, 67 FORDHAM L. REV. 739 (1998); Robert L. Nelson, *The Discovery Process as a Circle of Blame: Institutional, Professional, and Socio-Economic Factors that Contribute to Unreasonable, Inefficient, and Amoral Behavior in Corporate Litigation*, 67 FORDHAM L. REV. 773 (1998); Austin Sarat, *Enactments of Professionalism: A Study of Judges and Lawyers' Accounts of Ethics and Civility in Litigation*, 67 FORDHAM L. REV. 809 (1998); Marc C. Suchman, *Working Without a Net: The Sociology of Legal Ethics in Corporate Litigation*, 67 FORDHAM L. REV. 837 (1998).

<sup>43</sup> See Rowland Atkinson & John Flint, *Snowball Sampling*, in 3 THE SAGE ENCYCLOPEDIA OF SOCIAL SCIENCE RESEARCH METHODS 1043–44 (Michael Lewis-Beck et al. eds., 2004).

litigation at least fifty percent of the time in their current practice) and were also asked to identify other patent litigators who similarly met the study criteria. This sampling technique generated a list of eighty-three identified patent litigators, from which individual lawyers were contacted initially by letter inviting them to participate in the research interviews. In follow-up phone calls, these attorneys were asked to participate and to agree to have their interviews recorded and transcribed. Almost all of the lawyers contacted for this study agreed to participate.<sup>44</sup>

Most interviews were conducted in-person at the lawyer's office and were recorded and transcribed.<sup>45</sup> Respondents were guaranteed anonymity personally and for their firms, so any information that would allow their identities to be determined was deleted from the transcripts.<sup>46</sup> The interviews lasted between 1–2½ hours each.

The interviewed lawyers were mostly male (46 out of 55). Most practiced in large law firms with over 75 lawyers, or in local offices of large firms, and 4 of the lawyers were in smaller firms of between 5–20 lawyers. The range of patent litigation experience for these lawyers was between 2 and 38 years, with most of the lawyers having between 7 to 17 years of patent litigation experience. Roughly half of the litigators in this study were registered to practice before the PTO.

The interviews were semi-structured and focused broadly on ethical issues in patent discovery.<sup>47</sup> Opening topics for most interviews generally included: how the lawyer had been first trained to do discovery in patent litigation; what ethical issues the lawyer encountered in the discovery process; problems that arise in patent litigation discovery; and major influences on each lawyer's decision-making during the discovery process. Additional topics arose in follow-up questioning based on each lawyer's responses. All of the lawyers were asked questions about the *Qualcomm* sanctions case (some raised the issues in that case themselves), particularly what lessons they took from their understanding of the case, which was pending during all of these interviews. As much as possible, follow-up questions on all topics asked the lawyers to provide specific examples of what they were referring to, both to aid in clarity and understanding, as well as to make sure that the information elicited in the interviews was grounded in particular experiences of the lawyers rather than mere generalizations about what "usually" happens.

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<sup>44</sup> Not all of the 84 lawyers on the list were contacted, because the response rate for those who were contacted first was so high: over the course of this study, 67 lawyers were contacted and agreed to be interviewed. Four of these lawyers later backed out due to scheduling problems, including pending trials. Only three lawyers contacted by phone declined to participate. The remaining five lawyers who initially agreed to participate but who were not interviewed for various reasons, including scheduling difficulties, agreed to be interviewed for a different part of this ongoing study.

<sup>45</sup> Three of the interviews were conducted in my messy law school office due to privacy concerns of the lawyers.

<sup>46</sup> To ensure the promised anonymity, all interview tapes and transcripts were reviewed only by me and kept in locked files.

<sup>47</sup> For general information on semi-structured interview methodology, see TOM WENGRAF, QUALITATIVE RESEARCH INTERVIEWING: BIOGRAPHIC, NARRATIVE, AND SEMI-STRUCTURED (3d prtg. 2004) and NIGEL KING & CHRISTINE HORROCKS, INTERVIEWS IN QUALITATIVE RESEARCH (2010).

### *B. Case Study of the Qualcomm v. Broadcom Sanctions Case*

The second data source for this study is the pleadings, filings, and transcripts of oral testimony and argument before the Court in the *Qualcomm* sanctions case, which lasted between January 2007 and April 2010.<sup>48</sup> This case study method has been used effectively, albeit in different ways, in several recent studies of the legal profession. One goal of the present case study is both to analyze and interpret the *Qualcomm* case in light of my interview-based research as well as to generate insights for future research.

## III. ETHICAL DECISION-MAKING IN PATENT LITIGATION

### *A. Lawyers' Perceptions of Legal Ethics*

#### *1. Narrow Focus*

At the outset of the interviews for this research, the lawyers were asked to identify what ethical issues they faced in patent litigation. This allowed me to generate a list of issues that these lawyers understood to confront them in daily practice. From the interviews, I was also able to get a relative ranking of which issues were more challenging as well as which ones were experienced most frequently. All of the lawyers identified both conflicts of interest and pretrial discovery issues as the most frequent—and often the most vexing—ethical issues they experienced. Conflicts of interest rules are critical, of course, because they have much to do with whether a lawyer or firm can represent a client when such representation may be adverse to the lawyer's or firm's duty to another client or former client. Because most of the lawyers interviewed worked in large firms, most with offices in multiple cities, the lawyers stated that conflicts issues were ubiquitous.<sup>49</sup> Because the interviewed lawyers were all experienced litigators, it is natural that they would identify pretrial discovery as raising challenging ethical concerns. The lawyer interviews for this study focused almost exclusively on pretrial discovery issues because at the time the interviews were conducted, the *Qualcomm* discovery sanctions were a “hot topic,” which facilitated in-depth probing of the lawyers' understandings of ethics and professionalism in practice. The study was

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<sup>48</sup> On theory and methodology in case study research generally, see JOHN GERRING, *CASE STUDY RESEARCH: PRINCIPLES AND PRACTICE* (2007) and ROBERT K. YIN, *CASE STUDY RESEARCH: DESIGN AND METHODS*, (Vicki Knight et al. eds., 4th ed. 2009).

<sup>49</sup> See generally Anthony V. Alfieri, *The Fall of Legal Ethics and the Rise of Risk Management*, GEO. L.J. 1909, 1939 (2006); Chambliss & Wilkens, *supra* note 31 (examining the rise of a new segment of the bar, often called “ethics counsel,” whose main role in larger law firms to deal with firm-wide conflicts issues); Kimberly Kirkland, *Ethical Infrastructures and De Facto Ethical Norms at Work in Large US Law Firms: The Role of Ethics Counsel*, 181 LEGAL ETHICS 154 (2008); EMMANUEL LAZEGA, *THE COLLEGIAL PHENOMENON: THE SOCIAL MECHANISMS OF COOPERATION AMONG PEERS IN A CORPORATE PARTNERSHIP* (2001) (stating that lawyers interviewed for his study admitted that “conflicts of interest were everywhere, large firms ran into themselves all the time”); SHAPIRO, *supra* note 31 (explaining how conflicts of interest issues are prevalent in many areas of legal practice and especially so in intellectual property firms).

also designed to incorporate the *Qualcomm* case study, which also made focusing on discovery ethics relevant. Although the interviews for this study focused primarily on discovery topics, it is worth noting that the universe of ethical concerns these lawyers identified is fairly narrow. Very few of the lawyers interviewed identified any ethical issues that they experienced in practice other than those relating to discovery tactics and conflicts of interest. In this respect, the present study reinforces what other scholars have found studying different groups of lawyers, such as large firm lawyers in general. These scholars suggest that the ethical worldview of much contemporary legal practice is based on “pragmatism” and on situational judgment rather than any deeper guiding ethical or moral principles.<sup>50</sup>

## 2. *Technical Compliance, Zealous Advocacy, and “Monkey Business” as Usual*

The lawyers in the present study also consistently equated professional ethicality with technical compliance with the minimum requirements of ethics rules that applied in a particular case (and, again, almost all of the issues discussed dealt with discovery and conflicts).<sup>51</sup> When asked questions about how they saw their ethical duties in discovery, these lawyers responded that they had a duty to “play by the rules” but not “do anything more.” As one junior partner stated:

I consider myself an ethical lawyer. I know what I’m supposed to do [in discovery] and I do it very well. I know what the rules say. That’s my job. I’m not going to screw that up. But I’m also not going to do more than I need to. That isn’t my job as a lawyer. That doesn’t help my client.

Almost all of the interviewed lawyers used terms such as “zealous” or “aggressive” when describing their role as patent litigators in discovery. When asked to explain their understanding of what being a zealous advocate entailed in discovery practice, the lawyers generally explained that it meant taking the strongest positions in discovery that were possible given the client’s wishes. One junior associate explained it well<sup>52</sup>:

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<sup>50</sup> See generally Kirkland, *supra* note 31 (discussing the notion of pragmatism in lawyers’ legal ethics worldview in and summarizing some of these arguments).

<sup>51</sup> See, e.g., DAVID HRICIK, PATENT ETHICS: LITIGATION 4–5 (2010).

Four sets of ethical rules and the authorities interpreting them can be relevant to determining the ethical, disciplinary, and malpractice issues that arise during patent litigation. . . . When a question as to the propriety of lawyer conduct arises during federal court litigation, a lawyer must analyze which ethical rules and whose interpretation of them apply.

*Id.* The patent litigators for this study are all licensed in California. But California’s ethics rules may not always apply to their actions in a particular case, because the lawyers all had experience with patent litigation in other states. Moreover, in any patent litigation, the analysis of what ethical rules may apply can be complicated. *Id.*

<sup>52</sup> All quotations from this study are verbatim. Both the question asked (by this author) and the response given by the interviewed lawyer are indicated where warranted in order to provide fuller information and context. Associate attorneys are identified as either “junior” associates, those with from 0–4 years of practice, or “senior associates,” those with 5 or more years of practice. Partner level attorneys are identified as either “junior” partners, those with 0–5 years of partner-

An advocate in discovery is someone who is able to take the strongest positions that are consistent with the rules and with the client's interests. In responding to discovery, I read all requests as narrow as possible and I object when I can. In propounding requests—for docs, admissions—I ask for everything I can get that I need and I don't put up with asinine objections from the other side. If I'm in a deposition, defending a depo, I make sure my witness is aware of our theory of the case so he's, so he knows how to be careful in testifying and won't give up information we don't want them to get.

Q: Do you play hardball in discovery?

A: Sometimes, of course, that's what a good lawyer does. Well, unless the client doesn't want that, but that's not usual.

Q: What do you consider playing hardball is in discovery?

A: You asked it, you should know! (Laughs.) Look, get what you need in discovery and do what you can do to control information, control what the opposing guy, opposing counsel, needs.

Q: Give me an example.

A: I object to document requests—real objections. But then I say subject to these objections, we'll produce. I interpret requests as narrowly as possible. I see what they want, but I'm not doing his work for him. Make him be a good lawyer. They have to work to figure out what I'm objecting to, what I'm producing, whether my objections and interpretations are legitimate. That's being a good lawyer. If the other side is good, they'll figure it out. I do that when I get that kind of response. But sometimes they just give up. That's fine for me and my client.

Another senior associate stated that being aggressive in discovery was considered the norm in big patent cases. As he explained:

You don't want to turn over bad documents. You want to make an aggressive argument on privilege, work product. There are a lot of creative theories of how to keep the bad documents back. Let's just put it that way. And we can keep a lot of them back.

Q: Is that ethical?

A: Nothing would violate Rule 11. But we are pretty aggressive. It's monkey business as usual in these big cases.

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level experience, or "senior" partners, those with more than 5 years of partner-level experience. Note that none of the interviewed attorneys was "of counsel."

Q: What's monkey business?

A: Okay, maybe that's not the word. But it is what's going on. We are aggressive, but not over the line. It's badge of honor to know how to push the limit but not go over the line.

Q: Are there incentives to be that way?

A: Yeah.

Q: Like what?

A: So, if the document's bad for your case, the last thing you want to do is hand it over to the other side. So if there's a way . . . any way of holding it back, you do it. You're not going to make the partners or clients happy if you turn this over without a fight.

Q: Can you give me an example?

A: That was surprising coming out of law school. Because law school is like (using an exaggerated high-pitched and whiny voice) "is this document privileged"—and actual litigation is, you push it much harder. You learn that pretty quick. You, basically if you think you're over Rule 11, even if you think you have a 2% chance of winning in court, privilege log it. Make the other side figure it out.

Q: Can you explain a bit more what is "privilege logging it"?

A: Find a way to add the document to the privilege log. You don't produce it initially. But you aren't hiding it. They see it and need to figure out if it belongs on the log. I make a plausible determination it belongs, and they need to figure out if I'm right.

Q: Do you ever have a problem doing that?

A: Out of law school, I thought we were supposed to turn over all the relevant documents, but you learn that if you want to win, you need to be more aggressive, they're doing it to you, too.

Q: And that's fine, is that ethical—you say it is because it meets Rule 11, why is that?

A: You can be aggressive. That's what you're going to do in these big patent cases. There's a big difference between that and being unethical.

Q: Tell me how, what's the difference?



A: You make an aggressive argument, put documents on a privilege log or say they're work product, that's how it's done. You bury them there. You have to have a plausible argument. The other side sees the document title, who sent [it], who received it, the date. If they're good, they can figure out whether it belongs there or should be produced. You just don't hide documents outright, or ignore them. Or don't ask the client for them; no one's going to do that. Not these big firms. No one's going to support that.

A junior partner similarly explained aggressive discovery tactics:

Q: Do you ever push the edge in discovery?

A: You are always aggressive to help the client.

Q: Give me an example.

A: Bury the opposition with documents or not disclose.

Q: How do you not disclose?

A: Object, read the request narrowly, disclose only if you have to. I'm not going to hand something over if it's going to hurt the client unless I have to.

Q: What do you mean bury them with documents?

A: Oftentimes, it's understood you're going to dump a lot of documents, millions, and there's a chance they won't find the good stuff, because Rule 34 allows you to produce them in the manner they're kept and you don't have to produce organized in response to specific document requests. There's a greater chance they'll miss something as kept in ordinary course.

Q: How did you learn to do that?

A: I . . . . Large firms understand you'll be spending lots of time quickly looking at documents. Huge amounts. That's the norm. I don't think anyone ever said "Great, make it really difficult for the other side." But I think it was understood. I mean, we knew what documents were more serious and which were not. And they would be put in the middle and sometimes they'd be found and sometimes not.

Q: Is that tactic client-driven?

A: No, not really. It's just how you do things, how it's understood you practice in this type of litigation. You're meeting the rules but don't give anything away.

Thus, the patent litigators in this study expressed a firm conviction that ethical lawyering is primarily concerned with zealously advancing the client's interests, rather than a broader notion of a lawyer's ethical duties to the legal system more broadly or even to the concern for a "just" resolution in a case. The vision of the lawyer's role described by the litigators is that of a loyal and very technically-skilled agent of the client. This, too, is consistent with general findings (and critiques) in the empirical literature on lawyers' ethics.<sup>53</sup> Parker, for example characterizes the ideal of zealous advocacy as the

predominant conception of what lawyers' role and ethics ought to be in most common law countries. It emphasizes a duty of zealous advocacy to advance client ends and relies on the principle that the lawyer is not morally responsible for the client's cause, but must act as his or her agent in aggressively advancing it, regardless of the lawyer's own opinions.<sup>54</sup>

### 3. *The Importance of Not Being a Jerk*

One further theme emerged from my questioning of what the interviewed lawyers considered "ethical" behavior in discovery. A large number of them indicated that they equated ethical behavior with a high-level of lawyerly proficiency plus a minimum level of civility. Almost all of the lawyers indicated that they considered discovery practice in patent cases to be "a big game," involving too many "clever positions" by opposing counsel who seek to prolong discovery battles in an attempt to wear down the other side or sometimes even get opponents to give up trying to get certain information due to the extraordinary costs of discovery disputes. Similarly, most of the interviewed lawyers stated that they much preferred working with opposing counsel who took reasonable positions in discovery and who could be trusted not to "play games." Civility, the lawyers suggested, made for more effective relations between counsel, which ultimately benefited the clients by obviating the need for unproductive and expensive discovery battles.

This parallels a similar finding by Kirkland in her study of large-firm lawyers' ethics. As Kirkland states it: "Large-firm litigators are concerned with discerning and playing by the customary rules of the adversary game and they look for opponents to do the same."<sup>55</sup> Kirkland critiques the equation of civility with ethicality.<sup>56</sup> She argues that an ethos of civility based merely on intra-professional norms of what constitutes good manners in discovery (e.g., by subtly signaling to opposing counsel when one is taking an evasive position, which allows good counsel to understand the signal and address the incomplete or evasive discovery response by, for instance, making a motion to compel) is a weak substitute for a robust notion of ethics based on external norms of "justice," "truth," and "efficient dispute

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<sup>53</sup> Kirkland, *supra* note 31, at 716–20 (summarizing some of these scholars' findings and arguments and critiquing lawyer-as-agent role).

<sup>54</sup> CHRISTINE PARKER, JUST LAWYERS 88–89 (1999).

<sup>55</sup> Kirkland, *supra* note 31, at 723.

<sup>56</sup> *Id.* at 720.

resolution.”<sup>57</sup> Yet, Kirkland’s critique may not be entirely on mark, as the lawyers in the present study did not consider civility as an end in itself, but as a means of achieving truth and efficiency in an adversarial setting.<sup>58</sup> These lawyers disdained opposing counsel who took uncooperative, evasive, or misleading stances in discovery (and who were generally unpleasant about it, too), often characterizing them as “jerk” or “asshole” lawyers. When asked why such lawyers were considered unethical, a number of the interviewed lawyers explained that it was precisely because it frustrated their efforts to make sure good lawyers on both sides could serve their clients well by making sure information that was required to be produced actually was, which in turn would tend to produce efficient—and more truthful—dispute resolution. When asked to elaborate on this theme, one junior associate characterized it as follows:

The jerks make it harder for everyone to do their job. We know lots of these cases settle. They settle best when both sides get what they need. You can be a jerk and make it harder, more expensive, make me do motions to compel. Means sometimes the client won’t get all it’s entitled to. That just makes it more unpleasant—I can be a jerk back, too. And it’s just not effective. I know they think jerking us around gets an advantage, but all it does is make me jerk them around, too. I’m not cooperating on anything—depo schedules, doc productions, anything, if you’re acting like an idiot for no reason, just try to intimidate. Both clients spend too much, and it makes it harder to settle or get ready for trial.

The lawyers in this thus study pride themselves on being ethical, even if their notion of ethicality is narrow and legalistic: minimum compliance with the ethics and discovery rules. They consider themselves technically proficient in discovery, able to take aggressive positions that push the envelope of the ethics rules, but do not cross them, and all the while acting civilly—unless they are forced to respond to “jerk” lawyers and act in-kind.

#### 4. *Is Patent Discovery Different?*

Is discovery in patent cases different from other cases? Brazil’s studies on discovery ethics in the 1980s suggested that patent cases may have a unique “subculture”—although he did not elaborate this finding.<sup>59</sup> The interviewed lawyers in this study generally agreed that discovery was different in most patent cases due to three related factors. First is the sheer volume of documents that must be searched for and analyzed in complex patent cases. The second factor is that many of these documents are highly technical. And the third factor is an outgrowth of the first two: given the large number of documents to analyze in many cases, larger

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<sup>57</sup> *Id.* at 724.

<sup>58</sup> Other studies of lawyers’ behavior in discovery were similarly premised on the notion that improving lawyer behavior in discovery would enhance the goals of the civil justice system. See Brazil, *Views from the Front Lines*, *supra* note 35, at 251.

<sup>59</sup> *Id.* at 222–45.

cases tended to be staffed by large teams or groups of attorneys that need to be trained and managed.

One lawyer stated that in his most recent patent case, his firm had a team of up to twelve lawyers review over five million documents for potential production in discovery. A number of lawyers stressed that they needed to search for and review many technical documents in patent cases, not infrequently in multiple languages, so patent discovery was generally more burdensome to both the attorneys and their clients. Most of the interviewed attorneys also made reference to the relatively new electronic discovery rules that apply in federal court (and are not limited to patent cases). These lawyers stated that electronic discovery potentially required even more onerous searches for documents in patent litigation than had been the case before the rules went into effect. Electronic discovery also frequently required the use of more technically trained assistants to aid document searches, thus adding “another layer of people to monitor” as one junior partner stated. But a number of the interviewed lawyers also pointed out that the new rules’ requirements for lawyers to meet and agree to document search terms potentially made discovery easier. As one senior associate put it:

It’s a lot easier, at least in some of my cases, where the lawyers agree at the beginning what searches need to be done, terms, databases. It covers me and puts some burden on the other side’s lawyers.

The lawyers indicated that the sheer size and complexity of some patent cases made it inevitable that relevant documents were not produced. This is particularly the case, several lawyers suggested because discovery is primarily conducted by the most junior lawyers, both in order to control costs and also because, as a senior associate put it, “the partners won’t do it.” That same lawyer suggested that the process of having inexperienced lawyers so involved in the discovery process, particularly document production, was “backwards.” As he explained:

The only thing we know how to do after law school is to write briefs and distill cases. We don’t know how to do any of this discovery stuff. We don’t know what we’re looking for; don’t know all the theories of the case. Senior people should be reviewing documents and we should be writing the briefs.

A related theme that arose from discussions on whether patent discovery was different from discovery in other types of cases was characterized by one litigator as the “fog of war.” By this phrase, she explained that it is difficult to be certain in large patent cases that all relevant information is produced—or even searched for adequately—by both sides. When the interviewed lawyers were asked whether they believed any important information had not been produced by their client during discovery in their most recent patent case, almost all of the lawyers said yes. Similarly, when asked whether they believed their client had received all relevant information it had asked for in the same case, the lawyers also generally agreed they probably had not. The explanations for this varied, but included: lawyer and client inattention to some aspect of discovery; problems agreeing on definitions for what must be produced; misunderstandings between lawyers and clients about what

exactly is required to be searched for and produced; opposing counsel who “dropped the ball” when following up on previously made discovery requests; and the lawyers’ own changing understandings of what is relevant as a complex, multi-issue case develops. As one junior partner stated, “You don’t always know the technology or the legal issues in a patent case in depth until well into the discovery period. That means you’ll miss some things early on.” A senior partner explained that patent discovery was “not perfect . . . you can’t always be certain that everything that’s relevant has been uncovered or produced . . . you’ve got to manage that uncertainty and minimize errors.”

These findings and explanations reveal that the discovery process in complex and large patent cases is often far from perfect—and not simply due to either client or lawyer ethical lapses. It is in this uncertain context that discovery ethics needs to be understood. Perhaps this is one reason that many of the lawyers for this study mentioned the *Qualcomm* sanctions case and expressed a sentiment (and sometimes the exact words) of “There but for the grace of God go I.”

### *B. Influences on Lawyer Ethical Decision-Making*

This section seeks to illuminate what influences how patent litigators understand ethical issues that arise in discovery and how they deal with them. The major influences identified in this study include the law firms and practice groups where these lawyers learn the “rules of thumb” and norms of discovery practice, and also negotiate what it means to act professionally and ethically, in their daily work with other lawyers.

#### *1. Arenas of Professionalism: Structural Influences*

Nelson and Trubek develop the concept of “arenas of professionalism” to explore how lawyers socially construct understandings of their roles, including the meanings of professionalism, in the context of the everyday practice of law.<sup>60</sup> The workplace—here, law firms—is one such arena. And the lawyers participating in this study were quite insightful in expressing how the demands of daily practice affected how they both recognized ethical issues that arise in discovery as well as how to address them.

When I asked the interviewed lawyers whether they had learned much about ethics in general and ethical issues in discovery during law school or in post-graduation education, such as mandatory continuing legal education training (“CLE”), the responses were mostly “no.” Typically, the lawyers characterized their ethical training in law school as “perfunctory,” or “theoretical,” or even “irrelevant” to their current legal practice. They also stated that mandatory CLE classes were “fine” but not a significant source for their ethical training or understanding. The lawyers did, however, identify how the realities of the law firm setting influenced how they approached discovery. This general response included several factors. First,

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<sup>60</sup> See Robert L. Nelson & David M. Trubek, *Arenas of Professionalism: The Professional Ideologies of Lawyers in Context*, in *LAWYERS’ IDEALS/LAWYERS’ PRACTICES: TRANSFORMATIONS IN THE AMERICAN LEGAL PROFESSION* 177, 185 (Robert L. Nelson et al. eds., 1992).

sometimes the lawyers characterized their firm as providing in-house training in discovery and ethics. But even the lawyers who stated this did not believe this factor was particularly strong. Second, many of the lawyers, especially the associates and junior partners, discussed how the pressures of firm life affected how they practiced law. Most such lawyers stated repeatedly that the need to “stand out” and be viewed as partner material was a highly significant influence in their professional lives. They explained that they were keenly aware that every aspect of their practice was liable to be scrutinized by more senior attorneys, usually powerful partners, whose opinions about these lawyers’ skills, work ethic, and ability to please clients was paramount to professional success within the firm. When asked whether having a reputation for ethicality was valuable in their firm, the lawyers were divided. Some said that it was a minor but positive factor because their firm had included ethical considerations as part of the criteria for promotion and partnership. Other lawyers characterized the need to please powerful partners and these partners’ clients as the overriding influence in their professional lives. Moreover, almost all of the interviewed lawyers were adamant that the grinding need in their firm to meet substantial billable hours requirements left them little time or ability to spend much time or intellectual energy worrying about ethics. As one senior partner stated:

I’m an ethical lawyer. I work in an ethical firm. We have a good reputation as a firm for the work we do and for our high professional reputation. But, am I wondering every day how to be a good attorney? No, I’m busy working to keep my clients happy, to provide them the highest quality legal services they expect, demand. That’s why they are my client. Do I let associates know I expect them to be good, ethical lawyers? Probably not as much as I could. It’s not a topic of lots of discussion. We’re busy, I let lawyers who work for me know they need to be good and they need to work hard and not screw up.

One junior associate put it as follows:

I get that I need to bill a huge number of hours. Learned that day one. My second year here, I was told by a senior associate that whatever you do, make sure you bill over 2,000 hours, that nothing else really matters to the partners who run this place. They’ll talk about lifestyle and pro bono or things like that but you know, message understood, I get what is going to get me noticed as valuable and that’s billing. I do look to do what the partner in charge thinks is right, generally.

When asked to explain whether this affected how he approached discovery, this same associate explained:

It affects everything. We work hard. I think I do a good job in discovery. I set the right tone and get along with clients, who sometimes don’t like how bad it gets in patent litigation—these cases can be messy, need lots of documents, lots of depositions, lots of disruption to the client. So I am sure I manage that. But the key is not to get the client so mad, you lose cooperation.

What is clear from this study is that even in firms that discuss ethics and professionalism, the over-riding ethos is billing hours, pleasing powerful partners, and keeping clients happy. Although this study focuses on a narrow part of these lawyers' practice, pretrial discovery, it is abundantly clear that all aspects of the lawyers' professional lives are influenced significantly by the economic incentives of the never-ending tournament—of the need to hustle continuously both to make partner at law firms and to maintain one's professional worth in a firm once a lawyer becomes a partner. And professional worth stems from billing long hours, from appearing competent, from either being a "rainmaker" who brings in clients who can afford expensive (and very lucrative) patent litigation, or from having strong relationships with such lawyers so that these lawyers can ensure a continued heavy workload. In this respect, the economic needs of the firm influence patent litigators in much the same way as scholars have shown they influence lawyers in large law firms in general. Although patent litigators are an elite segment of the bar, they also increasingly practice in large law firms, as did most of the lawyers for this study, where firm economic needs are of paramount importance to lawyers' daily practices.

## *2. Arenas of Professionalism: Cultural Influences*

A second strong set of firm influences that the lawyers for this study identified related to "culture" or "norms," words these lawyers used to explain how and why they approached discovery in patent litigation as they did. Many of the lawyers for this study remarked specifically that they learned very little about legal practice generally, and about legal ethics specifically, in law school. Rather, these lawyers stressed, most of what they learned was learned "on the job," in everyday interactions with colleagues and clients.<sup>61</sup>

Kirkland makes a similar finding. She shows how large-firm lawyers internalize a "distinctive choice of norm rule" that allows them to adopt the ethical norms of those attorneys they are working with at the time.<sup>62</sup> Big-firm lawyers, Kirkland explains, learn that no single firm-wide norm controls all situations. Norms of "what's done" may vary from partner to partner:

As a result, large-firm litigators are accustomed to "looking up and around" whenever they make decisions, and they become highly attuned to the personalities and preferences of the lawyers for whom they work. When they survey the social landscapes of their firms, they see terrain shaped by individual personalities, styles and preferences. Expectations or norms about what hours they work, what kinds of work they do, how they do their work, what decisions to make, what public face to wear and etiquette to

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<sup>61</sup> Of course, the same can be said of other professionals. See, e.g., CHARLES L. BOSK, FORGIVE AND REMEMBER: MANAGING MEDICAL FAILURE 190–91 (2d ed. 2003) (discussing how surgeons learn ethical norms of practice in everyday work and interactions with colleagues).

<sup>62</sup> Kirkland, *supra* note 31, at 710.

follow in a given situation vary depending on who a lawyer is working for and who has power at the time.<sup>63</sup>

One such norm in patent litigation was already discussed above when describing how litigators espoused an ethos of aggressiveness in discovery. The lawyers for this study made clear that they mostly learned what to do in discovery (as well as how to do it) in actual practice. A common theme among the litigators was that they were provided little direction in how to “do discovery” and had to learn by asking other lawyers in the firm for guidance. And a similarly common response when asking for guidance, according to the patent litigators, was that junior lawyers learned to conduct discovery according to the norms and practices of the more senior people working on any particular case. Senior lawyers in this study discussed the corollary to this: they emphasized that they typically provided some direction to junior lawyers as to how they expected them to conduct themselves in discovery, but delegated the day-to-day task of oversight to senior associates and junior partners. They expected the lawyers to “get it right” without having to be told how to do it or “have their hand held” as one partner put it. Thus, the patent litigators for this study understand that an important guide to discovery ethics is to follow the largely unspoken rules of the most important partners in charge of each case. They explained that different lawyers have different styles of doing discovery in patent litigation, and a good associate or junior partner needs to quickly understand those styles and adopt the ones appropriate to each case. And these junior lawyers generally do not have much disagreement with taking their ethical cues from others. The following discussion captures this:

It doesn't pay to try to figure out your own way of doing any of this in discovery. It's more important to work well with what your team on the case is doing. We all take our cues from, usually from the partner whose client this is. He may not tell you directly, but the junior partners will be pretty blunt about telling you what you need to do. Every partner has his own quirks, so you'd be wise to figure out the quirks for your case, given whose working it.

Q: Does that mean you don't independently evaluate what's the correct thing to do?

A: Not really. I don't have time to. I mean, I'm not going to do anything I'll get in trouble for. I'm not about to get the court mad at me personally. But that's not really an issue. We all about agree on what we need to do. We won't screw up, that's not how my firm, most big firms do it, it would be too embarrassing. But you do need to be sensitive to the partners' ideas of how it's done. That sets the tone for a case.

Q: Do the partners on the case you're on now, the software case, do they have a particular style for discovery, say in how to review documents

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<sup>63</sup> *Id.* at 711.



for potential production? Is it different from how partners on another recent case do it?

- A: Sure, this happens all the time. The software case partner is a lot more aggressive in all parts of discovery. I make sure I know what he expects and guide my practice knowing that. My other case . . . I'm on now, it's smaller and I'm mostly in charge of discovery by myself. So I get to set more of the tone of that. And that partner is fairly hands-off because he knows I will get it done and that my style is what he wants. He trusts that I can do it right without making him get involved too much. He knows I get how he practices and I'm okay with that.

Kirkland's choice of norm rule thus accurately characterizes how these patent litigators understand how to act in the discovery process. The lawyers for this study are aware of and articulate about their professed need to adopt the discovery norms of the partners in charge of cases. The partners profess that they want the lawyers working for them on a case to follow their lead, yet they also suggest that they do not provide much direction in that regard. The more junior lawyers on the cases tend to discuss among themselves what they think the partners in charge want in a particular case. And they are also comfortable with calibrating their ethical "tone" on a case to coincide with partners' preferences and ethical styles. As they explain, nobody is going to do anything outrageous because it would be too embarrassing to the firm. "Pushing the envelope" is fine, if it is called for, but not violating ethical rules.<sup>64</sup> Thus, these lawyers see an ethical world in discovery that is largely negotiable and unproblematic.

### 3. Client Influences

Rosenthal's 1974 study, *Lawyer and Client: Who's in Charge?*,<sup>65</sup> raised an important issue about who controls the lawyer-client relationship. Empirical studies of the lawyer-client relationship have suggested there is a danger that lawyers may become beholden to corporate clients at the expense of their professional autonomy.<sup>66</sup> One very clear message from the interviewed lawyers was that their patent clients exert a great deal of influence over how discovery is done, even if the lawyers also agree that they themselves influence discovery as well. This was true for both large clients with experience in patent litigation as well as for smaller clients with little or no previous litigation experience. Most of the interviews began with a discussion of the lawyer's own legal education and practice background. This was followed by a series of questions eliciting information about the types of clients these lawyers had in patent litigation matters. Most of the clients were described as large and prominent corporations located in California, the United States, Western Europe,

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<sup>64</sup> See FED. R. CIV. P. 11.

<sup>65</sup> DOUGLAS E. ROSENTHAL, *LAWYER AND CLIENT: WHO'S IN CHARGE?* (1974).

<sup>66</sup> See JOHN P. HEINZ & EDWARD O. LAUMANN, *CHICAGO LAWYERS: THE SOCIAL STRUCTURE OF THE BAR* 160–74 (1982) (finding that corporate lawyers have less autonomy from their powerful clients than lawyers who serve individual, personal services clients).

and Asia (Japan and Korea mostly). The industries represented by these clients included high-tech (computer software and hardware, and electronics), pharmaceutical, biotechnology, and medical device companies. When asked to identify their last three clients' level of experience with patent litigation, the lawyers indicated overwhelmingly that these clients had been involved in more than two patent lawsuits, from either the plaintiff's or defendant's side. Also, about two thirds of these clients had in-house legal departments of some sort. Smaller clients generally had up to only a handful of in-house attorneys or paralegals. But even many of the smaller clients (except for two companies identified as start-ups) had either a lawyer or paralegal in-house who had IP experience generally or patent experience specifically. The larger clients had commensurately larger in-house legal departments with multiple IP-specialist attorneys and paralegals. Almost none of the clients had in-house litigation attorneys, although some in-house counsel were described as having a litigation background. The patent litigation clients that the interviewed lawyers had were thus mostly well-established, large corporations, although a few smaller and newer companies were represented. They were also generally quite legally sophisticated, as measured by previous experience in patent litigation and by the existence of in-house legal departments. Most of the lawyer interviews for this study contained a lengthy discussion concerning how clients influenced the lawyers' approach to discovery in patent litigation.

Although all of the lawyers in this study indicated that they believed they influenced patent clients' behavior towards complying with discovery obligations, all of the lawyers also agreed that their patent clients had an influence on how discovery was conducted in any particular case. This was characterized as a result of either the tremendous expense of discovery and also as a function of the culture of particular clients. And the lawyers were quite candid in expressing the fact that it was dangerous to even consider doing something in discovery that would unduly upset their clients. Junior lawyers expressed this in terms of their fear that upsetting clients would result in having the partner in charge of that client negatively assess the lawyer's competence (and, hence, negatively affect the lawyer's status in the firm or prospects for attaining partner). But even senior lawyers admitted quite openly their need to keep clients happy in often contentious litigation because of the economic consequences to them and their firm should the client "fire" them and choose different patent litigation counsel. One senior partner said as follows:

Of course, you need to keep the client happy. I'm a "go-to" patent litigator, but I've lost clients because they get upset during a case. This is a very competitive business. Even at this level, this is a high level of practice, and even here, there is a lot of competition. The clients know it. We don't roll over for the clients, but we damn well pay attention to what they want.

Other lawyers discussed how challenging it can be in patent litigation to make sure clients were complying with document requests. These lawyers stressed that they took significant steps to explain to clients what was required and also to do extensive follow-up so that the lawyer could be sure that the client had done an adequate search and produced required documents. Yet many of the lawyers also explained that it was challenging to be sure in many instances that their instructions

and guidelines were followed. In particular, the lawyers told me that, when working with in-house lawyers and paralegals, it was sometimes difficult to know whether clients were complying. This was described as a problem of “translation.” The litigators informed the in-house lawyers and paralegals what they needed to search for, but were often not entirely sure how the in-house lawyers characterized these obligations to particular employees who needed to do the actual document searches. Similarly, companies often have multiple servers, computers, and other locations that can be searched, including old, “legacy” systems no longer in use. When discoverable documents might be found in multiple locations, the outside lawyers and in-house legal staff typically discuss how best to approach where to search, because choices need to be made to make searching practicable. But, again, although the lawyers for this study were adamant that they were actively involved in this process in most cases, they admitted that it was sometimes hard to “second-guess” what in-house legal staff told them, even if they suspected that a search may not have been as comprehensive as needed. One senior associate discussed this as follows:

A lot of clients have an internal “scrubbing” process, which is really annoying. They will, the clients will have the in-house lawyers and paralegals review the documents first and they make a call on what documents to hold back and you won’t know what they’ve held back.

Q: They don’t tell the outside lawyers?

A: No.

Q: On purpose?

A: Yeah. They basically say you tell us what you want and we’ll collect it. The lawyers, outside lawyers give them their wish-list. And you sometimes have to hope for the best, trust that the client and their in-house people are doing it right. But they may be making calls as to where they are and are not searching—because they know the company better than you—and making calls as to what’s irrelevant, so stuff gets decided and may not be shown to the outside lawyers. You can have input, you can ask for assurances and details, but often you can’t always be sure it’s complete, that everything has been searched for properly.

Q: So what steps do you take to make sure you’ve done a good, ethical job as outside counsel?

A: Basically push them as much as I can until they get pissed. But these are mostly sophisticated clients; they’ve been sued and sue people over patents. I just make a good record that I’ve done what I needed to do. At some point you need to trust the client. You can’t cross-examine them to death.

Q: Why not? Why can’t you?

A: You need [them] to cooperate. You need them to help. The inside lawyers have to have their say in this, and it generally works, we usually don't disagree that much. So cross-examining is not going to go over well. I push, I ask questions, but know when it's enough.

Q: Did you ever have a sense in a particular case that a client was not turning over what they had to?

A: (Laughs.) Yeah.

Q: What did you do?

A: I didn't do anything because it's up to the partners to do it. I just told the partners I'm not sure the client is turning everything over and the partners said they'd handle it. I'm not sure in that case that we ever got all we were supposed to, but I can't be sure. I do know the partners spoke to the client. But I feel we often don't get everything, that inside lawyers don't always get everything because they don't always know and they need to keep their own people happy, too.

A very interesting and revealing dynamic emerged from discussing this topic: the lawyers emphasized their professional autonomy when describing how they interacted with their clients. Yet, at the same time, most of these lawyers admitted the significant challenges they experienced in managing client expectations and cooperation in the discovery process. A fairly typical pattern during these interviews was for a lawyer to tell me outright that he or she stressed to clients the need to comply with discovery obligations. This was expressed variously, but several lawyers told me they needed to give patent clients "the talk" on just what is expected. It is also common for these lawyers to have to repeat this message to individual client employees when discussing how to search for and produce documents to the attorneys or how to prepare for deposition testimony. More than a few of the patent litigators stated that engineers in particular were difficult to work with because they were very busy and often could not believe how onerous searching for documents responsive to discovery could be, so initial resistance from such employees was not uncommon. Almost all of the interviewed lawyers stated that it was very hard to be certain that all documents were properly searched for in big patent cases and that they were sure that mistakes were made due to many factors, including client miscommunication, lawyer inadvertence, and the stresses of litigation generally. But these lawyers stressed that they and their firms made efforts to make their clients comply with all discovery obligations, including document requests.

When probed on the topic of clients who resist complying with discovery (usually document requests) several of the lawyers made a point of claiming they would not go along with a client who asked them to take a position in discovery that the lawyer thought violated the ethics rules. As one senior partner said, "if that happened, I'd fire the client." One junior partner stated that she would "drop the client if it insisted" that she do something in discovery that violated her ethical norms. And one senior associate stated that he would be uncomfortable enough in that scenario that he would "try to report the client to the partner in charge" of the case. Yet, it was

striking that each time a lawyer made such a remark, on follow-up questioning, none of them could provide an example where they had actually fired a client. Several lawyers, like the one quoted extensively above, did report clients they believed to be non-responsive to more senior lawyers on the case. But they expressed uncertainty whether that solved the perceived problem. At the same time, these junior lawyers stated that they saw their job as making a record that they had done what they needed to do and that it was the senior partner's job to take any further action.

On the one hand, this suggests that the lawyers may have some discomfort with the notion that they are simply the agents of the client or perhaps that they value the idea they are autonomous professionals who will, in proper circumstances, assert professional independence from clients. But these lawyers expressed that they did not often disagree significantly with their patent clients about discovery issues.<sup>67</sup> There was tension, given the costs and demands of patent litigation. But the lawyers made sure that all clients were instructed as to what the discovery rules require. And all of the interviewed attorneys insisted that they fully understood their ethical duties in discovery. At the same time, the lawyers expressed doubts that all responsive documents are produced in most cases, or sometimes even searched for adequately. When asked to explain their understanding as to why this might be the case, the lawyers generally concluded that the size and complexity of large patent cases was the source of the problem, although they also conceded that the need to keep clients happy was always in their mind when assessing how hard to push the clients in discovery.

A recent empirical study of how corporate lawyers interact with their corporate clients on regulatory compliance obligations suggests that the lawyers and corporate clients influence each other, so influence is not unidirectional.<sup>68</sup> Neither is it unidirectional in patent cases, according to the interviewed lawyers. In the present study, the lawyers often agreed that they had influence over whether and how clients met their discovery obligations in patent litigation. Yet they also conceded that the need to keep valuable patent clients satisfied is also a significant factor during the discovery process. Nevertheless, this study suggests that lawyers experience variation in client responsiveness to lawyers' instructions during discovery. Large, sophisticated, and repeat-player clients have significant control over the discovery process, but they also may agree with lawyerly advice on how best to handle discovery obligations—indeed, many lawyers in this study stated that clients negotiated with the lawyers but rarely resisted discovery obligations outright. On the other hand, this study suggests that for patent litigators have strong incentives to keep clients happy, such that lawyers may at times acquiesce if clients do resist what they feel are unduly burdensome discovery requests. The patent lawyers manage this relationship; they also influence it, but clearly do not control it.

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<sup>67</sup> See ROBERT L. NELSON, PARTNERS WITH POWER: SOCIAL TRANSFORMATION OF THE LARGE LAW FIRM (1988) (arguing that economic and organizational influences within large law firms threaten professional independence from clients).

<sup>68</sup> See Christine E. Parker, Robert Eli Rosen, & Vibeke Lehmann Nielsen, *The Two Faces of Lawyers: Professional Ethics and Business Compliance with Regulation*, 22 GEO. J. LEGAL ETHICS 201 (2009).

#### *4. The Dangers of Disaggregation in Patent Litigation*

One line of questioning in the lawyer interviews focused on ascertaining what—if anything—in the patent litigation discovery process raised ethical issues that were different from in other types of litigation. The lawyers in this study generally did not identify much that they characterized as different in patent cases, although they did consistently describe many of their patent cases as discovery “nightmares” (as one junior associate put it) due to the high volume of discovery that patent cases can generate. The lawyers also stated consistently that they felt the sheer volume of documents that can be involved in patent discovery has been greatly increased due to recent federal e-discovery rules. A second example of what may be unique to the patent discovery experience was identified by about a third of the interviewed lawyers. These lawyers stated that discovery in patent cases presents a particular challenge in part due to the number of lawyers involved in large patent cases. One junior partner explained it as follows:

You’ve got the offensive team, the defensive team. You pull some prosecutors out of their offices to help it gets so big . . . the team gets so big and you need bodies to do this.

Q: And that’s different, you think that’s different from other litigation, other discovery you’ve done in other cases, not patent cases?

A: Yeah.

Q: In your last case, in a patent case, how many lawyers were on the case on your side?

A: I think about twelve total at one point. It varies, depends where you are in it.

Q: How many of those lawyers . . . were in discovery, working on discovery?

A: Maybe nine or ten at various points. Mostly six key people through the whole case.

Q: Were these all from your firm?

A: Yes.

Q: How are the ethics issues different just because you have lots of lawyers on a case?

A: It just is . . . it makes it harder to coordinate, not drop the ball, keep tabs on who’s in charge of what. That’s the biggest challenge when I manage other lawyers on these cases.

In some cases, clients also engage multiple law firms, sometimes from different cities, which may all be involved in a different aspect of the case, including discovery. According to the interviewed lawyers, that also makes it challenging at times to coordinate efforts and ensure that discovery is done effectively. Ethics lawyer John Steele has coined the term “disaggregation” to describe this practice of breaking legal representation into discrete tasks that can be assigned to various actors, such as other firms, in-house lawyers and paralegals, document review attorneys (in the United States and overseas), electronic discovery vendors, and technology consultants.<sup>69</sup>

One intriguing theme possibly related to disaggregation was developed by three of the lawyers interviewed for this study. They stated that some firms parcel out responsibility for some aspects of discovery, such as document review or expert witness preparation, to patent prosecutors, who may not have significant litigation experience. The lawyers explained that prosecutors were used because they often had substantive technical knowledge that would help with the patent case. But these lawyers also believed that sometimes prosecutors were assigned to assist with discovery primarily because the litigation had heated up and “more bodies” were needed to do the work. When probed as to what issues that practice raised, these lawyers explained that it made it difficult to monitor the quality of the work done by these lawyers, because they may need more supervision than even junior litigators because they may not have significant experience in discovery. One senior associate stated his belief that his firm used prosecutors on big patent cases “to churn the client.” When asked to explain what he meant, the lawyer stated that his firm used prosecutors, even if they were not very good doing litigation, because it made more money for the firm to do so rather than to “farm out” the work to an outside firm. These three interviewed lawyers made it clear they believed the use of patent prosecutors who did not have significant experience with litigation made it more likely that inadvertent ethical lapses would occur that may not be detected by standard oversight in large patent cases.<sup>70</sup> To the extent that these three lawyers’ understandings of what happens in some large patent litigation cases is accurate, and to the extent their observations represent widespread activity, it raises serious

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<sup>69</sup> See John Steele, *Disaggregation: An Emerging Issue*, BEAZLEY BRIEF, Jan. 2009, at 1–3, available at [http://www.legalethicsforum.com/files/beazleybrief\\_0109-3.pdf](http://www.legalethicsforum.com/files/beazleybrief_0109-3.pdf). In developing his analysis of the ethical and other risks in disaggregation, Steele uses an example expressly based on the *Qualcomm* case. *Id.*

<sup>70</sup> More disturbingly, when discussing this line of questioning with these three lawyers, one further issue developed when two of these lawyers opined that their prosecutor colleagues often viewed working on discovery issues in patent cases as an easy way to add to their billable hours. These two lawyers stated that prosecutors believed it was generally easier to “pad” billable hours doing litigation rather than drafting patent claims. These lawyers were critical of this practice, and claimed that their litigation colleagues did not practice this way, but were adamant that it was widespread among prosecutors in their firms and, according to one lawyer, also in his previous firm. Because so few of the interviewed lawyers identified this issue, it was not fully developed in this study. Obviously, whether or not there is a “norm” of unethical billing practices unique to patent litigation may be an important issue for future research. Once a “taboo,” there is now a body of scholarly work suggests that cheating clients by over-billing is a significant problem in many areas of legal practice. See Susan Saab Fortney, *Soul for Sale: An Empirical Study of Associate Satisfaction, Law Firm Culture, and the Effects of the Billable Hour Requirements*, 69 UMKC L. REV. 239, 258–60 (2000); Lisa G. Lerman, *Blue-Chip Bilking: Regulation of Billing and Expense Fraud by Lawyers*, 12 GEO. J. LEGAL ETHICS 205, 208, 227–28 (1999).

ethical issues that may be unique to patent litigation. This study suggests that because patent case are so huge there are often significant issues of responsibility and capacity to oversee and coordinate all work effectively, as ethics rules require.

### *C. Are Discovery Sanctions a Deterrent?*

The threat of discovery sanctions, this article suggests, is not a highly significant factor in shaping how patent lawyers conduct themselves in pretrial discovery. In part, this stems from the fact that the lawyers in this study have a strong sense of their own ethicality in practice and almost never experience serious ethical dilemmas. Thus the threat of sanctions is too remote and abstract to resonate with what these lawyers experience in the daily practice of law. Also, the lawyers in this study have a narrow understanding of their ethical duties in the discovery process as well as a flexible and pragmatic approach to meeting these duties while at the same time managing client and senior partner expectations and pressures to “push the envelope” in discovery practice.

Because the *Qualcomm* sanctions case was so well known during the course of this study, all of the lawyers interviewed were questioned as to whether the case had affected their patent litigation practices and, if so, how. The results of this questioning present some of the most intriguing findings from this study. Given the extensive publicity and dramatic facts of the case—in which the Court initially sanctioned not only *Qualcomm* but also a number of its individual attorneys for discovery violations—it might be assumed that most of the lawyers interviewed for this study would have opinions about the “lessons learned” from *Qualcomm*. Each of these lawyers was aware of *Qualcomm* and stated that it has affected his or her practice. Several of the litigators used sports metaphors to characterize the *Qualcomm* case as a “game changer” or “whole new ballgame.” Most used similarly dramatic phrases to characterize the effect of *Qualcomm* on their patent litigation practices, such as “eye opener” or “huge deal.” Several of the litigators told me that the *Qualcomm* example would allow them to “beat up” their clients who were reluctant to comply with their discovery obligations, by using the *Qualcomm* example as a cautionary tale of how a party that does not comply with valid discovery requests can be sanctioned. But when I asked these same lawyers if they had actually used the *Qualcomm* example with any client, the answer was generally no. On follow-up questioning, these same lawyers also confirmed that they had rarely, if ever, taken a client to task for failing to comply with legitimate discovery requests. One senior partner discussed this issue as follows:

Q: Have the *Qualcomm* sanctions against the individual lawyers changed the way you practice in patent cases?

A: Oh, definitely. It . . . I mean, I don’t think any lawyer I’ve spoken to doesn’t think, there but for the grace of God go I, you know?

Q: What do you mean?



A: It's just that I think we all realize the fact is that you can be sanctioned by the court as an individual lawyer, so you need to be careful in discovery. We don't forget that. I don't. I'm not going to lose my license because of some client who's messing around.

Q: Do you do anything different in discovery in patent cases since the *Qualcomm* decision and publicity?

A: Yeah, sure.

Q: Like what?

A: I make damn sure I tell my clients they need to get me all the documents I'm asking for. I remind them about *Qualcomm* and what can happen if they screw up discovery. Big time mess.

Q: How many times have you done that, told a client about the *Qualcomm* example?

A: I don't think I've needed to do that in my recent cases.

Q: Can you give me an example from a past case where you have had to beat up on a client to make sure they are complying with discovery, say, to make sure they are looking for all the documents they need to?

A: Not exactly that, but I have clients who find documents that should be produced but don't want me to produce them.

Q: What did you do when that happened?

A: The case I'm thinking of, I didn't produce them at first.

Q: Did you think they should be produced?

A: Yes, absolutely. And I told the client, but it insisted not to produce them. I just said okay, you're going to lose a motion to compel, the other side is not dumb and they'll get these, but I will find a way to make them make a motion.

Another junior partner stated it similarly:

Q: In the last patent case you did discovery in, do you have that case in mind?

A: Yes, I'm doing it.

Q: Okay, in that case, can you tell me in that case what you did differently from your usual practice in discovery because of *Qualcomm*?

A: Not really a whole lot. *Qualcomm* reminds me of how it's important, but it's more like I already know what to do, this just gives me an example to impress the client if I need them to do more.

Q: In your cases since *Qualcomm* became such a big deal, how many times have you hit the client over the head with the case to try to get them to do more in discovery?

A: I don't think I've had to.

When I probed the litigators further for examples of what exactly they did differently in specific cases because of *Qualcomm*, the lawyers generally had difficulty identifying much, if anything, that they had changed in their daily practices. Many of the lawyers characterized their post-*Qualcomm* practices as prophylactic to their own career: "making a better record" of their individual efforts, rather than necessarily changing or increasing those efforts. For example, the following exchange with one junior partner is typical of many of the responses on this issue:

Q: How do you practice differently in light of *Qualcomm*?

A: I make sure I'm over-seeing how documents are searched for so I can ask the client to do a better search if I need to. I make a better record of what I do to get the client to search for and produce what we need to.

Q: How is that different from your previous way of doing it?

A: To some extent, it's not. I just am careful to make a record that I'm on top of things, that I can cover my ass if anyone tries to say I'm not doing what I should be in discovery. I make a record.

One senior associate colorfully explained that he learned from *Qualcomm* what he "already knew" from life in a large firm:

You need to cover your ass more in discovery. I make a record. I am aware when I sign something. I make a record what I told clients, what follow-up I do. It's not a whole lot different from what I always did in patent litigation, but I'm more aware that if something goes wrong, I have a record of what I did. You learn that in big firms. These people are not my friends when something goes wrong.

Another junior associate explained the effect of *Qualcomm* on his practice in discovery in the following way:

I don't do much different because of [*Qualcomm*]. I ask the client to do searches and check what they've done. I think it's actually easier to get this done with e-discovery . . . because the lawyers agree, the lawyers on both

sides get an agreement usually on what we need to search for, where to search, and some terms.

When asked directly whether the threat of discovery sanctions affected how they approach discovery, some of the litigators explained that sanctions were not something they were concerned with on a daily basis. A number of the lawyers told me that they were, of course, aware of the potential for sanctions, but that the risk in their daily practices was not high, so the issue did not weigh heavily on their minds. When asked why the threat of sanctions in discovery were not particularly important to them, several lawyers admitted that they had more pressing issues to be concerned with, such as pleasing partners or clients, or simply getting work done. A common response from these litigators was that sanctions were so rare they were not considered a credible threat. One senior associate put it as follows:

It doesn't happen. Judges hate this stuff. Magistrates hate this stuff; don't like motions to compel or sanctions. They hate all that crap. I . . . even when I think the other side's guy is being a jerk, I tell my client it's not worth it. The judge won't sanction them. We get the docs on a motion to compel, but we're not getting sanctions. I don't think judges like to sanction lawyers either, unless it's for really dirty stuff. That's the reality. So when you ask me why I don't think sanctions are scary, that's it.

A related theme emerged from several of the litigators. When questioned as to why discovery sanctions were not high on their list of things that affected their discovery practices post-*Qualcomm*, these lawyers explained that their cases settled frequently, leaving issues unresolved, including sanctions for arguable discovery violations.<sup>71</sup> Thus, the litigators explained both that discovery abuse was often not likely to be sanctioned even if brought to the attention of the judges, and also that sanctionable behavior often remained hidden because most cases settle. When asked whether they thought judges should issue more sanctions for abusive or unethical discovery practices, a number of the litigators agreed, although the reasons for agreeing sometimes differed. This finding is similar to Brazil's finding from his 1980s study.<sup>72</sup> And it further reinforces the point that sanctions are not considered a credible or very immediate threat to patent litigators, even in light of *Qualcomm*.

Although individual patent litigators appear not to have changed their discovery practices much in light of *Qualcomm*, this does not mean that *Qualcomm* either has not or will not have *any* effect on how patent litigators practice, particularly in pretrial discovery. A number of the litigators for this study indicated that their firms had taken some steps to systemize "best practices" due to *Qualcomm*. Such best practices include such things as creating check-lists of things to do in patent discovery.<sup>73</sup> The most common firm-level change identified by the litigators was an

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<sup>71</sup> And, as in most civil litigation, most patent cases settle pretrial. See William M. Landes, *An Empirical Analysis of Intellectual Property Litigation: Some Preliminary Results*, 41 HOUSTON L. REV. 749, 756, 775 (2004).

<sup>72</sup> See Brazil, *Views from the Front Lines*, *supra* note 35, at 247–48.

<sup>73</sup> I asked every lawyer who indicated his or her firm had such a check-list if I could see an example copy. No one agreed to show me such a list, usually on the basis that they were reluctant to expose firm secrets or policies in writing.

in-house presentation made to litigators on discovery practice after *Qualcomm*. Moreover, as Chambliss reminds us, not all changes to law firm ethical practices come from individual lawyer initiative. As she argues, both internal influences, such as having ethics counsel more involved in a firm's ethics issues, and external influences, such as having firm practices dictated by malpractice carrier requirements, can affect lawyer's practices. This suggests that even if patent litigators do not themselves alter their practices in light of *Qualcomm* or the threat of discovery sanctions, there may yet be some changes imposed externally.<sup>74</sup>

#### IV. THE *QUALCOMM* EXAMPLE: "TROUBLE CASE" OR "EVERYDAY PRACTICE"?

The *Qualcomm* sanctions case was an immediate sensation in the legal press and online blogs.<sup>75</sup> It also became a staple cautionary tale at CLE events nationwide, which hoped to glean the lessons of how to avoid the risks of being sanctioned for discovery abuse in complex litigation. All of this is perhaps understandable, because both the trial judge (Judge Rudi M. Brewster) and magistrate judge (Judge Barbara L. Major) in this case issued orders that left no doubt they considered *Qualcomm*'s discovery misconduct outrageous. Indeed, Judge Brewster found that *Qualcomm*'s conduct was "exceptional" under 35 U.S.C. § 285<sup>76</sup> and ordered the company to pay all of *Broadcom*'s attorney fees and costs for the litigation, totaling more than \$8.5 million.<sup>77</sup> Magistrate Judge Major, who was tasked with determining whether additional sanctions were warranted for specific individual attorney misconduct, initially did sanction six of *Qualcomm*'s outside lawyers.<sup>78</sup> This sanctions order, however, was quickly vacated by Judge Brewster on due process grounds because the responding attorneys<sup>79</sup> had not been able to fully disclose what they had and had not done in discovery, because to do so would likely disclose attorney-client privileged communications with *Qualcomm*.<sup>80</sup> Judge Brewster subsequently remanded the sanctions case back to Judge Major, allowing the responding attorneys the opportunity to conduct discovery and to file declarations and legal briefs addressing the issue of whether they had violated their ethical duties in the discovery process.<sup>81</sup> The resulting sanctions case became as extensive and expensive as the underlying patent trial. And, after almost two years of post-trial litigation in the sanctions case,

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<sup>74</sup> See Chambliss & Wilkins, *supra* note 31, at 715.

<sup>75</sup> See Elinson, *supra* note 3, at 1.

<sup>76</sup> Order Granting *Broadcom*'s Motion for Attorney Fees and for Exceptional Case Finding, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Aug. 6, 2007), ECF No. 594, 2007 WL 2261799, at \*1-3.

<sup>77</sup> See Order Adopting Report and Recommendation on Amount of Attorneys' Fees and Other Expenses, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Dec. 11, 2007), ECF No. 717, 2007 WL 4351017, at \*1; see *infra* note 120 and accompanying text.

<sup>78</sup> Order Granting in Part and Denying in Part *Broadcom*'s Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958, (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*9; see *infra* note 160 and accompanying text.

<sup>79</sup> This section refers to the six affected lawyers as the "responding attorneys" for consistency, because they are identified that way in much of the sanctions case briefing and orders.

<sup>80</sup> Order Remanding in Part Order of Magistrate Court Re Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Mar. 5, 2008), ECF No. 744, 2008 WL 638108, at \*2.

<sup>81</sup> *Id.* at \*2-3.

Judge Major ultimately determined that, while they had made mistakes, the responding attorneys had complied with their ethical obligations in discovery and that sanctions were therefore not warranted.<sup>82</sup>

This section analyzes the *Qualcomm* sanctions case in detail. It explores what this case reveals about the realities of ethical decision-making during discovery in complex patent cases. It also compares the *Qualcomm* example with insights from the lawyer interviews in Part III, exploring whether the sanctions case is best understood as a “trouble case” or as exemplifying “everyday practice.”

#### A. *The Litigation Background and Discovery Sanctions Case*

The *Qualcomm* sanctions case arose in a patent infringement lawsuit filed by Qualcomm, Inc. against Broadcom Corporation in the U.S. District Court for the Southern District of California in October of 2005.<sup>83</sup> This litigation was one of several hotly-contested lawsuits between these parties in various forums, including federal courts and the International Trade Commission (“ITC”).<sup>84</sup> In this case, Qualcomm claimed that various products sold by Broadcom, which were compliant with an industry-promulgated technical standard called the “H.264 standard,” infringed two patents relating to video compression technology.<sup>85</sup> The H.264 standard was developed and adopted by the Joint Video Team (“JVT”), a standards-setting organization (“SSO”) that was created to develop interoperable technical standards for video compression technology.<sup>86</sup> The JVT was established as a joint project by two standards organizations, the Video Coding Experts Group (“VCEG”) of the International Telecommunication Union Telecommunication Standardization Sector (“ITU-T”) and the Moving Pictures Expert group (“MPEG”) of the International organization for Standardization (“ISO”) and the International Electrotechnical Commission (“IEC”). Standards organizations such as this pool resources and coordinate efforts to create universal technology standards to facilitate product compatibility within an industry.<sup>87</sup>

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<sup>82</sup> Order Declining to Impose Sanctions Against the Responding Attorneys and Dissolving the Order to Show Cause, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Apr. 2, 2010), ECF No. 998, 2010 WL 1336937, at \*7.

<sup>83</sup> *Qualcomm’s Complaint for Patent Infringement, Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 17, 2005), ECF No. 1, 2005 WL 5176496.

<sup>84</sup> See Zusha Elinson, *Chip Makers’ \$891 Million Settlement Infused by New Blood*, RECORDER (S.F.), Apr. 28, 2009, available at <http://www.law.com/jsp/lawtechnologynews/PubArticleLTN.jsp?id=1202430260838>. After over four years of litigation in these forums, the parties ultimately agreed to settle all patent and antitrust cases, with Qualcomm agreeing to pay Broadcom \$891 million over several years. *Id.*

<sup>85</sup> *Qualcomm’s Complaint for Patent Infringement, Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 17, 2005), ECF No. 1, 2005 WL 5176496.

<sup>86</sup> *Qualcomm, Inc. v. Broadcom Corp.*, 539 F. Supp. 2d 1214, 1217–18 (S.D. Cal. 2007) (discussing background of JVT), *aff’d in part and vacated in part*, 548 F.3d 1004 (Fed. Cir. 2008).

<sup>87</sup> *Id.*

In its answer,<sup>88</sup> Broadcom raised multiple affirmative defenses, including waiver. The waiver defense was based on an allegation that Qualcomm had participated in the JVT during the time period the H.264 standard was being developed and that Qualcomm had thereby violated a duty to disclose patents relevant to the standard—specifically, U.S. Patent No. 5,452,104 (“the ’104 patent”) and U.S. Patent No. 5,576,767 (“the ’767 patent”)—thus rendering these patents unenforceable.<sup>89</sup> The waiver defense thus became a critical issue in pretrial discovery. Although it was but one of many legal issues in this complex patent infringement suit, it became one of the most dramatic and heavily litigated issues in the entire case.

### 1. “Gross Misconduct on a Massive Scale”

Early on in the pretrial discovery period, Broadcom promulgated multiple broad requests for information concerning Qualcomm’s knowledge of, attendance at, and participation in the JVT.<sup>90</sup> Throughout discovery, Qualcomm consistently maintained it had not attended or participated in any JVT proceedings before the H.264 standard had been adopted in May of 2003.<sup>91</sup> Consistent with this position, Qualcomm produced no documents or information in interrogatory responses or deposition testimony that indicated any Qualcomm involvement with the JVT before May 2003.<sup>92</sup> Moreover, through its witnesses and lawyers, Qualcomm continued to assert this position forcefully after the discovery period had closed, by means of pretrial motions,<sup>93</sup> dispositive motions made during trial,<sup>94</sup> opening statements at

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<sup>88</sup> Broadcom’s Answer and Counterclaims to Qualcomm’s Complaint for Patent Infringement, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Dec. 5, 2005), ECF No. 10, 2005 WL 5176497.

<sup>89</sup> See *Qualcomm*, 539 F. Supp. 2d at 1216. For information on the duty to disclose intellectual property to standards setting organizations, see Mark A. Lemley, *Intellectual Property Rights and Standard-Setting Organizations*, 90 CALIF. L. REV. 1889 (2002) and Janice Mueller, *Patent Misuse Through the Capture of Industry Standards*, 17 BERKELEY TECH. L.J. 623 (2002).

<sup>90</sup> See Broadcom’s Memorandum in Support of its Motion for Sanctions at 4 n.4, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. May 29, 2007), ECF No. 540. This included document requests pursuant to FED. R. CIV. P. 34, interrogatory responses pursuant to FED. R. CIV. P. 33, and deposition notices on JVT-related topics pursuant to FED. R. CIV. P. 30(b)(6). *Id.* Broadcom identifies and quotes the discovery requests in its written motion for sanctions. *Id.*

<sup>91</sup> See *Qualcomm*, 539 F. Supp. 2d at 1247–48; Order Granting in Part and Denying in Part Broadcom’s Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*3 n.3.

<sup>92</sup> See Order Granting in Part and Denying in Part Broadcom’s Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*10–12.

<sup>93</sup> See *id.* at \*3 n.3. (“On November 19, 2006 Qualcomm filed (1) a Motion in Limine to exclude evidence relating to, among other things, Qualcomm’s participation in the JVT, declaring that the ‘facts demonstrate’ Qualcomm ‘did not participate in JVT deliberations while the H.264 standard was being created’ and (2) a Memorandum of Contentions of Fact and Law in which it similarly asserted its lack of involvement in the H.264 standardization process.”) (citations omitted).

<sup>94</sup> See *id.* (“In November, Qualcomm filed a Motion for Summary Adjudication (‘MSA’) and supporting reply arguing that the evidence established Qualcomm’s non-participation in the JVT during the relevant period. Numerous in-house and outside counsel reviewed the pleadings and attorneys Young, Batchelder and Patch argued the motion.”) (citations omitted).

trial,<sup>95</sup> sidebar discussions during trial,<sup>96</sup> and in post-trial proceedings.<sup>97</sup> Although each of these representations would later be found by the Court to be false, there was nothing before the last days of trial to indicate that there was any factual basis for Broadcom's waiver theory.

That changed dramatically with the trial testimony of Qualcomm witness Viji Raveendran, a senior Qualcomm engineer who had previously testified as a deposition witness on the JVT issue. At trial, Ms. Raveendran was offered by Qualcomm specifically to rebut any suggestion that Qualcomm had been involved with the JVT before May of 2003.<sup>98</sup> This would prove to be disastrous. Raveendran's name appeared on a single critical document in this case, one that had not been produced by Qualcomm, but which Broadcom had used unsuccessfully to establish Qualcomm's deep involvement early on in the development of the H.264 standard.<sup>99</sup> The document Broadcom pinned its hopes on for this issue was somewhat obscure: a printout dated November 2002 welcoming a number of apparent email addresses—including Raveendran—to the “avc\_ce mailing list,” which was a distribution list for the so-called “Advanced Video Coding (“AVC”) Ad Hoc Group,” of the JVT. The fact that Raveendran's work email was on this list potentially indicated that she had received the message and perhaps others relating to the JVT—which would contradict not only Raveendran's deposition testimony but also all of Qualcomm's previous repeated assurances to the contrary. Broadcom thus was attempting to use the list to raise an inference that Qualcomm had indeed been involved with the JVT as early as late 2002. Its main problem was that no witness in discovery or at trial had been able to establish the list had actually been sent to Raveendran.

Only one week prior to Raveendran's trial testimony, one of Qualcomm's outside lawyers, Adam Bier, a second-year associate at the Day Casebeer firm who was preparing Raveendran for trial, discovered an email dated August 6, 2002 on Raveendran's laptop.<sup>100</sup> This had been sent to Raveendran from the avc\_ce reflector

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<sup>95</sup> *See id.* (“Later, in May of '03, the standard is approved and published. And then Qualcomm, in the fall of 2003, it begins to participate not in JVT because it's done. H.264 is approved and published. Qualcomm begins to participate in what are called professional extensions, things that sit on top of the standard, additional improvement.”) (quoting the opening statement of Qualcomm's lead attorney James Batchelder).

<sup>96</sup> *See id.* at \*14. Qualcomm's attorney Stanley Young argued during a sidebar:

Actually, there are no emails—there are no emails . . . there's no evidence that any email was actually sent to this list. This is just a list of email . . . addresses. There's no evidence of anything being sent. . . .

[I]t's not clear to me [the emails are] responsive to anything. So that's something that needs to be determined before they would be produced . . . I'm talking about whether they were actually requested in discovery . . . I'm simply representing that I haven't seen [the emails], and [whether Broadcom requested them] hasn't been determined.

*Id.* (citations omitted) (alterations in original).

<sup>97</sup> *Id.* at \*6.

<sup>98</sup> *See* Broadcom's Memorandum in Support of its Motion for Sanctions at 4 n.4, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. May 24, 2007), ECF No. 540.

<sup>99</sup> *See id.* at 5–6.

<sup>100</sup> *See* Declaration of Responding Attorney Adam Bier in Response to Order to Show Cause Why Sanctions Should Not be Imposed at 6–8, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958, (S.D. Cal. Nov. 2, 2009), ECF No. 945.

(the automated server that sent emails to the addresses on the *avc\_ce* mailing list.)<sup>101</sup> No doubt realizing the potential implications of this document, Bier shortly thereafter ran a further search on Raveendran's laptop and found in the archived emails twenty-one separate messages sent to Raveendran from the distribution list with dates between November 2002 and 2003.<sup>102</sup> None of these email messages named Raveendran as a recipient, but all were apparently sent to members listed in the *avc\_ce* distribution list. None of these emails had been found during the discovery period because Raveendran's personal laptop computer had not been previously searched.<sup>103</sup>

Realizing that the emails might be responsive to Broadcom's JVT-related document requests, Bier brought the twenty-one emails to the attention of two other Qualcomm outside lawyers, Day Casebeer partner Lee Patch and senior associate (and later partner) Christian Mammen.<sup>104</sup> Qualcomm's lead trial counsel, Day Casebeer partner James Batchelder, was apprised of the discovery of the Raveendran emails, but was then in the process of preparing for trial the next day, so he delegated the determination of whether the document should be produced to Mammen and Patch.<sup>105</sup> These attorneys ultimately decided that the emails were not responsive to Broadcom's discovery requests and they were not produced before trial.<sup>106</sup> As these lawyers subsequently explained, the determination that the emails were not responsive to Broadcom's document requests was based on numerous

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<sup>101</sup> *Id.*

<sup>102</sup> *Id.* at 9–10.

<sup>103</sup> See Declaration of Viji Raveendran in Support of Qualcomm's Opposition to Broadcom's Motion for Sanctions at 1–3, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007), ECF No. 686, 2007 WL 3005525. This became a key issue in the subsequent sanctions case, as Judge Majors expressed incredulity that neither Raveendran nor any of Qualcomm's 30(b)(6) witnesses had their personal files searched for responsive discovery documents. See Order Granting in Part and Denying in Part Broadcom's Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*10–11. Qualcomm's outside counsel later explained in detail that they had not conducted such searches because they understood from Qualcomm's in-house legal staff and paralegals that such a search would be duplicative of efforts already undertaken by Qualcomm. *Id.* at \*11 n.6.

<sup>104</sup> Declaration of Responding Attorney Adam Bier in Response to Order to Show Cause Why Sanctions Should Not be Imposed at 10, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958, (S.D. Cal. Nov. 2, 2009), ECF No. 945.

<sup>105</sup> See Supplemental Declaration of Responding Attorney James R. Batchelder in Response to Order to Show Cause Why Sanctions Should Not be Imposed at 14–15, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958, (S.D. Cal. Nov. 2, 2009), ECF No. 941 (attach. no. 2).

<sup>106</sup> See Supplemental Declaration of Responding Attorney Christian E. Mammen in Response to Order to Show Cause Why Sanctions Should Not be Imposed, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Nov. 2, 2009), ECF No. 941 (attach. no. 3). This decision was the focus of much subsequent scrutiny and incredulity by the Court. *Id.* Yet both Mammen and Patch later described what led them to characterize the emails as akin to "spam," and nothing that indicated Qualcomm had participated in the JVT. The somewhat bland content of the twenty-one emails no doubt contributed to the lawyers' decision not to produce them. Yet the broader significance of the emails in light of Qualcomm's consistent assertions that there was no Qualcomm involvement in the JVT before 2003 made the decision not to produce them highly problematic for the Court. As Magistrate Major explained, the existence of the emails, dated November of 2002, in Raveendran's laptop is strong evidence at least of the possibility that Qualcomm was involved in the JVT before the H.264 standard was adopted, which mandated their production in discovery. See Order Granting in Part and Denying in Part Broadcom's Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*10–11.



factors. First, none of the emails identified Raveendran or any other Qualcomm employee. Raveendran herself had explained to these same lawyers that she did not know how she had been added to this list, was unaware that she had received the emails, and had never read them. Also, the lawyers understood that the chair of the group that apparently promulgated the list was a Broadcom employee. This led them to conclude that if Broadcom's own employee did not have information tying Raveendran or any other Qualcomm employee to the group, this was consistent with Qualcomm's position that there had been no such involvement. Moreover, as the lawyers also later explained, the substance of the emails did not lead them to believe they were responsive, because they did not deal with technical content relating to the H.264 standard.<sup>107</sup> Qualcomm's outside lawyers thus took an extremely narrow and aggressive characterization of both the substance of Qualcomm's discovery requests as well as the significance of the twenty-one emails in order to justify not producing them before trial.<sup>108</sup> The lawyers themselves explained that they simply did not see any "red flag" from these emails that led them to believe they were inconsistent with Qualcomm's legal positions at trial.<sup>109</sup>

With Raveendran on the stand on the next to last day of trial, Qualcomm's trial counsel responsible for Raveendran's direct examination, Lee Patch, faced a challenge. He surely wanted to elicit favorable testimony from Raveendran that would rebut Broadcom's waiver theory—specifically rebutting Broadcom's position that the "avc\_ce" document (with Raveendran's email listed) was proof of Qualcomm participation in the JVT. But at the same time counsel did not want to alert Broadcom's trial counsel of the existence of the emails that had been found the week before but not produced. The direct examination thus focused on whether Raveendran had ever "sent" emails to this list or "read" any—carefully avoiding asking whether she had "received" any such emails:

Q: Ms. Raveendran, did you place your email address on this list?

A: No.

Q: Do you have any understanding as to how it is that your email address appears on such a list?

A: The list is pretty vast. From what I can see is because Vittorio Baroncini is the first author, he knew me as a—someone who is trained in compression artifacts and an expert viewer. So because the primary goal of this ad hoc was to evaluate compression technologies, he

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<sup>107</sup> See Declaration of Christian E. Mammen re OSC at 16, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007), ECF Nos. 682, 685, 2007 WL 3005523.

<sup>108</sup> Qualcomm's lawyers took a similarly aggressive position that the emails had been properly withheld from discovery on the basis that they were not responsive to any of Broadcom's document requests during post-trial meet-and-confer correspondence with Broadcom relating to the sanctions case. This aggressive position was not appreciated by either Judge.

<sup>109</sup> See Declaration of Christian E. Mammen re OSC at 16, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007), ECF Nos. 682, 685, 2007 WL 3005523.; Declaration of Adam A. Bier re OSC at 7–8, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007), ECF No. 686, 2007 WL 3005526.

probably added my name. Chairs can do that. Chairs of ad hoc groups can add people to their list.

Q: Did you ever send mail to this email list?

A: No.

Q: Do you have any knowledge of having read mail that came back to you from this email list?

A: No, not that I can recall.<sup>110</sup>

Perhaps predictably, on cross-examination, Broadcom's trial counsel William Lee, got Raveendran to reveal that she had indeed *received* emails from this list and had pulled them from her computer just the week before:

Q: Did you receive mailings from the ad hoc committee identified in this exhibit?

A: During preparation for this testimony, there were some emails pulled out of my email box. Email archive.

Q: Were they produced to Broadcom?

A: I don't know.

Q: All right. But during the preparation for your testimony in this case, emails to you as a result of your being on this list were pulled out of your email box, correct?

A: Yes.<sup>111</sup>

Raveendran's testimony about the apparently responsive but not-produced documents provoked an immediate and strong reaction by Broadcom, which believed the emails directly supported its defense that Qualcomm had improperly participated in the JVT while the H.264 standard was being developed. Although Qualcomm's lawyers continued to maintain that the emails were not responsive to discovery requests, they produced them to Broadcom during the lunch break that same day.<sup>112</sup> While the jury deliberated, Broadcom made an oral motion for sanctions against Qualcomm for having failed to produce what it deemed highly-relevant emails that

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<sup>110</sup> Order re Inequitable Conduct and Waiver, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Mar. 21, 2007), ECF No. 528, 2007 WL 1031373, at \*17 (quoting trial testimony from Jan. 24, 2007).

<sup>111</sup> *Id.* at \*18 (quoting trial testimony from Jan. 24, 2007).

<sup>112</sup> *Id.*

directly supported its waiver defense. This motion was later renewed in a filed motion for sanctions.<sup>113</sup>

On January 26, 2007, the jury returned a verdict finding that Qualcomm's patents were valid, but also finding that Broadcom's products did not infringe those patents.<sup>114</sup> The jury also returned an advisory verdict on the equitable issues raised by Broadcom's affirmative defenses, finding that Qualcomm's patents were unenforceable due to inequitable conduct and waiver.<sup>115</sup>

Two months later, on March 21, 2007, Judge Brewster found by clear and convincing evidence that Qualcomm participated in the JVT as early as 2002 and, pursuant to Federal Circuit authority, had a duty to disclose its '104 and '767 patents because it knew at that time its patents were "reasonably necessary to practice" the H.264 standard.<sup>116</sup> The Court held that Qualcomm had, therefore, waived its ability to enforce these two patents for failing to disclose them to the JVT.<sup>117</sup> Throughout this time, Broadcom continued to insist that Qualcomm search for and produce all documents relating to its participation with the JVT. Although Qualcomm vigorously opposed this, it ultimately searched for and produced more than 200,000 pages of responsive documents. The existence of so many previously unproduced and highly relevant documents apparently outraged the Court. In an August 6, 2007 order, Judge Brewster determined that Qualcomm's "bad faith participation in the [JVT]" and its "litigation misconduct . . . through its employees, hired outside witnesses, and trial counsel during discovery, motions practice, trial, and post-trial proceedings" justified finding this an "exceptional case" under 35 U.S.C. § 285.<sup>118</sup> Accordingly, Judge Brewster awarded Broadcom all of its attorney fees and costs for the lawsuit, totaling over \$8.5 million dollars.<sup>119</sup>

In a scathing companion order filed the same day, Judge Brewster also excoriated Qualcomm and its attorneys for what he found to be egregious behavior throughout the lawsuit, citing this as a further basis for granting Broadcom's waiver motion. As Judge Brewster explained:

Qualcomm's post-trial production of documents directly and unequivocally exposes as blatantly false Qualcomm's steadfast assertions at summary judgment, during trial, and at the post-trial hearing on waiver and inequitable conduct that it did not participate in the JVT until after May 2003. The Court FINDS well beyond clear and convincing evidence that

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<sup>113</sup> Broadcom's Memorandum in Support of its Motion for Sanctions at 4 n.4, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. May 29, 2007), ECF No. 540.

<sup>114</sup> Verdict Form, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 26, 2007), ECF No. 499, 2007 WL 444925.

<sup>115</sup> *Id.*

<sup>116</sup> Order re Inequitable Conduct and Waiver, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Mar. 21, 2007), ECF No. 528, 2007 WL 1031373, at \*16. The Court cited *Rambus, Inc. v. Infineon Technologies, AG*, 318 F.3d 1081 (Fed. Cir. 2003), as setting the standard of law for when a participant in a standards-setting organization has a duty to disclose patent rights that "reasonably might be necessary to practice" the relevant standard. *Id.* at \*7.

<sup>117</sup> *Id.* at \*8-14.

<sup>118</sup> Order Granting Broadcom's Motion for Attorney Fees and for Exceptional Case Finding, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Aug. 6, 2007), ECF No. 594, 2007 WL 2261799, at \*1-3.

<sup>119</sup> *Id.*

Qualcomm participated in the JVT from as early as January 2002 . . . well before the JVT released the H.264 standard in May 2003.<sup>120</sup>

Judge Brewster further listed in damning detail what he determined was intentional and egregious misconduct by Qualcomm, its employees, and witnesses—conduct the Court characterized as “aggravated litigation abuse”:<sup>121</sup>

[F]aced with the additional evidence produced post-trial by Qualcomm, the Court concludes that the conduct of Qualcomm’s employees before trial, and its employees and hired witnesses during pre-trial, trial, and post-trial outlines misconduct even more extensive than the Court previously found in its March 21 Order . . . [m]erely the reiteration of the chronology of events above and below tells the story of the gravity of the conduct. The facts speak for themselves. The totality of the circumstances leads the Court to conclude by clear and convincing evidence that Qualcomm intentionally organized a plan of action to shield the ’104 and ’767 patents from consideration by the JVT with the anticipation that (1) the resulting H.264 standard would infringe those patents and (2) Qualcomm would then have an opportunity to be an indispensable licensor to anyone in the world seeking to produce an H.264-compliant product.<sup>122</sup>

Judge Brewster also targeted Qualcomm’s attorneys specifically by finding “by clear and convincing evidence that Qualcomm[s] counsel participated in an organized program of litigation misconduct and concealment throughout discovery, trial, and post-trial.”<sup>123</sup> Judge Brewster continued:

As is clear to the Court now, Qualcomm failed to produce even one of the over two hundred thousand pages of emails, memoranda, and electronic documents related to Qualcomm’s participation in the JVT, which were finally produced after trial.<sup>124</sup>

The Court specifically listed multiple instances where Qualcomm’s attorneys had insisted that there was no evidence of any Qualcomm participation in the JVT before the H.264 standard was released, including during pretrial discovery,<sup>125</sup> in pretrial motions,<sup>126</sup> in trial counsel’s opening statements,<sup>127</sup> in sidebar statements

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<sup>120</sup> *Qualcomm, Inc. v. Broadcom Corp.*, 539 F. Supp. 2d 1214, 1222 (S.D. Cal. 2007), *aff’d in part and vacated in part*, 548 F.3d 1004 (Fed. Cir. 2008); *see also* Jessie Seyfer, *Day Casebeer, Heller Taken to the Woodshed Over Discovery Conduct*, RECORDER (S.F.), Aug. 8, 2007, available at <http://www.law.com/jsp/ca/PubArticleCA.jsp?id=900005556675>.

<sup>121</sup> *Qualcomm*, 539 F. Supp. 2d at 1227.

<sup>122</sup> *Id.*

<sup>123</sup> *Id.* at 1234.

<sup>124</sup> *Id.* at 1238.

<sup>125</sup> *Id.* at 1234–39.

<sup>126</sup> *Id.* at 1240–44 (discussing Qualcomm’s motions for summary adjudication in its favor on the waiver defense, Qualcomm’s motions in limine to exclude any evidence of Qualcomm participation in the JVT), and Qualcomm’s trial memorandum).

<sup>127</sup> *Id.* at 1244

made at trial,<sup>128</sup> and during post-trial efforts to resist Broadcom's further discovery requests made in support of its motion for sanctions. The Court stressed that it was only after several months of resisting Broadcom's<sup>129</sup> post-trial discovery requests that Qualcomm had conducted additional searches of four Qualcomm employees' computers, which led to the discovery of the thousands of previously unproduced documents that even Qualcomm's trial counsel, and in-house general counsel were forced to concede clearly supported Broadcom's waiver defense.<sup>130</sup> Both lawyers submitted letters to Judge Brewster on April 9, 2007, apologizing for not having located and produced these documents previously as well as for having asserted positions throughout the litigation that were contradicted by the newly-discovered evidence.<sup>131</sup> One week after submitting his letter to the Court, Lupin resigned from Qualcomm.<sup>132</sup> But these letters did not appease Judge Brewster, who concluded that:

In light of all of the above evidence finally revealed, the eventual collapse of Qualcomm's concealment efforts exposes the carefully orchestrated plan and the deadly determination of Qualcomm to achieve its goal of holding hostage the entire industry desiring to practice the H.264 standard by insulating its IPR from the JVT so that the JVT would lose the opportunity to mitigate, if not to avoid, Qualcomm's IPR in the development of the H.264 standard. Broadcom, ignorant of the existence of the '104 and '767 patents, designed and is in the process of manufacturing numerous H.264-compliant products.<sup>133</sup>

Focusing on the lawyers, Judge Brewster characterized Qualcomm's outside counsel's conduct during discovery as "indefensible":

Qualcomm counsel's discovery responses demonstrate that they were able to locate with alacrity company records from December 2003 forward and find four or more Qualcomm employees participating in proceedings of the JVT. Yet inexplicably, they were unable to find over 200,000 pages of relevant emails, memoranda, and other company documents, hundreds of pages of which explicitly document massive participation in JVT proceedings since at least January 2002. These examples of Qualcomm counsel's indefensible discovery conduct belie counsel's later implied protestation of having been "kept in the dark" by their client.<sup>134</sup>

Judge Brewster was clearly outraged by what he understood to be deliberate and egregious misconduct by Qualcomm and its lawyers. Judge Brewster delegated to

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<sup>128</sup> *Id.* at 1244–45.

<sup>129</sup> *Id.* at 1248.

<sup>130</sup> *Id.* at 1245–48.

<sup>131</sup> *Id.* (quoting from letters to the Court sent by trial counsel James Batchelder and Qualcomm General Counsel Louis Lupin).

<sup>132</sup> See Jessie Seyfer, *Three Strikes, and Qualcomm's General Counsel Is Out*, RECORDER (S.F.), Aug. 14, 2007, available at <http://www.law.com/jsp/ca/PubArticleCA.jsp?id=900005556769>.

<sup>133</sup> *Qualcomm, Inc. v. Broadcom Corp.*, 539 F. Supp. 2d 1214, 1248 (S.D. Cal. 2007), *aff'd in part and vacated in part*, 548 F.3d 1004 (Fed. Cir. 2008).

<sup>134</sup> *Id.* at 1239.

Magistrate Judge Major the task of determining whether further sanctions, including sanctions against individual lawyers, were warranted. Judge Major issued an order to show cause (“OSC”) one week later, indicating that the Court was “inclined to consider the imposition of any and all appropriate sanctions on Qualcomm’s attorneys,” identifying fourteen of those lawyers by name.<sup>135</sup> The OSC was worded broadly to potentially implicate a number of Qualcomm’s outside attorneys in the case. But it did not require Qualcomm’s in-house attorneys to respond and explain themselves. This move raised the stakes considerably, as Qualcomm’s outside lawyers were now forced to fight for their professional reputations in an increasingly public manner.

## *2. Discovery Sanctions and Due Process*

Perhaps the most vexing issue facing the attorneys responding to the OSC was how to explain to the Court what they had done (or had not done)—and why—during pretrial discovery. To avoid individual sanctions under the OSC, the attorneys needed to persuade Judge Major that they had fully met their discovery obligations. Yet they were hindered in that task because any declarations or other evidence they might submit to the Court in their defense would almost certainly reveal communications with Qualcomm employees (e.g., the in-house legal and paralegal staff, or even witnesses) that were protected by the attorney-client privilege. Because Qualcomm refused to waive the privilege, six of the responding attorneys from the Heller Ehrman firm filed a motion<sup>136</sup> seeking leave to disclose privileged or confidential information under the federal common law self-defense exemption, which permits a lawyer to disclose confidential client communications in limited circumstances.<sup>137</sup> Twelve additional attorneys from the Day Casebeer firm joined in this motion.<sup>138</sup> The brief filed in support of this motion squarely raised the issue that Qualcomm’s outside attorneys could not fully and fairly defend themselves from the Court’s threatened sanctions without a finding that the federal common law self-defense exception was applicable.<sup>139</sup> Complicating this task was the fact that, while federal courts have recognized this exception under certain circumstances, courts

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<sup>135</sup> Order to Show Cause Why Sanctions Should Not Be Imposed at 2, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Aug. 13, 2007), ECF No. 599.

<sup>136</sup> Motion and Memorandum of Points and Authorities by Noonan Lance & Hodge LLP, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Sept. 17, 2007), ECF No. 634 (attach. 1), 2007 WL 2821221.

<sup>137</sup> See CHARLES W. WOLFRAM, *MODERN LEGAL ETHICS* 307–11 (1986) (discussing lawyer self-defense and self-interest exceptions to attorney-client privilege, but also concluding that “the exception does not stand on very firm theoretical ground”).

<sup>138</sup> Notice of Joinder by Shartsis Friese LLP in *Heller Attorney’s Motion re Self Defense Exception to the Attorney-Client Privilege, Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Sept. 18, 2007), ECF No. 635; Notice of Joinder by Kerr & Wagstaffe LLP, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Sept. 19, 2007), ECF No. 643.

<sup>139</sup> Motion and Memorandum of Points and Authorities by Noonan Lance & Hodge LLP, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Sept. 17, 2007), ECF No. 634 (attach. 1), 2007 WL 2821221.

applying state law and California's arguably stricter ethical restrictions<sup>140</sup> have rejected a similar exemption.<sup>141</sup> The attorneys thus asked the Court to find the exception applicable to the OSC and thus to rule that California's ethical rules did not apply.<sup>142</sup> As the responding attorneys succinctly stated, it would not be "consistent with due process of law to require an attorney to respond to serious charges of professional impropriety without access to the evidence necessary to mount a complete defense."<sup>143</sup> Judge Major denied the motion, however, holding that the federal self-defense exception was not properly invoked under the facts of this case.<sup>144</sup> She reasoned that the OSC did not involve a suit or threat of suit against the lawyers by a third party nor did it involve any complaint or allegation against the lawyers by Qualcomm, thus rendering this defense inapplicable.<sup>145</sup> The Court did, however, allow the responding lawyers to submit any attorney work product, reasoning that work product belonged to the attorneys and the right to withhold it from disclosure could be waived by them.<sup>146</sup>

At the day-long hearing on the OSC held on October 12, 2007, Magistrate Judge Major opened the proceedings by announcing that "[t]he reason we are here today is to determine whether there are specific attorneys who also should be sanctioned."<sup>147</sup> Judge Major made it clear that she had carefully read the briefs, declarations, and other materials submitted by the responding attorneys,<sup>148</sup> Qualcomm,<sup>149</sup> and Broadcom.<sup>150</sup>

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<sup>140</sup> See CAL. BUS. & PROF. CODE § 6068(e)(1) (West 2010) ("It is the duty of an attorney . . . to maintain inviolable the confidence, and at every peril to himself or herself to preserve the secret, of his or her client."). This duty is also incorporated into the California Rules of Professional Conduct at Rule 3-100(A). Comment 1 to Rule 3-100(A) explains that: "A member shall not reveal information protected from disclosure by [B&P Code section 6068 (e) (1)] without the informed consent of the client.").

<sup>141</sup> See, e.g., *McDermott, Will & Emory v. Superior Court of L.A. Cnty.*, 83 Cal. App. 4th 378, 385 (2000); see also *Commercial Standard Title Co. v. Superior Court of San Diego Cnty.*, 92 Cal. App. 3d 934, 944–45 (1979).

<sup>142</sup> See Memorandum of Points and Authorities by Noonan Lance & Hodge LLP, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Sept. 17, 2007), ECF No. 634, 2007 WL 2821221, at \*12.

<sup>143</sup> *Id.*

<sup>144</sup> Order Denying Motion for an Order Determining That the Federal Common Law Self-Defense Exception to Disclosing Privileged and/or Confidential Information Applies, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Sept. 28, 2007), ECF No. 669, 2007 WL 2900537, at \*1.

<sup>145</sup> *Id.*

<sup>146</sup> *Id.*

<sup>147</sup> Transcript of Order to Show Cause Hearing Before Judge Barbara Lynn Major on Oct. 12, 2007 at 3, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 16, 2007), ECF No. 712.

<sup>148</sup> See generally *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007, ECF Nos. 673–74, 676–80, 683, 685–87, 689–91, 693–700) (declarations of responding attorneys regarding the OSC).

<sup>149</sup> See generally *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007, ECF Nos. 681, 683–84, 688) (declarations of four Qualcomm employees in opposition to Broadcom's motion for sanctions); *Qualcomm's Supplemental Brief in Opposition to Broadcom's Motion for Sanctions*, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 9, 2007), ECF No. 706.

<sup>150</sup> See *Broadcom's Response to Pleadings and Declarations of Qualcomm and its Attorneys in Response to Order to Show Cause*, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 9, 2007), ECF No. 705.

Her initial remarks did not bode well for the responding attorneys, as Judge Major remarked that her review of the material submitted to the Court confirmed Judge Brewster's earlier conclusion that there had been "gross misconduct on a massive scale."<sup>151</sup> Judge Major concluded that the responding attorney declarations that had been submitted to her:

At best . . . reveal a massive responsibility reflection. Everybody said that they handled their job correctly and that they weren't responsible for what happened . . . [a]t worst, the declarations establish an organized effort to prevent the disclosure of evidence that would undermine Qualcomm's legal case and its ability to force competitors, including Broadcom, to license its technology in order to utilize the agreed-upon H.264 standard.<sup>152</sup>

Yet Judge Major also immediately stated that the "first issue" for the hearing was the significant due process concern raised by the responding attorneys' inability to present highly relevant information about their conduct in discovery because of the attorney-client privilege:

Qualcomm has not waived their privilege. They have every right not to do so . . . and I do not attach any negative inference to Qualcomm for that decision, but the result of that decision is that it does limit the facts that are available to this Court in reaching its decision . . . [t]he attorneys indicated in their declarations there was information they would have liked to provide to the Court but were unable to do so. On the other hand, the declarations submitted by the Qualcomm employees either implied or stated that there were questions not asked, requests not made by the lawyers, the outside lawyers who were representing them. And so I am concerned about the fairness to the attorneys who can't respond to those allegations.<sup>153</sup>

The due process and fairness issues were raised frequently at the hearings, and not just by the responding attorneys' counsel.<sup>154</sup> While Qualcomm took the position that it had been sufficiently sanctioned by Judge Brewster's exceptional case finding and award of attorney's fees—as well as by the attendant negative publicity the company suffered as a result—Qualcomm's counsel, William S. Boggs, also conceded there might be a major due process problem for the responding attorneys because of his client's unwillingness to waive the privilege.<sup>155</sup> Broadcom's counsel, William F.

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<sup>151</sup> Transcript of Order to Show Cause Hearing Before Judge Barbara Lynn Major on Oct. 12, 2007 at 3, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 16, 2007), ECF No. 712.

<sup>152</sup> *Id.* at 3–4.

<sup>153</sup> *Id.* at 4–5.

<sup>154</sup> For example, counsel for eleven of the responding attorneys, Joel Zeldin, identified statements in each of Qualcomm's four filed declarations that, he asserted, his clients would be able to rebut, but were precluded from doing so under the attorney-client privilege. *See, e.g., id.* at 23 ("The bottom line is I could go through these declarations paragraph by paragraph and show you how the privileged information is directly on point, refutes what they're saying. It's favorable to the attorneys, but we can't use it. That's a due process problem.").

<sup>155</sup> *Id.* at 34–39 ("[W]e have repeatedly said we believe [responding attorneys] should not be sanctioned."). Boggs also agreed with respondent's counsel that the privilege issue in the case raised a due process problem for the responding attorneys. *Id.*



Lee, did not advocate for sanctions against the individual responding attorneys, even as he forcefully argued for the Court to sanction Qualcomm.<sup>156</sup>

At various points during the hearing, Judge Major made clear that she was greatly disturbed by the ease at which Qualcomm had ultimately produced highly relevant JVT-related documents post-trial, for example:

[T]he initial concern is how in the world Qualcomm, a huge corporation with lots of very good in-house lawyers and some very good outside counsel, how in the world 200,000 emails and documents were not produced. To me, that is a fundamental and monumental error. And to me that is what led to all of the rest of the misconduct in this case.<sup>157</sup>

And the Court repeated several times the need for sanctions to deter such misconduct:

If there isn't some sort of sanction for that conduct, where is the deterrence? Nobody produces. Oh, if I don't search server two, I'll never find the documents. So I'm not going to search server two. I'm just going to search server one. We have no documents. We're done. How can that possibly be tolerated in this age of digital evidence?<sup>158</sup>

And later:

[Qualcomm] knowingly withheld an incredible number of documents that ended up being crucial to the arguments presented by Broadcom. There has to be a deterrent to that type of conduct.<sup>159</sup>

After the extraordinary hearing, Judge Major took the sanctions case under submission. Three months later, Judge Major issued a 48-page order sanctioning Qualcomm and six of the responding attorneys.<sup>160</sup> Judge Major stated that the evidence before her led to the “inevitable conclusion” that:

Qualcomm intentionally withheld tens of thousands of decisive documents from its opponent in an effort to win this case and gain a strategic business advantage over Broadcom. Qualcomm could not have achieved this goal without some type of assistance or deliberate ignorance from its retained

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<sup>156</sup> *See, e.g., id.* at 190–94. Broadcom wanted the Court to sanction Qualcomm—not to get any additional monetary award, but to have an alternative legal basis for the award that Judge Brewster had already granted pursuant to 35 U.S.C. § 285 (exceptional case doctrine), but which Qualcomm had appealed. *Id.* This alternative would thus provide another basis for the monetary award even if the exceptional case finding were overturned on appeal.

<sup>157</sup> *Id.* at 47.

<sup>158</sup> *Id.* at 89.

<sup>159</sup> *Id.* at 99.

<sup>160</sup> Order Granting in Part and Denying in Part Broadcom's Motion for Sanctions, Qualcomm, Inc. v. Broadcom Corp., No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932. The Court did not sanction thirteen other attorneys who had been named in the OSC.

attorneys. Accordingly, the Court concludes it must sanction both Qualcomm and some of its retained attorneys.<sup>161</sup>

In a scathing and detailed ruling, Judge Major concluded that Qualcomm intentionally withheld critical evidence and that its attorneys intentionally or recklessly assisted it in this endeavor:

As set forth above, the Sanctioned Attorneys assisted Qualcomm in committing this incredible discovery violation by intentionally hiding or recklessly ignoring relevant documents, ignoring or rejecting numerous warning signs that Qualcomm’s document search was inadequate, and blindly accepting Qualcomm’s unsupported assurances that its document search was adequate. The Sanctioned Attorneys then used the lack of evidence to repeatedly and forcefully make false statements and arguments to the court and jury. As such, the Sanctioned Attorneys violated their discovery obligations and may have violated their ethical duties.<sup>162</sup>

The Court ordered Qualcomm to pay Broadcom’s attorney fees and costs for the entire case, albeit to the extent this award was not duplicative with Judge Brewster’s previous award under 35 U.S.C. § 285.<sup>163</sup> The Court also sanctioned six of the responding attorneys, referring them to the State Bar of California for possible further sanctions,<sup>164</sup> and also requiring them (and Qualcomm) to participate in the “Case Review and Enforcement of Discovery Obligations” program (“CREDO”).<sup>165</sup>

In her opinion, Judge Major also opined on the expansive—if unrealistic—deterrent effect she hoped her sanctions order might have not only on the attorneys before her, but also to much of the world of complex litigation at large:

While no one can undo the misconduct in this case, this process, hopefully, will establish a baseline for other cases. Perhaps it also will establish a turning point in what the Court perceives as a decline in and deterioration of civility, professionalism and ethical conduct in the litigation arena. To the extent it does, everyone benefits—Broadcom, Qualcomm, and all attorneys who engage in, and judges who preside over, complex litigation. If nothing else, it will provide a road map to assist counsel and corporate

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<sup>161</sup> *Id.* at \*9.

<sup>162</sup> *Id.* at \*18.

<sup>163</sup> *Id.* at \*17.

<sup>164</sup> *Id.* at \*18. See also Mary McCarthy, *Qualcomm Ruling Sends a Warning on Discovery*, CAL. B.J., Feb. 2008, available at <http://archive.calbar.ca.gov/Archive.aspx?month=2&year=2008>. On November 10, 2009, the State Bar issued letters to all of the responding attorneys indicating that it had completed an investigation of the allegations of professional misconduct against them, but determined that no action was warranted at that time. See generally *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Oct. 3, 2007), ECF Nos. 973, 975–72 (copies of letters from State Bar filed with the Court).

<sup>165</sup> Order Granting in Part and Denying in Part Broadcom’s Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*18.

clients in complying with their ethical and discovery obligations and conducting the requisite “reasonable inquiry.”<sup>166</sup>

Given the dramatic issues in this case and the strong condemnatory language used by Judge Major, her opinion and order gained immediate and significant publicity.<sup>167</sup> But her ruling was ultimately short-lived. Less than two months later, in ruling on objections to Judge Major’s order filed by the sanctioned attorneys, Judge Brewster vacated the order on due process grounds and remanded the sanctions case for further proceedings.<sup>168</sup> Judge Brewster agreed with the sanctioned attorneys that Qualcomm’s October 3, 2007 filing of its four employee declarations had introduced “accusatory adversity” between Qualcomm and its counsel, thus warranting application of the self-defense exception to the attorney-client privilege that had previously been denied.<sup>169</sup> The sanctions case was thus not over. And this time the lawyers could tell their side of the story fully, even if they revealed confidential client communications in doing so.

### 3. *Placing the Blame*

If the original sanctions case before Judge Major had produced voluminous pleadings and evidence, this was multiplied in the remanded proceedings, perhaps not surprising given the career-damaging effect of Judge Major’s initial findings and order.<sup>170</sup> As Judge Major would describe in her second order in the sanctions case—more than two years after her initial order granting sanctions—the parties made a “massive discovery effort” over fifteen months relating to the remanded sanctions

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<sup>166</sup> *Id.*

<sup>167</sup> Zusha Elinson & Dan Levine, *Six Lawyers in Qualcomm Case Sanctioned for ‘Monumental’ Discovery Violations*, RECORDER (S.F.), Jan. 8, 2008 (stating that the individual lawyers were “harshly criticized” by the judge and that “[a]ttorneys across the country have watched the case evolve as a cautionary tale of discovery violations even when highly respected litigators are on the case”), available at <http://www.law.com/jsp/ca/PubArticleCA.jsp?id=900005500098>.

<sup>168</sup> Order Remanding in Part Order of Magistrate Court re Motion for Sanctions, Qualcomm, Inc. v. Broadcom Corp., No. 05-01958 (S.D. Cal. Mar. 5, 2008), ECF No. 744, 2008 WL 638108.

<sup>169</sup> *Id.*

<sup>170</sup> As would come out in the evidence in these hearings, Judge Major’s initial sanctions ruling severely affected the careers of several of the sanctioned attorneys. See, e.g., Transcript of Order to Show Cause Hearing Before Judge Barbara Lynn Major on Oct. 12, 2007 at 66, Qualcomm, Inc. v. Broadcom Corp., No. 05-01958 (S.D. Cal. Oct. 16, 2007), ECF No. 712. See also Craig Anderson & Sara Randazzo, *Sanctions Lifted Against Lawyer*, L.A. DAILY J., Apr. 7, 2010 (quoting three of the targeted lawyers explaining how the sanctions case has harmed their careers); Zusha Elinson, *Changing a Judge’s Mind on Qualcomm Sanctions*, RECORDER (S.F.), Apr. 12, 2010 (quoting several of the responding attorneys describing the profound negative impact the sanctions case has had on their careers), available at <http://www.law.com/jsp/ca/PubArticleCA.jsp?id=1202447902019>. Moreover, the Day Casebeer firm itself was also adversely affected and ultimately merged with another law firm in large part due to the negative publicity the sanctions case generated. See Craig Anderson, *Howrey Acquires Silicon Valley IP Boutique*, L.A. DAILY J., July 2, 2009, at 1–2 (stating that Day Casebeer founder, Lloyd “Rusty” Day, as well lawyers familiar with the sanctions case generally, characterized the effect of the sanctions publicity as damaging to the firm).

case.<sup>171</sup> This discovery resulted in the production of over 170,000 pages of documents, as well as the deposition of thirteen witnesses, including Qualcomm engineers, its in-house counsel and paralegals, and one of the responding attorneys.<sup>172</sup> All of this evidence, as well as updated briefing, declarations, and live testimony from the six responding attorneys was presented to the Court in a three-day hearing held on January 13–15, 2010.

From this extensive evidence, several themes emerged. First, that throughout the pretrial discovery process the responding attorneys had made significant efforts to determine whether Qualcomm had participated in the JVT—and when—and, if so, whether any documents existed to reflect that. Leung and Mammen, who had primary responsibility for the day-to-day discovery on the JVT issues, indicated that from the start of discovery they had an understanding of how they planned to work with Qualcomm’s in-house legal team, including its experienced paralegals, who were to serve as the main contacts to coordinate the search for responsive witnesses and documents. This understanding, they explained, was reflected in a memorandum prepared by Qualcomm that had guided previous discovery procedures in other litigation.<sup>173</sup> The evidence also showed that Leung and Mammen made multiple requests of Qualcomm employees to determine whether the company had participated in the JVT proceedings.<sup>174</sup> Late in the discovery process, lead trial attorney Batchelder, also specifically assigned attorney Patch to assist the JVT fact investigation—specifically to act as a new set of eyes on this issue to ensure that it had been adequately dealt with,<sup>175</sup> and Patch conducted this investigation.<sup>176</sup>

The second major theme that developed from this evidence was that Qualcomm appeared to have misled the responding attorneys throughout discovery. As the responding attorneys’ counsel stressed, numerous Qualcomm employees, including engineers, paralegals, and in-house lawyers, were aware during discovery that Qualcomm has indeed been participating in the JVT from its earliest days, had attended JVT meetings, and had studied the H.264 standard, yet “none of these people revealed this to outside counsel what they knew.”<sup>177</sup> The attorney representing Patch in the sanctions case, H. Sinclair Kerr Jr., summarized it in his brief as follows: “Mr. Patch asked the right people the right questions at the right time and got wrong—no, false—answers.”<sup>178</sup> Counsel for Batchelder also stressed this critical fact at the hearing: “again and again and again, at least thirty-one mutually confirming statements from fifteen different Qualcomm employees,

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<sup>171</sup> Order Declining to Impose Sanctions Against the Responding Attorneys and Dissolving the Order to Show Cause, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Apr. 2, 2010), ECF No. 998, 2010 WL 1336937, at \*1.

<sup>172</sup> *Id.*

<sup>173</sup> *Id.* at \*3.

<sup>174</sup> *Id.*

<sup>175</sup> *See id.* at \*4.

<sup>176</sup> *Id.*

<sup>177</sup> Transcript of Hearing Before Judge Barbara Lynn Major on Jan. 13, 2010 at 30–31, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 13, 2010), ECF No. 991 (responding attorneys’ counsel, Zeldin, summarizing evidence).

<sup>178</sup> Response to Order to Show Cause by Lee Patch at 3, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Nov. 2, 2009), ECF No. 942.

including two in-house counsel . . . all confirming the same thing [no Qualcomm participation in the JVT prior to its adoption as a standard].”<sup>179</sup>

Judge Major’s questions and comments at the hearing indicated that she was still concerned with how the discovery mistakes had taken place, suggesting that Qualcomm’s outside counsel should have known that something was amiss with Qualcomm’s discovery responses and efforts.<sup>180</sup> Judge Major seemed particularly concerned with the fact that none of the Qualcomm 30(b)(6) or other witnesses on the JVT issues—which included Raveendran—had their individual computer files searched for responsive documents before their depositions, primarily because Qualcomm’s outside attorneys accepted the in-house legal team’s representation that such a search would have located only cumulative documents that were already in Qualcomm’s document repositories.<sup>181</sup> This fact was also pounded on by Qualcomm’s counsel at the hearings, who suggested that neither Leung nor Mammen had sufficient knowledge about Qualcomm’s electronic document systems to make a determination of whether or not a document search would be cumulative.<sup>182</sup> Lastly, the evidence did not fully resolve the issue of why the twenty-one emails on Raveendran’s laptop that were ultimately discovered by Bier were not immediately produced. Mammen provided detailed explanations of his thought-process in determining that the emails should not be produced, but also ultimately—and perhaps wisely—admitted that the failure to produce them was a mistake.<sup>183</sup>

The evidence from the hearing was extensive and revealing. At a minimum, it certainly provided a nuanced and fact-specific context that made it difficult for Judge Major to characterize the responding attorneys’ actions as evincing an “organized program of litigation misconduct”—as she had in her initial sanctions ruling.

#### 4. *The Court Declines to Impose Sanctions*

On April 2, 2010, Judge Major issued a twelve page decision and order declining to impose sanctions against any of the six responding attorneys.<sup>184</sup> Judge Major concluded that “[t]here is still no doubt that this massive discovery failure resulted from significant mistakes, oversights, and miscommunication on the part of both outside counsel and Qualcomm employees,” yet the new evidence and facts from the second sanctions proceedings also “revealed that the Responding Attorneys made

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<sup>179</sup> Transcript of Hearing Before Judge Barbara Lynn Major on Jan. 13, 2010 at 116–17, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 13, 2010), ECF No. 991 (arguments from attorney W. Thomas McGough).

<sup>180</sup> Transcript of Hearing Before Judge Barbara Lynn Major on Jan. 15, 2010 at 134–35 *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 15, 2010), ECF No. 996.

<sup>181</sup> *Id.* at 81–84, 157–59.

<sup>182</sup> Transcript of Hearing Before Judge Barbara Lynn Major on Jan. 14, 2010 at 42–45, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 14, 2010), ECF No. 992.

<sup>183</sup> Supplemental Declaration of Responding Attorney Christian E. Mammen at 20–22, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Nov. 2, 2009), ECF No. 941 (attach. no. 3); *see supra* notes 106–107, and accompanying text for a summary of the lawyers’ characterization of the emails.

<sup>184</sup> Order Declining to Impose Sanctions Against the Responding Attorneys and Dissolving the Order to Show Cause, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Apr. 2, 2010), ECF No. 998, 2010 WL 1336937, at \*7.

significant efforts to comply with their discovery obligations,” making sanctions unwarranted.<sup>185</sup> The Court also characterized the evidence as revealing “an incredible lack of candor on the part of the principal Qualcomm employees,” including Raveendran, which misled counsel and exacerbated the discovery failure.<sup>186</sup> Judge Major concluded that there should be no sanction awarded pursuant to FED. R. CIV. P. 26, because the evidence established that attorney Leung had made a reasonable inquiry about the adequacy of Qualcomm’s discovery responses as to the JVT.<sup>187</sup> She also held that sanctions were not warranted under the Court’s inherent power to sanction parties for “abusive litigation practices,” because none of the responding attorneys had acted in “bad faith.”<sup>188</sup> With this brief decision, Judge Major dissolved the order to show cause that had begun the sanctions case proceedings two years earlier.<sup>189</sup>

## B. Understanding the Sanctions Case

### 1. Revisiting Due Process

What are we to make of the sanctions case? In light of the detailed evidence produced in that proceeding, Judge Major’s final decision to forego sanctions seems correct. As Judge Major concluded, both Qualcomm and its outside counsel made mistakes in discovery. Certain decisions by the responding attorneys, such as the determination to withhold production of the twenty-one emails found in Raveendran’s laptop archives or the attempt to question her as a witness at trial without revealing the existence of these same emails, can readily be criticized (albeit in hindsight). Yet these same actions in context of the full evidence presented in this case do not clearly constitute ethical lapses or even necessarily bad lawyering.<sup>190</sup>

Additionally, because Judge Major ultimately determined not to sanction the responding attorneys, it is difficult to draw many bright-line “lessons” from this case that might be helpful to patent litigators other than to “be careful,” “be more transparent,” or “trust your clients and colleagues a little less” in the discovery process. This is perhaps best reflected in the testimony of one of the responding attorneys, James Batchelder, on the last day of Judge Major’s final hearings in the sanctions case. When asked on the stand whether he did anything different in discovery practice in light of what happened in *Qualcomm*, Batchelder replied that as

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<sup>185</sup> *Id.* at \*2.

<sup>186</sup> *Id.* at \*4.

<sup>187</sup> *Id.* at \*6. The Court explained that FED. R. CIV. P. 26 allows for sanctions for attorneys who sign discovery responses without having made a “reasonable inquiry” as to their adequacy. *Id.* at \*5. Leung was the attorney who had signed the discovery responses at issue. *Id.* at \*6.

<sup>188</sup> *Id.*

<sup>189</sup> *Id.* at \*7; see Mike Freeman, *Qualcomm Lawyers in Broadcom Case Erred; Judge: No Sanctions; Mistakes Not Willful*, SAN DIEGO UNION-TRIB., Apr. 8, 2010, at C1, available at <http://www.signonsandiego.com/news/2010/apr/08/qualcomm-lawyers-broadcom-case-erred>.

<sup>190</sup> See, e.g., Thomas Allman, *Deterring E-Discovery Misconduct with Counsel Sanctions: The Unintended Consequences of Qualcomm v. Broadcom*, 118 YALE L.J. POCKET PART 161, 164–65 (“The problem of effective coordination among team members in the world of e-discovery is quite distinct from the inappropriate use of abusive or bad faith discovery tactics or strategies by clients or their counsel.”).

lead counsel in patent cases he now asks for more detailed information, more “granular information about which custodians had documents produced from their files and which did not.”<sup>191</sup> Immediately after making that statement, however, Batchelder also tellingly qualified it by remarking that “I don’t want to suggest that that is a standard practice that all lead counsel should be held to. It may not be necessary, and a lot of great people can do a great job without doing that, but I do it now.”<sup>192</sup> Thus, Batchelder himself was reluctant to characterize his change in discovery practice as necessarily appropriate for all good lawyers. Perhaps this highlights the fact-specific nature of discovery decisions and the realities of complex patent cases. If so, it is doubtful that much from the *Qualcomm* case will serve to guide patent litigators in their ethical decision making. That conclusion is reinforced by the finding that the lawyers interviewed for this study did not significantly change their discovery practices in light of the *Qualcomm* case.

The sanctions case is unsatisfying in one additional respect. While Judge Major’s decision not to sanction the responding attorneys on the record presented is justified, the overall case is problematic because the sanctions proceedings significantly damaged the lawyers’ professional reputations while uncovering no ethical lapses. The prolonged sanctions proceedings are particularly troubling in light of the evidence because the facts make clear that Qualcomm’s own employees, including its in-house counsel, significantly misled Qualcomm’s outside lawyers in the discovery process, thus substantially contributing to the discovery failures in the case.

Both Judge Major and Judge Brewster had speculated in their 2007 orders that Qualcomm’s botched discovery could only have resulted from a direct conspiracy between Qualcomm and its lawyers to withhold documents vital to Broadcom’s defense or, at a minimum, grossly negligent behavior by Qualcomm’s outside attorneys. Judge Brewster’s condemnation of Qualcomm’s outside attorneys was made in his order finding the underlying patent litigation case “exceptional” under 35 U.S.C. § 285 and the order on a remedy for the finding of waiver of Qualcomm’s rights to assert its two patents at-issue.<sup>193</sup> Because the underlying motions that resulted in these orders were directed at Qualcomm, not its attorneys, the attorneys had no notice or opportunity to rebut Judge Brewster’s characterizations of their alleged egregious misconduct. Similarly, Judge Major’s initial (and overturned) order granting sanctions also condemned the responding attorneys, despite the fact that Judge Major was keenly aware at that point that the lawyers had not been able to offer full evidence of their discovery conduct due to Qualcomm’s assertion of the attorney-client privilege.<sup>194</sup> This raises a serious question as to whether Judge Major’s initial sanctions order violated the responding attorneys’ due process rights to adequately defend themselves.

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<sup>191</sup> See Transcript of Hearing Before Judge Barbara Lynn Major on Jan. 15, 2010 at 66, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 15, 2010), ECF No. 996.

<sup>192</sup> *Id.*

<sup>193</sup> See Order Granting Broadcom’s Motion for Attorney Fees and for Exceptional Case Finding, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Aug. 6, 2007), ECF No. 594, 2007 WL 2261799, at \*1–3.

<sup>194</sup> See Order Granting in Part and Denying in Part Broadcom’s Motion for Sanctions, *Qualcomm, Inc. v. Broadcom Corp.*, No. 05-01958 (S.D. Cal. Jan. 7, 2008), ECF No. 718, 2008 WL 66932, at \*13.

Judge Major's order certainly responded to the dramatic circumstances of Qualcomm's discovery failures that were uncovered only on the last day of trial. And the order also reflected some of the same sense of outrage that a fraud had been committed on the Court that seemed to animate Judge Brewster's decisions. Yet, while Judge Brewster criticized the attorneys, he did not identify them by name nor sanction them. Judge Major did both, while at the same time acknowledging that the factual record precluded knowing exactly what these lawyers had or had not done to meet their discovery and ethical obligations. Without much more evidence, Judge Major's suspicions that the responding attorneys must have acted unethically because of the ease at which thousands of responsive documents had been located post-trial (a suspicion shared by Judge Brewster as articulated in his August 2007 orders), should not have been the basis for her initial order granting serious sanctions against the responding attorneys—something the fuller history of this case makes clear. This case also highlights the very fact-specific nature of discovery disputes in complex patent litigation, as sophisticated clients and teams of attorneys negotiate and manage discovery obligations in a dense and evolving factual and legal context. In such cases, due process considerations suggest that sanctions against individual attorneys for discovery abuse may be warranted only when the attorneys are allowed to defend themselves by presenting adequate evidence of how and why they acted in discovery.

One scholar has suggested that trial judges may often be ill-suited to determine whether sanctions are warranted against individual attorneys in cases of alleged discovery misconduct involving corporate clients and their outside lawyers, stating that: “[i]t is not unusual for a court, in the heat of the moment, to find fault with counsel and form adverse conclusions which a more deliberative state bar disciplinary process may reject.”<sup>195</sup> Of course, this is not to suggest that a judge may never properly order sanctions against individual attorneys for discovery misconduct that involves both attorneys and their corporate clients, but only to stress that one lesson from the *Qualcomm* sanctions case study is that the determination of whether discovery sanctions for attorney misconduct in complex patent litigation may be particularly challenging and should not be made without an adequate evidentiary record appropriate to the alleged misconduct in the case.

## 2. Beyond “Bad Apples”: Qualcomm as Trouble Case and Everyday Practice

Is the *Qualcomm* sanctions case best understood as a “trouble” case—an aberration or outlier—or as an “everyday” case—one that reveals the realities of everyday practices?<sup>196</sup> The answer may very well be both. Ethical rules and codes assume that most lawyers behave ethically, make ethical decisions independent of outside influences, and that those “bad apples” who do not must be sanctioned in

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<sup>195</sup> Thomas Y. Allman, *Achieving an Appropriate Balance: The Use of Counsel Sanctions in Connection with the Resolution of E-Discovery Misconduct*, 15 RICH. J.L. & TECH. 9, 16 (2009).

<sup>196</sup> I borrow the terms “trouble” case and “everyday” case from the law and society literature, which has long used these terms to organize and frame some very creative and divergent approaches to the study of law. See, e.g., Austin Sarat et al., *Ideas of the “Everyday” and the “Trouble Case” in Law and Society Scholarship: An Introduction*, in EVERYDAY PRACTICES AND TROUBLE CASES (Austin Sarat et al. eds., 1998).



order to protect the public interest and the legal profession itself. The *Qualcomm* sanctions case was initially framed by the Court (and by the legal press) as a “trouble” case. Under this narrative, Qualcomm was characterized as an aggressive patent holder, willfully ignoring its discovery obligations in order to gain advantage over a major rival in litigation. Qualcomm’s outside lawyers were depicted as either actively facilitating their client’s discovery evasions or at least willfully ignoring them. These lawyers were thus viewed as deviants from a presumed norm of ethicality in litigation, and the message sent by the Court in its initial sanctions case rulings was that such deviance required severe penalties in order to punish the individual wrongdoers and to deter others from similar ethical violations. Yet, as the sanctions case came to an end, the Court continued to characterize Qualcomm’s (and its in-house counsel’s) behavior as wrongful. In light of the evidence, the Court concluded that the responding attorneys had met their ethical obligations in discovery, even if they had made mistakes in discovery.

Thus, there is nothing from the *Qualcomm* case study to suggest that the responding attorneys’ conduct was an aberration or exceptional. The fact that a sophisticated client was able to mislead its outside attorneys and that these same attorneys made questionable decisions regarding discovery reveals much about the context in which contemporary patent litigators work. The reality may be that the *Qualcomm* sanctions case reveals routine understandings, norms, and everyday practices of elite lawyers engaged in complex patent litigation and perhaps high-stakes litigation more generally. Although *Qualcomm* is unique in terms of its dramatic circumstances and the publicity it generated, this study suggests it is also an “everyday” case in the complex patent litigation context and that the threat of discovery sanctions that initially framed the *Qualcomm* story will likely have little effect on how patent litigators conduct themselves in discovery.

Certainly much of what occurred in the *Qualcomm* sanctions case is consistent with the depiction of patent litigation practice articulated by the lawyers interviewed for this study. Patent litigators view themselves as ethical and understand that their firms and clients will not tolerate obviously unethical behavior because the reputational harm that may ensue is too costly. Yet patent litigators view their ethical duties narrowly and place a premium on client-centric, zealous advocacy. Because of this, the positions they take in discovery are often as aggressive as the client allows or demands. Patent litigators also place a premium on trusting their often powerful clients to do what is expected in discovery, and they are loath to unduly pressure clients to make sure that reasonable discovery efforts have been made, preferring instead to create a sufficient record that the attorneys themselves have taken adequate steps to apprise the client of what is required under the rules and what the consequences can be for failing to comply with discovery obligations. At the same time, litigators feel pressure to impress senior attorneys with their aggressive approach to dealing with discovery demands. Patent litigators are thus influenced by their firms, their clients, and their immediate colleagues on a case as much as by individual notions of ethicality and propriety in practice. All of these influences shape and perhaps constrain litigators’ ability to identify and respond to ethical issues that arise in complex patent litigation. And it is these influences, not court sanctions, that primarily guide patent litigators’ ethical decision-making in the discovery process. Because of this, it is perhaps not surprising that mistakes—and even unethical behavior—can readily occur in patent discovery. Indeed, the

interviewed lawyers in this study acknowledge that mistakes are common in discovery and that there are significant pressures to push the limits of discovery and ethics rules in complex patent cases. This may explain why the interviewed lawyers were hesitant to criticize Qualcomm's responding attorneys even before Judge Major's final decision not to impose sanctions was issued.

#### CONCLUSION: THE ETHICAL WORLD OF PATENT LITIGATORS IN CONTEXT

Ethics has long been a central concern of legal profession scholars, yet it is an area that is not well examined empirically. This study provides a window into the everyday ethical world of patent litigators in the discovery process, and develops a framework for understanding how patent litigators experience and respond to ethical issues in practice more broadly. This study shows that patent litigators, among the contemporary legal profession's most elite and privileged practitioners, are certainly not immune to many of the pressures and cultural and structural influences that shape and potentially undermine ethical decision-making in legal practice. Indeed, contemporary patent litigation may present a particularly challenging ethical landscape precisely because the cases can be complex, involve extraordinary numbers of documents, have multiple layers of attorneys involved, and also because the stakes in this type of litigation are often very high for both clients and their lawyers. While this study is part of a larger and ongoing body of empirical work on what IP lawyers actually do, and its findings are thus preliminary, the study highlights the potential insights to be gained from an empirical perspective on the everyday practices of elite IP lawyers as it also suggests that legal ethics is an especially fruitful topic for further theoretically informed empirical scholarship.