
COMMONWEALTH OF MASSACHUSETTS

SUPREME JUDICIAL COURT

No. SJC-11800

CHRIS E. MALING & another,

PLAINTIFFS-APPELLANTS,

v.

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
& others

DEFENDANTS-APPELLEES.

ON APPEAL FROM THE SUPERIOR COURT
DEPARTMENT OF THE TRIAL COURT

BRIEF OF *AMICI CURIAE* IN SUPPORT OF APPELLEES

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I. STATEMENT OF INTEREST OF AMICI CURIAE

The *amici curiae* subscribing to this brief are: (1) Knobbe, Martens, Olson & Bear, LLP, (2) Honigman Miller Schwartz and Cohn LLP, (3) Nixon & Vanderhye P.C., (4) Lewis Roca Rothgerber, (5) Schiff Hardin LLP, (6) Steptoe & Johnson LLP, (7) Snell & Wilmer LLP, (8) Barnes & Thornburg LLP, (9) Pillsbury Winthrop Shaw Pittman LLP, (10) Verrill Dana LLP, and (11) Morrison & Foerster LLP. Each of these *amici curiae* is a law firm with a significant practice in patent law. Each firm has a strong interest in clear and correct conflict of interest rules, particularly as those rules affect the practice of patent law.

II. ISSUE PRESENTED

Whether, under Mass. R. Prof. Conduct 1.7, an actionable conflict of interest arose when, according to the allegations in the complaint, attorneys in different offices of the same law firm simultaneously represented the plaintiffs and a competitor in prosecuting patents on similar inventions, without informing the plaintiffs or obtaining their consent to the simultaneous representation.

III. FACTUAL BACKGROUND

This is an action for alleged legal malpractice filed by Chris E. Maling against the law firm of

Finnegan, Henderson, Farabow, Garrett and Dunner, LLP, and three of its attorneys (collectively "Finnegan"). Maling alleges that he retained Finnegan on April 17, 2003 to prepare and prosecute patent applications relating to a screwless eyeglass hinge that he had developed. Appx. at 8 (Complaint ¶¶ 7-11). At that time, Finnegan was already representing another client, Masunaga Optical Mfg. Co. Ltd. ("Masunaga"), in connection with what Maling describes as a "similar" invention. Appx. at 9 (Complaint ¶¶ 16-17). As a result of these representations, Finnegan obtained four patents for Maling and one patent for Masunaga. See Supp. Appx. at 26-120.

Maling alleges in his Complaint that Finnegan's concurrent representation of himself and Masunaga created a conflict of interest. Appx. at 10-11 (Complaint ¶¶ 24-27). Maling does not contend that the concurrent representation resulted in inferior patents for him, or a superior patent for Masunaga. Nevertheless, he contends that the alleged conflict caused him to invest more money in his patent applications than he otherwise would have invested. Appx. at 11 (Complaint ¶ 27).

Finnegan moved to dismiss the Complaint in the Superior Court. Appx. at 17-20. The Superior Court

granted Finnegan's motion. Appx. at 21-24. As the Superior Court explained, Massachusetts Rule of Professional Conduct 1.7(a) prohibits a lawyer from representing one client "directly adverse" to another client. Appx. at 22. However, Maling and Masunaga were not adverse to each other. *Id.* Both were seeking patents, but "the Complaint does not allege any facts to suggest that Finnegan's representation of the plaintiffs in applying for the patents was in any way affected by the fact that it also represented Masunaga." *Id.*

Similarly, as the Superior Court held, Maling has not pled facts supporting an allegation that Finnegan's representation of him was materially limited by its representation of Masunaga, in violation of Rule 1.7(b). There is no "allegation that Finnegan's independent professional judgment was impaired as a result of the dual representation or that it otherwise failed to do something that it would have done had it not been representing Masunaga." Appx. at 23. Simply put, the Complaint "does not allege that conflict-free counsel would have represented the plaintiffs any differently or produced a different or better result." Appx. at 22.

Maling appealed the Superior Court's decision to the Court of Appeals. This Court *sua sponte* accepted this case for direct appellate review and invited *amicus* input on the issue presented.

IV. PATENT LAW BACKGROUND

The Court has solicited views on whether an actionable conflict of interest arises when a single law firm files and prosecutes patent applications for "similar" inventions on behalf of two different clients. To address this issue, it is helpful to have a basic understanding of some of the concepts and principles of patent law.

A. Patent Applications And Patents

The patent process begins with the filing of a patent application. A patent application consists of two essential parts relevant to the issue presented. See 37 C.F.R. § 1.51(b)(1). The first is the specification. The specification is "a written description of the invention, and of the manner and process of making and using it." 35 U.S.C. § 112 ¶ 1 (2006).¹ The purpose of the specification is to teach

¹ As discussed below in Section IV(C), Congress significantly revised the patent laws in 2011. These revisions affect only those patent applications filed well after the enactment of the new law. The revisions do not affect the patents at issue in the case before this Court. Accordingly, unless otherwise indicated, all citations to patent statutes are to the

the public how to make and use the invention. *Id.* This allows the public to freely use the invention upon expiration of the patent. See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-51 (1989).

The second essential part of a patent application is the claims. 35 U.S.C. § 112 ¶ 2 (2006). The claims are the numbered sentences at the end of the specification. The claims define the scope of the legal rights the inventor is seeking. See *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) ("It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude'."). Typically, a claim is a list of components or elements that make up the invention. For example, Thomas Edison's claim for his light bulb contained just two elements: (1) "a filament of carbon of high resistance," and (2) "metallic wires" connected to the filament. See U.S. Pat. No. 223,898 (Jan. 27, 1880).²

pre-2011 version of the statutes, which governs the patent applications at issue here.

² All United States patents are available on the United States Patent and Trademark Office's website, www.uspto.gov.

The United States Patent and Trademark Office (PTO) reviews each patent application to determine whether the invention set forth in the claims is patentable. See 35 U.S.C. § 131 (2006); 37 C.F.R. § 1.104. This involves comparing the claim to earlier inventions described in prior patents and publications. The collection of all earlier patents, publications, and other publicly available inventions is known in patent law as "prior art." If the applicant's invention, as set forth in a claim, is the same as an invention described in the prior art, it is not patentable. See 35 U.S.C. § 102 (2006). Similarly, if the applicant's invention is merely a minor, obvious improvement over the prior art, it is not patentable. See 35 U.S.C. § 103 (2006); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007).

In many cases, the PTO initially concludes that the claims in a patent application are unpatentable in light of the prior art. The applicant is then given an opportunity to amend his or her claims. This is often done by adding more elements to the claims or by modifying the existing elements of the claims, both of which serve to narrow or limit the scope of the claims. The amended list of claim elements is then compared again to the prior art by the PTO.

Eventually, the application may issue as a patent. When this occurs, the patent will include the same two basic parts as the original patent application: the specification and the claims. In fact, the patent is, for all relevant purposes, identical to the patent application, as that application has been amended by the applicant and the PTO.

When the patent issues, it provides the patent owner with the right to exclude all others from making, using, or selling the patented invention. 35 U.S.C. § 154(a) (2006); 35 U.S.C. § 271(a) (2006). As mentioned above, "the claims of a patent define the invention to which the patentee is entitled the right to exclude." *Phillips*, 415 F.3d at 1312. Accordingly, to determine whether a competitor has infringed a patent, the competitor's product is compared to the claims of the patent. Infringement occurs only if the competitor's product includes each and every element listed in one of the claims. *Ericsson, Inc. v. D-Link Sys.*, 773 F.3d 1201, 1215 (Fed. Cir. 2014).³ Every limitation of a claim is

³ There is a narrow exception to this basic principle, known as the "doctrine of equivalents." Under this doctrine, a change to one of the claim elements that is trivial or "insubstantial" will not avoid infringement. See generally *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997). Still, for infringement to be found, every element of

material, and the absence of even a single element avoids infringement. *Rohm & Haas Co. v. Brotech Corp.*, 127 F.3d 1089, 1092 (Fed. Cir. 1997). Thus, just as the claims are of central importance in the patent examination process, they are also of central importance in the patent enforcement process.

Edison's light bulb patent again provides a good example of the importance of the claims. Edison's patent provided him with the right to prevent others from making light bulbs that included "a filament of carbon of high resistance," connected to "metallic wires." If a competitor devised a light bulb that included only a filament of carbon of low resistance, or a filament of an entirely different substance such as silicon, the competitor would avoid infringement. This would be true even if the light bulb functioned just as well as Edison's light bulb. Edison's patent covered only light bulbs having the specific list of elements recited in the claims. The omission of a single element from the competitor's product thus avoids infringement.

the claim must be present in the competitor's device, either literally or through an insubstantially different substitute. *Id.* at 29; *Function Media, L.L.C. v. Google Inc.*, 708 F.3d 1310, 1330 (Fed. Cir. 2013). The doctrine of equivalents is not relevant to the issues presented in this case.

**B. Co-Pending Patent Applications In The Same Field
Of Technology**

It is commonplace for two inventors to apply for patents in the same field of technology at roughly the same time. Typically, this does not give rise to any special procedures within the PTO. Each patent application is examined independently. The claims of each patent application are compared separately to the prior art. If the claims of one application are sufficiently different from the prior art, the application will be allowed to issue as a patent. Similarly, if the claims of the other application are sufficiently different from the prior art, that application too will be allowed to issue as a patent.

A problem can arise, however, if the claims of both patents are for the same invention. The PTO will issue only one patent per invention. See *In re McGrew*, 120 F.3d 1236, 1237 (Fed. Cir. 1997). Thus, where two patent applications claim the same invention, the PTO will institute a proceeding known as an "interference" to determine which application will issue as a patent. See 35 U.S.C. § 135(a) (2006); *Manual of Patent Examining Procedure* § 2301.03 (9th ed. March 2014) ("MPEP").⁴ An interference is

⁴ The *Manual of Patent Examining Procedure* is an official publication of the PTO. It sets forth the

declared only when the claims of both patent applications are identical or merely obvious variants of each other. 37 C.F.R. § 41.203(a); MPEP § 2301.03. See also *Noelle v. Lederman*, 355 F.3d 1343, 1350-51 (Fed. Cir. 2004). Generally speaking, the PTO will award the patent to the first inventor of the subject matter recited in the disputed claim. See 35 U.S.C. § 102(g) (2006).

Interferences are rare. There are currently only 23 interferences pending. See www.uspto.gov/-dashboards/patenttrialandappealboard/main.dashxml.

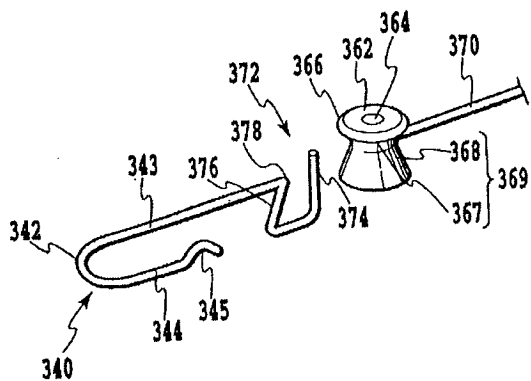
This compares to the more than half a million patent applications processed by the PTO each year. See www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.pdf.

Thus, as these statistics indicate, inventors who file patent applications at roughly the same time are not ordinarily competing with each other for a single patent. Instead, each inventor is seeking his or her own patent from the PTO, even if both patent applications happen to relate to the same field of technology.

procedures that Patent Examiners must follow in reviewing patent applications. See *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 606 (Fed. Cir. 1985). It may be found on the PTO's website at www.uspto.gov/web/offices/pac/mpep/index.html.

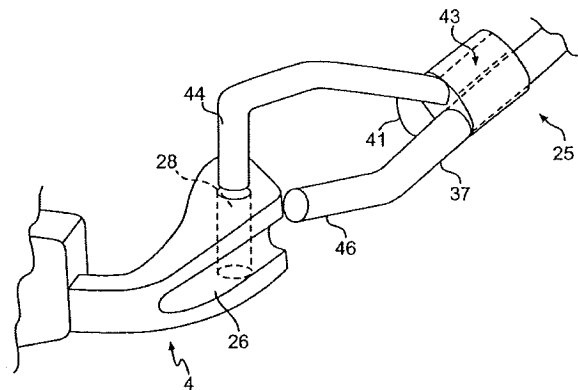
The present case provides an excellent example of two inventions in the same field of technology that are not directed to a single invention and thus not subject to an interference. The Masunaga patent and the Maling patents are both directed to new types of eyeglass hinges. Many patents are directed to this field of technology. In fact, in the PTO's system of classifying inventions, the PTO has devoted an entire category or class to patent applications for eyeglass hinges: Class 351/153 entitled "Spectacles and eyeglasses with particular hinge." See www.uspto.gov/web/patents/classification/uspc351/sched351.htm.

The Masunaga and Maling hinges are shown side-by-side below:



Masunaga Hinge

Figure 11
U.S. Pat. No. 6,767,096
Supp. Appx. at 113



Maling Hinge

Figure 15
U.S. Pat. No. 7,101,039
Supp. Appx. at 37

The Masunaga hinge consists of two parts, a metal wire labeled 340 and a drum-shaped socket labeled 362.

The drum-shaped socket is attached to the temple arm of the glasses, a portion of which is shown in the Figure and labeled 370. In use, the vertical tip of the metal wire, labeled 374, is inserted into the bottom of a cylindrical hole or bore in the drum-shaped socket. The top of this hole is labeled 364. Once the tip is inserted into the hole, the temple arm and drum-shaped socket can rotate freely around the metal wire, creating a hinge.

The Maling hinge is different. It includes a first component, known as a hinge block, labeled 4. The hinge block includes a groove labeled 26, and a cylindrical hole or bore labeled 28. The temple arm, labeled 25, includes two legs which interact with the hinge block. The tip of the upper leg, labeled 44, inserts into the cylindrical hole of the hinge block. The tip of the lower leg, labeled 46, rests inside the groove of the hinge block. This manner of joining the temple arm and hinge block creates a hinge, allowing the temple arm to rotate about the cylindrical hole.

The claims of the Masunaga and Maling patents are likewise quite different. Among other things, the relevant claims of the Masunaga patent require:

1. A "substantially cylindrical" component. This corresponds generally to the drum-shaped socket described above.

2. A "J-shaped bent portion." This corresponds generally to the right portion of the metal wire described above.

3. The J-shaped portion includes a leg that is "inserted into a center hole of [the] cylindrical" component.

U.S. Pat. No. 6,767,096, Claim 12 (Supp. Appx. at 119).

In contrast, the relevant claims of the Maling patents are directed primarily to the structure of the groove that receives the lower leg of the temple arm. Among other things, the claims require:

1. A "hinge block" that includes "a groove for receiving a portion of ... [a] temple arm."

2. The groove "does not have structure for stopping the outward flexion of the first end of the temple arm." That is, there is nothing that blocks the temple arm from flexing outward as the hinge rotates.

U.S. Pat. No. 7,101,039, Claim 1 (Supp. Appx. at 42).

In short, Masunaga and Maling both invented hinges for eyeglasses, but each invented a very different hinge. Masunaga's patent requires a J-shaped leg inserted into a hole in a drum-shaped or cylindrically-shaped component. Maling's patents require a leg that rests in an open groove with no structure for stopping the temple arm from being bent outward. The two inventions and their corresponding claims are not the same, or even close. Thus, it is not surprising that the PTO chose not to declare an interference between the Masunaga and Maling applications, and instead issued the patents to their respective owners.

C. Recent Changes In Patent Law

The America Invents Act ("AIA") was signed into law on September 16, 2011, and makes a number of significant changes to patent law. See generally Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011). Most relevant here, the AIA changes the rules for determining who will be awarded a patent when two inventors file patent applications for the same invention. Under pre-AIA law, an interference would be declared to decide which applicant was the first inventor of the disputed invention. The AIA adopts a much simpler procedure.

For all patent applications filed after March 16, 2013, the effective date of the relevant provisions of the AIA, the patent will be awarded to the first inventor to file his or her patent application. See generally 3A D. Chisum, *Chisum on Patents* § 10.10 (2012). The AIA thus creates a "race" to the PTO between inventors. See R. Braun, *America Invents Act: First-To-File And A Race To The Patent Office*, 8 Ohio State Entrepreneur Bus. L. J. 47, 62 (2013).

All of the patent applications in the present case were filed well before March 16, 2013. Accordingly, the AIA should not impact the question of whether a conflict of interest existed in the present case. However, any general conflict rules formulated by this Court should be limited to patent applications filed before March 16, 2013.

V. SUMMARY OF ARGUMENT

The representation of two clients in connection with two allegedly similar inventions generally does not create a conflict of interest. The two clients are not competing for the same patent. Instead, each client is seeking its own patent for its own invention, in much the same way that clients seeking building permits or licenses to broadcast radio signals ordinarily are not competing with each other.

In each case, each client may receive its grant of rights from the government without impacting the ability of the other clients to receive their grant of rights. Thus, the clients are not directly adverse to each other; and the representation of one client does not materially limit the law firm's ability to represent the other.

A conflict of interest does not arise in the patent context except in the rare case where two clients in fact are competing for a single patent. This occurs only when the claims of two patent applications are identical or merely obvious variants of each other, so that the PTO could properly declare an interference between the two patent applications.

Moreover, there are compelling policy reasons why law firms should be permitted to represent multiple inventors in connection with allegedly "similar" inventions. A contrary rule would deprive patent lawyers of the ability to specialize in fields of technology. This would deprive the public of the expertise that specialization creates. It also would increase the cost of patent applications, as patent lawyers would need to spend more time learning about the relevant technology before preparing their patent applications.

In addition, a rule that would effectively restrict patent law firms to one client per field of technology would severely limit access to patent law firms by individual inventors and small start-up companies. In order to survive in the face of such a rule, law firms would tend to select only a single large client to fill each technological niche. Only these larger clients could provide the law firm with enough work to keep the firm's attorneys fully employed. Smaller clients then would be turned away due to the conflicts created by the larger client. Moreover, even firms adopting the "large clients only" strategy may find themselves unable to survive a rule requiring only one client per technological field.

Accordingly, this Court should reject any rule prohibiting lawyers from representing multiple clients in connection with "similar" inventions. Instead, the Court should hold that a conflict arises only if two patent applications include identical claims or claims which are merely obvious variants of each other.

Finally, even if this Court were to preclude lawyers from representing multiple clients in connection with "similar" inventions, the Court should find there was no actionable conflict on the facts alleged in this case. Maling does not allege that

Finnegan obtained inferior patents for him or superior patents for Masunaga. Indeed, Maling does not allege any harm at all that is plausibly related to Finnegan's concurrent representation of him and Masunaga. Because Maling alleges no plausible harm, he is not entitled to proceed with a claim against Finnegan.

VI. ARGUMENT

A. The Facts Alleged Do Not Create A Conflict Of Interest

Massachusetts Rule of Professional Conduct 1.7 provides in relevant part as follows:

- (a) A lawyer shall not represent a client if the representation of that client will be directly adverse to another client ...
- (b) A lawyer shall not represent a client if the representation of that client may be materially limited by the lawyer's responsibilities to another client or to a third person, or by the lawyer's own interests ...

Mass. R. Prof. Conduct 1.7.

Maling's Complaint alleges that his patent counsel, Finnegan, had a conflict of interest,

presumably under Rule 1.7. See Appx. at 10 (Complaint ¶ 24). The Complaint is far from a model of clarity in describing the alleged conflict. The Complaint does allege that Finnegan represented him and Masunaga simultaneously in connection with separate patent applications for two "similar" inventions. Appx. at 9 (Complaint ¶ 17). However, the Complaint does not clearly articulate how or even if Finnegan's representation of Masunaga was "directly adverse" to Maling in violation of Rule 1.7(a). Nor does the Complaint clearly articulate how Finnegan's representation of Maling was "materially limited" by its representation of Masunaga in violation of Rule 1.7(b).

In any event, on the facts alleged in the Complaint, Finnegan did not violate either Rule 1.7(a) or Rule 1.7(b). Representation of clients in connection with patent applications on "similar" inventions does not give rise to a conflict unless the PTO could declare an interference between the two clients' patent applications. If no interference can be declared, neither client's patent application is an impediment to the other's application, and both clients may receive their requested patents. Thus, the clients are not directly adverse, and the

representation of one client does not materially limit the representation of the other.

1. The Representation Of Masunaga Was Not Directly Adverse To Maling

Rule 1.7(a) prohibits representation of one client that is "directly adverse" to another client. Mass. R. Prof. Conduct 1.7(a). Comment 3 to the Rule makes clear that the mere representation of clients with competing economic interests does not give rise to a conflict under the Rule. As stated in Comment 3:

[S]imultaneous representation in unrelated matters of clients whose interests are only generally adverse, such as competing economic enterprises, does not require consent of the respective clients.

Mass. R. Prof. Conduct 1.7, Comment 3. In short, "[d]irect adversity requires a conflict as to the legal rights and duties of the clients, not merely conflicting economic interests." Amer. Bar Assoc. Standing Com. on Ethics and Prof. Resp., Formal Opinion 05-434 (Dec. 8, 2004).

The difference between conflicting legal rights and conflicting economic interests is well illustrated by the case of *Curtis v. Radio Representatives, Inc.*, 696 F. Supp. 729 (D.D.C. 1988). There, a law firm

represented a client, Radio Representatives, in preparing and prosecuting applications for radio broadcast licenses from the Federal Communications Commission ("FCC"). *Id.* at 731. At the same time, the law firm also represented various competitors of Radio Representatives in preparing and prosecuting applications for other radio and television broadcast licenses from the FCC. *Id.* at 731-32. All of the representations were successful, with each of the clients receiving the requested broadcast licenses from the FCC. *Id.* Radio Representatives alleged that its law firm was laboring under a conflict of interest, and refused to pay its attorneys' fees.

The court found no conflict of interest to exist. *Id.* at 734-37. The law firm represented its various clients in separate proceedings before the FCC to obtain separate broadcast licenses. The success of one client before the FCC did not harm the chances of the other clients before the FCC, as all clients successfully received their requested licenses. Thus, no conflict of legal rights existed. *Id.* at 736-37. The only conflict between the clients was the economic conflict inherent between competitors. *Id.* That, the court held, was not a conflict of interest. *Id.* "[T]he fact that an attorney is simultaneously

representing two companies that are competitors in the same industry does not itself establish an actionable breach of an attorney's fiduciary duty." *Id.* at 736 (quoting D.J. Horan & G.W. Spellmire, Jr., *Attorney Malpractice: Prevention and Defense* 17-1 (1987)). See also C. Wolfram, *Competitor and Other "Finite-Pie" Conflicts*, 36 Hofstra L. Rev. 539, 550-51 (2007) (discussing and endorsing the holding of *Curtis*).

A fundamentally different situation, arising from superficially similar facts, is discussed in the *Restatement*. There, a lawyer was retained by two companies, "each a competitor for a single broadcast license." *Restatement (Third) of the Law Governing Lawyers* § 121, comment c(i), illustration 1 (2000) (emphasis added). Because only one license existed, and both clients were competing for it, the lawyer could not properly represent both clients in their pursuit of the single license. *Id.* The success of one client necessarily would doom the other client to failure.

The facts alleged in the present case are directly analogous to the facts of *Curtis*, and very different from the facts presented in the *Restatement*. Finnegan represented both Masunaga and Maling in seeking patents from the PTO, just as the law firm in

Curtis represented multiple clients in seeking broadcast licenses from the FCC. As in *Curtis*, Finnegan could, and did, represent both clients successfully before the government, obtaining one patent for Masunaga and four patents for Maling. Finnegan's success in obtaining a patent for Masunaga did not and could not hinder Finnegan's ability to obtain patents for Maling. Thus, as in *Curtis*, there was no conflict.

The illustration in the *Restatement* is analogous to an interference. When the PTO declares an interference, the parties to the interference are indeed competing for a single patent, much like the competitors in the *Restatement* are competing for a single broadcast license. One client will be awarded the patent and the other will not. That would be direct adversity and would create a conflict, precisely as the *Restatement* suggests.

In the present case, it is undisputed that the PTO never declared an interference between Maling's patent applications and the application of Masunaga. Moreover, Maling has not and could not allege that the claims in his patent applications were identical to those in the Masunaga application or mere obvious variants of those claims. Accordingly, Maling was

never placed in a legal position directly adverse to Masunaga, and no conflict ever arose.

2. The Representation Of Masunaga Did Not Materially Limit The Representation Of Maling

Rule 1.7(b) "governs situations in which a lawyer does not simultaneously represent clients with directly adverse interests but there is nevertheless a potential impairment of the lawyer's ability to represent his or her client due to other responsibilities or interests." *Cherdak v. Koko FitClub, LLC*, 2014 U.S. Dist. LEXIS 101809, at *5 (D. Mass. July 25, 2014). "[T]he purpose of Rule 1.7(b) is to ensure that lawyers' loyalty to their clients is not impaired by outside obligations that foreclose their ability to consider alternatives or pursue courses of action." *Id.* at *8-*9. "[T]he critical inquiry is whether the lawyer has a competing interest or responsibility that 'will materially interfere with the lawyer's independent professional judgment in considering alternatives or foreclose courses of action that reasonably should be pursued on behalf of the client'." *In re Driscoll*, 447 Mass. 678, 686 (2006). See also Mass. R. Prof. Conduct 1.7(b), Comment 4.

A patent lawyer representing two clients in the same area of technology does not suffer from any such material limitation. As discussed above, the two clients in such a situation are not competing with each other for a single patent. They are each attempting to obtain separate patents for separate inventions from the PTO. Accordingly, nothing that the lawyer does for the first client will materially impair his or her ability to obtain a patent for the second client.

Maling nevertheless repeatedly asserts that Finnegan's ability to represent him was materially impaired by its representation of Masunaga. For example, Maling asserts that "success for one client cannot be accomplished without adversely affecting the other client." Maling Br. at 11. Similarly, he asserts that "[i]t would have been impossible for Finnegan to have adequately protected the interests of both ... Maling and Masunaga without adversely affecting one of them." *Id.* at 12. Likewise, he accuses Finnegan of "choosing to protect Masunaga's interests at the expense of Maling's interests." *Id.*

The problem with these assertions is that they are wholly conclusory and illusory. Maling never explains how success for Masunaga could not be

achieved without adversely affecting him. Nor does Maling explain how Masunaga's interests could not be protected without adversely affecting him. Nor does Maling explain how Finnegan's protection of Masunaga's interests somehow came at his expense. These are simply unsupported conclusory assertions, and nothing more.

As explained above, Finnegan could and did represent both Maling and Masunaga successfully without adversely affecting either client. Finnegan's success for Masunaga before the PTO did not have any adverse impact on Finnegan's ability to obtain four patents from the PTO for Maling.⁵

3. Any Conflict Rule Prohibiting The Concurrent Representation Of Multiple Clients In Connection With "Similar" Inventions Would Be Unworkable

Maling's Complaint appears to allege that a conflict of interest arises whenever a law firm represents two clients in connection with "similar"

⁵ It is, of course, possible that unique circumstances - not alleged here - could cause an attorney to improperly pull his or her punches on behalf of one client to benefit another, whether in the patent field or in any other field. But nothing in the question posed by this Court, and nothing alleged in Maling's Complaint, raises that problem here.

inventions. Appx. at 9 (Complaint ¶ 17). Similarly, the issue presented asks whether a conflict of interest arises when a law firm represents two clients "in prosecuting patents on similar inventions." However, any conflict standard built around a concept of "similar" inventions would be unworkable.

The phrase "similar inventions" is foreign to patent law and would be essentially meaningless to patent attorneys who would need to apply the phrase on a daily basis.⁶ The term "similar" is simply too imprecise to provide any guidance to patent attorneys, judges, or juries. For example, all eyeglass frames are "similar" in some sense of the word. Would a prohibition against representation in connection with "similar" inventions preclude a law firm from representing two clients in connection with any and all eyeglass frame inventions? All eyeglass frame hinge inventions? All screwless eyeglass frame hinge inventions? There is simply no answer to these questions because there is no way to define "similar" in this context.

⁶ Maling also uses the phrase "same patent space." Appx. at 10 (Complaint ¶¶ 20-21). This, too, is not a recognized term in patent law and would be meaningless to patent attorneys.

Moreover, as discussed above, there is no need to answer any of these questions. An attorney or law firm can represent multiple clients within the narrowest field of technology and with respect to the narrowest of inventions without hindering the ability of any client to obtain a patent. The PTO will judge each client's invention on its own merits, without reference to the other clients' inventions (except to determine whether an interference should be declared). And each client will be eligible to receive a patent (if his invention is patentable), regardless of how many other clients also receive patents. Thus, there is no conflict of interest.

Accordingly, the Court should reject any conflicts test that precludes representation of multiple clients in connection with "similar" inventions. Instead, the Court should hold that a conflict arises when the claims of two clients' patent applications are identical or mere obvious variants of each other so that an interference could be declared between them.

4. Compelling Policy Reasons Counsel In Favor
Of Permitting Attorneys To Represent
Multiple Clients In Connection With
Inventions In The Same Technological Field

Maling's position that law firms may not represent multiple clients in connection with "similar" inventions would have serious adverse impacts on the public, patent attorneys, and law firms. Even if the vagueness issues inherent in the word "similar" were resolved, law firms would still be barred from representing multiple clients in connection with a single technological field, however broadly or narrowly that field is defined by the courts. This would severely disrupt the practices of patent lawyers and law firms, would deprive the public of needed expertise in the field of patent law, and would greatly favor large corporations over individual inventors and start-up companies, leaving the latter without adequate representation for their patent applications.

Traditionally, patent lawyers have been able to develop deep expertise in fields of technology by representing many different clients within that technological field. This has served the public well. These experienced patent lawyers can readily

understand the inventions of their clients in ways a generalist could not. This allows these lawyers to prepare and prosecute patent applications far more efficiently than their generalist counterparts, who would need to spend much more time learning the relevant technology. In addition, highly specialized patent attorneys are far more familiar with the prior art in their field than a generalist. This allows the specialist to more quickly and accurately advise clients as to whether their inventions are patentable. This specialization has facilitated the filing of patent applications in cutting edge areas of technology, such as medical devices, alternative energy technologies, nanotechnology, biotechnology, and computer technology.

Maling's proposed rule would prevent patent lawyers from acquiring this level of expertise. Specialists would be required to broaden their practices to a wider array of technologies because they could legally represent only one client per field. Each patent lawyer would be required to become a jack of all trades, or at least many trades, and a master of none. This would deprive the public of the expertise to which they have become accustomed and which has served them well. The cost of patent

applications necessarily would rise, as patent attorneys would need to spend more time learning the technology and the prior art relevant to each new application.

Maling's proposed rule would be particularly disastrous for large patent law firms, such as Finnegan. Any rule against representing multiple clients in connection with "similar" inventions presumably would extend across the entire firm of more than 300 patent attorneys. See Mass. R. Prof. Conduct 1.10. Thus, the entire firm would be permitted to represent only a single client in each technological field. For example, the entire firm might be able to represent only one client in connection with eyeglass hinges, one client in connection with viral vaccines, one client in connection with automobile engines, and so on. A firm with hundreds of attorneys and such a limited client base would very quickly find itself in an unsustainable position.

Those firms that do survive could do so only by selecting a very large client to fill each technological niche. Individual inventors and start-up companies would be deprived of the services of patent law firms of any considerable size. The small potential client's work would conflict with that of

the large client occupying the same technological area. Even if a law firm represented no clients in a particular technological area, that firm may pass up the opportunity to represent a small client for fear of the future conflicts that the representation would create. Thus, individuals and small companies would find themselves with very limited access to patent lawyers.⁷

These concerns are not unique to patent law. The *Curtis* case, discussed above, raised precisely the same concerns in the context of government-granted broadcast licenses. As one respected commentator on legal ethics observed:

As a matter of policy, the decision in *Curtis* finding no conflict on the facts before the court is compellingly correct. Among other considerations, a contrary decision would have made it impossible for a law firm to engage in a specialized practice of representing multiple clients before a federal body that regulates a multi-

⁷ Public policy favors ensuring that clients have the opportunity to retain the attorney of their choosing, as reflected in Massachusetts Rule of Professional Conduct 5.6 (prohibiting restrictions on a lawyer's right to practice). Maling's proposed conflict rule contravenes that policy.

enterprise industry. The rather clear implication of the objecting client's position there was that the law firm's FCC practice should have been limited to the client's legal business only. Unless the client's FCC work was unusually large, that would necessarily preclude law firms from maintaining more than one or two lawyers whose time was substantially devoted to such a practice. The opposite, of course, is both the practice and the reasonable approach (as far as conflicts are concerned) of a large number of American law firms.

C. Wolfram, *Competitor and Other "Finite-Pie" Conflicts*, 36 Hofstra L. Rev. 539, 552 (2007).

As this example indicates, any decision that Finnegan had a conflict of interest here would be difficult to confine to patent law. Such a decision also would suggest that a real estate lawyer could not represent two real estate developers who compete in the marketplace.

For example, suppose a lawyer represents a first developer to obtain the necessary government approvals to construct a high-rise condominium. The lawyer is then approached by a second client to perform the same

task for a second high-rise condominium in the same neighborhood. The first client may object that the second client's nearby condominium will diminish the value and marketability of the first condominium. But surely nothing in Rule 1.7 restricts a lawyer from obtaining building permits for two clients in the same neighborhood. The two clients are competitors and may have economic conflicts, but no legal conflict of interest arises. The two clients are not directly adverse to each other; each is adverse only to the government regulator. And the lawyer's representation of the first client does not materially restrict the lawyer's ability to obtain a permit for the second client.

An adverse decision by this Court would also suggest that a copyright lawyer could not represent two authors preparing books on the same subject. The two books may compete directly in the marketplace. But, again, the two authors' legal interests are not directly adverse. The authors' legal interests are adverse only to the Copyright Office. And the lawyer's representation of the first client does not materially restrict the lawyer's ability to obtain a copyright for the second client. But if Finnegan were found to have a conflict here, the copyright lawyer's

ability to represent both authors would be called into serious question.

5. Because Of Confidentiality Obligations, It Is Often Not Possible To Obtain Informed Client Consent To Represent Two Inventors In The Same Field Of Technology

The issue presented suggests that law firms in Finnegan's position should perhaps seek client consent before representing two inventors in connection with "similar" inventions. However, that suggested solution is unworkable in the patent prosecution context.

A patent lawyer is, of course, required to maintain all of the confidences of his or her clients. Mass. R. Prof. Conduct 1.6. Clients typically regard their inventions as highly confidential information. If the client seeks a patent, the invention will typically be made public by the PTO 18 months after filing through publication of the patent application. 35 U.S.C. § 122(b). At least until that time, the invention remains confidential. 35 U.S.C. § 122(a).

Maling alleges he became a client of Finnegan on April 17, 2003, long before the January 22, 2004 publication of Masunaga's patent application. Appx. at 8 (Complaint ¶ 7). If Finnegan were required to

obtain informed client consent for the concurrent representation of Maling and Masunaga, Finnegan would have been faced with an impossible task. To obtain informed consent, Finnegan would have been required to disclose Maling's confidential invention to Masunaga, and to disclose Masunaga's confidential invention to Maling. Without this disclosure, the two clients likely could not knowingly consent to the concurrent representation in connection with "similar" inventions because they would not know how similar the inventions are. However, this disclosure would be plainly prohibited by Rule 1.6. Accordingly, any rule requiring client consent for concurrent representation in connection with "similar" inventions would effectively preclude all such concurrent representations.

B. The Concurrent Representation In This Case Created No Actionable Conflict Of Interest Because It Caused No Plausible Harm To Maling

It is undisputed that Maling's claim for legal malpractice based upon a conflict of interest fails unless he adequately alleges harm caused by the alleged conflict of interest. See *McCann v. Davis, Malm & D'Agostine*, 423 Mass. 558, 559-60 (1996). See also *Maling Br.* at 10 (citing *Irwin v. Ware*, 392 Mass.

745, 754 (1984)). Moreover, to survive a motion to dismiss, the Complaint must contain factual allegations that "plausibly suggest" an entitlement to relief that rises "above the speculative level." *Iannacchino v. Ford Motor Co.*, 451 Mass. 623, 636 (2008).

In this case, Maling alleges no harm plausibly caused by the concurrent representation of Masunaga. For example, Maling does not allege that the four patents he received are in any way inferior to patents that would have been obtained by counsel that did not represent Masunaga. Nor does he allege that the patent of his alleged competitor Masunaga was somehow strengthened by the concurrent representation.

Maling does allege that Finnegan delayed the filing of his patent application. Appx. at 8 (Complaint ¶ 11). However, Maling never explains how this caused him any harm. In his brief, Maling asserts that Masunaga was given "a head start." Maling Br. at 9. But this assumes, incorrectly, that Maling and Masunaga were in a race to the PTO. As explained above, that was not the case because both parties' patent applications were filed years before passage of the AIA.

Maling also alleges that he never would have spent money seeking patent protection if he had known about Masunaga's earlier patent application. Appx. at 11 (Complaint ¶ 27); Maling Br. at 12. Thus, Maling seems to be complaining that Finnegan should have reported the Masunaga patent application to him before he began spending money on patent protection. Maling, however, has not alleged that Finnegan committed malpractice by failing to perform a competent search for prior art that would have located the Masunaga application. Nor could he. According to his own allegations, Maling instructed Finnegan to conduct a prior art search on or about September 19, 2003. Appx. at 8 (Complaint ¶ 10). The Masunaga application did not publish until January 22, 2004. See Supp. Appx. 102 ("Prior Publication Data"). Therefore, the Masunaga application could not have been found in this search of the prior art by a firm that was free of the alleged conflict.

Maling similarly complains that his invention has proven to be unmarketable as "unique." Appx. at 11 (Complaint ¶¶ 27, 29). Maling, however, has not alleged that he retained Finnegan to advise him as to whether his invention was marketable. Nor has he alleged that Finnegan provided him with incompetent

advice in this regard. Again, the only malpractice alleged is the concurrent representation of two allegedly conflicting clients. The alleged harm of being unable to market a product is simply not plausibly traceable to the concurrent representation. If Maling's invention truly is unmarketable, that would be true whether he hired Finnegan or some other conflict-free firm to obtain his patents.

Finally, Maling alleges that the concurrent representation somehow caused him to lose the funding needed to market his invention. Appx. at 12 (Complaint ¶¶ 33-36). According to Maling, his lenders required an opinion of counsel that Maling's product did not infringe the Masunaga patent, and that the Masunaga patent did not render his own patents invalid. *Id.* (Complaint ¶ 33). Maling alleges that Finnegan declined to provide the requested opinion, and that the funding was then withdrawn. *Id.* (Complaint ¶¶ 34-35).

Once again, Maling fails to explain how the concurrent representation plausibly caused this loss of funding. As the Superior Court Judge observed, even if the concurrent representation created a conflict, Maling could have retained other counsel to provide the requested opinion. Appx. at 24. This

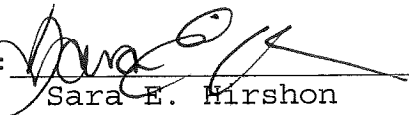
breaks any causal link between the alleged conflict and the failure of Maling to secure funding. Maling's real complaint is that Finnegan declined to undertake a new engagement for him. That, however, is not malpractice, and does not show damage caused by the alleged conflict of interest in the earlier representation.

VII. CONCLUSION

This Court should affirm the Superior Court's dismissal of Maling's Complaint. In so doing, the Court should hold that a law firm may represent multiple clients seeking patents in the same field of technology unless the claims of the patent applications are identical or merely obvious variants of each other.

Respectfully submitted,

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