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***Knorr-Bremse Systeme Fuer Nutzfahrzeuge
GMBY v., Dana Corp., No. 01-1357***

The Federal Circuit to reconsider the role of opinions of counsel in defending against charges of willful infringement

On September 26, 2003, the Federal Circuit announced in *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GMBY v., Dana Corp., No. 01-1357*, that it was taking up for *en banc* consideration (1) whether opinions of counsel are necessary to defend against willful infringement allegations, and (2) whether an "adverse inference" should apply if an alleged infringer refuses to waive privilege to legal advice that it has received concerning a patent.

Under the Federal Circuit's current authority, an alleged infringer has an affirmative duty to obtain timely legal advice concerning a patent before starting any possible infringing activity. Furthermore, an "adverse inference" will be taken (*i.e.*, that the advice actually supports willful infringement) if the alleged infringer refuses to waive privilege to opinions of counsel and thus to all related attorney-client communications.

These holdings have compelled accused infringers to waive privilege to opinions of counsel in most patent cases to avoid the "adverse inference." This has created considerable controversy concerning the content of opinions of counsel, their purpose (*i.e.*, frank advice versus litigation tool) and their preparation. The Federal Circuit's holdings also create expensive collateral litigation in almost every patent case on the waiver of attorney-client communications, the timing of any such waiver, and the scope of the waiver.

The Federal Circuit requested additional briefing from the parties and *amicus curiae* on the following issues:

1. When the attorney-client privilege and/or work product privilege is invoked by a defendant in an infringement suit, is it appropriate for the trier of fact to draw an adverse inference with respect to willful infringement?

2. When the defendant has not obtained legal advice, is it appropriate to draw an adverse inference with respect to willful infringement?
3. If the court concludes that the law should be changed, and the adverse inference withdrawn as applied to this case, what are the consequences for this case?
4. Should the existence of a substantial defense to infringement be sufficient to defeat liability for willful infringement even if no legal advice has been secured?

The additional briefing from the parties is due by October 29, 2003. *Amicus curiae* briefs are due on November 5, 2003.

For further information, please contact the author [Philip T. Petti](#), of [Fitch, Even, Tabin and Flannery](#).

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