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• EYE ON ETHICS •

***Ancient Representation Imputes Disqualification on the Unsuspecting***

By Paul Fleischut

The question arises, when is representation at one's current firm "substantially related" to matters handled years ago at a former firm such that imputed disqualification is invoked?

On November 25, 2009, a federal judge in Trenton, New Jersey disqualified the firm Diehl Servilla from representing Craig Thorner in his lawsuit against Sony Computer Entertainment America, Inc. and others for patent infringement and other causes. Happy Thanksgiving!

Under the relevant rules of professional conduct in "model rule" states including both Missouri and New Jersey, a lawyer who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client. Rule 1.9. And where the lawyer has changed firms, the prohibition is imputed to the new firm under Rule 1.10: "While lawyers are associated in a firm, none of them shall knowingly represent a client when any one of them practicing alone would be prohibited from doing so ...." The conflict is waivable by the former client.

In *Thorner v. Sony Computer Entertainment*, the patents Thorner is asserting against Sony include US Pat. 5,565,840 for "Tactile Sensation Generator," US Pat. 6,422,941 for "Universal Tactile Feedback System for Computer Video Games and Simulations," and others relating to devices that vibrate to reflect actions occurring in a video game. Thorner asserts that Sony's PlayStation® products incorporate his patented technology.

Diehl Servilla filed the Thorner lawsuit in April 2009. Glen Diehl and Scott Servilla broke off from Lerner David et al. in December 2004. While at Lerner David from 2001 to 2004, Diehl worked for Sony, but only on litigation matters unrelated to the current dispute with Thorner. Diehl had apparently met with Sony's PlayStation® engineers in the course of the former representation. Concerned that with previous "access to Sony personnel, information, and documents related to Sony's PlayStation® systems," Diehl may have been privy to information harmful to Sony in the current suit, the New Jersey court granted Sony's motion to disqualify Diehl and his firm Diehl Servilla.

Imputed disqualification under Rule 1.10 was adopted to prevent lawyers from using partners and associates to circumvent professional standards. The Rule presumes client confidences are shared among attorneys in a firm.

A conflict arising in situations such as this where an attorney changes firms might be waived by the former client after sufficient consultation. As a condition for such a waiver, the former client may ask that the lawyer be screened from the matter at his new firm. But the Missouri Rules of Professional Conduct do not expressly recognize a "Chinese Wall," "Cone of Silence," or other screening procedure as a solution to conflicts outside the context of a former judicial officer or government lawyer.

In *Genentech Inc. and Biogen Idec Inc. v. Sanofi-Aventis Deutschland GmbH*, Genentech filed a motion in October 2009 to disqualify Sanofi's firm McDonnell Boehnen Hulbert & Berghoff on the grounds that firm founder John McDonnell had previously represented Genentech in proceedings before the Patent Office. Those proceedings were of course not the "same" as the current *Genentech* suit, but are alleged by Genentech to be "substantially related," in that both matters involved the same DNA analysis technology. The suit versus Sanofi was filed in 2008; whereas McDonnell's work for Genentech in the Patent Office matter was performed prior to his founding the current firm in 1996.

As reported by Jennifer Schwendemann in these pages last spring, the ABA recently passed Resolution 109 which specifically provides that imputation of a former client conflict under Rules 1.9 and 1.10 can be avoided by proper screening procedures. Under this amendment to the Model Rules, if a Glen Diehl or John McDonnell were screened from the new matters, and apportioned no part of the legal fees, then their firms could avoid disqualification. The amendment requires notifying the former client of the screening procedures, periodically updating the former client on compliance at the former client's request, and agreeing to review by a tribunal -- presumably the presiding court -- of the screening procedures. Missouri has not adopted this amendment.

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