

REDUCING CORPORATE MANAGERS' RISK OF PERSONAL LIABILITY
FOR PATENT INFRINGEMENT BY RELYING ON OPINION OF
COUNSEL

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I. SCOPE NOTE

Counsel should advise the managers of a company directly involved with products or processes accused of patent infringement to seriously consider obtaining an opinion of counsel in order to avoid personal liability. Obtaining an opinion as to noninfringement or invalidity of the patent may insulate managers from personal liability, and may also provide a defense against willful infringement (against managers as well as the corporation). To be effective, the opinion must be competent (even if incorrect), and must be based on truthful, complete information provided by the client. If the client decides to obtain an opinion, the client must first determine who will render it; seeking an opinion from in-house counsel, as opposed to outside counsel, has both advantages and disadvantages. Seeking an opinion from an attorney associated with the firm that may double as trial counsel likewise has its pros and cons (including potential disqualification). Regardless of who provides the opinion (or opinions), the potential insulation against liability and the risk assessment guidance provided by a competent opinion will, in most circumstances, outweigh the burdens of obtaining the opinion.

II. RELIANCE ON OPINION OF COUNSEL TO AVOID PERSONAL LIABILITY

Obtaining an opinion of counsel that the accused product or process either does not infringe the patent asserted or that the patent is either invalid or unenforceable may be important to corporate managers who are directly involved with decision-making concerning the accused product, in order to avoid personal liability.

A. Inducement of Infringement

Increasingly, managers are being joined with their corporations as individual defendants on charges of inducement of infringement. Many patent owners view these charges as strategically important to pressure the accused corporation even where joinder of the individuals is otherwise unnecessary (e.g. where the corporation has sufficient assets to cover any foreseeable judgment). Although a division of authority exists as to the effect of obtaining an opinion of counsel,

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the possibility that an opinion may protect managers from individual liability for inducement makes obtaining an opinion imperative.

An employee of the accused company may be held individually liable for inducing infringement if the patentee can prove that the employee specifically intended to encourage the company's infringement and that he or she actively and knowingly intended to aid and abet infringement by the company. 35 U.S.C. § 271(b); Manville Sales Corp. v. Paramount Sys., Inc., 917 F.2d 544, 553 (Fed. Cir. 1990); Hoover Group, Inc. v. Custom Metalcraft, Inc., 84 F.3d 1408 (Fed. Cir. 1996) (same); Orthokinetics, Inc. v. Safety Travel Chairs, 806 F.2d 1565, 1578-1579 (Fed. Cir. 1986) (an officer may be personally liable for inducement if he "actively" aids and abets the infringement).

Courts have been divided as to whether and to what extent an opinion of counsel insulates an employee from personal liability for inducement.² This division appears to stem from lack of clear direction in Federal Circuit precedent as to the nature of the intent required for inducement to infringe, and may not be resolved fully until the Federal Circuit considers the issue *en banc*.³ The division concerns whether inducement requires only proof of intent to cause the acts which constitute infringement, or whether it also requires specific intent to cause infringement.

In those jurisdictions holding that specific intent to cause infringement is not required, opinion of counsel has been held to be irrelevant, or, at best, non-dispositive. See, e.g., Symbol Techs., Inc. v. Metrologic Instruments, Inc., 771 F. Supp. 1390, 1405 (D. N.J. 1991) (specific intent to infringe not necessary for finding inducement, and advice of counsel "has no relevance . . . in determining whether [an officer] induced infringement under § 271(b)); Curtis Mfg. Co., Inc. v. Plasti-Clip Corp., 888 F.Supp. 1212, 1225 (D. N.H. 1994) (same); CVI/Beta Ventures, Inc. v. Tura LP, 905 F.Supp. 1171, 1196 (E.D. N.Y. 1995), rev'd on other grounds, 112 F.3d 1146 (Fed. Cir. 1997) (assertion of "good faith reliance on advice of counsel may be considered, but is not necessarily dispositive").

² This division exists with respect to charges of inducement against corporations, as well.

³ See Federal Circuit Bar Association, Conflicts in Federal Circuit Patent Law Decisions, 11 Fed. Circuit B.J. 723, 763 (2002); Michael N. Rader, Toward a Coherent Law of Inducement to Infringe: Why the Federal Circuit Should Adopt the Hewlett-Packard Standard for Intent Under § 271(B), 10 Fed. Circuit B.J. 299, 314-15, 328 (2000); Harvard Law Review Association, Patent Law – Active Inducement of Infringement–District Court Holds that Inducement Liability Requires Proof of Intent to Induce Violation of the Law. – Amersham Pharmacia Biotech, Inc. v. Perkin-Elmer Corp., No. C 97-04203 Crb, 2000 WL 1897300 (N.D. Cal. Dec. 22, 2000), 115 Harv. L. Rev. 1246, 1250 (2002).

The District of Massachusetts has not specifically addressed whether opinion of counsel can insulate against liability for inducement. However, it has held that inducement requires “specific intent to induce—i.e. the knowledge that the product in question infringes on the patent of another” Trustees of Columbia University in the City of New York v. Roche Diagnostics GmbH, 150 F.Supp.2d 191 (D. Mass. 2001). This suggests that the court would also recognize the insulating properties of opinion of counsel. See SDS USA, Inc. v. Ken Specialties, Inc., No. CIV. 99-133, 2002 WL 31055997, at *7 (D. N.J. August 28, 2002) (recognizing the defense, but denying summary judgment because it was unclear whether the defendant president reasonably relied, in good faith, on the opinion of counsel); Amersham Pharmacia Biotech, Inc. v. Perkin-Elmer Corp., No. C 97-04203 CRB, 2000 WL 1897300, at * 6 (N.D. Cal. Dec. 22, 2000) (denying plaintiff’s motion for summary judgment against corporate defendant for inducement, where the company offered evidence that it had “been operating under a good faith belief, based on an opinion of counsel, that its products do not induce infringement.”).

Although the Federal Circuit has not addressed this division directly, the trend of panel decisions favors requiring specific intent, and recognizes the value of opinion of counsel in countering inducement claims. See, e.g., Micro Chem., Inc. v. Great Plains Chem. Co., 194 F.3d 1250, 1257, 1261 (Fed. Cir. 1999) (affirming summary judgment in favor of the president of an infringing corporation, because he “took reasonable steps to avoid infringement” including seeking and relying on the advice of counsel in redesigning the accused product after the patent issued, and therefore “lacked the requisite intent and knowledge to be liable for inducement to infringe.”); Manville Sales Corp. v. Paramount Sys., Inc., 917 F.2d 544, 553 (Fed. Cir. 1990) (reversing verdict against corporate officers who acted on a good faith belief, based on advice of counsel, that the accused product did not infringe).

Until the Federal Circuit addresses this issue *en banc*, some disagreement in the district courts as to the effect of obtaining advice of counsel on employee liability for inducement of infringement may continue. In the meantime, promptly obtaining such an opinion remains a critical step, with a strong potential for reducing the risk of personal liability.

B. Personal Liability for Direct Infringement

Obtaining opinion of counsel may reduce the risk of personal liability of corporate managers not only under § 271(b) (inducement), but also where the individual has been accused of direct infringement under § 271(a) (“whoever without authority makes, uses, offers to sell or sells any patented invention . . . infringes the patent”).

An officer may find him or herself added as an individual defendant under a charge of direct infringement at any time – even after judgment has been entered against the corporation. See Fromson v. Citiplate, Inc., 886 F.2d 1300 (Fed. Cir. 1989). In Fromson, the plaintiff’s pre-trial motion for leave to add the two principal officers of the defendant corporation as individual defendants based on rumors of the corporation’s financial difficulties. That motion was denied, the trial was held, and judgment entered against the corporation, which then filed a bankruptcy petition. One month after judgment entered, the patentee was permitted to amend its complaint retroactively to add the officers. The two officers each owned half of the corporation and were its sole directors; one was the company’s founder and conceived and developed the infringing product; both attended the entire trial. The court held that the “identity of interests” between the corporation and the officers was “virtually complete” and that the officers “should have known all along that joinder was a possibility.”

As with inducement, courts have been divided as to the effect of obtaining opinion of counsel on personal liability for direct infringement under § 271(a). This split also apparently stems from lack of clear direction in Federal Circuit precedent as to the requirements for personal liability under § 271(a). Several Federal Circuit court decisions “require[] sufficient evidence to justify piercing the corporate veil.” Al-Site Corp. v. VSI Int’l, Inc., 174 F.3d 1308, 1331 (Fed. Cir. 1999) (no liability in absence of pierced veil); Manville Sales, 917 F.2d at 552 (same). Evidence that the accused officer “acted pursuant to a good faith belief of noninfringement engendered by advice of counsel” may prevent the court from rejecting “legal recognition of the corporate structure.” Al-Site, 174 F.3d at 1332.

An earlier line of Federal Circuit court cases did not require veil piercing to impose personal liability on corporate officers and agents. See, e.g., Orthokinetics, 806 F.2d at 1579 (personal liability imposed where officers “personally took part in the commission of the tort or specifically directed other officers, agent, or employees of the corporation to commit the tortious act.”). Several district courts (some of the same district courts that reject the specific intent requirement for inducement of infringement) have criticized the veil piercing requirement as inconsistent with the earlier Federal Circuit cases.⁴ Symbol Technologies, Inc. v. Metrologic Instruments, Inc., 771 F. Supp. 1390, 1405 (D.N.J. 1991) (holding president who was involved in the corporation’s infringing activities personally liable without veil piercing); Curtis Mfg. Co., Inc. v. Plasti-Clip Corp., 888 F.Supp. 1212, 1222-25 (D. N.H. 1994) (president held personally liable based on effective control over the corporation and active

⁴ Federal Circuit bar Association, Conflicts in Federal Circuit Patent Law Decisions, 11 Fed. Circuit B.J. 723, 758-62 (2002).

participation in the infringement). In neither case did the officer's reliance on advice of counsel have any impact on his liability.⁵

The Federal Circuit has also used a third approach to personal liability under § 271(a), not requiring veil piercing but instead requiring "consideration of the nature of the wrong, the culpability of the act, and whether the person acted in his/her personal interest or that of the corporation." Hoover Group, Inc. v. Custom Metalcraft, Inc., 84 F.3d 1408, 1411 (Fed. Cir. 1996). In Hoover, the accused president, CEO and principal shareholder of the infringing corporation "made a straightforward commercial response to the assertions of patent infringement, including prompt consultations with counsel." Id. at 1412 (emphasis added). In the absence of personal culpability, bad faith, or fraud, the officer could not be held personally liable under either § 271(a) or § 271(b).

Thus, obtaining an opinion of counsel may help reduce the risk of personal liability for direct infringement under both the Hoover approach, and under the line of cases requiring piercing of the corporate veil. The District of Massachusetts has not yet addressed the issue. However, the possibility that an opinion may protect managers from individual liability for direct infringement, as well as for inducement, makes obtaining an opinion all the more essential.

C. Willful Infringement

A manager may also be accused of willful infringement (willful direct infringement, willful inducement to infringe, or willful contributory infringement (§ 271(c))). See, e.g., Auto Wax Co. v. Marchese, No. CIV.A. 301CV2571M, 2002 WL 1558376, at *1 (N.D. Tex. July 15, 2002). Reasonable, good faith reliance upon a competent opinion of counsel generally leads to the conclusion that infringement by either an individual or a corporate entity was not willful. See, e.g., Sensonics, Inc. v. Aerosonic Corp., 81 F.3d 1566, 1571 (Fed. Cir. 1996); Ortho Pharm. Corp. v. Smith, 959 F.2d 936 (Fed. Cir. 1992); Advanced Display Sys., Inc. v. Kent State University, Nos. 3-96-CV-1480-BD, 3-96-CV-1608-BD, 2002 WL 1489555, at *8 and n.6 (N.D. Tex. July 10, 2002) (jury instructed to consider whether corporation's president relied upon competent opinion of counsel in deciding issue of willful inducement).

After being made aware of the accusation or possibility of patent infringement, the obligations that the accused must fulfill in order to avoid liability for willful

⁵ In Curtis Mfg., 888 F.Supp at 1225, the court cited Symbol Techs. as to the irrelevance of advice of counsel in determining whether the officer induced infringement, creating some ambiguity as to whether the court meant that such advice is irrelevant to inducement in addition to direct infringement, or that such advice is irrelevant only to a charge of inducement. The court also highlighted the importance of the president's knowledge of the existence of the patent.

infringement are well established. "One who has actual notice of another's patent rights has an affirmative duty to respect those rights. . . . That affirmative duty normally entails obtaining advice of legal counsel although the absence of such advice does not mandate a finding of willfulness." Read Corp. v. Portec, Inc., 970 F.2d 816, 828 (Fed. Cir. 1992); Kalman v. Berlyn Corp., 1988 WL 156126, at *10-11, 9 U.S.P.Q.2d 1191 (D. Mass. 1988) (affirmative duty to obtain competent legal advice), aff'd in relevant part, rev'd in other part, 914 F.2d 1473, 1483-84 (Fed. Cir. 1991); Saint-Gobain/Norton Industrial Ceramics Corp. v. General Electric Co., 884 F.Supp. 31 (D. Mass. 1995) (affirmative duty to exercise due care includes the duty to obtain competent legal advice). Although failure to obtain an opinion of counsel does not automatically guarantee a finding of willfulness (Omniglow Corp.v. Unique Inds., Inc., 184 F.Supp.2d 105 (D. Mass. 2002); Bose Corp. v. JBL, Inc., 112 F.Supp.2d 138, 157 (D. Mass. 2000), aff'd, 274 F.3d 1354 (Fed. Cir. 2001), cert. denied, 123 S.Ct. 90 (2002)), proceeding without such an opinion is extremely risky. See, e.g., Crystal Semiconductor Corp. v. Tritech Microelectronics Int'l, Inc., 246 F.3d 1336, 1352, 1361 (Fed. Cir. 2001) (affirming multiple damages of nearly \$35 million against corporate defendant for willful inducement, where the company never sought advice of counsel).

III. OPINION OF COUNSEL: OBLIGATIONS OF COUNSEL AND CLIENT

To take advantage of the potentially insulating properties of an opinion of counsel that the patent is not infringed or is invalid, the individual defendant must prove that he or she relied in good faith on the opinion, and that this reliance was reasonable. SDS USA, Inc., 2002 WL 31055997, at *7-8; Century Wrecker Corp. v. E.R. Buske Mfg. Co., Inc., 913 F. Supp. 1256, 1274 (N.D. Iowa 1996) ("For an opinion of counsel to be a defense to personal liability for inducement, the opinion must be both reasoned and competent."). These requirements flow from the case law regarding willful infringement of corporate defendants. "Those cases where willful infringement is found despite the presence of an opinion of counsel generally involve situations where opinion of counsel was either ignored or found to be incompetent." Read Corp. v. Portec, Inc., 970 F.2d at 828.

Opinion letters should be reviewed to determine whether they evidence an adequate foundation based on a review of all necessary facts or whether they are conclusory on their face '[C]ounsel's opinion must be thorough enough, as combined with other factors, to instill a belief in the infringer that a court might reasonably hold the patent is invalid, not infringed, or unenforceable.' . . . In considering the reasonableness of the accused infringer's reliance on an opinion of counsel, the opinion letter should be

reviewed for its 'overall tone, its discussion of case law, its analysis of the particular facts and its reference to inequitable conduct.'

Westvaco Corp. v. International Paper Co., 991 F.2d 735, 743-44 (Fed. Cir. 1993) (citations omitted); Johns Hopkins University v. Cellpro, Inc., 152 F.2d 1342 (Fed. Cir. 1998) (jury finding of willfulness of corporate defendant was supported by evidence that opinion letters' obvious shortcomings rendered them ineffective in instilling reasonable confidence that activities did not infringe); Johnson & Johnston Assocs., Inc. v. R.E. Service Co., No. C 97-4382 CRB, 1998 WL 545010, at *6 (N.D. Cal. Aug. 28, 1998) (the fact that the individual defendant "obtained advice of counsel is not dispositive in light of the disputed evidence about the quality of that opinion.").

The opinion set forth in the letter need not be correct to protect the client from liability for willful infringement. Graco Inc. v. Binks Mfg. Co., 60 F.3d 785, 793 (Fed. Cir. 1995) (infringer reasonably relied on opinion letter that provided a detailed infringement analysis and a well-supported, believable conclusion). "That the district court disagreed with [the attorney] and concluded [defendant] did infringe does not render [the attorney], or his opinion, incompetent. Whether or not an opinion was 'legally' correct is not the proper focus." Id.; Read Corp., 970 F.2d at 830. Rather, the "primary focus" is the accused's intent and reasonable beliefs. Ortho Pharm. Corp., 959 F.2d at 944.

It is extremely important that the client provide truthful and complete information to counsel preparing the opinion of counsel. In obtaining an opinion letter, the accused has a duty to provide relevant information and to refrain from knowingly and intentionally misleading his or her attorney. See, e.g., Comark Communications, Inc. v. Harris Corp., 156 F.3d 1182, 1191-93 (Fed. Cir. 1998) (willful infringer intentionally withheld important information from its attorney); Amsted Indus. Inc. v. Buckeye Steel Castings Co., 24 F.3d 178, 182-83 (Fed. Cir. 1994) (willful infringer knew that his attorney, who opined that the patent was invalid based on obviousness, was unaware of all the functions of the patented invention but failed to correct him and failed to communicate objective evidence of nonobviousness); Goodwall Constr. Co. v. Beers Constr. Co., 991 F.2d 751, 758 (Fed. Cir. 1993) (client attempted to conceal information from its patent attorney when seeking an infringement opinion); Minnesota Mining and Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1559, 1580-81 (Fed. Cir. 1992) (defendant's in-house counsel's opinion held unreliable where defendant knew that counsel was relying on false information); c.f. Braun Inc. v. Dynamics Corp of America, 975 F.2d 815, 823 (Fed. Cir. 1992) (defendant did not conceal relevant information from its patent lawyer and properly relied on opinion letter). If the client makes a good faith effort to provide its counsel with the correct and complete facts, the law does not require more. The accused is not required to provide his or her attorney with information that is not in the accused's possession.

It is important that counsel press the client to disclose all information that is damaging to the client's position. It is likely that the information will be uncovered by adverse counsel in the course of the litigation. If damaging information is not considered in connection with the opinion of counsel, the opinion may be found to be incompetent and the client will be deprived of an important defense to charges of individual liability and willful infringement.

IV. OPINION OF COUNSEL: SELECTING COUNSEL

Before obtaining the opinion of counsel, the client has a preliminary decision to make. Who will render the opinion of counsel?

A. In-House Counsel Versus Outside Counsel

In-house patent counsel is not disqualified from rendering an opinion upon which the accused client may rely. Use of in-house counsel to prepare the opinion of counsel has the benefit of avoiding the cost of outside patent counsel. In addition, in-house counsel has familiarity with the client's products and technology. On the other hand, in-house counsel may have had discussions with the accused's personnel concerning litigation strategy prior to rendering his opinion. Under ordinary circumstances such discussions are subject to attorney-client privilege and/or the work product doctrine. However, attorney-client privilege and work product doctrine protections are waived in relation to an opinion of counsel upon which a party relies for purposes of avoiding liability for willful infringement. Saint-Gobain/Norton Industrial Ceramics Corp. v. General Electric Co., 884 F.Supp. 31, 33 (D. Mass. 1995). In addition, the opinion of outside patent counsel is likely to appear more objective to the jury than the opinion of counsel employed by the accused. Underwater Devices Inc. v. Morrison-Knudsen Co., Inc., 717 F.2d 1380, 1390 (Fed. Cir.1983) (although the fact that opinion was obtained from in-house counsel does not demonstrate the infringer's lack of good faith, it is a fact to be weighed).

B. Trial Counsel

1. Advantages

The client must also decide if the opinion of counsel will be rendered by an attorney associated with the firm whom the client has already selected or is likely to select as trial counsel. Again, there may be significant cost savings associated with having trial counsel or members of his firm render the opinion of counsel. The time that counsel and his firm expend learning, for purposes of rendering an opinion of counsel, the patent in suit and its prosecution history, the prior art (which may be quite extensive), and the various iterations of the client's accused products and processes, will not have to be fully expended again in connection with the litigation if the opinion rendering counsel also

serves as trial counsel. In addition, clients often have longstanding relationships with patent counsel who may have years of experience and accumulated knowledge concerning the client's accused products and technology, the industry and the relevant field of patents.

2. *Disadvantages*

However, the discoverability of counsel's work product developed in connection with rendering the opinion of counsel, the likelihood that counsel will have to submit to deposition concerning the opinion and the possibility that the author of the opinion of counsel may have to testify at trial all militate against selection of trial counsel or a member of his firm to write the opinion of counsel.

In addition, the "witness-advocate rule" has a bearing on this decision. That rule prohibits an attorney or a member of the attorney's firm from acting as an advocate and a witness in a client's case. The ABA Model Rules of Professional Conduct ("Model Rules"), Rule 3.7 provides:

- (a) A lawyer shall not act as advocate at a trial in which the lawyer is likely to be a necessary witness except where:
 - (1) the testimony relates to an uncontested issue;
 - (2) the testimony relates to the nature and value of legal services rendered in the case; or
 - (3) disqualification of the lawyer would work substantial hardship on the client.
- (b) A lawyer may act as advocate in a trial in which another lawyer in the lawyer's firm is likely to be called as a witness unless precluded from doing so by Rule 1.7 [Conflict of Interest: General Rule] or 1.9 [Conflict of Interest: Former Client].

Massachusetts follows the Model Rules. See Rule 3.7, Supreme Judicial Court Rules (identical to Model Rule 3.7); Local Rules, D. Mass., Rule 83.6(4)(B).

A minority of jurisdictions model their rules on the Model Code of Professional Responsibility Disciplinary ("Model Code"). Model Code Disciplinary Rule 5-101(B) provides:

A lawyer shall not accept employment in contemplated or pending litigation if he knows or it is obvious that he or a lawyer in his firm ought to be called as a witness, except that he may undertake the employment and he or a lawyer in his firm may testify:

- (1) If the testimony will relate solely to an uncontested matter;
- (2) If the testimony will relate solely to a matter of formality and there is no reason to believe that substantial evidence will be offered in opposition to the testimony.
- (3) If the testimony will relate solely to the nature and value of legal services rendered in the case by the lawyer or his firm to the client.
- (4) As to any matter, if refusal would work a substantial hardship on the client because of the distinctive value of the lawyer or his firm as counsel in the particular case.

DR 5-102 of the Model Code provides:

- (A) If, after undertaking employment in contemplated or pending litigation, a lawyer learns or it is obvious that he or a lawyer in his firm ought to be called as a witness on behalf of his client, he shall withdraw from the conduct of the trial and his firm, if any, shall not continue representation in the trial, except that he may continue the representation and he or a lawyer in his firm may testify in the circumstances enumerated in DR 5-101(B)(1) through (4).
- (B) If, after undertaking employment in contemplated or pending litigation, a lawyer learns or it is obvious that he or a lawyer in his firm may be called as a witness other than on behalf of his client, he may continue

the representation until it is apparent that his testimony is or may be prejudicial to his client.

Several courts, in jurisdictions following the Model Code, denied motions to disqualify the opinion-rendering counsel from serving as trial counsel, in part because the attorney would not need to be called as a witness regarding a contested issue:

The Opinion Letter . . . is not testimony. . . . Even if the Opinion Letter were regarded as testimony, it would relate to an uncontested issue, i.e., that it contains the advice that [the client/alleged infringer] received. In that circumstance, [the attorney] would not be disqualified since a lawyer's testimony "solely as to an uncontested issue" is permissible as the first exception to DR 5-102(A) and DR 5-102(C)). . . . [The patentee] has not carried its burden of laying the foundation for this Court to conclude that at trial [the attorney] "ought to be called as witness" by [his client]

* * *

For the foregoing reasons, and because of the hardship to [the client] of disqualifying [its attorney] at this stage of a long and complex proceeding (*see* DR 5-102(A)(4)), [the patentee's] request that the Court disqualify [the alleged infringer's attorney] . . . [is] denied.

Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc., No. 95 Civ. 8833 (RPP), 2000 WL 1655054, at * 2-3, 4, 6 (S.D. N.Y. Nov. 3, 2000) (also finding that the attorney's testimony would not be prejudicial to his client); *see Ristvedt-Johnson, Inc. v. Brandt, Inc.*, No. 88 C 3834, 1990 WL 114732, at *3 (N.D. Ill. July 25, 1990) (same).

The issue of whether trial counsel or his firm may render an opinion of counsel and then testify in support of the opinion at trial is largely unresolved. The cost savings to the accused of proceeding in this manner, particularly where it is uncertain as to whether the matter will actually go to trial, are appealing. In addition, there is a real benefit in obtaining an opinion of counsel from trial counsel or his firm who have a longstanding relationship with the client and who have special knowledge of the client's technology and the relevant field of patents.

On the other hand, where there is a high likelihood that a matter will go to trial, the appearance of trial counsel or his firm both advocating and testifying at trial may affect, in the eyes of the jury, the credibility of the witness sponsor of the

opinion of counsel and the image of trial counsel. In addition, there is a serious impact on the accused in terms of cost and disruption of the defense if a court decides late in the litigation that the trial counsel's firm is disqualified because a member of the firm is also the author of the opinion of counsel upon which the accused relies. Thus, the decision as to whether to employ counsel both for purposes of rendering an opinion of counsel and as trial counsel must be carefully considered.

V. CONCLUSION

Important decisions must be made by corporate managers shortly after receiving notice of accusations of infringement. In most circumstances, the managers should incur the cost of obtaining an opinion of counsel because it may protect them from personal liability as well as protect the company against charges of willful patent infringement. In addition, an early obtained opinion of counsel will guide the managers and their company in the other important decisions they will need to make as the matter progresses, including whether to continue to make the accused products.

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