

# SESSION 5.2

## Recognizing Potential Conflicts in IP Law

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Existing Client

v.

Former Client

General Rule is "no representation of one client against another", yet what if another is a former client?

# Altova v. Syncro Soft (2018)

(Civil Action No.17-11642-PBS, July 26, 2018, District of Massachusetts, USA)

- Defendant moved to disqualify Plaintiff's counsel for conflict of interest.
- Both parties have been the counsel's clients for nearly six years.
- Plaintiff approached the counsel for patent dispute with Defendant in June 2017.

# Altova v. Syncro Soft (2018)

- The counsel terminated relationship with Defendant on July 6, 2017.
- On behalf of Plaintiff, the counsel filed an action against Defendant for patent infringement on August 31, 2017.
- Court confirmed conflict based on duties of loyalty, anticipating potential conflict, disclosing conflict and obtaining informed consent.



# Rules

Turning existing client to former client would not waive the conflict for **the same and substantially related matter** (Ethical Rule Art. 30-1-2)

- 2009 – Copyright and Trade Dress Dispute on OXYGEN XML Edition software Version 10.1 (Syncro Soft v. Altova)
- 2018 – Patent Dispute on OXYGEN XML Edition software Version 19.0 (Altova v. Syncro Soft)

**The same matter** – arguable?

**Substantially related matter** – most likely?

In the trade dress and copyright dispute case (2009), the counsel was provided by the CEO of SYNCRO SOFT information about how the subject OXYGEN XML Edition software functions (competent representation may be compromised by duties of loyalty and confidentiality?).

Same or Substantially  
Related Matter

V.

Other Matter

Key consideration to tie in  
former client with existing  
client in judgement of  
conflict

# Guidelines for "substantially related":

- Directly adverse; and

- Materially limited.

# Altova v. Syncro Soft (2018)

- Direct competitors of the products at issue (directly adverse?)
- Given information about SYNCRO SOFT's products at issue (confidentiality duty for Defendant, SYNCRO SOFT, materially limits representation for Plaintiff, ALTOVA?)

Contentious

V.

Non-Contentious

 Concurrent conflict of

in

**No Matter**

 Waiver by consent

**Matter**

**(non-contentious matters only)**

**Informed Consent**

V.

**Prior Consent**



# Informed Consent

## Disclosure of the following:

Risks and advantages in common

representation;

Effects on loyalty, confidentiality and attorney-client privilege;

Costs and benefits for securing alternative separate representation.



# Prior Consent

**YES**

if nature of possible conflict and adverse consequences are revealed.

**NO**

General and open-ended



Ongoing Matter

V.

Maintenance

 Volume and Tenure of IP  
portfolio – an issue of debate?

 IP Maintenance work – lesser  
weight?

Prohibited to act against the client of concurrent matter as represented, **ongoing matter and maintenance alike**

# Other Considerations

# The Rule of Professional Conduct aims:

 To ensure "competent and diligent representation"; and

 To avoid "untruthful and incomplete defnese" for client's rights.

**All factors that may have impact on these purposes must be considered, e.g.**

 Relationship between the parties (clients);

 Effects of disclosure or non-disclosure

# Thank You!

