
The Scope of the Privilege Waiver Post-*EchoStar*

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The Federal Circuit's May 2006 opinion in *In re EchoStar Communications Corp.*, 448 F.3d 1294 (Fed. Cir. 2006) addressed the scope of the waiver of the attorney-client privilege and work-product doctrine when a defendant accused of willful patent infringement relies on an opinion of counsel in its defense. In the months following *EchoStar*, a number of district courts have offered inconsistent interpretations of the decision and have taken varied positions on the precise scope of the waiver. Their main differences have turned on whether *EchoStar* extends the waiver of the attorney-client privilege and work-product doctrine to trial counsel communications.

In *EchoStar*, the defendant attempted to rely on an exculpatory opinion of in-house counsel to defend an allegation of willful infringement while withholding separate opinions and opinion-related documents it received from outside opinion counsel. (See *id.*; see also, [June 9, 2006 Email Alert, "Waiver of Privilege When Relying Upon Advice of Counsel in Defense to an Allegation of Willful Infringement," James T. Olesen & Richard Goldenberg](#).) The Federal Circuit held that by relying on the opinion of in-house counsel, the defendant waived the privilege with respect to the withheld documents. Specifically, with respect to the work-product doctrine, the court ruled that: (i) reliance on an opinion of counsel waives work-product protection over documents a defendant receives from its attorneys pertaining to the subject matter of the opinion—including documents received after litigation began if ongoing willful infringement is at issue; (ii) work product that is not provided to the defendant, but references communications with the defendant regarding the subject of the opinion, is also waived; and (iii) other work product that is not communicated to the defendant is not pertinent to the defendant's state of mind and remains protected. (*Id.* at 1302-04.)

With respect to the attorney-client privilege, the court stated generally that reliance on an opinion of counsel waives the privilege with respect to "any attorney-client communications relating to the same subject matter, including communications with counsel other than in-house counsel." (*Id.* at 1299.) The court concluded that "when an alleged infringer asserts the advice-of-counsel defense regarding willful infringement of a particular patent, it waives its immunity for any document or opinion that embodies or discusses a communication to or from it concerning whether that patent is valid, enforceable, and infringed by the accused." (*Id.* at 1304.)

District courts have subsequently offered varying interpretations of *EchoStar* and whether it extends the waiver of the attorney-client privilege to communications with trial counsel. A number of courts—

including the District of Delaware in *Ampex Corp. v. Eastman Kodak Co.*—have found that, despite its broad language, *EchoStar* did not extend the waiver to trial counsel communications. (See 2006 WL 1995140 (July 17, 2006).) In *Ampex*, plaintiff Ampex Corporation argued that, pursuant to *EchoStar*, Kodak's reliance on an opinion from an outside opinion firm waived protection over communications between Kodak and all of its attorneys regarding the subject matter of the opinion, including communications with separate trial counsel. (*Id.* at *2.) The court rejected Ampex's argument and held that *EchoStar* should not be read to extend the waiver to trial counsel communications. Specifically, the court found that *EchoStar* was primarily concerned with the scope of the waiver of work-product protection and addressed the attorney-client privilege only in general terms; that *EchoStar*'s comments regarding the attorney-client privilege were made in the context of ordering production of opinion-related documents, not everyday communications regarding litigation strategy; and that trial counsel communications were not even at issue in *EchoStar*. (*Id.* at *2-4.) Further, the court explained that if *EchoStar* were read to require waiver of communications with trial counsel, it would "demolish[] the practical significance of the attorney-client privilege..." (*Id.* at *3.) WilmerHale represented Kodak in this case.

Similarly, in *Indiana Mills & Mfg., Inc. v. Dorel Indus., Inc.*, the Southern District of Indiana held that *EchoStar*'s holding was limited to the context of obtaining opinion-like discovery from an outside attorney who provided an opinion. (See 2006 WL 1749413 (May 26, 2006).) Because trial counsel communications were not at issue in *EchoStar*, the court stated that "[t]here is no indication that the *EchoStar* court intended to extend [the] waiver to communication to trial counsel or to work product of trial counsel." (*Id.* at *7.) The *Indiana Mills* decision was subsequently withdrawn on other grounds, but has been cited for the proposition that *EchoStar* did not intend to cover trial counsel communications.

Other courts, however, have read *EchoStar* more broadly. In *Informatica Corp. v. Bus. Objects Data Integration*, the Northern District of California held that the waiver announced in *EchoStar* "applies to opinion counsel and trial counsel." (See 2006 WL 2038461, at *1 (July 14, 2006) (emphasis added).) In *Informatica*, one of the attorneys who rendered a non-infringement opinion for the defendant was a member of the same firm that acted as defendant's trial counsel. (*Id.* at *2.) The court found that the opinion of counsel defense waived the privilege over all communications regarding infringement that the defendant had with its attorneys—including communications with trial counsel. The court stated that "what matters, according to the Federal Circuit in *EchoStar*, is the state of mind of [the defendant] relative to infringement. It is immaterial whether [the defendant's] opinion counsel and trial counsel are from the same firm, different firms, or are even the same person." (*Id.* at *1.)

In *Beck Systems, Inc. v. Managesoft Corp.*, the Northern District of Illinois adopted a similarly expansive reading of *EchoStar*. (See 2006 WL 2037356 (July 14, 2006).) The court found that *EchoStar*'s statement that the waiver includes "counsel other than in-house counsel" indicates that the waiver can encompass communications with trial counsel. The court acknowledged the observation in *Indiana Mills* that *EchoStar* did not expressly involve communications with trial counsel, but nonetheless explained that "the reasoning of the *EchoStar* opinion...in describing the scope of the subject matter waiver both with respect to attorney-client privilege and work-product

protection, indicates that the Federal Circuit would extend this waiver to all attorneys other than those who provided the advice on which the defendant relies, irrespective of whether the other attorneys are trial counsel." (*Id.* at *5 n.1.)

Finally, some courts have read *EchoStar* to support a mixed approach to the scope of the waiver. In *Intex Recreation Corp. v. Team Worldwide Corp.*, the District Court for the District of Columbia held that the waiver "extends only to those trial counsel work product materials that have been communicated to the client and contained conclusions or advice that contradict or cast doubt on [an] earlier opinion." (See 2006 WL203552, at *6 (July 14, 2006).) The court also held that the waiver extends to communications regarding the subject matter of the exculpatory opinion *and any other possible defenses to an infringement allegation.* (*Id.* at *3-4.) In other words, according to *Intex*, reliance on a non-infringement opinion waives protection over communications regarding infringement, validity and enforceability. (*Id.* at *4.)

In *Genentech, Inc. v. Insmid Incorp.*, the Northern District of California noted the conflict between the decisions in *Informatica* and *Beck*, on the one hand, and the decisions in *Ampex* and *Indiana Mills*, on the other. (See Slip Op., No. C-04-5429 CW (EMC), at 6 (August 10, 2006).) *Genentech* noted that *EchoStar*'s language is broad and the "thrust of the case is that blanket immunity for trial counsel is not appropriate." (*Id.* at 11.) However, *Genentech* also noted that *EchoStar* did not directly address the issue of trial counsel waiver and warned against permitting a plaintiff to "pillage [a defendant's] litigation strategies." (*Id.* at 5, 11.) The court adopted a "middle approach" and concluded that the waiver can encompass trial counsel communications but should only include those communications "that are most akin to that which opinion counsel normally renders—i.e., documents and communications that contain opinions..." (*Id.* at 13.) Put differently, according to *Genentech*, the waiver should cover the advice and work product of trial counsel that "carr[ies] the same kind of weight that advice from opinion counsel normally would." (*Id.*)

Until the Federal Circuit clarifies whether and to what extent the waiver in *EchoStar* was intended to include trial counsel communications and communications not related to the subject matter of the opinion, the scope of the waiver that will be applied in any given case is uncertain.

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