

employment. The attorney is employed either in-house by the corporation, or is a member of a firm and is retained to represent the corporation. Following the inventor's discovery and disclosure to the corporation of a new and useful invention, the attorney prepares a patent application. The attorney's actual client is the corporation, and the attorney has not made any representations to the inventor that he or she represents the inventor or the inventor's interests. It would be prudent, before filing the application, to secure from the inventor, the inventor's signature on a combined declaration and power of attorney, as well as on assignment of the patent rights to the corporation. The attorney also would be acting prudently to clearly inform the inventor before signing the documents that the attorney represents only the corporation. Upon obtaining the signed combined declaration and power of attorney, and the assignment, these documents can be filed in the USPTO, and the assignment recorded. The corporation may then revoke all previous powers of attorney, and give its own power of attorney in favor of the attorney.

*Conflicts in litigation and administrative proceedings.* Paragraph (a) of § 11.107 would prohibit representation of opposing parties in litigation and administrative proceedings. Simultaneous representation of parties whose interests in litigation or an interference in the Office may conflict, such as coplaintiffs or codefendants, or opposing parties in an interference is governed by paragraph (b). An impermissible conflict may exist by reason of substantial discrepancy in the parties' testimony, or incompatibility in positions in relation to an opposing party in an interference. On the other hand, common representation of persons having similar interests, such as joint applicants, is proper if the risk of adverse effect is minimal and the requirements of paragraph (b) are met. Compare proposed § 11.202 involving intermediation between clients.

Ordinarily, a practitioner may not act as advocate against a client the practitioner represents in some other matter, even if the other matter is wholly unrelated. However, there are circumstances in which a practitioner may act as an advocate against a client. For example, a practitioner representing an enterprise with diverse operations may accept employment as an advocate against the enterprise in an unrelated matter if doing so will not adversely affect the practitioner's relationship with the enterprise or conduct of the suit and if both clients consent upon

full disclosure. The propriety of concurrent representation can depend on the nature of the litigation. For example, a suit charging fraud entails conflict to a degree not involved in a suit for a declaratory judgment concerning statutory interpretation.

*Interest of third person paying for a practitioner's service.* A practitioner may be paid from a source other than the client, if the client consents after full disclosure and the arrangement does not compromise the practitioner's duty of loyalty to the client. See proposed § 11.108(f). Full disclosure is defined in § 11.1(n), and consent is defined in § 11.1(e). For example, when an invention promoter and inventor have conflicting interests in a matter arising from an invention marketing agreement, and the promoter is required to provide a patent practitioner to file and prosecute a patent application for the inventor, the arrangement should assure the practitioner professional independence. Thus, the arrangement should assure that the practitioner's professional independence permits him or her to zealously pursue the inventor's patent rights, including any necessary appeal or covering an interference.

*Other Conflict Situations.* Conflicts of interest in contexts other than litigation sometimes may be difficult to assess. Relevant factors in determining whether there is potential for adverse effect include the duration and intimacy of the practitioner's relationship with the client or clients involved, the functions being performed by the practitioner, the likelihood that actual conflict will arise and the likely prejudice to the client from the conflict if it does arise. The question is often one of proximity and degree.

For example, a practitioner may not represent multiple parties to a negotiation whose interests are fundamentally antagonistic to each other, but common representation is permissible where the clients are generally aligned in interest even though there is some difference of interest among them.

A practitioner for a corporation or other organization who is also a member of its board of directors should determine whether the responsibilities of the two roles may conflict. The lawyer may be called on to advise the corporation in matters involving actions of the directors. Consideration should be given to the frequency with which such situations may arise, the potential intensity of the conflict, the effect of the practitioner's resignation from the board and the possibility of the corporation's obtaining legal advice from another practitioner in such situations. If there

is material risk that the dual role will compromise the practitioner's independence of professional judgment, the practitioner should not serve as a director.

*Conflict charged by an opposing party.* Resolving questions of conflict of interest is primarily the responsibility of the practitioner undertaking the representation. As in litigation, where a court may raise the question of conflicting interests when there is reason to infer that the practitioner has neglected the responsibility, the same may obtain in *inter parte* practice before the Office. Where the conflict is such as clearly to call in question the fair or efficient administration of justice, opposing counsel may properly raise the question. Such an objection should be viewed with caution, however, for it can be misused as a technique of harassment.

*Withdrawal.* It is much preferred that a representation that is likely to lead to a conflict be avoided before the representation begins, and a practitioner should bear this fact in mind in considering whether disclosure should be made and consent obtained at the outset. If, however, a conflict only arises after a representation has been undertaken, and the conflict falls within § 11.107(a), or if a conflict arises under § 11.107(b), then the practitioner should withdraw from the representation, complying with § 11.106. Where a conflict is not foreseeable at the outset of representation and arises only under § 11.107, a practitioner would have to seek consent to the conflict at the time that the actual conflict becomes evident. Where the conflict is such as clearly to call in question the fair or efficient administration of justice, opposing counsel may properly raise the question. Such an objection should be viewed with caution, however, because it can be misused as a technique of harassment. In determining whether a conflict is reasonably foreseeable, the test is an objective one, *i.e.*, that which a lawyer of reasonable prudence and competence would ascertain in regard to the matter in question. In determining the reasonableness of a practitioner's conduct, such factors as whether the practitioner (or practitioner's firm) has an adequate conflict-checking system in place, must be considered. Where more than one client is involved and the practitioner must withdraw because a conflict arises after representation has been undertaken, the question of whether the practitioner may continue to represent any of the clients would be determined by § 11.109.

*Imputed Disqualification.* All of the references in § 11.107 and this