

practitioner's relationship with another party could interfere with a practitioner's loyalty and independent professional judgment on an inventor-client's behalf. The practitioner's relationship with the invention promoter here creates the possibility of a conflict of interest that warrants disclosure under the rule. The inventor-client and the promoter may have differing interests in the engagement. The best interests of the inventor may mean that a patent should not be an integral part of the marketing plan. The best interest of the promoter, however, is most often served only if the inventor's plan includes a patent. The practitioner's duty to the inventor-client includes educating the inventor as to the available options to protect the invention, including patent rights, and not simply presenting one patent format offered by the promoter which all must use. The practitioner's duty of loyalty flows from his other client.

Here, the practitioner's judgment may be influenced by the practitioner's relationship with the promoter, who is a "party" as the facilitator of the transaction, or perhaps as a partial assignee of the invention. This relationship would trigger § 11.108(k)(1). Additionally, the promoter profits from the sale of the marketing plan, and receives the opportunity to market other products or services to the inventor and this would trigger § 11.108(k)(2). Accordingly, under either paragraph (1) or (2) of § 11.108(k), the practitioner would be barred from representing the inventor unless the practitioner makes the required full written disclosure and receives the consent of the inventor. Section 11.1(n) defines "full disclosure" as a "clear explanation of the differing interests involved in a transaction, \* \* \* and detailed explanation of the risks and disadvantages to the client entailed in any agreement or arrangement, including not only any financial losses that will or may foreseeably occur to the client, but also any liabilities that will or may foreseeably accrue to the client."

In this situation, a practitioner has a duty to inform the inventor-client in writing of the full extent of the practitioner's and client's differing interests. For example, the duty would require full disclosure of the practitioner's business and financial relationship with the promoter, and the differing interests of the practitioner, the promoter, and inventor in the transaction. The practitioner's duty of "full disclosure" includes informing the inventor-client of reasonably foreseeable adverse consequences and includes

informing the inventor in writing about how these relationships could cause the practitioner to favor the interests of the promoter and influence the practitioner's advice to the client. See Opinion No. 1997-148, Standing Committee on Professional Responsibility and Conduct (California).

*Section 11.109.* After termination of a client-practitioner relationship, a practitioner may not represent another client except in conformity with proposed § 11.109. The principles in § 11.107 would determine whether the interests of the present and former client are adverse. Thus, a practitioner could not properly seek to rescind on behalf of a new client a contract drafted on behalf of the former client. So also a practitioner who prosecutes a patent application for joint inventors, and has an attorney-client relationship with each joint inventor could not properly represent one joint inventor in breach of contract suit against the other joint inventor while the patent application was pending where each joint inventor agreed to pay half of the legal fees, and the practitioner is aware that each applicant would benefit directly from successful prosecution of the application. See *Henry Filters, Inc. v. Peabody Barnes, Inc.*, 611 N.E.2d 873 (Ohio 1992).

The scope of a "matter" for purposes of § 11.109 may depend on the facts of a particular situation or transaction. The practitioner's involvement in a matter can also be a question of degree. For example, a practitioner previously and currently served as local counsel in several patent applications for a Czechoslovakian agency that acted as an inventor's foreign attorney in prosecution of U.S. patent applications and that serves as Czechoslovakian representative for all Czechoslovakian patent applicants. The practitioner represented a client from Japan in an interference with another client of the Czechoslovakian agency. The practitioner was found not to be disqualified from representing a client adverse to the Czechoslovakian agency's other client. No evidence was adduced showing that the practitioner represented the agency's other client, or that the subject matter in the patents of the agency's client or any other Czechoslovakian application handled by the practitioner was substantially related to the subject matter of the practitioner's client. See *Strojirenstvi v. Toyada*, 2 USPQ2d 1222 (Comm'r Pat. 1986). In another example, attorneys in a firm representing an accused patent infringer, as well as the firm, were disqualified where one of the firm's partners worked directly for the patent

owner in a substantially related case, and the other firm partner, designated as the lead counsel for the accused infringer, was an associate in the firm that represented the patent owner in the prior related case. The two suits involved the same adversaries. In both suits, the accused infringer filed antitrust counterclaims alleging the same improper marketing practices. Both suits involve the same technology, and were found to be "substantially related" actions. See *W.L. Gore & Associates, Inc. v. International Medical Prosthetics Research Associates, Inc.*, 223 USPQ 884 (Fed. Cir. 1984). When a practitioner has been directly involved in a specific transaction, subsequent representation of other clients with materially adverse interests clearly is prohibited. On the other hand, a practitioner who recurrently handled a type of problem for a former client is not precluded from later representing another client in a wholly distinct problem of that type even though the subsequent representation involves a position adverse to the prior client. Similar considerations can apply to the reassignment of Government practitioners between defense and prosecution functions. The underlying question is whether the practitioner was so involved in the matter that the subsequent representation can be justly regarded as a changing of sides in the matter in question. Section 11.109 is intended to incorporate Federal case law defining the "substantial relationship" test. See, e.g., *T.C. Theatre Corp. v. Warner Brothers Pictures*, 113 F.Supp. 265 (S.D.N.Y. 1953), and its progeny; see also *Conflicts of Interest in the Legal Profession*, 94 Harv. L. Rev. 1244, 1315-34 (1981).

Disqualification from subsequent representation is for the protection of clients and can be waived by them. A waiver is effective only if there is full disclosure of the circumstances, including the practitioner's intended role in behalf of the new client. The question of whether a practitioner is personally disqualified from representation in any matter on account of successive Government and private employment would be governed by proposed § 11.111 rather than by § 11.109.

With regard to an opposing party's raising a question of conflict of interest, see the comment to § 11.107. With regard to disqualification of a firm with which a practitioner is associated, see §§ 11.110 and 11.111.

*Practitioners moving between firms.* When practitioners have been associated within a firm but then end their association, the question of