Can Counsel for an Interferent Represent an Independent Fact Witness at a Deposition? [1]

by

Charles L. Gholz[2]

Introduction

This article is, in a sense, a follow on to Gholz and Parker, It's OK to Pay Fact Witnesses for Their Time, 13 Intellectual Property Today No. 10 at page 16 (2006). That article makes the point that there is nothing unethical about paying an independent fact witness for his or her time and expenses--so long as neither type of payment is so generous as to affect the witness's credibility. A related question, examined in this article, is whether it is also OK for counsel for one of the parties to represent the independent fact witness[3] in connection with his or her deposition.[4]

Setting the Scene

As pointed out in Charlton-Perrin, Should an Attorney Be Allowed to Simultaneously Represent a Party and an Independent Fact Witness Deponent?, DCBA Brief Online (May 2002),[5] such a witness "is likely unfamiliar with the legal proceedings, understandably nervous that he may be subject to liability, and unsure if he needs an attorney for the deposition." All of this can have at least three adverse consequences. First, the fact witness can be less then fully cooperative--or refuse to cooperate altogether. Second, if the fact witness does cooperate and if you represent him or her in connection with his or her deposition, opposing counsel can (and probably will) argue that the fact that you represented that fact witness affects his or her credibility adversely. Third, if your client and the fact witness later have a falling out and get into litigation with each other, you can be disqualified from representing either one of them in that litigation.

With respect to the first possible adverse consequence, if the witness does initially refuse to cooperate voluntarily, you can explain patiently (and non-threateningly) to him or her that, if he or she does not cooperate with you voluntarily, you will subpoena him or her[6] and pay him or her only the day rate specified by the FRCP. That explanation can induce a more cooperative attitude. Of course, a witness could respond to the subpoena, show up for his or her deposition, and lie. However, given the kind of people who typically are fact witnesses in interferences, I judge that to be a low risk.

As for the second possible adverse consequence, in the previously cited article Mr. Charlton-Perrin asserts that, "On its face, this simultaneous representation doesn't pass the 'smell test,' and certainly gives the appearance of impropriety." However, I believe that he overstates the case. For the reasons advanced below, I would say that such simultaneous representations don't always pass the "smell test" and that they can give the appearance of impropriety.

Of course, Mr. Charlton-Perrin emphasizes the need to obtain the written consent of both the fact witness and the real party in interest to the dual representation. However, he expresses a great deal of skepticism as to whether the consent of the fact witness in such situations is truly an informed consent:

> the executed consent to the conflict by the party and the witness seems to ring hollow. It is no surprise that the plaintiff would consent since it may be to his advantage in the case. The independent fact witness, often unfamiliar with legal proceedings, may only be too glad to be able to consult with an attorney about the upcoming deposition, especially if the representation is discounted or even offered at no charge.[11] It is certainly reasonable to question the motives of an attorney offering his services for free in this type of situation. Indeed, it could even be considered the improper solicitation of clients to offer to represent a non-party witness simply because he or she responded to the attorney's deposition subpoena.[12]

[11] *Jewell-Rung Agency, Inc. v. Haddad Org., Ltd.*, 814 F. Supp. 337 343 (S.D.N.Y. 1993) (where court warned defense counsel that its firm policy of offering to represent former employees of corporate clients for free "presents [a] potential for abuse in that it provides a means for the corporate party to exert influence and control over a nonparty witness").

[12] American Bar Association Informal Ethics Opinion, p. 437, No. 828, March 3, 1965.

With respect to the third possible adverse consequence, see Touchcom v. Bereskin & Parr, ___ Fed. Appx. ___ (Fed. Cir. 2008) (non-precedential). In that case, Wildman, Harrold had represented Touchcom, the plaintiff in a previous patent infringement action. Samuel Frost was a Canadian patent agent employed by Bereskin & Parr who had prepared the application that matured into the patent in suit. During the course of that litigation, lawyers from Wildman, Harrold represented Frost during his deposition. Touchcom lost in the patent litigation on the ground that "the patent was invalid for indefiniteness."[7]

Wildman, Harrold, acting for Touchcom, then sued both Bereskin & Parr and Frost individually for malpractice. Bereskin & Parr and Frost moved to disqualify Wildman, Harrold as Touchman's counsel. The district court did not reach that issue but, on appeal, the Federal Circuit did--and it disqualified Wildman, Harrold.

The teaching points from this opinion are that the results on such a motion depends on state law, that the states differ in the standards that they employ in deciding such motions, and that even within a given state the result in highly unpredictable. However, in this particular case, the Federal Circuit found an unpublished opinion by an intermediate appellate court in the relevant jurisdiction (Virginia, where my office is located) "persuasive" (though "not binding")[8] and granted the motion to disqualify.)

The Case Law

Mr. Charlton-Perrin states that, "Surprisingly,…there is a dearth of law supporting the disqualification of an attorney representing both a **party** and a **completely independent** witness." (Emphasis in the original.)[9] However, the case law that he cites supports my view (that it all depends), not his view (that such a dual representation always smells bad[10]).

Mr. Charlton-Perrin begins his analysis as follows:

> Cases closest on point involve the simultaneous representation of both a corporate defendant and a former employee, or a municipal defendant and a non-party/city employee witness. In both situations, there is a relationship between the deponent and the party, i.e. former employee of a corporation or city employee/witness and his defendant city employer. These cases will not disqualify counsel for the mere appearance of impropriety and, instead, require sufficient evidence of an "actual" conflict, largely to give deference to one's right to counsel.[2]
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> 2 *See, e.g., Guillen v. City of Chicago*, 956 F.Supp. 1416 (N.D.Ill. 1997).

However, in the cases of simultaneous representation during interferences with which I am familiar, there has usually been such a relationship between the deponent and the party . That is, either those cases have involved a corporation (my client or my adversary's client) and a former employee of that corporation or they have involved such a corporation and an employee or former employee of either a supplier or a customer of that corporation. In such situations, I see no automatic "appearance of impropriety." In fact, if the parting between the corporation and its former employee was amicable, the corporation and its former employee usually have a mutuality of interests--or, at least, an emotional bond. Similarly, if the relationship between the corporation and its supplier or customer is amicable, the corporation and its supplier or customer again have a mutuality of interests.

The only cases of simultaneous representation of a party and a fact witness during an

interference of which I am aware where there was not such a relationship between the party and the fact witness are cases where the fact witness was a former employee (typically a disgruntled former employee) of the adverse party. I offer my recommendation as to how to deal with that delicate situation below.

Recommendations

While I see no problem with dual representation in the situations that normally come up in interference practice, it is always prudent to deprive one's adversary of even a make-weight argument if one can. Accordingly, I recommend authorizing (and, indeed, encouraging) the fact witnesses to retain his or her counsel at your client's expense.[11] While I realize that your adversary could argue that even that is an improper attempt to influence the witness testimony, I believe that the APJs would see it as a reasonable accommodation of potentially conflicting interests.

In the situation where the fact witness is a former employee of the adverse party, I strongly recommend encouraging the fact witness to retain his or her own counsel -- preferably at his or her own expense, but at your client's expense if need be.

Finally, notwithstanding Mr. Charlton-Perrin's skepticism concerning how informed fact witnesses' consents to dual representation are in such situations, I recommend obtaining such consents -- and including in each consent at least a brief recitation of the potential conflicts involved and, in the case of the fact witness, an acknowledgment that he or she has been advised that he or she has the right to retain his or her own "truly independent" counsel.

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[3] By "independent fact witness," I mean a fact witness who is not employed by the real party in interest.

[4] By representing an independent fact witness "in connection with" his or her deposition, I mean not only sitting with the witness during the deposition and entering appropriate objections to opposing counsel's questions, but also interviewing the witness, drafting his or her testimony, preparing the witness for his or her deposition, and obtaining and filing his or her errata sheet.

[5] In this case, "DC" stands for DuPage County, not for the District of Columbia.

[6] See 35 USC 24 and 37 CFR 41.156.

[7] ___ Fed. Appx. at _____.

[8] ___ Fed. Appx. at ____.

[9] By "a completely independent witness," Mr. Charlton-Perrin apparently means a fact witness who has had absolutely no connections of any kind with either party prior to the incident in question -- such as a passerby who just happened to be at the scene of an auto accident. Obviously, such completely independent witnesses are very rare indeed in patent interferences.

[10] Mr. Charlton-Perrin sets forth his bias with admirable candor:

> This author submits that the dual representation of a party and an independent witness can negatively impact the truth-searching process, even if unintentionally by an attorney with no improper motives, and should not be allowed. Since an independent witness likely has no prior relationship with the party — as a former employee may have with a corporation or a city employee/witness has with his city employer —[,] the right to counsel should be given less deference. Thus, an exception should be made to the

"actual conflict" requirement in cases where the simultaneous representation involves an independent fact witness.

Mr. Charlton-Perrin's reference to "the right to counsel" relates to the next quotation in the text.

[11] I think that, if the fact witness does retain his or her own counsel, even at your client's expense, that should also obviate the possibility of your being disqualified to represent your client in the event of subsequent litigation between your client and the fact witness.