Trials@uspto.gov
571-272-7822

Paper 5
Entered: March 29, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JOHN CRANE, INC.,
JOHN CRANE PRODUCTION SOLUTIONS, INC., and
JOHN CRANE GROUP CORP.,
Petitioner,

v.

FINALROD IP, LLC,
Patent Owner.

Case IPR2016-00521
Patent 8,851,162 B2

Before SALLY C. MEDLEY, LYNNE E. PETTIGREW, and AMANDA F. WIEKER, *Administrative Patent Judges.*

WIEKER, *Administrative Patent Judge.*

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On March 24, 2016, a telephone conference call was held between respective counsel for the parties and Judges Pettigrew and Wieker. Petitioner was represented by Nicholas Restauri and Jason White; Patent Owner was represented by John Holman and Josh Shamburger. Petitioner initiated the conference call to seek authorization to file a motion to disqualify the law firm of Matthews, Lawson, McCutcheon & Joseph, PLLC (the "Matthews Firm" or the "Firm") from representing Patent Owner in this proceeding.

During the conference call, Petitioner's counsel, Mr. Restauri, explained that the Matthews Firm drafted and prosecuted the application that issued as U.S. Patent No. 6,193,431 ("the '431 Patent"). Mr. Restauri explained that the Matthews Firm's work on the '431 Patent was performed on behalf of Fiberod, a company later acquired by Petitioner. Mr. Restauri contended that the attorney-client privilege associated with the '431 Patent's prosecution transferred to Petitioner upon Petitioner's acquisition of Fiberod.

Mr. Restauri also explained that the Petition in this proceeding relies upon the '431 Patent as prior art to the challenged patent, U.S. Patent No. 8,851,162 ("the '162 Patent").[1] Mr. Restauri argued that the Matthews Firm's representation of Patent Owner in this proceeding will require the Firm to take positions adverse to Petitioner, its former client. For example, Mr. Restauri argued that the Matthews Firm will make statements about the scope of the '431 Patent specification, on Patent Owner's behalf, where the Firm drafted that same specification on behalf of Petitioner. Mr. Restauri argued that this presents a conflict of interest under Rule 109(a) of the

[1] Mr. Restauri represented that the '162 Patent and '431 Patent are not related in any manner, for example, as continuations-in-part or through a common priority chain.

USPTO Rules of Professional Conduct. *See* 37 C.F.R. § 11.109(a) (detailing rules with respect to former clients). Therefore, Petitioner seeks to file a motion to disqualify the Matthews Firm from representing Patent Owner in this matter based on this alleged conflict of interest.

In response, Patent Owner's counsel, Mr. Holman, argued that the PTAB has never authorized a motion to disqualify counsel and authorization is not warranted here. Mr. Holman explained that this same disqualification issue was litigated in the related district court proceeding, *Finalrod IP, LLC v. John Crane, Inc., et al.,* No. 7-15-cv-00097 (W.D. Tex.), and the Matthews Firm was not disqualified.[2]

Substantively, Mr. Holman argued that the attorney-client privilege related to the '431 Patent's prosecution did not transfer to Petitioner upon Petitioner's acquisition of Fiberod. Mr. Holman also argued that the '431 Patent says what it says on its face, and it is unclear to Patent Owner how the Matthews Firm would be required to take positions adverse to Petitioner when interpreting that document. Mr. Holman likened the Firm's representation of Patent Owner to that of a firm prosecuting an application before the USPTO in which the applicant's own prior patents are cited as prior art.

Disqualification of a party's counsel is resolved on a case-by-case basis, where the moving party bears a heavy burden to show that disqualification is necessary. *Anderson v. Eppstein*, 59 U.S.P.Q.2d 1280, 1286 (BPAI 2001) (informative); *see also* 77 Fed. Reg. 48,612, 48,630 (Aug. 14, 2012) ("Motions to disqualify opposing counsel are disfavored

[2] Mr. Restauri represented that the Matthews Firm was disqualified from representing Patent Owner in a district court trademark matter.

because they cause delay and are sometimes abused."). In this case, Petitioner's request is predicated on Rule 109(a) of the USPTO Rules of Professional Conduct. *See* 37 C.F.R. § 11.109(a).[3] This rule precludes counsel from representing a person in "the same or substantially related matter in which that person's interests are materially adverse to the interests of [a] former client." *Id.* Whether representations are "substantially related" has been interpreted as requiring a showing that the subject matter of the two representations is "identical or essentially the same." *See Anderson*, 59 U.S.P.Q.2d at 1286.

Based on the record before us, Petitioner has failed to show sufficiently why we should authorize a motion to disqualify the Matthews Firm. Specifically, Petitioner has not shown that there is a genuine question as to whether the subject matter of the '431 Patent is "identical or essentially the same" as the subject matter of the '162 Patent. Petitioner has not shown that the Matthews Firm's representations of Petitioner and Patent Owner regarding these two matters are "substantially related." Petitioner does not contend that the '431 and '162 Patents are related in any manner, and we see no reason that their separate patentability determinations are "substantially related" for purposes of disqualification.

Furthermore, Petitioner's position that the Matthews Firm will necessarily take positions adverse to their former client in this proceeding is speculative. Neither party presented a sufficient reason that any statements that the Matthews Firm may make regarding the scope of the '431 Patent

[3] Mr. Restauri represented that Petitioner does not contend that the Firm obtained Petitioner's confidential information. *See* 37 C.F.R. § 11.109(b).

would be adverse to Petitioner's interest in obtaining that patent during its original prosecution.[4]

For these reasons, Petitioner's request for authorization to file a motion to disqualify Patent Owner's counsel is *denied*.

It is:

ORDERED that Petitioner's request for authorization to file a motion to disqualify the Matthews Firm from representing Patent Owner in this proceeding is *denied*.

PETITIONER:
Dion Bregman
Jason White
Ryan McBeth
Nicholas Restauri
Matthew Lee
Nicholaus Floyd
Morgan, Lewis & Bockius LLP
dbregman@morganlewis.com
jwhite@morganlewis.com
rmcbeth@morganlewis.com
nicholas.restauri@morganlewis.com
matthew.lee@morganlewis.com
nfloyd@morganlewis.com

PATENT OWNER:
John Holman
Josh Shamburger
Matthews, Lawson, McCutcheon & Joseph, PLLC
jholman@matthewsfirm.com
jshamburger@matthewsfirm.com

[4] During the conference call, Mr. Holman represented that the Matthews Firm does not contend that the '431 Patent is not prior art.