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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

j2 GLOBAL COMMUNICATIONS)	Case No. CV 09-04150 DDP (AJWx)
INC., and ADVANCED MESSAGING)	
TECHNOLOGIES, INC.)	ORDER GRANTING IN PART AND
)	DENYING IN PART PLAINTIFFS'
Plaintiffs,)	MOTION TO DISQUALIFY COUNSEL
)	PERKINS COIE AND TO COMPEL
v.)	DISCOVERY
)	
CAPTARIS INC., and OPEN TEXT)	[Motion filed on Oct. 15, 2012]
CORPORATION,)	
)	
Defendants.)	
)	
_____)	

I. Introduction

Plaintiff j2 Global Communications, Inc. has filed a Motion to Disqualify Counsel Perkins Coie and to Compel Discovery ("Motion") in three patent infringement cases ("the Three Current Cases") pending before this court. (Dkt. No. 77.)¹ Plaintiff Advanced Messaging Technologies, Inc. is a co-Plaintiff and co-movant in two of the cases (9-4150 and 11-4239) (Plaintiffs are collectively called "j2"). In each case, one or more of the following

¹The three case numbers are: 11-4239, 9-4189, and 9-4150. As each Motion essentially implicates the same issues in each case, all cites will be to the 11-4239 case, unless otherwise noted.

1 corporations is a defendant: Open Text Corporation ("Open Text")
2 EasyLink Services International Corporation ("EasyLink"), and
3 Captaris, Inc. ("Captaris") (collectively "Defendants"). Open Text
4 owns Easy Link and Captaris. Perkins Coie ("Perkins") represents
5 the Defendants. In late 2011, Open Text contacted Crowell & Moring
6 ("Crowell") about assigning one of its attorneys to temporarily
7 serve as Open Text's outside in-house counsel for intellectual
8 property matters. Crowell assigned an attorney ("the Attorney") to
9 fill this role, even though a conflicts check revealed the Attorney
10 formerly represented j2. In fact, he worked on cases on behalf of
11 j2 that involved three of the four patents at issue in the Three
12 Current Cases. As Open Text's outside in-house counsel, the
13 Attorney had contact with Perkins. The court therefore
14 disqualifies Perkins. This outcome is unfortunate, because there
15 is not a molecule of evidence that Perkins did anything other than
16 act with integrity and in a manner consistent with the highest
17 traditions of the legal profession.

18 In reaching its decision, the court has considered j2's in
19 camera evidence, which includes billing records of the Attorney's
20 work for j2, and various emails that the Attorney sent and received
21 in the course of his j2 representation. (In Camera Evidence of
22 Billing Records and Emails ("In Camera Evidence").)

23 **I. Background**

24 **A. The Attorney's Experience at the Time He Represented j2**

25 The Attorney worked at Kenyon & Kenyon ("Kenyon") from 2002 to
26 2005, and began representing j2 as part of a team of attorneys in
27 2004. (Bernstein Decl. ¶¶ 4-5, Dkt. No. 77-2.) Crowell maintains
28 that assigning the Attorney to Open Text was appropriate in part

1 because he was only "a junior associate" when he represented j2.
2 (Sacks Decl. Ex. F at 16, Dkt. No. 77-3.) Although the Attorney
3 was an associate in 2004, by the end of that year he had many years
4 of experience as a software engineer, studied graduate-level
5 Computer Science, graduated *cum laude* from a reputable law school
6 (where he served as Managing Editor of the *Law Review*), edited a
7 publication about the International Trade Commission, co-authored
8 another about patent litigation, and delivered a speech about
9 international patent licensing. (Johnson Decl. Ex. 14, Dkt. No.
10 113.)

11 **B. The Work the Attorney Performed for j2**

12 Crowell also asserts that the Attorney cleared its conflicts
13 check because he allegedly told Crowell that "he did not recall
14 having access to any confidential information," and his
15 representation of j2 "involved primarily the review of publicly
16 available patent documents." (Sacks Decl. Ex. B. at 6, Dkt. No.
17 77.)

18 The records before that court indicate that from 2004 until
19 2005 the Attorney represented j2 in patent litigation, and he
20 billed j2 for 234.7 hours of work. (Id. ¶¶ 5-6; In Camera
21 Evidence.) Based on the court's knowledge of law firm practices,
22 234.7 hours probably represents about ten percent of his billing
23 over the roughly fifteen months that he worked on j2 matters.
24 Specifically, the Attorney billed j2 69.8 hours for his work on j2
25 *Global Communications, Inc. v. Venali, Inc.* ("Venali"), 84.6 hours
26 for j2 *Global Communications, Inc. v. CallWave, Inc.* ("CallWave")
27 (collectively "the Prior Cases"), and 56 hours for "Bobo" patent
28 analysis. (Bernstein Decl. ¶¶ 2, 6-7.)

1 In the *Venali* and *Callwave* actions, j2 alleged infringement of
2 U.S. Patent Nos. 6,208,638 ("`638 Patent") and 6,350,066 ("`066
3 Patent), and it also alleged infringement of U.S. Patent No.
4 6,597,688 ("`688 Patent") in the *Venali* case. (Bernstein Decl. ¶
5 2.) A number of patents comprise the Bobo patents, and the `066
6 Patent is one of them. (Bernstein Decl. ¶ 7.) j2 alleges that the
7 `638 and `688 Patents were infringed in each of the Three Current
8 Cases, and that the `066 Patent was also infringed in two of those
9 cases.²

10 The Attorney's billing records from Kenyon indicate he was
11 involved in the following tasks on behalf of j2: "reviewing claim
12 charts, performing infringement analyses, searching for and
13 analyzing prior art, drafting a validity opinion, analyzing
14 documents for a settlement conference, reviewing and commenting on
15 draft pleading, discussing discovery strategies, drafting discovery
16 requests and responses, and drafting j2's opposition to a summary
17 judgment motion in the *Venali* action." (Bernstein Decl. ¶ 6; In
18 Camera Evidence.) The Attorney sent, received (sometimes directly,
19 sometimes by forwarding), or was copied on over 120 emails to or
20 from j2's General Counsel. (Bernstein Decl. ¶ 9; In Camera
21 Evidence.) These emails were sent to about seven or eight
22 individuals, and sometimes involved evaluations of j2's cases. (In
23 Camera Evidence.) One email the Attorney received analyzed
24 possible infringement defenses. (Bernstein Decl. ¶ 12; In Camera
25 Evidence.) That email discussed Dr. David Farber ("Dr. Farber"),
26
27

28 ²Those two are case numbers 11-4239 and 9-4150.

1 and whether his activities are relevant to an on-sale bar defense.³
2 (In Camera Evidence.) (Bernstein Decl. ¶ 12; In Camera Evidence.)
3 In the Three Current Cases, Defendants claim products that Dr.
4 Farber was allegedly involved in testing and analyzing give rise to
5 an on-sale defense to j2's '688 and '638 patent infringement
6 claims. (Defendant's Answer to Amended Compl. ("Answer") at 10:24-
7 15:5, Dkt. No. 48.) In 2005, the year that the Attorney left
8 Kenyon, the United States Patent Office began a multi-year
9 reexamination of the '066, '638, and '688 Patents, which led to
10 changes in at least the '066 and '638 Patents. (Carmody Decl. ¶¶
11 16-18, Dkt. No. 101; See id. Exs. E-K.)

12 **C. History of the Three Current Cases**

13 j2 filed two of the Three Current Cases on June 26, 2008, and
14 the other on May 17, 2011.⁴ EasyLink is a defendant in two of the
15 actions ("the EasyLink Cases") (case numbers 9-4189 and 11-4239),
16 and Open Text and Captaris are defendants in the other (9-4150).
17 Open Text owns both of these other companies, acquiring Captaris in
18 2008 and EasyLink in 2012. (Davies Decl. ¶ 2.) Open Text retained
19 an attorney ("Lead Trial Counsel") to represent it and Captaris in
20 2008, before Lead Trial Counsel was at Perkins. (See Carroll Decl.
21 ¶ 5, , Dkt. No. 100.) Lead Trial Counsel moved to Perkins in
22

23 ³The on-sale bar affirmative defense invalidates a patent if "(1) the
24 invention at issue had become the 'subject of a commercial offer for sale' more
25 than one year before the filing of the patent application; and (2) the invention
26 was ready for patenting, either by, for example, having that invention reduced
27 to practice or by preparing 'drawings or other descriptions of the invention'
that would enable one skilled in the art to practice the invention." Special
Devices, Inc. v. OEA, Inc., 270 F.3d 1353, 1354-55 (Fed. Cir. 2001) (quoting
Pfaff v. Wells Elecs., Inc., 525 U.S. 55, 67-68 (1998).

28 ⁴Compl., Dkt. No. 3 (case no. 9-4150); Compl., Dkt. No. 3 (case no. 9-
4189); Compl., Dkt. No. 1 (case no. 11-4239).

1 February 2012, and Open Text made Perkins its counsel of record
2 when he did. (Carroll Decl. ¶¶ 14-15.) Lead Trial Counsel and
3 another Perkins attorney began advising Open Text about the
4 EasyLink acquisition in mid-February 2012. (Id. at ¶ 20.) It is
5 unclear when Perkins began working on the EasyLink Cases, but it
6 was before Dr. Farber's deposition, which took place on July 27,
7 2012. (Id. ¶¶ 28-29.)

8 **D. The Conflicts Check and the Attorney's Open Text Assignment**

9 The Attorney is now Counsel at Crowell. (Johnson Decl. Ex.
10 14.) In 2011, Open Text began searching for an in-house attorney
11 to work on "intellectual property and patent matters," but was
12 "unable to fill the role even as Open Text's intellectual property
13 and patent needs grew." (Davies Decl. ¶ 6.) It asked Crowell to
14 provide an attorney who could temporarily assume this position
15 until a permanent candidate was selected. (Id.) As discussed,
16 Crowell assigned the Attorney to fill this role, even though it
17 knew that he previously represented j2 (Id. ¶ 9; Sacks Decl. Ex. B
18 at 6.)

19 j2 was never asked to sign a conflict waiver, allowing the
20 Attorney to work for Open Text. (Bernstein Decl. ¶ 13.) Perkins
21 likewise knew nothing about the Attorney's prior involvement with
22 j2. (See Parker Decl. ¶ 4, Dkt. No. 103; Carroll Decl. ¶ 24.)

23 The Attorney told Open Text's General Counsel that while he
24 was at Kenyon he "performed a public art search relating to a Bobo
25 patent," and the General Counsel states that he "did not understand
26 this to mean that [the Attorney] had worked for j2." (Parker Decl.
27 ¶ 4.)

28 ///

1 **E. The Attorney's Role in the Three Current Cases**

2 In his role with Open Text, the Attorney met with Perkins on a
3 number of occasions. (Id. ¶ 6.) Crowell has described the
4 Attorney's work for Open Text as follows:

5 He was given an initial assignment for Open Text during the
6 fourth quarter of 2011 to familiarize himself with the company's
7 products and pending IP litigations. That process included his
8 introductions to Perkins Coie lawyers representing Open Text .
9 . . . Later, he was asked to assist Open Text in collecting
10 documents for Perkins Coie's use in responding to discovery
11 requests. As [the Attorney] became more familiar with the j2
litigation, he followed Perkins Coie's litigation work and
provided his views and comments thereon to Open Text in-house
counsel, together with reports on the progress of the
litigation. After j2 proposed that the parties mediate their
dispute, [the Attorney] assisted Open Text with preparation for
the mediation that was to have occurred in May 2012.

12 (Sacks Decl. Ex. F. at 16, Dkt. No. 77.) j2 learned of the
13 Attorney's role at Open Text on July 27, 2012, during the
14 deposition of Dr. Farber, when he introduced himself as Open Text's
15 "outside in-house counsel" to one of j2's attorneys at Kenyon
16 (Bernstein Decl. ¶ 13.) At the Farber deposition, j2's attorney
17 announced that the Attorney used to be an associate at Kenyon, and
18 that he would check whether the Attorney worked on j2 patent
19 matters. (Carroll Decl. ¶ 30.) The next week, j2's attorney
20 informed Perkins and Open Text that the Attorney had worked for j2.
21 (Id.)

22 Two events followed the Farber deposition, but it is unclear
23 which occurred first. The Attorney met with EasyLink's counsel of
24 record at the time, King & Spaulding, "where we [King & Spaulding]
25 presented to [the Attorney] our evaluation of the litigation."
26 (Sacks Decl. Ex. J at 32.)⁵ Additionally, Perkins and Open Text

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28 ⁵As discussed, Perkins began working on the EasyLink Cases sometime before
(continued...)

1 ended communication with the Attorney. (Davies Decl. ¶ 15; Carroll
2 Decl. ¶¶ 31-32.)

3 **II. Legal Standards and Analysis**

4 There are five issues: (1) Whether California law governs;(2)
5 Whether the court should presume the Attorney learned confidential
6 information about j2 that is relevant to the Three Current Cases;
7 (3) Whether the court should presume that the Attorney shared j2's
8 confidential information with Perkins; (4) Whether such a
9 presumption is irrebutable; and (5) Whether disqualifying Perkins
10 is required.

11 Regarding the first issue, California law governs. In re
12 County of Los Angeles, 223 F.3d 990, 995 (9th Cir. 2000). As to
13 the second through fifth, the California Supreme Court has stated
14 the following:

15 That enduring duty to preserve client confidences precludes an
16 attorney from later agreeing to represent an adversary of the
17 attorney's former client unless the former client provides an
18 informed written consent waiving the conflict. If the attorney
19 fails to obtain such consent and undertakes to represent the
20 adversary, the former client may disqualify the attorney by
21 showing a substantial relationship between the subjects of the
22 prior and the current representations. To determine whether
23 there is a substantial relationship between successive
24 representations, a court must first determine whether the
25 attorney had a direct professional relationship with the former
26 client in which the attorney personally provided legal advice
27 and services on a legal issue that is closely related to the
28 legal issue in the present representation. If the former
29 representation involved such a direct relationship with the
30 client, the former client need not prove that the attorney
31 possesses actual confidential information. Instead, the
32 attorney is presumed to possess confidential information if the
33 subject of the prior representation put the attorney in a
34 position in which confidences material to the current
35 representation would normally have been imparted to counsel. .
36 . . . When a substantial relationship between the two

27 ⁵(...continued)

28 the Farber deposition, but Perkins did not appear as counsel of record on behalf
of EasyLink until October 11, 2012. (See Carroll Decl. ¶ 21.)

1 representations is established, the attorney is automatically
2 disqualified from representing the second client. . . .
3 Vicarious disqualification rules are a product of decisional
4 law. Normally, an attorney's conflict is imputed to the law
firm as a whole on the rationale that attorneys, working
together and practicing law in a professional association, share
each other's, and their clients', confidential information.

5 City & County of San Francisco v. Cobra Solutions, Inc., 38 Cal.
6 4th 839, 847-48 (2006) (internal citations and quotation marks
7 omitted). The facts in this Motion are not typical of
8 disqualification motions generally because the Attorney worked as
9 Open Text's outside in-house counsel, not as a Perkins attorney.
10 However, the court holds the above-quoted rule applies here. The
11 Attorney's prior representation involved three of the four patents
12 at issue in the Three Current Cases, as well as an on-sale bar
13 defense related to Dr. Farber's activities. The prior
14 representation is, thus, substantially similar to the Three Current
15 Cases. Because the Attorney was outside in-house counsel for Open
16 Text on IP matters, and because of his contact with Perkins,
17 Perkins must be disqualified.

18 **A. California Law Governs**

19 Defendants argue that while federal courts in California look
20 to California law in deciding a disqualification motion, state law
21 does not bind them in the way that a diversity case would, because
22 federal courts are governed by their own rules of professional
23 conduct. (Defendant's Opposition to Plaintiffs' Motion to
24 Disqualify ("Opp'n") at 12:26-13:7, Dkt. No. 97.) The Ninth
25 Circuit, however, has made clear that a federal court in California
26 must apply California law in a disqualification motion. In re
27 County of Los Angeles, 223 F.3d at 995 ("[W]e apply state law in
28 determining matters of disqualification.").

1 Defendants' argument relies principally on a footnote from an
2 unpublished Northern District of California case. Openwave Sys.,
3 Inc. v. 724 Solutions (US) Inc., No. C 09-3511 RS, 2010 WL 1687825,
4 at *5 n.6 (N.D. Cal. Apr. 22, 2010). However, even that case
5 applied California law, because its local rule required attorneys
6 to adhere to "California State Bar standards." Id. The Central
7 District similarly requires attorneys to "comply with the standards
8 of professional conduct required of members of the State Bar of
9 California and contained in the State Bar Act, the Rules of
10 Professional Conduct of the State Bar of California, and the
11 decisions of any court applicable thereto." Cent. Dist. L.R. 83-
12 3.1.2. The Central District rule "adopt[s]" such California
13 "statutes, rules and decisions." Id. California law, therefore,
14 governs.

15 **B. The Court Presumes the Attorney Possesses Confidential**
16 **Information about j2**

17 It is presumed that an attorney has relevant confidential
18 information about a client if there is a substantial relationship
19 between the prior representation and the current one. Cobra
20 Solutions, 38 Cal. 4th at 847. In determining whether there is
21 substantial relationship, the court should first analyze whether
22 there was a direct relationship between an attorney and the former
23 client, and whether that relationship touched issues related to the
24 present litigation. Id. Courts emphasize shared communications in
25 determining whether there was a direct relationship. See e.g.
26 Farhang v. Indian Inst. of Tech., No. C-08-02658RMW, 2009 WL
27 3459455, at *2 (N.D. Cal. Oct. 27, 2009). During the Attorney's
28 time representing j2, he and j2's General Counsel were part of a

1 group of about seven or eight attorneys that regularly sent emails
2 to each other. (Bernstein Decl. ¶ 9; In Camera Evidence.) In total
3 the Attorney and j2's General Counsel were parties to over 120
4 emails. (Id.) One email concerned Dr. Farber, and his relevance
5 to an on-sale bar defense, which is also at issue in the Three
6 Current cases. (In Camera Evidence.) Many of these emails focused
7 on the Prior Cases, where three of the four patents currently at
8 issue were litigated. (Id.) Some of the emails relating to the
9 Prior Cases shared drafts of papers that would later be filed with
10 the court, and others assessed the strength of j2's cases. (Id.)
11 In light of these exchanges, the court finds that a direct
12 relationship between the Attorney and the client existed.

13 When an attorney had direct contact with a client, a
14 substantial relationship exists if "the subject of the prior
15 representation put the attorney in a position in which confidences
16 material to the current representation would normally have been
17 imparted to counsel." Cobra Solutions, 38 Cal. 4th at 847. The
18 substantial relationship test is "necessarily fact-dependant." UMG
19 Recordings, Inc. v. MySpace, Inc., 526 F. Supp. 2d 1046, 1060
20 (C.D. Cal. 2007). Courts look to the degree of overlap in
21 "subject-matters, facts or issues" to determine whether there is a
22 substantial relationship. See id. (quoting H.F. Ahmanson & Co. v.
23 Salomon Brothers, Inc., 229 Cal. App. 3d 1445, 1453 (1991)).
24 Subject matter similarity is the most important. Jessen v.
25 Hartford Cas. Ins. Co., 111 Cal. App. 4th 698, 711 (2003)
26 (suggesting that the California Supreme Court has decided that "a
27 'substantial relationship' exists whenever the 'subjects' of the
28 prior and the current representations are linked in some rational

1 manner") (citing Flatt v. Superior Court, 9 Cal. 4th 275, 283
2 (1994)). A "subject" is "broader . . . than the discrete legal
3 and factual issues involved in the compared representations," as
4 it includes "information material to the evaluation, prosecution,
5 settlement or accomplishment of the litigation or transaction
6 given its specific legal and factual issues." Jessen, 111 Cal.
7 App. 4th at 712-13.

8 Defendants argue that there is no substantial relationship
9 because the Three Current Cases "involve different defendants,
10 claims and evidence," and they emphasize that "[i]n the
11 intervening years between [the Attorney's j2 representation and
12 his representation of Open Text], the patents have been reexamined
13 by the PTO and their claims have been substantially altered."
14 (Opp'n at 22:7-10.) It is true that the patents have been
15 altered, but to different degrees. (See Opp'n 10:13-21 (claiming
16 the reexamination process required "extensive changes to the '066
17 patent" and "significant changes to the '638 patent," but not
18 noting any level of change in the '688 patent); see also Carmody
19 Decl. ¶¶ 16-18 (describing the changes similarly).)

20 More importantly, nothing requires the court to extensively
21 analyze the patents' modifications, nor to do an in-depth
22 comparison of the products. To the contrary, a rational link
23 between the subject matter of the two cases will suffice. Jessen,
24 111 Cal. App. 4th at 711 (2003); Knight v. Ferguson, 149 Cal. App.
25 4th 1207, 1213 (2007).⁶ In addition to other matters the Attorney

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27 ⁶Anything more than a "rational link" test would effectively require a
28 mini-trial on the merits, entailing a comparison of the patents as they existed
initially with any subsequent modifications. Expert testimony would then likely
(continued...)

1 billed to j2, he billed j2 154.4 hours for work on the Prior
2 Cases, which involved three of the four patents at issue in the
3 Three Current Cases. (See Bernstein Decl. ¶¶ 2, 6.)

4 Additionally, the on-sale bar defense was at issue in the
5 cases the Attorney worked on as j2's attorney, and as j2's
6 attorney he received an email evaluating Dr. Farber's relevance to
7 this defense. (In Camera Evidence.) Dr. Farber's activities are
8 relevant to a possible on-sale bar defense in the Three Current
9 Cases, as well. (See Answer at 10:24-15:5.) In fact, j2 learned
10 of the Attorney's work with Open Text in the Three Current Cases,
11 when he attended Dr. Farber's deposition. (Bernstein Decl. ¶ 13.)
12 In disputing Dr. Farber's importance to the disqualification
13 analysis, Defendants argue that they knew about him, along with
14 his import to an on-sale bar defense, before the Attorney became
15 involved with Open Text. (Opp'n at 8:6-11; Carmody Decl. ¶¶ 9-12;
16 Bellows Decl. ¶ 2, Dkt. No. 104.) However, the Attorney still
17 could have provided additional useful to Perkins concerning Dr.
18 Farber. Because the Prior Cases are substantially related to the
19 Three Current Cases the court presumes that the Attorney possessed
20 confidential information. See Cobra Solutions, 38 Cal. 4th at
21 847-48.

22 At times, Defendants refer to the Attorney as a "junior
23 associate," and assert that there is a "lack of evidence" about

24
25 ⁶(...continued)
26 have to be presented and evaluated. Such a time-consuming process would add
27 little value. The court would still not know whether the former attorney may
28 have, even unwittingly, communicated important information about, for example,
the financial strength of the former client, the former client's settlement
strategy, the former client's perceived strengths or weaknesses of its claims or
defenses, and other information that might give counsel an unfair advantage in
the litigation.

1 both the "nature of the work" he did for j2 and whether he
2 acquired confidential information about j2. (Defendants'
3 Supplemental Brief in Support of Defendant's Opposition to j2's
4 Motion to Disqualify Perkins Coie and Compel Discovery ("Supp.
5 Opp'n.") at 10:22-11:5, Dkt. No. 122.) However, a de minimis
6 level of involvement with a prior case is sufficient for presuming
7 that an attorney acquired confidential information about that
8 prior case. See Pound v. DeMera DeMera Cameron, 135 Cal. App. 4th
9 70, 73-74 (2005) (finding that a one-hour phone call about a case
10 three years earlier was sufficient to presume that an attorney
11 acquired confidential information).

12 Regardless, both the Attorney's professional experience and
13 the extent of his work for j2 were significant. At the time he
14 was representing j2, he had authored and edited publications about
15 intellectual property, done graduate work in computer science, and
16 worked for many years as a software engineer. (Johnson Decl. Ex.
17 14). Additionally, in camera evidence shows that his work in the
18 Prior Cases included: "reviewing claim charts, performing
19 infringement analyses, [reviewing] prior art . . . analyzing
20 documents for a settlement conference, reviewing and commenting on
21 draft pleading, discussing discovery strategies, drafting
22 discovery requests and responses, and drafting j2's opposition to
23 a summary judgment motion . . ." (Bernstein Decl. ¶ 6; In Camera
24 Evidence.) In some of this work, such as discussing discovery
25 strategies and participating in the creation and editing of
26 motions and pleadings, the likelihood that he learned confidential
27 information is readily apparent. In others, such as reviewing
28 prior art, the risk may seem less likely. However, confidential

1 information may guide prior art reviews—such as an instruction
2 from a partner or client about the weaknesses of certain features.

3 **C. The Court Presumes that Perkins has the Same**
4 **Confidential Information about j2 as the Attorney**

5 The general rule is that presuming an attorney possesses
6 confidential information requires presuming the same for his law
7 firm ("the Vicarious Presumption Rule"). See People ex rel. Dept.
8 of Corporations v. SpeeDee Oil Change Sys., Inc., 20 Cal. 4th
9 1135, 1146 (1999) (ruling that "a presumption that an attorney has
10 access to privileged and confidential matters relevant to a
11 subsequent representation extends the attorney's disqualification
12 vicariously to the attorney's entire firm"); see id. at 1153-54
13 (explaining that, "[t]he vicarious disqualification rule
14 recognizes the everyday reality that attorneys, working together
15 and practicing law in a professional association, share each
16 other's, and their clients', confidential information"). The
17 Attorney, however, does not work at Perkins. Rather, he was
18 outside in-house counsel for Open Text on intellectual property
19 matters. (Davies Decl. ¶¶ 6, 9; Bernstein Decl. ¶ 13.) This
20 court is not aware of any case analyzing whether the Vicarious
21 Presumption Rule applies to such a situation. However, some cases
22 have analyzed whether presuming an attorney at one law firm has
23 confidential information requires making the same presumption
24 about another firm that is co-counsel with the tainted attorney.
25 These cases come out different ways, but the cases applying the
26 Vicarious Presumption Rule to co-counsel have the better argument.

27 Three Northern District of California cases suggest that
28 presuming co-counsel possesses confidential information is

1 inappropriate. In re Airport Car Rental Antitrust Litig., 470 F.
2 Supp. 495, 506 (N.D. Cal. 1979); see also Canatella v. Krieg,
3 Keller, Sloan, Reilley & Roman LLP, No. C 11-05535 WHA, 2012 WL
4 847493, at *2 (N.D. Cal. Mar. 13, 2012) (making no mention of a
5 presumption, and relying on Airport Car Rental to suggest that a
6 multi-factor analysis is required to determine whether co-counsel
7 has confidential information); Oracle Am., Inc. v. Innovative
8 Tech. Distributors, LLC, No. 11-CV-01043-LHK, 2011 WL 2940313, at
9 *6 (N.D. Cal. July 20, 2011). Other cases have applied the
10 Vicarious Presumption Rule and presumed that co-counsel received
11 confidential information. Pound, 135 Cal. App. 4th at 77 (noting
12 the Vicarious Presumption Rule, and holding that "there is no
13 logical or substantive manner to distinguish" between a firm
14 employing a tainted attorney and a firm serving as co-counsel with
15 a tainted attorney); Beltran v. Avon Products, Inc., 867 F. Supp.
16 2d 1068, 1078, 1084 (C.D. Cal. 2012) (stating the Vicarious
17 Presumption Rule, and applying it against co-counsel, because
18 "[i]t is also reasonable to assume that the two law firms engaged
19 in fairly extensive discussions about the case and Plaintiff's
20 litigation strategy before filing their complaint and prior to the
21 erection of an wall ethical segregating [the tainted attorney]
22 from the case").

23 This court concludes that the Vicarious Presumption Rule
24 should be applied here (i.e., that it should be presumed that
25 Perkins has relevant confidential information about j2.) The
26 three Northern District cases that did not apply the Vicarious
27 Presumption Rule to co-counsel are not persuasive. They do not
28 consider applicable California law. Oracle and Canatella rely

1 heavily on Airport Car, which was decided in 1979. Canatella, 2012
2 WL 847493, at *2, Oracle,, 2011 WL 2940313, at *5. It seems
3 neither Oracle nor Canatella considered Pound, a California
4 appellate case that presumed co-counsel possessed the tainted
5 attorney's confidential information. Pound, 135 Cal. App. 4th 70,
6 77 (2005). And Pound does not appear to have been briefed in
7 either case. (Johnson Decl. Exs. 6-11.) Canatella even
8 incorrectly declares that on "the issue of disqualification of co-
9 counsel . . . no California . . . cases [are] directly on point."
10 Canatella, , 2012 WL 847493, at *2. Additionally, California
11 courts have generally ignored these three cases. Airport Car is
12 the only one cited in any California opinion, and a single case
13 from 1980 is the only one that cites its holding approvingly.
14 Chadwick v. Superior Court, 106 Cal. App. 3d 108, 117 n.9 (1980).

15 More importantly, the reasoning behind the Vicarious
16 Presumption Rule indicates that it should also be applied against
17 Perkins: "Normally, an attorney's conflict is imputed to the law
18 firm as a whole on the rationale that attorneys, working together
19 and practicing law in a professional association, share each
20 other's, and their clients', confidential information." Cobra
21 Solutions, 38 Cal. 4th at 847-48. (internal quotation marks
22 omitted.) The Attorney served as Open Text's outside in-house
23 counsel for intellectual property matters, and the Three Current
24 Cases are high-stakes, complex patent matters. The importance of
25 in-house counsel effectively cooperating, coordinating, and
26 communicating with their company's attorneys is self-evident.

27 Defendants' argument that the Attorney "played a limited
28 role" in the Three Current Cases is unavailing. (Carroll Decl. ¶

1 25.) It is probably a stretch to characterize Open Text's outside
2 in-house counsel for intellectual property matters—an experienced
3 attorney who was also Counsel at Crowell—as playing an
4 inconsequential role in three major patent cases. Leaving that
5 concern aside, though, cases do not analyze how much work a
6 tainted attorney performed in the cases for which disqualification
7 is sought. See Pound, 135 Cal. App. 4th at 74 (disqualifying
8 plaintiff's firm after it and the tainted outside counsel "briefly
9 discussed the case" and met with plaintiffs "a few times.") Under
10 the Vicarious Presumption Rule, once an attorney is presumed to
11 have confidential information, her law firm is presumed to have
12 it, too. Cobra Solutions, 38 Cal. 4th at 847-48; See Flatt, 9
13 Cal. 4th at 283.

14 **D. The Presumption Against Perkins Is Irrebutable and Thus**
15 **Disqualification Is Mandatory**

16 Once there is a presumption that a firm possesses
17 confidential information, generally that presumption is
18 irrebutable and disqualification is compelled. As the California
19 Supreme Court has said:

20 Where the requisite substantial relationship between the
21 subjects of the prior and the current representations can be
22 demonstrated, access to confidential information by the attorney
23 in the course of the first representation (relevant, by
24 definition, to the second representation) is presumed and
25 disqualification of the Attorney's representation of the second
26 client is mandatory; indeed, the disqualification extends
27 vicariously to the entire firm.

28 Flatt, 9 Cal. 4th at 283 (emphasis in original); see generally
Pound, 135 Cal. App. 4th 70 (applying mandatory disqualification
rule to law firm with tainted co-counsel); In re County of Los
Angeles, 223 F.3d at 995 (noting that "[t]he [California] courts

1 of appeal developed a general rule that the presumption is not
2 rebuttable").

3 However, in one case the California Supreme Court held that
4 it "need not consider whether an attorney can rebut a presumption
5 of shared confidences, and avoid disqualification, by establishing
6 that the firm imposed effective screening procedures." SpeedDee
7 Oil, 20 Cal. 4th at 1151; see also In re County of Los Angeles,
8 223 F.3d at 997 (interpreting SpeedDee Oil as suggesting that the
9 California Supreme Court "may be inclined" to allow law firms to
10 erect ethical walls to avoid disqualification); but see Beltran,
11 867 F. Supp. 2d 1068, 1083 (C.D. Cal. 2012) (doubting that ethical
12 screening can prevent disqualification); MySpace, 526 F. Supp. 2d
13 at 1061 (questioning the same). At least one California appellate
14 court has decided that a law firm's ethical screening permitted it
15 to attempt rebutting the presumption. Kirk v. First Am. Title Ins.
16 Co., 183 Cal. App. 4th 776, 801 (2010) (holding that
17 disqualification is the "general rule," and that courts "should
18 presume knowledge is imputed to all members of a tainted
19 attorney's law firm," but that "in the proper circumstances, the
20 presumption is a rebuttable one, which can be refuted by evidence
21 that ethical screening will effectively prevent the sharing of
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1 confidences in a particular case") (emphasis in original).⁷ Such
2 screening must be implemented in a "timely" manner. Id. at 810.

3 In the Three Current Cases, the Attorney was not screened
4 until after Dr. Farber's deposition, approximately eight months
5 after he began serving as Open Text's outside in-house counsel.
6 (See Parker Decl. ¶¶ 4-5 .) Since Perkins was unaware of the
7 Attorney's conflict, it did not initiate a timely screen. See
8 Kirk., 183 Cal. App. 4th at 810 n.31 (suggesting that the ethical
9 wall must be in place "before undertaking the challenged
10 representation or hiring the tainted individual" (internal
11 quotation marks omitted); In re County of Los Angeles, 223 F.3d at
12 996 (emphasizing screening measures taken before tainted
13 individual joined the firm). For Perkins, therefore, the
14 presumption is irrebutable.

15 **E. No Remedy Short of Disqualification Will Suffice**

16 Defendants argue that the court should fashion a remedy less
17 drastic than disqualification. (Supp. Opp'n at 8:17-10:10, Dkt.
18 No. 122.) The leading case on point for this issue held:

19 [E]ven when the court has misgivings about the conduct of the
20 challenged attorney, it is not obligated to disqualify that
21 lawyer merely because he has run afoul of the applicable ethical
22 rules. The court is encouraged instead to examine the specific
23 facts and circumstances peculiar to the individual case to
24 decide whether disqualification, or some lesser sanction, would
25 be an appropriate remedy. In other words, even when counsel has
26 been shown to have committed an ethical rule infraction the

24 ⁷Defendants argue that Kirk forbids automatically disqualifying a law firm
25 merely because of its association with a tainted attorney, and requires proof
26 that the Attorney shared confidences with the firm before disqualification is
27 appropriate. (See Opp'n at 14:2-12.) Defendants offer declarations from
28 Perkins attorneys and others as proof that they never acquired confidential
information from the Attorney. (See Dkt. Nos. 98-105.) However, Kirk only
allowed timely ethical screening to rebut the presumption, and further held that
"it is not sufficient to simply produce declarations stating that confidential
information was not conveyed." 183 Cal. App. 4th at 801, 810.

1 court retains discretion to decline to order disqualification,
2 and, in many cases, courts have done just that.

3 MySpace, Inc., 526 F. Supp. 2d at 1063 (citation omitted).

4 MySpace, however, involved very different facts. That case
5 concerned a law firm that obtained a conflict waiver from its
6 former client, enacted an ethical wall around the attorneys who
7 worked for the prior client before engaging in work for the
8 current client, and whose current client waived the affirmative
9 defense that triggered the conflict—an affirmative defense that
10 was “collateral to what this case is about.” Id. at 1063-65.
11 None of these factors are present here.

12 **IV. Conclusion**

13 Perkins is disqualified. The court denies the request for
14 further discovery, because the order disqualifies Perkins, screens
15 Open Text’s General Counsel, Douglas Parker, and screens all in-
16 house attorneys who substantively discussed the Three Current
17 Cases with the Attorney. (See Parker Decl. ¶ 6 (attesting to
18 having been “a participant in many of the instances in which [the
19 Attorney] had an opportunity to communicate with and interact with
20 attorneys from Perkins Coie”).

21 The court finds that none of Perkins’ attorneys had knowledge
22 of the Attorney’s prior j2 representation. Indeed, during oral
23 argument the court characterized Perkins as a victim of Crowell’s
24 inexplicable decision to approve the Attorney to work for Open
25 Text. The court affirms Perkins’ innocence in this matter, and
26 appreciate the professionalism its attorneys have exhibited.
27 Perkins’ innocence though, does not prevent its disqualification.
28 Motions to disqualify are not about punishing guilty parties.

1 Kirk, 183 Cal. App. 4th at 815. They are primarily about
2 "preserv[ing] public trust in the scrupulous administration of
3 justice and the integrity of the bar." SpeeDee Oil, 20 Cal. 4th
4 at 1145.

5 **V. Remedies**

6 The Motion is GRANTED as to disqualifying Perkins, but is
7 DENIED as to compelling discovery. Accordingly, IT IS HEREBY
8 ORDERED:

9 1) Perkins is disqualified from representing Defendants in
10 this litigation. Defendants shall have until January 11, 2013, to
11 retain successor counsel and have such counsel appear in the
12 action.

13 2) In connection with the transition to new counsel, Perkins
14 shall have no further involvement in this action, except Perkins
15 may transmit to successor counsel its written files concerning
16 this action, including all documents produced by either party in
17 this action and all pleadings either filed with the court or
18 exchanged with j2 in this action. However, notes and other non-
19 public documents (collectively "non-public documents") prepared
20 after November 1, 2011, that contain or otherwise reflect thoughts
21 of disqualified or screened firms or individuals may not be
22 transmitted, unless they are accompanied with a declaration,
23 signed under penalty of perjury, from a partner ("the Partner") at
24 Perkins with substantial familiarity with this case, attesting as
25 follows: That the Partner has exercised due diligence in
26 evaluating the propriety of transmitting the non-public documents
27 to successor counsel, and attests to the best of such Partner's
28 information and belief that the Attorney did not provide, directly

1 or indirectly, any information contained within the non-public
2 documents.

3 3) Defendants shall immediately screen from further
4 participation in this action Douglas Parker. Any other internal
5 counsel or external counsel need not be screened, provided they
6 submit a declaration signed under penalty of perjury, attesting
7 that they have not had substantive communications with the
8 Attorney or with any one else whom they reasonably believe may
9 have received information from the Attorney concerning this
10 action. By January 11, 2013, Defendants shall provide j2 and the
11 court with both a list identifying all persons in addition to Mr.
12 Parker who have been screened and the required affidavits.

13 4) Successor counsel shall not communicate with Crowell,
14 Perkins, Douglas Parker, the Attorney, any screened person, or any
15 other person, who had communications with the Attorney about any
16 matter related to this action.

17 5) Defendants shall reimburse j2's reasonable attorneys' fees
18 and costs incurred in connection with the Motion. By January 11,
19 2013, j2 shall submit to Defendants a statement identifying the
20 amount of such fees, together with a breakdown, by attorney, of
21 the amount of time spent on such matters. The parties shall make
22 every effort to resolve any fee dispute without court action.

23 Nothing contained herein is intended to prevent any party,
24 person, or firm from communicating about ministerial or logistical
25 issues required to transition to new counsel. Nothing contained

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1 herein is intended to preclude the parties or attorneys from
2 stipulating to additional exceptions to this order in connection
3 with any collateral dispute.

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5 IT IS SO ORDERED.

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8 Dated: December 19, 2012



DEAN D. PREGERSON
United States District Judge

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