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28UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SIRF TECHNOLOGY INC.,

No. C 09-04013 MHP

Plaintiff,

MEMORANDUM & ORDER

v.

ORRICK HERRINGTON AND SUTCLIFFE
LLP,**Re: Defendant Orrick, Herrington and
Sutcliffe LLP's Motion for Partial Summary
Judgment**Defendant.

Plaintiff SiRF Technology, Inc. ("SiRF") brought this action against defendant Orrick, Herrington, & Sutcliffe LLP ("Orrick") alleging professional negligence, breach of contract, breach of fiduciary duty and misrepresentation claims. These claims arise out of Orrick's representation of SiRF in a patent dispute before the International Trade Commission ("ITC"). Now before the court is Orrick's motion for partial summary judgment to dismiss some but not all of the professional malpractice claims. Having considered the parties' arguments and submissions and for the reasons stated below, the court enters the following memorandum and order.

BACKGROUND¹

SiRF manufactures products involving Global Positioning System ("GPS") technology. Docket No. 43 (Cooper Dec.), Exh. A (596 Complaint) ¶ 1.2. In December 2006, SiRF filed a patent infringement action in federal district court against a competing producer of GPS-related products, Global Locate, Inc. ("Global Locate"). *Id.*, Exh. C (Press Release). In February 2007, SiRF,

1 represented by MacPherson Kwok Chen & Heid LLP (“MKCH”), filed a related complaint with the
2 ITC alleging that Global Locate infringed three SiRF patents in violation of section 337 of the Tariff
3 Act of 1930, 19 U.S.C. § 1337. 596 Complaint ¶¶ 1.1 & 1.3. That action will be referred to as the
4 “596 Investigation” throughout this order. As a general matter, proceedings at the ITC culminate in
5 an evidentiary hearing before an Administrative Law Judge (“ALJ”), who then issues an Initial
6 Determination regarding patent infringement and remedies. An Initial Determination is subject to
7 review by the full Commission, which issues a Final Determination.

8 Global Locate filed its own ITC complaint in March 2007 alleging that SiRF infringed six
9 Global Locate patents in violation of section 337. Cooper Dec., Exh. D (602 Complaint) ¶¶ 1 & 3.
10 That second ITC action will be referred to as the “602 Investigation” throughout this order. SiRF
11 retained Orrick to defend it in the 602 Investigation. *Id.*, Exh. F (Engagement Letter). Broadcom
12 Corporation (“Broadcom”) acquired Global Locate in July 2007. Global Locate and Broadcom will
13 be referred to collectively as Broadcom throughout this order.

14 In an Initial Determination issued on August 8, 2008, the ALJ in the 602 Investigation found
15 that SiRF had infringed all six of the Broadcom patents at issue in the dispute. Cooper Dec., Exh. X
16 (Initial Determination) at 214. The Commission granted a limited review of the Initial
17 Determination and later denied SiRF’s petition for reconsideration of the decision to not review
18 certain issues. Cooper Dec., Exh. Y (Final Determination) at 2. In its Final Determination issued on
19 January 15, 2009, the ITC modified the Initial Determination only to clarify the ALJ’s findings. *Id.*
20 The ITC issued a Limited Exclusion Order prohibiting the importation and sale of certain SiRF
21 products into and within the United States, *id.* (Limited Exclusion Order) at 2, and a similar Order to
22 Cease and Desist, *id.* (Order to Cease and Desist). SiRF retained new counsel and appealed the
23 decision to the Court of Appeals for the Federal Circuit, challenging both the Final Determination
24 and those elements of the ALJ’s Initial Determination that the Commission had declined to review.
25 *See SiRF Techn., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319 (Fed. Cir. 2010). On April 12, 2010,
26 the Federal Circuit held that the Commission had properly limited review of the Initial
27 Determination and affirmed the Final Determination. *Id.*

1 SiRF brought the instant action against Orrick in California Superior Court in August 2009,
2 Docket No. 1 (Notice of Removal), Exh A (Compl.) at 1, and Orrick promptly removed the action to
3 federal court, Notice of Removal at 2. SiRF alleges that, in the course of Orrick’s representation of
4 SiRF throughout the 602 Investigation, Orrick committed professional negligence, breached its
5 contract with SiRF, breached its fiduciary duty to SiRF and made misrepresentations to SiRF.
6 SiRF’s claims of professional negligence, which are at issue in Orrick’s motion, focus on Orrick’s
7 conduct in relation to critical expert reports that Orrick filed after a relevant deadline and that were
8 subsequently excluded from the administrative record, the allegedly unprofessional manner in which
9 Orrick argued for certain constructions of the relevant patent claims, and Orrick’s alleged failure to
10 adequately advise SiRF of the risks it faced in the patent dispute. SiRF also points to comments
11 made by the ALJ that reflect poorly on Orrick’s representation of SiRF before the ITC.

12 I. Exclusion of the Supplemental Expert Reports

13 In the course of the 602 Investigation, Orrick retained Dr. Stephen Heppe (“Heppe”) as an
14 expert witness for SiRF. Cooper Dec. ¶ 9. The Procedural Schedule ordered by the ALJ for the 602
15 Investigation required that expert reports be filed by February 11, 2008, and rebuttal reports be filed
16 by February 25, 2008. *Id.*, Exh. K (Procedural Schedule) at 2. These dates were later changed to
17 February 25 and March 10, respectively. Docket No. 63 (Foster Dec.), Exh. T (Joint Motion to
18 Amend Procedural Schedule) at 1; *id.* (Order No. 14). The Ground Rules in effect for the
19 Investigation required that expert disclosures be supplemented as needed pursuant to Commission
20 Rule 210.27(c). Cooper Dec., Exh. J (Ground Rules) at 17. However, all “significant opinions”
21 were to be included in the initial and rebuttal reports: “Supplemental reports should not be used to
22 raise new topics not covered in the expert’s initial or rebuttal reports, and a supplemental report may
23 be stricken if it does.” *Id.* Heppe initially prepared an expert report opining that Broadcom’s six
24 patents were invalid, and shortly after prepared a rebuttal report opining that SiRF’s products did not
25 infringe any of the six patents at issue. Heppe then produced two supplemental reports, dated April
26 4 and April 8, 2008, addressing the invalidity of Broadcom’s patents. *Id.*, Exh. BB (April 4 Report);
27 *id.*, Exh. CC (April 8 Report).

1 Broadcom moved *in limine* to exclude the two supplemental reports as untimely. The ALJ
2 cursorily denied the motion at a pre-hearing conference on April 28, 2008, stating simply, “And
3 Complainant’s motion *in limine* regarding Dr. Happe [sic] is denied.” Cooper Dec., Exh. V
4 (Orrick’s April 28 Transcript) at 6. However, on May 8, 2008, during the evidentiary hearing,
5 Broadcom resurrected the admissibility of the supplemental reports by objecting when Heppe
6 testified about a document upon which, according to Broadcom, he had not relied in any of his
7 timely-filed expert reports, but had relied upon in his supplemental reports. Foster Dec., Exh. U
8 (SiRF’s May 8 Transcript) at 2419-20. After clarifying that the supplemental report had been filed
9 late and without leave, *id.* at 2420-21, the ALJ asserted that while he had previously denied the *in*
10 *limine* motion to exclude the reports, *id.* at 2424, the reports were “fair game for objections, too. All
11 I did was to basically defer a ruling until I could hear the arguments in context and understand why
12 the objections are being raised.” *Id.* at 2424-25. The ALJ sustained the objection, and excluded the
13 supplemental reports and all of Heppe’s testimony related to the reports. *Id.* at 2426.

14 Later that day, Orrick attorney Bas de Blank (“Blank”) reported on the hearing to SiRF’s in-
15 house licensing attorney, Anne di Pasquale (“Pasquale”), via phone. Foster Dec., Exh. A-4
16 (Pasquale Dec.) ¶¶ 3-5. Pasquale’s notes of the conversation reflect, “Biggest Surprise: The judge
17 excluded the supplemental expert reports of SiRF.” *Id.*, Exh. Z (Pasquale’s Notes) at SIR00033879.
18 But the “[p]ractical significance is not that great” as Heppe could continue to point to the initial
19 expert reports. *Id.* at SIR00033879-80. SiRF would ask for “reconsideration of this rash decision,”
20 formed possibly because the ALJ was tired at the end of the day or “mistakenly thought he didn’t
21 decide this issue.” *Id.* at SIR00033880.

22 The next day, SiRF moved for reconsideration, claiming extreme prejudice. Foster Dec.,
23 Exh. V (SiRF’s May 9 Transcript) at 2471. SiRF insisted that it had a right to rely on the ALJ’s
24 prior denial of the *in limine* motion, had prepared its case in reliance on that denial and now lacked
25 access to Heppe under the ITC’s sequestration orders. *Id.* at 2472. In response, Broadcom reiterated
26 that the supplemental reports were filed late such that Broadcom was denied a “fair and full
27 opportunity to deal with them.” *Id.* at 2473-75. Responding to the ALJ’s skepticism that SiRF
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1 could have prepared its case in reliance on the denial when the *in limine* motion was in fact denied
2 on the same day the hearing began, with no break between the pre-hearing conference and the
3 hearing, *id.* at 2477-78, SiRF claimed to have been constantly revamping its case based on daily
4 reviews of the trial record and documents, *id.* at 2478-79. Because SiRF had been allotted only five
5 days to present its case, it had to “pick[] the very best defenses to conserve our time based on that
6 ruling and what would go in. So we did not prepare [Heppe] on defenses we would have presented
7 had your ruling not been a denial of the [*in limine* motion]. . . . And if you now stay with your ruling
8 yesterday, you’re going to cut off many of our best defenses and leave us with our second-best
9 defenses. . . . And we can’t revamp it now without access to this witness [Heppe]. And so that’s
10 why the prejudice is extreme.” *Id.* at 2479-80. The ALJ denied SiRF’s motion for reconsideration,
11 *id.* at 2480, and the supplemental reports were excluded from the hearing.

12 II. Claim Construction

13 The ALJ presiding over the 602 Investigation did not hold a pretrial *Markman* hearing to
14 determine claim construction, and instead waited to construe the claim terms in the Initial
15 Determination until the completion of the evidentiary hearing. Docket No. 64 (Joint Statement of
16 Undisputed Facts) ¶¶ 1 & 2. Throughout the evidentiary hearing SiRF presented defenses based on
17 alternative claim constructions. *See, e.g.,* Orrick’s May 8 Transcript at 2372 (At the request of
18 SiRF’s attorneys, Heppe considered claim constructions proposed by both Broadcom and SiRF, as
19 well as additional theories and hypotheses); Cooper Dec., Exh. I (Orrick’s May 9 Transcript) at 2621
20 (Heppe “wasn’t limiting his opinions just to SiRF’s proposed construction. . . . [I]t would be very
21 strange for an expert opposing the validity of the patent to just assume the construction of the
22 Respondents because, obviously, validity is an issue that needs to be considered under both sets of
23 constructions”); *id.*, Exh. X (Initial Determination) at 198 (“SiRF has proposed various constructions
24 [of “sequential estimator”] in this investigation, depending on the circumstances. . . . Dr. Heppe’s
25 invalidity report initially proposed a broad construction Dr. Heppe later disavowed that position
26 and argued, in his noninfringement expert report, that the sequential estimator element is narrowly
27 limited Now, respondents offer another interpretation in their brief.”). Broadcom provided
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1 analysis of alternative claim constructions as proposed by SiRF and Broadcom. Orrick’s May 9
2 Transcript at 2621.

3 SiRF alleges that Orrick’s poor preparation, rather than uncertainty regarding the ALJ’s
4 future decision, accounts for the multiple claim constructions presented during the 602 Investigation.
5 In an August 2007 internal Orrick email, Blank offered a “proposed construction” for certain patent
6 terms, expressed that he was “still a little nervous about this since I don’t know how it will impact
7 either our noninfringement or invalidity position” and favored “just saying that the terms do not
8 require construction and then, when we get their invalidity position, see where we disagree and
9 supplement to identify terms.” Foster Dec., Exh. G (Email from Blank to SiRF OHS ALL (Aug. 23,
10 2007, 9:58 AM)). Orrick attorney Theresa Norton (“Norton”) responded, “I’m with you. . . . I have
11 no clue how this will affect infringement. Yikes.” *Id.* (Email from Norton to Blank (Aug. 23, 2007,
12 10:04 AM)). In February 2008, Orrick attorney Fabio Marino (“Marino”) emailed “we need to
13 review/revise our claim construction positions ASAP.” *Id.*, Exh. J (Email from Marino to SiRF
14 OHS ALL and Orrick Attorneys Diana Rutowski and Ulysses Hui (“Hui”) (Feb. 11, 2008 11:59
15 AM)). On April 8, 2008, just weeks before the evidentiary hearing, Orrick attorney Suchi
16 Somasekar (“Somasekar”) emailed “I think we need new invalidity arguments based on our current
17 construction of ‘dynamic model’ for [patent] ‘187.” *Id.*, Exh. K (Email from Somasekar to Orrick
18 attorney Helen Li (April 08, 2008, 10:28 AM)). Three days later, Orrick attorney William Anthony
19 (“Anthony”) emailed “[w]e will need to check Heppe’s expert report to make sure the newly
20 proffered constructions do not leave us without a foundation for his opinions. . . . If there is a
21 problem, we would have to insist on the ability to supplement the report for the new construction.”
22 *Id.*, Exh. L (Email from Anthony to Blank and SiRF OHS ALL (April 11, 2008, 10:18 AM)). The
23 very next day, Anthony emailed, “We shouldn’t be agreeing to modify our earlier proffered
24 constructions unless we are sure we are not precluded from offering expert testimony which would
25 happen if Heppe’s expert [sic] doesn’t support the new construction.” *Id.*, Exh. M (Email from
26 Anthony to Marino, Blank, and SiRF OHS ALL (April 12, 2008, 21:11:15)). Marino responded,
27 “It’s not a question of agreeing, we need to change some of our constructions because we would
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1 likely lose. The real question is whether we need to supplement Heppe's report accordingly on
2 Monday." *Id.* (Email from Marino to Anthony, Blank, and SiRF OHS ALL (April 12, 2008, 9:40
3 PM)).

4 In addition, Heppe informed Orrick in October 2007 that he had completed a rough draft of
5 his invalidity report. *Id.*, Exh. H (Email from Hui to Marino and Blank (Oct. 30, 2007, 16:01:59)).
6 But Orrick, wanting to postpone the draft becoming discoverable, waited until February 2008 to fly
7 Heppe into town to discuss the draft and even then tried to push the meeting date back to as close to
8 the report's February 25 filing due date as possible. *Id.*; *id.*, Exh. I (Email from Hui to SiRF OHS
9 ALL (Feb. 8, 2008, 3:43 PM)).

10 III. Orrick's Advice Regarding SiRF's Risk

11 SiRF and Orrick dispute whether Orrick adequately apprised SiRF of the risks the company
12 faced in the 602 Investigation. SiRF claims that Orrick painted a deceptively rosy picture of SiRF's
13 position in the dispute, causing SiRF to approach settlement offers with unrealistic standards that the
14 company would not have adopted had it been aware of the true risks at stake.

15 In June 2007, Orrick sent SiRF's General Counsel Nicolas Gikkas ("Gikkas") a
16 memorandum regarding potential remedies against SiRF in the 602 Investigation. *See* Foster Dec.,
17 Exh. AA (Email from Orrick Attorney T. Vann Pearce ("Pearce") to Gikkas (June 22, 2007, 1:59
18 AM GMT)); *id.* (Memorandum) at 1. The memorandum argues that SiRF might avoid a violation of
19 section 337 because its products did not infringe Broadcom's patents until combined, post-
20 importation, with a particular SiRF service in the United States. *Id.* at 3. But the author declined to
21 make a prediction on this argument until additional facts were developed. *Id.* Regardless, the author
22 found it "unlikely that [Broadcom] will obtain an exclusion order, general or specific, against SiRF's
23 GPS chips" because the chips had "substantial non-infringing uses and do not infringe any patents
24 by themselves nor directly induce infringement." *Id.* at 5-6. Exclusion would be likely, however, if
25 the chips were delivered with any information encouraging combination with the SiRF service in the
26 United States. *Id.* The "most likely result of the [ITC] investigation" would be a cease and desist
27 order against inducing customers to combine SiRF chips with the SiRF service. *Id.* at 9.

1 Settlement talks between SiRF and Broadcom had commenced by early 2008 and the parties
2 developed a term sheet outlining a potential settlement framework. Cooper Dec., Exh. L (Email
3 from Broadcom executive Robert Rango (“Rango”) to SiRF’s CEO Michael Canning (“Canning”)
4 (Jan. 17, 2008, 9:50 PM)) (containing term sheet outlining settlement proposal). Although this term
5 sheet and email do not indicate whether the settlement applied to the pending district court case, the
6 596 Investigation or the 602 Investigation, a “Patent License and Settlement” document was drafted
7 by Broadcom and circulated to MKCH attorneys Alan MacPherson (“MacPherson”) and Steven
8 Levitan (“Levitan”), Orrick attorney Fabio Marino (“Marino”), Gikkas, and SiRF CFO Geoff Ribar
9 (“Ribar”) on February 26, 2008. *Id.*, Exh. M (Email from Levitan to Gikkas, Ribar, Marino and
10 MacPherson (Feb. 26, 2008, 6:36PM)). This draft agreement explicitly sought to resolve all three
11 pending actions, including the district court case and both ITC investigations. *See id.* (Patent
12 License and Settlement) ¶ 1.21 (defining “Litigation” as the “District Court Action and the ITC
13 Actions”), ¶¶ 4.1, 4.2, & 4.3 (regarding dismissal of litigation).

14 Upon learning the next morning that SiRF’s Board of Directors had withdrawn approval of
15 this settlement, MacPherson sent an email signed by himself, Levitan and Marino to SiRF’s
16 Canning, Ribar and Gikkas decrying the Board’s action as “a big mistake and not in the best interest
17 of Si[RF].” Cooper Dec., Exh. N (Email from MacPherson to Canning, Ribar, Gikkas and Marino
18 (Feb. 27, 2008, 10:38 AM)). The subject line of this email reads “Comments on SiRF v. Broadcom
19 337 TA 596 and 337 TA 602.” *Id.* The email first describes several reasons why MKCH and Orrick
20 thought the proposed settlement was “a very good deal.” *Id.* The email then explores the “downside
21 of not concluding this deal,” including (1) a “negative impact” on the ITC ALJ such that prevailing
22 on the merits would be more difficult, (2) the potential that Broadcom would carry through on
23 threats to assert additional patents against SiRF, which would entail years of expensive and time-
24 consuming conflict and “have a significant impact on SiRF’s earnings,” and (3) the unlikelihood of
25 obtaining such “highly beneficial” terms in any subsequent agreement. *Id.* The email goes on to
26 note that “[t]his is an opportunity for SiRF to put behind it three expensive cases (two ITC cases and
27 one District Court case) with little to no upside and potentially large downside. By settling the case
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1 at this time[,] SiRF will avoid the possibility of having three (3) of its patents held by a judge to be
2 either noninfringed, invalid or both. . . . The negative impact on SiRF of going through the hearing
3 and losing is not capable of being quantified, but is surely significant.” *Id.* In conclusion, the
4 attorneys urge SiRF to reconsider the settlement proposal: “We (both MKCH and Orrick) strongly
5 and without hesitation recommend conclusion of the settlement with Broadcom on the terms that
6 have been basically agreed upon.” *Id.*

7 Later that evening, however, Orrick suggested that SiRF could easily avoid any conflict with
8 five of the patents at issue in the 602 Investigation “by simply disabling the SGEE server and
9 SynchFreeNav.” Foster Dec., Exh. CC (Email from Marino to Gikkas (Feb. 27, 2008, 6:27 PM
10 GMT)). Orrick later encouraged SiRF to develop such a technical “design-around” so that Orrick
11 could present evidence supporting a limited remedy should the ITC find that SiRF’s products, as
12 then configured, infringed Broadcom’s patents. *See id.*, Exh. DD (Email from Marino to Gikkas and
13 SiRFs Adam Fineberg (“Fineberg”) (April 12, 2008, 5:12 PM GMT)); *id.*, Exh. EE (Email from
14 Gikkas to Seven SiRF Employees (April 15, 2008, 2:47 PM)) (explaining need for revised software
15 code). Orrick insisted the design-around was only needed “to account for the worst case scenario,”
16 *id.*, Exh. FF (Email from Marino to Fineberg and Gikkas (April 16, 2008, 3:38 PM GMT)), an
17 opinion either shared by or communicated to Gikkas earlier, Email from Gikkas to Seven SiRF
18 Employees (April 15, 2008, 2:47 PM) (“Although our legal team does not anticipate a worst case
19 scenario, we need to have a contingency plan in place just in case.”).

20 In any event, SiRF’s Board of Directors remained unswayed by the combined MKCH and
21 Orrick email urging settlement with Broadcom. The Board cited two issues of “major importance.”
22 Cooper Dec., Exh. P (SiRF March 3, 2008 Submission) at SIR00036941. Particularly, SiRF found
23 the defensive suspension right offered by Broadcom too narrow to adequately protect SiRF’s
24 products, *id.* at SIR00036941-42, and the change-of-control provisions too limited to serve SiRF’s
25 interests, *id.* at SIR0036942.

26 On February 28, 2008, one day after MKCH and Orrick futilely urged SiRF to reconsider
27 Broadcom’s settlement proposal, SiRF filed an annual Form 10-K with the Securities and Exchange
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1 Commission. Under “Risk Factors,” the report notes that litigation involving patents or intellectual
2 property “could be costly, time-consuming and may result in our loss of significant rights.” Cooper
3 Dec., Exh. O (Form 10-K) at 15. The report acknowledged the risk that SiRF might not prevail in
4 litigation to protect or defend these rights and listed the District Court case and two ITC
5 Investigations involving Broadcom as examples of pending litigation. *Id.* The report goes on to
6 note the potential consequences should SiRF lose any litigation, including being made subject to an
7 injunction preventing the sale of SiRF products or use of SiRF technology or to an ITC order
8 prohibiting the importation into the United States of SiRF products and those of SiRF’s customers.
9 *Id.* at 15-16.

10 The February 2008 Form 10-K is consistent with SiRF’s earlier ITC complaint against
11 Broadcom. In that complaint, SiRF requested (1) a permanent exclusion order prohibiting entry into
12 the United States of Broadcom’s infringing products and (2) permanent cease and desist orders
13 prohibiting Broadcom from importing, selling or promoting infringing products. 596 Complaint at
14 29. Gikkas verified that complaint on February 7, 2007, acknowledging that he was familiar with
15 the allegations and statements contained therein. Cooper Dec., Exh. A (Verification of Complaint).

16 SiRF was further informed about the risks consequential to losing the 602 Investigation when
17 Orrick forwarded the ITC Staff’s Pre-Hearing Statement to Gikkas on April 22, 2008. *See* Cooper
18 Dec., Exh. FF (Email from Pearce to Gikkas (April 22, 2008, 9:49 PM GMT)). The ITC staff
19 expected the evidence to show that SiRF had infringed two of Broadcom’s patents and
20 recommended a limited exclusion order directed at SiRF as well as cease and desist orders
21 prohibiting the sale of SiRF’s infringing products within the United States. *Id.*, Exh. Q (ITC Staff
22 Statement) at 50-52. In a followup email, however, Orrick downplayed the significance of the staff
23 statement. *Id.*, Exh. GG (Email from Marino to Gikkas (April 22, 2008, 10:56 PM GMT)). Marino
24 first reiterated that the staff statement indicated that four of the six Broadcom patents at issue had
25 not been infringed and then observed that a technical work-around was available for the two
26 remaining patents. *Id.* Marino concluded the email with a vote of confidence: since the ITC staff
27 had not participated in the deposition of SiRF’s main witness on the invalidity of the patents which
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1 the staff found to be infringed, “we remain confident in our invalidity defenses with respect to those
2 patents.” *Id.*

3 IV. ALJ Comments

4 The ALJ in the 602 Investigation noted several deficiencies in SiRF’s representation
5 throughout the hearing. For instance, the ALJ identified inconsistent arguments by SiRF regarding
6 the conception and ownership of Broadcom’s ‘346 patent; at various times, SiRF argued that Charles
7 Abraham (“Abraham”) conceived of the invention, that Abraham did not conceive of the invention
8 and that Abraham had stolen the invention from a co-worker. Initial Determination at 36. When
9 construing the claim term “inner product,” the ALJ observed that SiRF’s “current proposed
10 construction” was “directly contrary to the positions taken in Dr. Heppe’s validity expert report.”
11 *Id.* at 56. The ALJ went on to state that Heppe’s analysis would have been “much more useful” had
12 it “set forth from the beginning a proposed construction that he believed to be accurate, and upon
13 which [SiRF] could have constructed a sound, reliable and consistent set of argument [sic] that could
14 be used throughout their case.” *Id.* at 57. The ALJ also looked unkindly on Heppe’s inconsistent
15 and contradictory statements regarding construction of “long term satellite tracking data.” *See id.* at
16 82-83. Later, the ALJ flatly discounted Heppe’s analysis, which the ITC Staff had cited in support
17 of a proposed claim construction: “Given Dr. Heppe’s numerous changes of position at the hearing
18 in this investigation from the positions articulated in his initial expert report, Staff’s reliance upon
19 his testimony is misplaced. The testimony of Dr. Heppe is given little weight by this court.” *Id.* at
20 121 n.42. This disapprobation was later reiterated: “As noted previously, in a number of instances,
21 Dr. Heppe has changed his position at the hearing from earlier positions set forth in his initial expert
22 report. Also, as earlier noted, this has adversely affected his credibility.” *Id.* at 129.

23
24 LEGAL STANDARD

25 Summary judgment is proper when the pleadings, discovery and affidavits show that there is
26 “no genuine issue as to any material fact and that the moving party is entitled to judgment as a
27 matter of law.” Fed. R. Civ. P. 56(c). Material facts are those which may affect the outcome of the
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1 proceedings. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). The party moving for
2 summary judgment bears the burden of identifying those portions of the pleadings, discovery and
3 affidavits that demonstrate the absence of a genuine issue of material fact. *Celotex Corp. v. Catrett*,
4 477 U.S. 317, 323 (1986). On an issue for which the opposing party will have the burden of proof at
5 trial, the moving party need only point out “that there is an absence of evidence to support the
6 nonmoving party’s case.” *Id.* at 325.

7 Once the moving party meets its initial burden, the nonmoving party must go beyond the
8 pleadings and, by its own affidavits or discovery, “set forth specific facts showing that there is a
9 genuine issue for trial.” Fed. R. Civ. P. 56(e). Mere allegations or denials do not defeat a moving
10 party’s allegations. *Id.*; *see also Gasaway v. Northwestern Mut. Life Ins. Co.*, 26 F.3d 957, 960 (9th
11 Cir. 1994). The court may not make credibility determinations and inferences drawn from the facts
12 must be viewed in the light most favorable to the party opposing the motion. *Anderson*, 477 U.S. at
13 249; *Masson v. New Yorker Magazine*, 501 U.S. 496, 520 (1991).

14 15 DISCUSSION

16 SiRF’s complaint alleges eight instances of malpractice committed by Orrick. In its motion
17 for partial summary judgment, Orrick contends that, even viewing the record in the light most
18 favorable to SiRF, five of those theories fail as a matter of law. Specifically, Orrick asserts that
19 SiRF cannot establish that Orrick committed malpractice by:

- 20
- 21 a. failing to properly advise SiRF of the scope of potential remedies to which SiRF
could be subjected if [Broadcom] prevailed in the ‘602 Investigation and the potential
consequences to SiRF;
 - 22 b. failing to complete its analysis of [SiRF’s] infringement positions prior to serving
23 the Invalidity Report;
 - 24 c. adopting positions during the ‘602 Investigation regarding the validity of the
25 Patents which materially compromised [SiRF’s] infringement defenses at the
Hearing;
 - 26
 - 27 e. on learning of the deficiencies of the Reports, failing to take the necessary steps to
28 ensure that the Supplemental Reports would be admissible at the Hearing;

1
2 f. failing to advise SiRF of the conflicting opinions contained in the Validity and
3 Infringement Reports, the deficiencies in these reports which necessitated the
4 preparation of the Supplemental Reports, the untimely service of the Supplemental
5 Reports, and the need to seek relief from the ALJ in order to present the evidence
6 contained in the Supplemental Reports at the Hearing.

7 Compl. ¶ 30.

8 These averments fall naturally into two categories: (1) allegations regarding deficiencies in
9 the information Orrick conveyed to SiRF regarding the specific risks posed by the 602 Investigation,
10 Compl. ¶ 30(a), (f); and (2) allegations regarding the manner in which Orrick presented SiRF’s
11 substantive defenses (including claim construction, invalidity and noninfringement) to the ITC, *id.* ¶
12 30 (b)-(c), (e). In its motion, Orrick claims that SiRF has failed to present admissible evidence to
13 establish a triable issue of fact with respect to either of these professional negligence theories.
14 Before addressing each of Orrick’s contentions, the court explores the contours of duty, breach and
15 causation in the context of legal malpractice.

16 I. Malpractice

17 “In a legal malpractice action arising from a civil proceeding, the elements are (1) the duty of
18 the attorney to use such skill, prudence, and diligence as members of his or her profession
19 commonly possess and exercise; (2) a breach of that duty; (3) a proximate causal connection
20 between the breach and the resulting injury; and (4) actual loss or damage resulting from the
21 attorney’s negligence.” *Coscia v. McKenna & Cuneo*, 25 Cal. 4th 1194, 1199 (2001).

22 A. Duty and the Standard of Care

23 An attorney has a duty to “to represent his client with ‘such skill, prudence and diligence as
24 lawyers of ordinary skill and capacity commonly possess and exercise in the performance of the
25 tasks which they undertake.’ ” *Lipscomb v. Krause*, 87 Cal. App. 3d 970, 975 (1978) (quoting
26 *Ishmael v. Millington*, 241 Cal. App. 2d 520, 523 (1966)). In addition, “a lawyer holding himself
27 out to the public and the profession as specializing in an area of the law must exercise the skill,
28 prudence, and diligence exercised by other specialists of ordinary skill and capacity specializing in
the same field.” *Wright v. Williams*, 47 Cal. App. 3d 802, 810 (1975). The existence of a duty is a
question of law decided by the court, *Osornio v. Weingarten*, 124 Cal. App. 4th 304, 319-20 (2004);

1 Orrick, however, does not (and likely could not) contest the existence of a duty in the instant case, as
2 the errors that SiRF alleges constitute professional negligence plainly arose within the context of
3 Orrick’s representation of SiRF in the 602 Investigation.

4 The exact contours of the standard of care in a professional negligence case are a question of
5 law as well. However, whereas expert testimony is not permitted to help the finder of fact
6 understand the “reasonable person” standard applicable in the mine run of negligence cases, expert
7 testimony addressing the standard of care is almost always required in legal malpractice cases. This
8 is so because knowledge of an attorney’s responsibilities toward a client are not within the common
9 knowledge of the jury. *See Landeros v. Flood*, 17 Cal. 3d 399, 410 (1976). The only exception to
10 the expert testimony requirement is where “ ‘the conduct required by the particular circumstances is
11 within the common knowledge of the layman.’ ” *Id.* (quoting *Sinz v. Owens*, 33 Cal. 2d 749, 753
12 (1949)); *see Unigard Ins. Group v. O’Flaherty & Belgum*, 38 Cal. App. 4th 1229, 1239 (1995) (“In
13 negligence cases arising from the rendering of professional services, as a general rule the standard of
14 care against which the professional’s acts are measured remains a matter peculiarly within the
15 knowledge of experts. Only their testimony can prove it, unless the lay person’s common knowledge
16 includes the conduct required by the particular circumstances.”). “It is therefore axiomatic that
17 summary [judgment] is inappropriate where both parties have submitted conflicting expert testimony
18 concerning the attorney’s standard of care.” *Greenberg Traurig, LLP v. Gale Corp.*, No.
19 2:07-cv-01572-MCE-DAD, 2009 WL 2390533, at *4 (E.D. Cal. Aug. 6, 2009).

20 B. Breach

21 “Breach of duty is usually a fact issue for the [fact finder]; if the circumstances permit a
22 reasonable doubt whether the defendant’s conduct violates the boundaries of ordinary care, the doubt
23 must be resolved as an issue of fact by the [fact finder] rather than of law by the court.” *Ishmael*,
24 241 Cal. App. 2d at 525; *see also Vaxiion Therapeutics, Inc. v. Foley & Lardner LLP*, 593 F. Supp.
25 2d 1153 (S.D. Cal. 2008). “Breach of a duty of reasonable care in a professional malpractice
26 situation is the failure of an attorney to use such skill, prudence, and diligence as other members of
27 his profession commonly possess and exercise.” *Id.* (citing *Osornio*, 124 Cal. App. 4th at 319).

1 Again, because “such standard and skill is not a matter of general knowledge,” expert testimony is
2 necessary to “establish . . . the propriety of particular conduct by the practitioner in particular
3 circumstances.” *Id.* (citing *Lipscomb*, 87 Cal. App. 3d at 975). Expert testimony can be eschewed
4 only “[w]here the failure of attorney performance is so clear that a trier of fact may find professional
5 negligence unassisted by expert testimony. . . .” *Wilkinson v. Rives*, 116 Cal. App. 3d 641, 647-48
6 (1981). If the parties produce conflicting, admissible expert reports regarding whether the standard
7 of care has been breached, summary judgment is inappropriate. *Id.*

8 1. Judgmental Immunity

9 In its moving papers, Orrick insists that it is insulated from liability by what is known as the
10 “judgmental immunity doctrine.” The term judgmental immunity is a misnomer, as the doctrine
11 does not absolve or exempt a defendant from liability for his or her conduct. *See Blanks v. Shaw*,
12 171 Cal. App. 4th 336, 378 (2009). Rather, when courts discuss judgmental immunity, “they are
13 actually addressing the factual issue as to whether an attorney breached the standard of care.” *Id.*
14 Although an attorney is “expected to possess knowledge of those plain and elementary principles of
15 law which are commonly known by well informed attorneys, and to discover those additional rules
16 of law which, although not commonly known, may readily be found by standard research
17 techniques,” *Smith v. Lewis*, 13 Cal. 3d 349, 358 (1975), *overruled on other grounds, In re Marriage*
18 *of Brown*, 15 Cal. 3d 838 (1976), the doctrine holds that an attorney does not breach the standard of
19 care where an “honest error in judgment concerning a doubtful or debatable point of law” results in
20 an unfavorable result for a client, *Davis v. Damrell*, 119 Cal. App. 3d 883, 887 (1981). In order to
21 benefit from the doctrine, an attorney must establish two elements: (1) “that there were unsettled or
22 debatable areas of the law that were the subject of the legal advice rendered,” and (2) that the
23 “advice was based upon ‘reasonable research in an effort to ascertain relevant legal principles and to
24 make an informed decision as to a course of conduct based upon an intelligent assessment of the
25 problem.’ ” *Blanks*, 171 Cal. App. 4th at 378-79 (quoting *Smith*, 13 Cal. 3d at 359). Only where
26 there is no factual dispute that an attorney “[h]as conducted a ‘thorough, contemporaneous research
27 effort,’ demonstrated ‘detailed knowledge of legal developments and debate in the field,’ and made a
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1 decision which represented a ‘reasoned exercise of an informed judgment grounded upon a
2 professional evaluation of applicable legal principles,’ ” is that attorney entitled to summary
3 judgment under the judgmental immunity doctrine. *Stanley v. Richmond*, 35 Cal. App. 4th 1070,
4 1094 (1995) (quoting *Davis*, 119 Cal. App. 3d at 888)

5 C. Causation

6 In a litigation malpractice action, a plaintiff establishes causation by showing that “[b]ut for
7 the alleged malpractice, it is more likely than not that the plaintiff would have obtained a more
8 favorable result.” *Viner v. Sweet*, 30 Cal. 4th 1232, 1244 (2003). To satisfy this standard, a
9 “plaintiff need not prove causation with absolute certainty. Rather, the plaintiff need only ‘introduce
10 evidence which affords a reasonable basis for the conclusion that it is more likely than not that the
11 conduct of the defendant was a cause in fact of the result.’ ” *Id.* (quoting *Ortega v. Kmart Corp.*, 26
12 Cal. 4th 1200, 1205 (2001)) (some quotation marks and citations omitted). Analysis of causation
13 necessarily entails “evaluation of hypothetical situations concerning what might have happened, but
14 did not . . . because the very idea of causation . . . involves comparing historical events to a
15 hypothetical alternative.” *Id.* at 1242.

16 In legal malpractice suits, “[t]he method for proving the element of causation has been
17 likened to a ‘trial within a trial’ or a ‘case within a case,’ ” in which the trier of fact is tasked with
18 determining how the underlying proceeding would have ben resolved had the attorney met the
19 standard of care. *Ambriz v. Kelegian*, 146 Cal. App. 4th 1519, 1531 (2007).

20 The trial-within-a-trial method does not ‘recreate what a particular judge or fact
21 finder would have done. Rather, the jury’s task is to determine what a reasonable
22 judge or fact finder would have done’ Even though ‘should’ and ‘would’ are
23 used interchangeably by the courts, the standard remains an objective one. The trier
of fact determines what should have been, not what the result would have been, or
could have been, or might have been, had the matter been before a particular judge or
jury.”

24 *Mattco Forge, Inc. v. Arthur Young & Co.*, 52 Cal. App. 4th 820, 840 (1997) (citations omitted).

25 “[C]ausation . . . is ordinarily a question of fact which cannot be resolved by summary
26 judgment. The issue of causation may be decided as a question of law only if, under undisputed
27 facts, there is no room for a reasonable difference of opinion. The question about what would have
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1 happened had [the lawyer] acted otherwise is one of fact unless reasonable minds could not differ as
2 to the legal effect of the evidence presented.” *Kurini v. Hanna & Morton*, 55 Cal. App. 4th 853,
3 864 (1997) (quotations marks and citations omitted); *see also Vaxion Therapeutics, Inc. v. Foley &*
4 *Lardner LLP*, No. 07cv280-IEG(RBB), 2008 WL 5147201, at * 3-4 (S.D. Cal. Dec. 8, 2008)
5 (“Ordinarily, the question of whether plaintiff has demonstrated the outcome would ‘more likely
6 than not’ have been more favorable in the absence of the lawyer’s alleged negligence is an issue of
7 fact which cannot be resolved by summary judgment.”). The instances where summary judgment
8 would properly issue to dismiss a case because of an absence of evidence to support causation “[a]re
9 very rare” *Dawson v. Toledano*, 109 Cal. App. 4th 387, 396 (2003) (denying plaintiff’s motion
10 for summary judgment in a legal malpractice suit because of existence of disputed facts regarding
11 whether attorney’s conduct caused injury to the plaintiff).

12 III. Deficiencies in the Information Orrick Conveyed to SiRF Regarding the Risks of the 602
13 Investigation

14 SiRF contends that Orrick committed legal malpractice by misadvising SiRF about the risks
15 it potentially faced in the 602 Investigation. Specifically, SiRF claims that Orrick breached the duty
16 it owed to SiRF by (1) incorrectly advising SiRF that a materially detrimental exclusion or cease and
17 desist order would not likely issue against SiRF in the 602 Investigation; (2) failing to inform SiRF
18 that it could be found to have infringed all six patents at issue in the 602 Investigation; and (3)
19 failing to inform SiRF about the extent of the problems Orrick experienced with the ITC
20 Investigation (namely related to claim construction and the exclusion of Heppe’s supplemental
21 reports). SiRF claims that had Orrick not breached its duty, SiRF would have settled with
22 Broadcom, thereby achieving a better resolution to the 602 Investigation. Orrick asserts that SiRF
23 has not produced sufficient evidence such that a jury could find that any of the above-referenced
24 conduct rose to the level of malpractice.

25 Neither party has submitted any expert declarations delineating the responsibilities that a
26 patent attorney has in advising his client about the risks inherent to an investigation before the ITC.
27 As is discussed above, in legal malpractice cases, expert testimony is typically required to define the
28 boundaries of the standard of care and to determine if the standard has been breached. Neither party

1 contends that “ ‘the conduct required by the particular circumstances [of this case were] within the
2 common knowledge of the layman.’ ” *See Landeros*, 17 Cal. 3d at 410. The absence of this
3 necessary evidence in the instant case would provide sufficient grounds, standing alone, for granting
4 Orrick’s motion.

5 However, even assuming that Orrick’s conduct breached the standard of care, SiRF could
6 not, at this stage, establish that Orrick’s conduct caused it injury. To survive summary judgment,
7 SiRF must be able to establish that “[b]ut for the alleged malpractice, it is more likely than not that
8 the plaintiff would have obtained a more favorable result.” *Viner*, 30 Cal. 4th at 1244. Put
9 differently, SiRF must be able to show that had Orrick accurately informed SiRF that the ITC
10 proceedings might result in an exclusion or cease and desist order, that the proceedings might result
11 in a finding of infringement of all six patents at issue, or that Orrick had encountered substantial
12 problems pursuing SiRF’s substantive defenses, it is more likely than not that SiRF would have
13 agreed to settle the action.

14 In this vein, the record contains undisputed evidence that SiRF had the opportunity to settle
15 the 602 Investigation. According to Kanwar Chadha, who was a SiRF board member and SiRF’s
16 Vice President of marketing in 2007 and 2008, Broadcom presented settlement proposals to SiRF on
17 January 17, 2008, February 26, 2008, March 5, 2008 and March 24, 2008. Foster Dec., Exh. A-2
18 (Chadha Dec.) ¶ 9. SiRF did not respond to the last of these proposals until April 2, 2008. *See*
19 Foster Dec., Exh. HH (April 2, 2008) (letter from SiRF’s attorneys to Broadcom’s attorneys
20 containing a counter-offer to the March 24, 2008 settlement offer). With the exception of the
21 malpractice related to Heppe’s supplemental reports, all of the alleged breaches took place, at least
22 in part, prior to that date.

23 SiRF’s burden on the motion for summary judgment requires more, however, than simply
24 demonstrating that it *could* have settled the case. It must produce evidence to support a conclusion
25 that, more likely than not, it *would* have settled the case. For that proposition, SiRF has submitted
26 only a single sentence of Chadha’s declaration. He explains that “[h]ad Orrick disclosed the true
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1 risks the 602 case presented to SiRF, including those risks arising from Orrick’s errors in its trial
2 preparation, SiRF could and would have settled the litigation.” Chadha Dec. ¶ 9.

3 Given the other evidence in the record, this naked assertion is insufficient. The record
4 contains no information regarding the size of SiRF’s Board of Directors and how the other directors
5 might have behaved had Orrick not breached its duty to SiRF. Chadha’s declaration does not
6 indicate that he is authorized to speak on behalf of the other directors or on behalf of SiRF as a
7 whole. Thus, even if Chadha would have accepted one of the Broadcom settlement offers in the
8 absence of Orrick’s negligence, there is nothing in the record to indicate that any of the other
9 directors would have acted in a similar manner. Without evidence to that effect, no reasonable
10 finder of fact could conclude that it was more likely than not that SiRF would have settled the 602
11 Investigation had Orrick accurately informed the Board of Directors of the specific risks posed by
12 the ITC action.

13 IV. Deficiencies in the Manner in Which Orrick Presented SiRF’s Substantive Defenses
14 (Including Claim Construction, Invalidity and Noninfringement)

15 SiRF also claims that Orrick’s substantive mishandling of the 602 Investigation, especially
16 regarding the manner in which Orrick advocated for claim construction of the patents at issue and
17 handled Heppes’ expert reports, constituted professional negligence.

18 A. Duty and Breach

19 SiRF contends that Orrick breached the standard of care for representing a client in a section
20 337 investigation by “omitting important defenses from expert reports and providing them after the
21 applicable deadlines in ‘supplements’ that were stricken as a sanction for missing the deadlines; and
22 by failing to timely develop and advocate claim constructions (instead deferring constructions),
23 offering multiple constructions without advocating for one, offering damagingly inconsistent
24 constructions, and constantly shifting constructions.” SiRF claims that most of these failings were
25 the product of Orrick’s lack of preparedness.

26 SiRF submitted expert testimony from Arthur Wineberg (“Wineberg”), a partner at Akin
27 Gump Strauss Hauer & Feld, LLP, in order to establish the standard of care a patent attorney should
28 exercise in litigating a section 337 action before the ITC and whether Orrick’s conduct met that

1 standard. In his over thirty-years as a patent litigator, Wineberg has tried numerous section 337
2 patent cases before the ITC. Foster Dec., Exh. A-1 ¶ 3. In addition, Wineberg is a former President
3 of the ITC Trial Lawyers Association and previously served as Director of the Office of Unfair
4 Import Investigations within the ITC. *Id.* ¶¶ 4-5. Orrick does not question Wineberg’s
5 qualifications as an expert in the field.

6 In his declaration, Wineberg explains that the standard of care for a respondent’s defense is
7 two-fold.

8 First, the standards requires that claim constructions and defenses be timely presented
9 – e.g., within the deadlines governing interrogatory answers and the filing of expert
10 reports on invalidity and noninfringement. Second, the standards require that claims
11 be persuasively construed, avoiding any failure of construction that leaves a gap to be
12 filled by other parties, and avoiding later inconsistencies and changes that undermine
13 credibility.

14 *Id.* ¶ 13. Further expanding upon the second standard, Wineberg states that

15 When analyzing and arguing invalidity or noninfringement an attorney or expert may
16 address alternative claim constructions being offered by other parties, as well [as] his
17 or her own. But, since the judge is looking to the parties for the proper claim
18 construction, it is not within the standards of care for an attorney simply to offer,
19 directly or through an expert, multiple alternative claim constructions without
20 advocating on behalf of the client that a particular construction is the proper one.
21 Failure to identify the proper claim construction, and to explain why it is the proper
22 construction, abandons a key function of counsel.

23 *Id.*

24 After conducting a “preliminary review” of some of the records in this case, *id.* ¶¶ 9-10,
25 Wineberg opines that Orrick breached the first duty by failing to include its best arguments,
26 including the proper constructions of claim terms, in the February 25, 2008, invalidity report and the
27 March 10, 2008, infringement report. *Id.* ¶ 14(c). It is undisputed (in fact Orrick itself admitted)
28 that SiRF’s best arguments were only presented to the ITC in Hepepe’s supplemental reports, which
were filed after the deadline for amending substantive contentions. It is further undisputed that the
ALJ ultimately excluded those reports precisely because Orrick missed the relevant deadlines.

Wineberg states that Orrick breached the second duty by failing, from the very start of the
Investigation, “to identify and advocate a specific construction for each claim term so that the judge
could determine the proper construction.” *Id.* ¶ 14(a). In particular, Wineberg explained that

1 Orrick’s argument of “no claim construction needed” for certain claims was entirely unacceptable,
2 as even if the words should be interpreted according to their plain meaning, “Orrick should have
3 provided the judge with what Orrick contended were the plain meanings.” *Id.* Wineberg further
4 faults Orrick for “provid[ing] changing and, at times, inconsistent claim constructions and defense . .
5 . without advocating which it contended was the proper construction.” *Id.* ¶ 14(b). In reaching these
6 conclusions, Wineberg points to portions of the Initial Determination in which the ALJ explicitly
7 questioned Orrick’s claim construction strategy.

8 Notwithstanding Wineberg’s declaration, which is more than sufficient to create a disputed
9 issue of material fact regarding breach, Orrick suggests that it is entitled to a finding of non-breach
10 pursuant to the judgmental immunity doctrine. This argument, while novel, is entirely misplaced.
11 For even if the court were to hold that the judgmental immunity doctrine applied to claim
12 constructions, a dubious position (at best) not supported by any precedent, the doctrine would not
13 protect Orrick, at least not at this stage of this litigation. In order to benefit from the doctrine, a
14 party defending a malpractice dispute must be able to demonstrate that the advice or course of action
15 it selected “was based upon ‘reasonable research in an effort to ascertain relevant legal principles
16 and to make an informed decision as to a course of conduct based upon an intelligent assessment of
17 the problem.’ ” *Blanks*, 171 Cal. App. 4th at 378-79 (quoting *Smith*, 13 Cal. 3d at 359). Wineberg’s
18 declaration, which states that Orrick’s conduct was neither based on reasonable research nor the
19 product of an informed decision, creates a triable issue of fact as to whether Orrick should be
20 protected by the doctrine. Furthermore, Orrick cannot possibly argue that its attorneys’ failure to
21 submit critical defenses by a strict, unambiguous deadline was a reasoned decision.² Accordingly,
22 the court holds that, viewing the record in the light most favorable to SiRF, Orrick’s conduct with
23 respect to claim construction in the 602 Investigation could be found to fall below the appropriate
24 standard of care.

25 B. Causation

26 Having held that a jury could conclude that Orrick’s conduct breached the duty it owed to
27 SiRF, the court turns to whether SiRF has produced sufficient evidence of a causal nexus between
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1 Orrick’s conduct and the injury it suffered. The issue of causation necessitates that the court,
2 viewing the facts in the light most favorable to the plaintiff, conduct a trial within a trial. Through
3 this inquiry the court must determine whether SiRF would have obtained a more favorable result in
4 the 602 Investigation had Orrick met the standard of care. The hypothetical causal trail this requires
5 the court to travel is dizzying, to say the least. First, the court must determine whether—had Orrick
6 presented consistent claim construction theories (as opposed to presenting inconsistent, changing
7 claim constructions at different stages of the investigation), argued alternative claim constructions
8 but advocated for the construction most beneficial to SiRF, or submitted the arguments that were
9 contained in the Heppes’s supplemental reports so that they were admitted at the hearing—SiRF
10 would have fared more favorably in the 602 Investigation, i.e., whether a reasonable ALJ would
11 have found any of the six Broadcom patents invalid or would have concluded that the SiRF devices
12 at issue infringed fewer claims or patents. Depending on the answer to that initial question, the court
13 may also be forced to speculate as to whether a reasonable ALJ would have reached a different
14 ultimate result, i.e., the ALJ would not have issued cease and desist or exclusion orders or would
15 have issued less detrimental orders.

16 The finder of fact is not, however, expected to navigate through this parallel universe without
17 guidance from the parties. SiRF has not presented the court with any blueprint for how the
18 underlying investigation should have been conducted. Specifically, SiRF does not identify what
19 claim constructions Orrick should have advocated before the ALJ. Without such information, the
20 court cannot begin to conduct the trial within a trial. It is surely not the court’s responsibility to
21 independently review the patents and infringing products at issue, conceive of all possible claim
22 constructions and determine how a reasonable ALJ would have resolved the patent dispute had he or
23 she been presented with all of the conceivable constructions.

24 Expert opinion submitted by SiRF might³ have provided a roadmap of the case within a case.
25 Here, however, the expert declaration submitted by SiRF contains only a single, legally inadequate
26 sentence addressing causation. Wineberg states that his “review of the ALJ’s determinations shows
27 that, because of the above-discussed breaches, the ALJ repeatedly rejected SiRF’s claim
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1 constructions and defenses, often adopting the Petitioners’ claim constructions because they were
2 the ones the ALJ was given in a timely, concrete, and consistent manner.” Foster Dec., Exh. A-1
3 (Wineberg Dec.) ¶ 15. Read in the light most favorable to SiRF, Wineberg’s statement merely
4 explains that, in his expert opinion, Orrick’s breaching conduct played a substantial role in
5 producing the detrimental result that actually occurred in the 602 Investigation. Wineberg fails to
6 address, even tangentially, what would have transpired at the ITC had Orrick met the standard of
7 care and whether those hypothetical proceedings before a reasonable ALJ would have produced a
8 better result for SiRF. As Orrick correctly points out, Wineberg does not identify what claim
9 constructions Orrick should have presented to the ITC, how such claim constructions would have
10 resulted in the patents at issue being declared invalid or unenforceable, or how conforming conduct
11 would have resulted in fewer findings that SiRF’s products infringed Broadcom’s patents or less
12 onerous (or no) cease and desist and exclusion orders. Consequently, no fact finder could rely on
13 Wineberg’s declaration to conclude that “[b]ut for the alleged malpractice, it is more likely than not
14 that the plaintiff would have obtained a more favorable result.” *Viner*, 30 Cal. 4th at 1244.

15 No other portions of the record even speak to the causation element of malpractice. The
16 evidence that comes closest are the statements made by Orrick’s attorneys while arguing for the ALJ
17 to reconsider his decision to exclude Heppes’ expert reports, in which they admit that Orrick’s late
18 filing of the reports resulted in the exclusion of SiRF’s “very best defenses” and would result in
19 SiRF suffering “extreme” prejudice. But even if the finder of fact were to assume that Orrick’s
20 failure to ensure that the supplemental reports were admitted into evidence constituted a breach of
21 the standard of care, that the supplemental reports contained SiRF’s best arguments regarding claim
22 construction, invalidity and non-infringement, and that SiRF was therefore precluded from
23 presenting those arguments as a direct result of Orrick’s negligence, SiRF has not carried its burden.
24 There is still an absence of any evidence in the record to support a conclusion that the outcome of
25 the 602 Investigation would have been any different had Orrick been able to present SiRF’s best
26 arguments.

1 Otherwise the evidence on which SiRF relies to establish causation—including the ALJ’s
2 statements in the ITC decision disparaging Orrick’s representation and Wineberg’s declaration—are
3 relevant to breach, not causation. The court will not, as SiRF implicitly requests, infer causation
4 from breach. As a result, on the record before the court, no finder of fact could conclude that
5 Orrick’s substantive defense of SiRF in the 602 Investigation caused injury to SiRF.

6 V. SiRF’s Rule 56(f) Motion for Additional Discovery

7 As the preceding discussion indicates, Orrick has carried its burden on its motion for
8 summary judgment. With respect to the advice-related malpractice claims, Orrick demonstrated that
9 SiRF failed to produce sufficient evidence to establish the parameters of the standard of care, breach
10 or causation. Similarly, Orrick has identified a void of evidence to support SiRF’s claim that the
11 substantive representation Orrick provided to SiRF caused SiRF any injury.

12 Perhaps having anticipated this result, SiRF moved the court, pursuant to Federal Rule of
13 Civil Procedure Rule 56(f), for time to conduct additional discovery. Rule 56(f)(2) states that “[i]f a
14 party opposing the motion [for summary judgment] shows by affidavit that, for specified reasons, it
15 cannot present facts essential to justify its opposition, the court may order a continuance to enable
16 affidavits to be obtained, depositions to be taken, or other discovery to be undertaken.” Fed. R. Civ.
17 P. 56(f)(2). The rule “provides a device for litigants to avoid summary judgment when they have not
18 had sufficient time to develop affirmative evidence.” *United States v. Kitsap Physicians Serv.*, 314
19 F.3d 995, 1000 (9th Cir. 2002).

20 Although it is a close issue, SiRF is entitled to additional discovery. The evidence SiRF
21 seeks—depositions of the Orrick attorneys who represented SiRF and Heppe, release of the ITC
22 administrative record once all or part of the protective order is lifted, and a more comprehensive and
23 complete expert review of the documents relevant to this case—may very well address the
24 previously discussed deficiencies in the record. This case is still in its relatively early stages.
25 Furthermore, Orrick’s motion for partial summary judgment targets only five of the eight
26 malpractice claims, and does not seek the dismissal of SiRF’s breach of contract, breach of fiduciary
27 duty and misrepresentation claims. Thus, even if the court were to grant summary judgment on the
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1 claims for which Orrick seeks dismissal, this action, along with significant accompanying discovery,
2 would continue. Given the status of the case, Orrick will suffer little prejudice if SiRF is entitled to
3 conduct additional discovery to support its claims of malpractice. Accordingly, SiRF's motion for
4 additional discovery pursuant to Rule 56(f) is GRANTED.

5
6 CONCLUSION

7 For the reasons discussed above, defendant Orrick, Herrington and Sutcliffe LLP's partial
8 motion for summary judgment is DENIED without prejudice. Plaintiff SiRF Technology Inc.'s
9 motion for additional discovery pursuant to Rule 56(f) is GRANTED.

10 IT IS SO ORDERED.

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12 Dated: June 21, 2010



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14 MARILYN HALL PATEL
15 United States District Court Judge
16 Northern District of California
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ENDNOTES

1. In order to resolve the instant motion, the court has had to refer to a number of documents that the parties have legitimately placed under seal. The court is confident that the parties have abided by the relevant protective order in the ITC and have also properly taken into account how information from this litigation might affect other litigation between SiRF and Broadcom. Nonetheless, this court finds it necessary to discuss some of the facts contained in the sealed exhibits, and must do so in a decision that is not under seal, because this is a public forum.

2. Orrick attempts to argue that the proper consideration is whether it was justified in relying on the ALJ's earlier denial of Broadcom's motion *in limine* to prevent the admission of the supplemental reports. But SiRF does not allege that Orrick's reliance on the ALJ's *in limine* decision fell below the standard of care. SiRF avers that Orrick committed legal malpractice by missing the deadline for submitting substantive arguments regarding invalidity and infringement, a fact that Orrick does not dispute. Accordingly, whether Orrick properly relied upon the ALJ's *in limine* decision is irrelevant to the resolution of its motion for summary judgment.

3. California evidentiary law does not permit an expert in a malpractice case to opine on any of the ultimate issues of fact. *See Piscitelli v. Friedenber*g, 87 Cal. App. 4th 953, 973 (2001) (holding that in legal malpractice action, it was reversible error for the trial court to permit expert testimony regarding what the outcome of the underlying litigation would have been had the attorneys met the standard of care); *see also Davcon, Inc. v. Roberts & Morgan*, No. D032752, 2006 WL 541024, at *3-4 (2006) (citing treatise for proposition that, in a legal malpractice action, "[u]sually, expert testimony is not proper to establish what the result would have been, since that does not involve the expertise of a lawyer witness. A further rationale is that resolving the underlying case ordinarily is within the expertise of the jury."). Federal evidentiary law is somewhat more permissive. *See Nationwide Transp. Fin. v. Cass Info. Sys*s, Inc., 523 F.3d 1051, 1058 (9th Cir. 2008) ("As a general rule, 'testimony in the form of an opinion or inference otherwise admissible is not objectionable because it embraces an ultimate issue to be decided by the trier of fact.'") (quoting Fed. R. Evid. 704(a)). While it may be within the ability of a jury to resolve a trial within a trial in a more typical case, say breach of contract or ordinary negligence, without the benefit of expert testimony, there is no question that it is beyond the common knowledge of a jury to resolve a patent dispute. Accordingly, expert opinion is not just permissible, but likely necessary, to resolve the causation of a legal malpractice suit involving complex issues of patent law.