

Immunocept v. Fulbright & Jaworski, LLP

No. 06-1432, Federal Circuit (Michel,* Lourie, Rader)

“Knowledge or notice to an attorney acquired during the existence of the relationship of attorney and client, and while acting within the scope of his authority, is imputed to the client.”

On October 15, 2007, the Federal Circuit affirmed the district court’s summary judgment that Immunocept’s malpractice claim against Fulbright involving the prosecution of U.S. Patent No. 5,571,418, which related to hemofiltration of toxic mediator-related disease, was barred by the statute of limitations. The Federal Circuit stated:

The district court granted summary judgment in favor of Fulbright on the ground that the malpractice claim is barred by the two-year statute of limitations, as measured by the imputation of the knowledge of Attorney Thomas Felger to Immunocept. The two-year period starts to run when a “client discovers or should have discovered through the exercise of reasonable care and diligence the facts establishing the elements of a cause of action.” The parties agree that the critical date for the statute of limitations analysis is March 9, 2002. The crux of the malpractice case is the narrowing effect of “consisting of” on the scope of the claims in the ‘418 patent. Immunocept argues it was not on notice of the basis of its malpractice case until J&J pointed out flaws in the claim scope in April 2002. However, the undisputed evidence speaks otherwise.

Immunocept’s expert, patent attorney Alan MacPherson, testified that the transition “consisting of” drastically limits the scope of a patent, that nothing in the file history would change the limited meaning of the phrase, and that patent attorneys would know what the limitation meant. As further indicia of the restrictive nature of this claim language, Immunocept submitted as evidence a guide on writing patent applications which states that “consisting of” is the most restrictive transitional phrase because it excludes non-recited elements. MacPherson testified that anyone would know of the restrictive language simply by reading the claims on the face of the patent. However, Felger did more than read the patent. He analyzed the claim scope, reviewed the file history, and reviewed prior art references cited by the Examiner to reject pending claims in the application that gave rise to the ‘418 patent, no later than February 2002 (i.e., prior to the critical date). [B]ased on the blatantly restrictive transitional phrase and Felger’s review of the patent, file history, prior art, and claim scope, Felger should have reasonably known that “consisting of” drastically narrowed

the scope of the claims in the '418 patent no later than February 2002, thereby starting the statute of limitations clock.

Our analysis does not end here, for Felger's reasonable knowledge supports a statute of limitations bar only if his knowledge can be imputed to Immunocept. "Knowledge or notice to an attorney acquired during the existence of the relationship of attorney and client, and while acting within the scope of his authority, is imputed to the client." Immunocept argues that there can be no imputation of Felger's knowledge to it because given the scope of Felger's employment (i.e., to draft additional patent applications), he did not have a duty to communicate this knowledge to Immunocept. However, the imputation analysis involves determining whether an attorney was acting within the scope of his authority or employment when he discovered or reasonably should have discovered the critical information. Noticeably absent from the imputation rule is a requirement that the attorney have a duty to disclose information to the client.

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Here, Felger was authorized to examine the '418 patent, its file history, and related prior art to analyze the scope of the claims. These are the same patent, same file history, same claim, and same scope analysis that are the basis for the legal malpractice suit. This is not a case where a client hired an attorney for work in an area of law far removed from patent law (e.g., civil rights law) and the attorney discovered patent prosecution information relevant to a legal malpractice case. In stark contrast, this is a case where a client hired a patent prosecution attorney to examine a patent that later became the subject of a legal malpractice suit. Felger's billing record for services rendered through February 28, 2002 (i.e., prior to the critical date) is further evidence [that] Felger's employment included some participation in the negotiation of the investment deal with J&J, i.e., the same deal that allegedly went awry based on flaws in the claim drafting. . . . Felger acted within the scope of his authority when he reasonably should have discovered the facts that later served as the basis of Immunocept's malpractice claim. As such, imputation of Felger's knowledge to Immunocept is proper. Because this reasonably discoverable knowledge occurred prior to the critical date, Immunocept's malpractice claim is barred by the statute of limitations.

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