

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

-----oo0oo-----

CHIRON CORPORATION,
Plaintiff,
v.
GENENTECH, INC.
Defendant.

NO. CIV. S-00-1252 WBS GGH

MEMORANDUM AND ORDER RE:
WILLFUL INFRINGEMENT

-----oo0oo-----

In a separate order, the court has determined that Genentech's product, Herceptin, infringes Chiron's U.S. Patent No. 6,054,561 ("`561 patent"). Genentech now moves for summary judgment on Chiron's allegations of the willfulness of the infringement.¹

I. Factual and Procedural Background

The `561 patent claims monoclonal antibodies that bind to a human breast cancer antigen known as HER2. In an order filed concurrently herewith, the court has found that Herceptin,

¹ The court has ruled that this case will be tried in two phases before a single jury. The jury will decide liability in the first phase, and, if necessary, willfulness and damages in the second phase. (Oct. 19, 2000 Order Re: Bifurcation.)

1 a breast cancer drug composed of anti-HER2 monoclonal antibodies,
2 infringes the '561 patent. (See Mem. and Order Re:
3 Infringement.) The court has also concluded that questions of
4 the patent's validity cannot be resolved on summary judgment.
5 (See Mem. and Order Re: Priority, Anticipation.)

6 Genentech developed Herceptin in the early 1990s and
7 has been selling it in the United States since 1998. (Cook Dep.
8 at 41; Johnston Decl. ¶ 4.) The '561 patent issued to Chiron on
9 April 25, 2000. ('561 Patent.) Shortly thereafter, Chiron
10 contacted Genentech and asserted that Herceptin infringed the
11 patent. (Johnston Decl. ¶¶ 9, 10.) The parties entered into a
12 litigation standstill agreement and commenced negotiations
13 regarding the possibility of Genentech licensing the rights to
14 the '561 patent from Chiron. (Chiron Opp'n at 2; Genentech Reply
15 at 3.) During this time, Genentech sought advice from its in-
16 house patent attorneys, who concluded that Herceptin did not
17 infringe the '561 patent, and that the patent was invalid.
18 (Juelsgaard Dep. at 19-10.) After six weeks of negotiations,
19 Genentech declined to license the '561 patent from Chiron.² (Id.
20 at 47.)

21
22 ² Genentech did not discuss its conduct during this six
23 week period in its opening brief. According to Genentech, it was
24 obligated under the litigation standstill agreement to keep
25 confidential the existence of the agreement and the standstill
26 period, as well as its conduct during that time. Genentech
27 contends that Chiron's opposition seeks an adverse inference
28 based on Genentech's "contractually mandated silence" that
Genentech did not promptly seek advice of counsel during this six
week period. The court draws no such inference in Chiron's
favor. The court, however, expresses no opinion as to whether
Chiron breached the litigation standstill agreement by mentioning
it in passing in its opposition papers. Any evidentiary issues
concerning the litigation standstill agreement will be resolved,
if necessary, at the time of trial.

1 On June 7, 2000, Chiron filed this lawsuit. Meanwhile,
2 Genentech retained the law firm of Knobbe Martens, Olson & Bear,
3 LLP (hereinafter "Knobbe Martens") to analyze issues of validity
4 and infringement related to the '561 patent. (Johnston Decl. ¶¶
5 9, 10; Johnston Dep. at 28-29, 46-47; Celio Decl. Ex. J at 1.)
6 On September 28, 2000, Knobbe Martens provided Genentech with a
7 detailed opinion letter concluding that the '561 patent was both
8 invalid and not infringed. (Celio Decl. Ex. J.)

9 Chiron contends that, despite the opinions of in-house
10 and outside counsel that the '561 patent was invalid and not
11 infringed, Genentech willfully disregarded Chiron's rights in the
12 '561 patent by continuing to market Herceptin without a license.

13 II. Discussion

14 The court must grant summary judgment to a moving party
15 "if the pleadings, depositions, answers to interrogatories, and
16 admissions on file, together with the affidavits, if any, show
17 that there is no genuine issue as to any material fact and that
18 the moving party is entitled to judgment as a matter of law."
19 Fed. R. Civ. P. 56(c). The party adverse to a motion for summary
20 judgment may not simply deny generally the pleadings of the
21 movant; the adverse party must designate "specific facts showing
22 that there is a genuine issue for trial." Fed. R. Civ. P. 56(e);
23 see Celotex Corp. v. Catrett, 477 U.S. 317 (1986). Simply put,
24 "a summary judgment motion cannot be defeated by relying solely
25 on conclusory allegations unsupported by factual data." Taylor
26 v. List, 880 F.2d 1040, 1045 (9th Cir. 1989). The non-moving
27 party must show more than a mere "metaphysical doubt" as to the
28 material facts. Matsushita Elec. Indus. Co. v. Zenith Radio, 475

1 U.S. 574, 587 (1986).

2 In addition, "the inquiry involved in a ruling on a
3 motion for summary judgment . . . necessarily implicates the
4 substantive evidentiary standard of proof that would apply at the
5 trial on the merits." Anderson v. Liberty Lobby, Inc., 477 U.S.
6 242, 252 (1986). Chiron has the burden to prove willful
7 infringement by clear and convincing evidence. Braun, Inc. v.
8 Dynamics Corp. of America, 975 F.2d 815, 822 (Fed. Cir. 1992).
9 Therefore, the court must take this standard into account in
10 ruling on this motion.

11 Upon a finding of infringement, section 284 of the
12 Patent Act gives the court discretion to increase the
13 compensatory damage award "up to three times the amount found or
14 assessed." 35 U.S.C. § 284. Two steps are involved in
15 determining whether an award of increased damages is appropriate.
16 First, the fact-finder must determine whether an infringer is
17 guilty of culpable conduct upon which increased damages may be
18 based. Jurgens v. CBK, Ltd., 80 F.3d 1566, 1570 (Fed. Cir. 1996)
19 Second, if the first requirement is met, the court must determine
20 in the exercise of its discretion whether, and to what extent, to
21 increase the damages award given the totality of the
22 circumstances. Id.

23 An act of willful infringement is sufficient to meet
24 the first requirement to increase a compensatory damages award.
25 Id. If, on the other hand, infringement is innocent, increased
26 damages are not awardable. Read Corp. v. Portec, Inc., 970 F.2d
27 816, 831 (Fed. Cir. 1992). Infringement is willful if an
28 infringer "proceeded without a reasonable belief that it would

1 not be held liable for infringement." Id.; see also SRI Int'l,
2 Inc. v. Advanced Techn. Labs., 127 F.3d 1462, 1465 (Fed. Cir.
3 1997) ("[P]recedent displays the consistent theme of whether a
4 prudent person would have had sound reason to believe that the
5 patent was not infringed or was invalid or unenforceable, and
6 would be so held if litigated"). Willful infringement is a
7 question of fact that turns on the defendant's state of mind, and
8 "is often accompanied by questions of intent, belief, and
9 credibility." SRI, 127 F.3d at 1464; Read, 970 F.2d at 828.

10 Factors for the fact-finder to consider include (1) bad
11 faith commercial conduct, such as putting off the patentee so as
12 to allow profitable infringement to continue; (2) the closeness
13 or complexity of the legal and factual questions presented; (3)
14 whether the infringer promptly sought and obtained competent
15 legal advice; (4) an infringer's bad faith in litigation;³ and
16 (5) whether there was an independent invention or attempts to
17 design around the patent, as opposed to copying. SRI, 127 F.3d
18 at 1464, 1468; Jurgens, 80 F.3d at 1570.

19 1. Commercial Conduct

20 Chiron does not argue that Genentech engaged in bad
21 faith commercial conduct, and there is no evidence in the record
22 to support such a conclusion.

23 ///

24
25 ³ Genentech argues that it would be error for the court
26 to consider Genentech's litigation conduct in assessing whether
27 Genentech's infringement was willful. While bad faith in
28 litigation by itself is insufficient to support an increased
damage award, it may be taken into account "to determine if the
infringer acted willfully in light of the totality of the
surrounding circumstances." Jurgens v. CBK, Ltd., 80 F.3d 1566,
1570 (Fed. Cir. 1996).

1 2. Closeness and Complexity of Legal Issues

2 The legal and factual issues in this case are complex,
3 and Genentech has raised reasonable and substantial challenges to
4 the '561 patent. This case has presented close questions
5 regarding the proper claim construction of the patent and the
6 patent's validity. Given the lengthy Markman hearing, this
7 court's fifty-two page Markman order, the numerous motions and
8 cross motions for summary judgment that have been brought, and
9 the two days of oral argument regarding the same, no reasonable
10 jury could conclude that the legal issues in this case were not
11 close or complex.

12 3. Reliance on Advice of Counsel

13 Although the above factors weigh in favor of a non-
14 willfulness finding, Chiron has raised a material issue of fact
15 with regard to perhaps the most important factor in determining
16 willfulness: whether Genentech sought and obtained competent
17 legal advice upon which it relied before continuing its
18 infringing activities. Ortho Pharmaceutical Corp. v. Smith, 959
19 F.2d 936, 944 (Fed. Cir. 1992). When an infringer has actual
20 notice of a patentee's rights, the infringer has an affirmative
21 duty of due care, which normally includes a duty to secure
22 reliable legal advice regarding the potential infringement. Id.
23 Obtaining the advice of counsel generally negates a finding of
24 willfulness unless the advice is ignored or is found to be
25 incompetent. Comark Communications, Inc. v. Harris Corp., 156
26 F.3d 1182, 1191 (Fed. Cir. 1998).

27 It is undisputed that shortly after the '561 patent
28 issued, Genentech sought advice both from its in-house patent

1 attorneys and from the Knobbe Martens law firm regarding whether
2 Herceptin infringed the '561 patent or was invalid. Whether that
3 advice was competent, and whether it was reasonable to rely on
4 that advice, depends on a number of factors such as (1) whether
5 counsel examined the patent file history; (2) whether the
6 opinions were oral or written; (3) the objectivity of the
7 opinions; (4) whether the attorneys rendering the opinions were
8 patent lawyers; (5) whether the opinions were detailed or merely
9 conclusory; and (6) whether material information was withheld
10 from the attorney. Id. at 1190-93; 7 Chisum, Chisum on Patents §
11 20.03[4][b][v][D], at 20-368 to 20-374 (2002). Even if the
12 advice was objectively competent, infringement is still willful
13 if the infringer ignored the advice, or in no way relied upon it.
14 Comark, 156 F.3d at 1191.

15 1. Advice of In-house Counsel

16 During its licensing negotiations with Chiron,
17 Genentech undertook an internal analysis of the '561 patent.
18 Leading this effort was Sean Johnston, Genentech's Vice President
19 of Intellectual Property. (Juelsgaard Dep. at 19-10.) It
20 appears that among the attorneys who reviewed the '561 patent was
21 a lawyer by the name of Wendy Lee, who had prosecuted a number of
22 Genentech's HER2 patents, including Genentech's Herceptin
23 patents. (Lee Decl. ¶¶1, 2.) Wendy Lee's notes, created prior
24 to May 16, 2000, conclude that Herceptin does not infringe the
25 '561 patent, and that the patent is invalid. (Bartlett Decl. Ex.
26 5.) Her notes indicate that she reviewed the patent file
27 history, from which she quotes several times. (Id.) Many of the
28 arguments outlined in her notes have been used by Genentech in

1 this litigation, and have raised substantial challenges to the
2 patent. Read, 970 F.2d at 829 n.9 (“[A] good test that the
3 advice given is genuine and not merely self-serving is whether
4 the asserted defenses are backed up with viable proof during
5 trial which raises substantial questions.”)

6 However, it is unclear to what extent Ms. Lee’s
7 opinions were conveyed to Genentech’s Executive Committee, which
8 was ultimately responsible for deciding not to license Chiron’s
9 patent. (Juelsgaard Dep. at 33-34.) No matter how competent Ms.
10 Lee’s opinion, if decision makers at Genentech were not apprised
11 of her reasons for believing the patent was invalid and not
12 infringed, they cannot be said to have reasonably relied on the
13 theories disclosed in her notes. According to Stephen
14 Juelsgaard, Genentech’s general counsel and a member of the
15 Executive Committee, the Executive Committee’s decision was based
16 on his input, which in turn was based on his discussions with Mr.
17 Johnston. (Id. at 43.) There is no evidence that Ms. Lee’s
18 opinion or her notes were relied upon.

19 Whether the Executive Committee could have reasonably
20 relied on Mr. Johnston’s or Mr. Julesgaard’s oral opinion is
21 unclear. The parties’ submissions do not indicate the precise
22 substance of these opinions. If these opinions were conclusory
23 and given without supporting reasons, they would not qualify as
24 authoritative opinions upon which Genentech could rely in good
25 faith. See Bott v. Four Star Corp., 807 F.3d 1567, 1572 (Fed.
26 Cir. 1986). Moreover, oral opinions, particularly from in-house
27 counsel, are disfavored. See Minnesota Mining & Mfg. Co. v.
28 Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1559, 1580 (Fed.

1 Cir. 1992) (expressing skepticism about the competence of oral
2 opinions by in-house counsel because of difficulties of proof and
3 credibility issues); SRI, 127 F.3d at 1467 (noting that while
4 there is no per se rule against relying on the advice of in-house
5 counsel, counsel's objectivity is an important factor in
6 determining whether it was reasonable for an infringer to rely on
7 an opinion of counsel). Therefore, the court cannot say that as
8 a matter of law, Genentech had a good faith belief that it would
9 not be held liable for infringement based on the advice of its
10 in-house counsel.

11 b. Knobbe Martens Opinion

12 In addition to receiving the opinion of its own in-
13 house counsel, Genentech sought an opinion letter from outside
14 counsel Knobbe Martens. The opinion letter written by Knobbe
15 Martens concludes that (1) Herceptin does not infringe the
16 patent; (2) the patent is invalid because it is only entitled to
17 a 1995 priority date; and (3) even if the patent is not entitled
18 to a 1995 priority date, it is invalid in light of the work of
19 Drs. Drebin and Greene. (Celio Decl. Ex. J.) The fifty-six page
20 letter is thorough, detailed, cites the relevant case law, and
21 was drafted by patent attorneys. (Id.) All of these facts
22 support a finding that the opinion letter was both competent and
23 reliable. See Underwater Devices, Inc. v. Morrison-Knudsen Co.,
24 717 F.2d 1380, 1390 (Fed. Cir. 1983); Comark, 156 F.3d at 1190-
25 93.

26 Chiron attempts to undermine the competency of the
27 Knobbe Martens opinion by emphasizing that Mark Benedict, the
28 associate responsible for drafting most of the opinion, was only

1 in his third year of practice. (Benedict Dep. at 11, 25.)
2 Sometimes, however, the work product of lawyers in their third
3 year of practice can be more thorough and reliable than that of
4 attorneys with more years of experience. Moreover, the court
5 cannot find any deficiencies in Mr. Benedict's legal analysis
6 that would lead a reasonable person to believe his opinion letter
7 could not be relied upon. It is also undisputed that Mr.
8 Benedict's draft was reviewed and signed by a Ned Israelson, a
9 partner at Knobbe Martens who by Chiron's own admission is
10 "impressively credentialed." (Chiron Opp'n at 1; Bartlett Decl.
11 Ex. 7 at 1143; Israelsen Dep. at 21.)

12 Chiron also argues that Genentech could not have
13 reasonably relied on the non-infringement opinion in the Knobbe
14 Martens letter. The opinion letter concludes that Herceptin does
15 not infringe the '561 patent because the term "monoclonal
16 antibody" as used in the '561 patent is "limited to monoclonal
17 antibodies generated by hybridomas," and Herceptin is not
18 produced by a hybridoma. (Celio Decl. Ex. J, at 6.) Chiron
19 contends that because Genentech and counsel for Genentech had on
20 numerous occasions referred to Herceptin as a monoclonal
21 antibody, Genentech did not in good faith believe Knobbe Martens'
22 conclusion that Herceptin was not a monoclonal antibody. Chiron,
23 however, fails to account for the detailed and reasoned analysis
24 set forth in the Knobbe Martens opinion letter explaining why the
25 term "monoclonal antibody" as it is used in the '561 patent, does
26 not include humanized antibodies such as Herceptin. It is not
27 necessarily inconsistent for Genentech to have referred to
28 Herceptin as a monoclonal antibody in other contexts and to also

1 have believed that Herceptin is not a monoclonal antibody within
2 the meaning of the '561 patent.

3 Chiron's most forceful argument is that Genentech did
4 not seek the Knobbe Martens opinion in good faith, and failed
5 provide Knobbe Martens with all of the information it needed to
6 render a competent opinion. In order to provide a prophylactic
7 defense to a charge of willful infringement,

8 counsel's opinion must be premised upon the best
9 information known to the defendant. Otherwise, the
10 opinion is likely to be inaccurate and will be
11 ineffective to indicate a defendant's good faith
12 intent. Whenever material information is intentionally
13 withheld, or the best information is intentionally not
14 made available to counsel during the preparation of the
15 opinion, the opinion can no longer serve its
16 prophylactic purpose of negating a finding of willful
17 infringement.

18 Comark, 156 F.3d at 1191 (emphasis added). Thus, withholding
19 material information from counsel (or providing counsel with
20 false information) is relevant to the willfulness inquiry in two
21 ways. First, it may affect the reliability of counsel's advice
22 to the extent the advice is premised on false or misleading
23 information, thereby negating any argument that reliance on the
24 advice was reasonable. Second, withholding material information
25 is evidence of an infringer's bad faith, from which it can be
26 inferred that the infringer did not intend to rely, and did not
27 in fact rely on the opinion that was rendered. Either one of
28 these two scenarios supports a finding of willfulness.⁴ Chiron

26 ⁴ Genentech suggested at oral argument that an
27 infringer's subjective bad faith in seeking the advice of counsel
28 is irrelevant if the ultimate opinion rendered by counsel is
fully competent and reliable. Comark, however, clearly indicates
that whether the advice of counsel was sought in good faith is

1 has raised a material issue of fact at least with respect to the
2 second scenario.

3 According to Chiron, Genentech withheld from Knobbe
4 Martens material information about a prior art antibody, 7.16.4,
5 discovered by Drs. Drebin and Greene. Chiron points to evidence
6 that Genentech attorneys had both argued to the PTO and were
7 aware of experiments demonstrating that the 7.16.4 antibody did
8 not bind to the HER2 antigen, but failed to reveal this
9 information to Knobbe Martens. (Bartlett Decl. Ex. 15 (Genentech
10 notes from 1999 concluding that "Zhang's data suggests" that the
11 7.16.4 does not "bind specifically" to human HER2); Fendly Dep.
12 at 181-185 (testimony from Genentech scientist Brian Fendly that
13 based on Genentech's internal experiments, he had "no doubt" that
14 7.16.4 did not bind HER2, and that these results were reported to
15 Wendy Lee); Bartlett Decl. Ex. 18 at 782; Bartlett Decl. Ex. 22
16 (Amendment to Genentech patent application stating that "the
17 Drebin antibody does not specifically bind human HER2 protein");

18
19 relevant to the question of whether an accused infringer acted
20 willfully. This is consistent with the analogous advice of
21 counsel defense in criminal law, which a defendant may invoke to
22 negate a charge of willful or deliberate wrongdoing. In the
23 criminal context, the defendant must seek the advice of counsel
24 in good faith, and must disclose all important and material
25 information to the attorney. See O'Malley, et al., Federal Jury
26 Practice & Instructions § 19.08, at 885 (5th ed. 2000) (emphasis
27 added) (The advice of counsel defense in criminal law is available
28 if, "before [acting or failing to act], [the d]efendant, while
acting in good faith and for the purpose of securing advice on
the lawfulness of [his] possible future conduct, sought and
obtained the advice of an attorney whom [he] considered to be
competent, and made a full and accurate report or disclosure to
this attorney of all important and material facts of which [he]
had knowledge or had the means of knowing, and then acted
strictly in accordance with the advice [his] attorney gave
following this full report or disclosure, then [the d]efendant
would not be willfully or deliberately doing wrong in [performing
or omitting] some act the law [forbids or requires.]")

1 Johnston Dep. at 232 (Genentech did not tell Knobbe Martens about
2 the results of its experiments with 7.16.4.) Instead, the same
3 Genentech attorneys appear to have told Knobbe Martens that the
4 7.16.4 antibody did bind to HER2 and would therefore invalidate
5 the '561 patent as prior art. (See, e.g., Bartlett Decl. Ex. 14
6 (Letter from Wendy Lee to Mark Benedict enclosing "a paper by
7 Zhang et al. which shows that Mab 7.16.4 binds to HER2.") The
8 Knobbe Martens opinion concludes, consistent with the suggestions
9 of Genentech's attorneys, that the 7.16.4 antibody is an
10 invalidating reference. (Celio Decl. Ex. J, at 42.)

11 A fact finder could reasonably conclude, based on this
12 evidence, that Genentech misrepresented information about the
13 7.16.4 antibody, and did so because it believed that it had no
14 defense to infringement and was hoping to get an outside opinion
15 that concluded otherwise. See Minnesota Mining, 976 F.2d at 1580
16 (affirming willfulness finding based in part on the fact that in-
17 house attorney's opinion regarding prior art was inconsistent
18 with a position the same attorney had taken in prosecuting
19 infringer's patent).⁵ An inference also arises that from the
20 start, Genentech never intended to rely on the opinion rendered
21 by Knobbe Martens, did not seek it in good faith, and in fact did
22 not rely on the opinion before making the decision to continue
23 marketing Herceptin without a license from Chiron.

24
25 ⁵ The same inference can be drawn from Genentech's bad
26 faith conduct in this litigation; the court has found that
27 Genentech has deliberately withheld documents related to its
28 Drebin/Greene prior art defense during discovery. (April 26,
2000 Order Re: Sanctions). Bad faith conduct in litigation is a
factor that may be considered in evaluating whether an infringer
acted willfully. Jurgens, 80 F.3d at 1571.

1 Genentech argues that because the Knobbe Martens
2 opinion provided several independent reasons why the '561 patent
3 was invalid and infringed, Genentech's conduct with regard to the
4 Drebin/Greene prior art defense is irrelevant to the competency
5 of the other aspects of the opinion letter. That may be true,
6 but it does not entitle Genentech to summary judgment. Even if
7 other parts of the Knobbe Martens opinion could have been
8 reasonably relied upon,⁶ Genentech's failure to provide Knobbe
9 Martens with important and potentially damaging information
10 suggests that Genentech sought the opinion in bad faith, and did
11 not actually rely on any aspect of the opinion letter.

12 This inference is further supported by the timing of
13 Genentech's receipt of the Knobbe Martens opinion letter.
14 Genentech received the letter in September of 2000, after
15 Genentech's executive committee had already decided not to take a
16 license from Chiron. (See Juelsgaard Dep. at 45, 55.) According

17
18 ⁶ Chiron, of course, argues that the other conclusions in
19 the opinion letter are unreliable. For example, the Knobbe
20 Martens opinion concludes that prior art other than the
21 Drebin/Greene antibodies invalidates the '561 patent because the
22 '561 patent is entitled to a 1995 priority date. (Celio Decl.
23 Ex. J, at 28.) Chiron points out that within a week of receiving
24 the Knobbe Martens opinion, Genentech learned that the PTO had
25 rejected Genentech's arguments about the priority date of the
26 '561 patent in connection with Genentech's prosecution of one of
27 its own patent applications. (Bartlett Decl. Ex. 27, October 4,
28 2000 Office Action.) In April of 2001, the PTO came to a similar
conclusion. (Bartlett Decl. Ex. 28, April 18, 2001 Office
Action.) Genentech did not inform Knobbe Martens about these
decisions, or ask Knobbe Martens to reevaluate its opinion in
light of these decisions. (Johnston Dep. at 131-132, 134-135;
Benedict Dep. at 100.) Thus, Chiron argues that Genentech
intentionally failed to provide Knobbe Martens with information
that might have affected other conclusions in the opinion letter,
and therefore could not have reasonably relied on those
conclusions. Because Chiron is entitled to summary judgment in
any case, the court expresses no opinion on the merits of this
particular argument.

1 to Mr. Julesgaard, the executive committee decided within
2 approximately six weeks of the '561 patent's issuance that
3 Genentech would risk litigation rather than license the '561
4 patent for more than a nominal value. (Id. at 47 ("Q: you
5 described an ultimate decision by the executive committee not to
6 license the '561 patent for anything more than a nominal value,
7 and that discussion, I believe you placed in time roughly six
8 weeks or so after you received the initial call from Mr. Green,
9 is that right? A: Yes.")); see Johns Hopkins v. Cellpro, 978 F.
10 Supp. 184 (D. Del. 1997) (finding willful infringement where
11 opinions of outside counsel "were not prepared at a time when the
12 CellPro board was considering whether to proceed with the
13 apparently infringing work" but rather "after those business
14 decisions had been made"). A jury could therefore infer that
15 Genentech sought the outside opinion only to insulate itself from
16 enhanced damages for willful infringement rather than for advice
17 upon which it could rely in making its business decisions.

18 Moreover, willfulness must be determined by looking at
19 the totality of the circumstances. Comark, 156 F.3d at 1191.
20 The facts suggestive of Genentech's bad faith with regard to the
21 Drebin/Greene antibodies taints its entire course of conduct with
22 Knobbe Martens, at least enough to raise a material question as
23 to whether Genentech sought an outside opinion that it could have
24 relied on in good faith.

25 Chiron has also raised a sufficient challenge to the
26 objectivity of the Knobbe Martens opinion to survive summary
27 judgment. Chiron's evidence indicates that the Knobbe Martens
28 attorney who drafted the opinion letter regularly consulted with

1 counsel for Genentech, and that Genentech's lawyers made
2 revisions to a draft of the opinion letter. (Bartlett Decl. Ex.
3 7; Ex. 9.) The jury may weigh this evidence in favor of a
4 finding of willful infringement. See Johns Hopkins Univ. v.
5 Cellpro, 978 F. Supp. at 194 (D. Del. 1997) (considering the fact
6 that infringer's in-house patent lawyer reviewed and revised a
7 draft opinion from outside counsel in determining that
8 infringement was willful). Chiron also relies on evidence that
9 Knobbe Martens has prosecuted some patents for Genentech to call
10 into question the objectivity of Knobbe Martens opinion. (Lee
11 Decl.) While the court finds this inference to be rather
12 tenuous, it is not unreasonable.

13 For all of these reasons, the court cannot say that as
14 a matter of law Genentech's conduct was not willful.⁷ Where, as
15 here, the analysis turns ultimately on questions as to state of
16 mind, summary judgment is generally inappropriate. See Mendocino
17 Envtl. Ctr. v. Mendocino County, 192 F.3d 1283, 1302 (9th Cir.
18 1999). Accordingly, summary judgment in Genentech's favor is not
19 warranted.

20 ///

21 ///

23 ⁷ Because the evidence regarding Genentech's reliance on
24 advice of counsel is sufficient to preclude summary judgment in
25 Genentech's favor, the court does not address the question of
26 whether Genentech copied Chiron's patent, or misappropriated
27 trade secrets from Chiron such that a jury could infer copying.
28 See Minnesota Mining, 976 F.2d at 1580; State Indus., Inc. v.
A.O. Smith, Co., 751 F.2d 1226, 1236 (Fed. Cir. 1985). Even if
the court were to find that Genentech did not copy Chiron's
patent, a jury could find that Genentech willfully infringed the
patent by continuing to market Herceptin after the '561 patent
issued.

