IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
WICHITA FALLS DIVISION

RONALD CHANDLER, CHANDLER MFG., LLC, NEWCO ENTERPRISES, LLC, AND SUPERTHERM HEATING SERVICES, LLC,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 7:19-cv-00014-O
PHOENIX SERVICES, LLC, and MARK H. FISHER, individually,	§	
Defendants.	§	**JURY TRIAL DEMANDED**

PLAINTIFFS' MOTION TO DISQUALIFY DEVAN PADMANABHAN, ESQ. AND PAUL ROBBENNOLT, ESQ. AS TRIAL COUNSEL, AND BRIEF

Plaintiffs Ronald Chandler, Chandler Mfg., LLC, Newco Enterprises, LLC, and Supertherm Heating Services, LLC (collectively "Chandler Parties" or "Plaintiffs") file and serve this Motion to Disqualify Devan Padmanabhan, Esq. and Paul Robbennolt, Esq. as Trial Counsel, and brief in support, and would respectfully show as follows.

I. SUMMARY OF ARGUMENT

Primary counsel for Defendants in this case, Devan Padmanabhan, Esq. and Paul Robbennault, Esq., have become important witnesses in this case with respect to what Defendants knew and when they knew it regarding the patent fraud to obtain the '993 Patent, and the subsequent assertion of the '993 Patent against Plaintiffs in the underlying litigation still pending in this Court, and which underlying litigation is presently stayed.

In the case at bar, Plaintiffs have sued defendant Phoenix Services, LLC ("Phoenix") and its CEO, Mark H. Fisher, for antitrust violations based on *Walker Process* patent fraud, and sham litigation. Phoenix is the parent entity of Heat On-The-Fly, LLC ("HOTF"). The Federal Circuit found that HOTF committed inequitable conduct in obtaining U.S. Patent No. 8,171,993 ("'993 Patent") and that the '993 Patent was asserted in bad faith. *Energy Heating, LLC, et al. v. Heat On-The-Fly, LLC, et al.,* 889 F.3d 1291, 1296 and 1304 (Fed. Cir. 2018). Plaintiffs have contemporaneously filed as Dkt. 29 and Dkt. 30 a Motion to Compel Production of Documents Subject to Waiver of Privilege Pursuant to the Crime/Fraud Exception, and for Attorney Depositions, seeking depositions of Messrs. Padmanabhan and Robbennolt regarding legal advice provided concerning the pre-suit investigation regarding the '993 Patent, the decision to assert the '993 Patent, and the decisions to maintain the litigation against Plaintiffs even after the adverse results in the *Energy Heating* litigation. The nature of these decisions related to assertion of the '993 Patent are expected to be hotly contested fact issues at trial, and under TDRPC 3.08, there is simply no way to avoid confusion of the jury, if Messrs. Padmanabhan and Robbennolt act as advocates before the jury, as well as providing contested evidence to be considered by the jury as to liability of the Defendants.

II. LEGAL STANDARDS AND ANALYSIS

Courts look to national codes of conduct, state rules and local rules in evaluating a motion to disqualify counsel:

> The Fifth Circuit has stated that "[m]otions to disqualify are substantive motions affecting the rights of the parties and are determined by applying standards developed under federal law." *In re American Airlines, Inc.,* 972 F.2d 605, 610 (5th Cir.1992); *see also In re Dresser Industries, Inc.,* 972 F.2d 540, 543 (5th Cir. 1992). Under 28 U.S.C. § 2071, district courts may adopt rules for the conduct of attorneys. A court must "consider the motion governed by the ethical rules announced by the national profession in the light of the public interest and the litigant`s rights." *American Airlines,* 972 F.2d at 610. The norms embodied in

> the Model Rules and the Model Code are relevant "as the national standards utilized by this circuit in ruling on disqualification motions." *Id.* Federal courts may adopt state or American Bar Association rules as their ethical standards, but whether and how these rules apply are questions of federal law. *Horaist v. Doctor`s Hosp. of Opelousas*, 255 F.3d 261, 266 (5th Cir. 2001) (citing *FDIC v. United States Fire Ins. Co.*, 50 F.3d 1304, 1312 (5th Cir.1995)); *In re American Airlines, Inc.*, 972 F.2d at 610.
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> A district`s local rules are the most immediate source of guidance for a district court, but are not the only authority governing a motion to disqualify counsel. The Local Rules of the Southern District of Texas state that the minimum standard of practice is the Texas Disciplinary Rules of Professional Conduct. See S.D. TEX. R. APPENDIX A, RULE 1A. The Texas Disciplinary Rules of Professional Conduct state that a "lawyer shall not accept or continue employment as an advocate before a tribunal in a contemplated or pending adjudicatory proceeding if the lawyer knows or believes that the lawyer is or may be a witness necessary to establish an essential fact on behalf of the lawyer`s client. See TEX. DISC. R. PROF. CONDUCT § 3.08 (a). Section (b) provides that a lawyer is not to continue as an "advocate in a pending adjudicatory proceeding" if the lawyer believes that he will be "compelled to furnish testimony that will be substantially adverse to the lawyer`s client," unless the client consents after "full disclosure." Section (c) of the Texas Rules addresses the effect of a lawyer`s disqualification from serving as an advocate under sections (a) and (b) on other lawyers in the same firm. Section (c) states that "[i]f the lawyer to be called as a witness could not also serve as an advocate under this Rule, that lawyer shall not take an active role before the tribunal in the presentation of the matter."
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> The ABA Model Rule 3.7 states that "[a] lawyer shall not act as advocate at a trial in which the lawyer is likely to be a necessary witness," unless the testimony relates to an uncontested issue or disqualification of the lawyer would be a substantial hardship on the client. MODEL RULES OF PROF`L CONDUCT R. 3.7(a). The applicable disciplinary rule of the Model Code states that "[a] lawyer shall not accept employment in contemplated or pending litigation if he knows or it is obvious that he or a lawyer in his firm ought to be called as a witness, except that he may undertake the employment and he or a lawyer in his firm may testify." MODEL CODE OF PROF`L RESPONSIBILITY DR 5-101(b). The Code provides an exception if disqualification of the attorney would work a substantial hardship on the client because of the distinctive value of the lawyer or his firm as counsel in the particular case. Id. at DR 5-101(b)(4).

Landmark Graphics Corp., et al. v. Seismic Micro Technology, Inc., et al., civil action no. H-05-2618, * 2 (S.D. Texas, January 31, 2007)(attached as Ex. A). In the *Landmark Graphics* opinion, the district court confirmed that a patent prosecutor accused of inequitable conduct, in

accordance with his own declaration to the Court, could participate in preparation of the case for trial, but not appear before the jury as an advocate. *Id*. at *1.

Plaintiffs seek the same remedy in this case as to the two primary counsel shown in PACER as follows for the *Energy Heating* litigation, after the Federal Circuit in *Energy Heating*, referenced above, affirmed that the infringement allegations as to the '993 Patent were brought in "bad faith":

the Court and the jury can easily understand the term "wheeled vehicle." Marathon's proposed construction does nothing more than restate the limitation: "a transportable heating apparatus that includes a wheeled vehicle." That self-evidently does nothing to advance the understanding of the jury. Indeed, any further construction "may well confuse rather than assist the jury." *3M Innovative Prop.*, 2010 WL 5067449 at *3. Accordingly, HOTF respectfully urges the Court not to construe the limitation requiring a "transportable heating apparatus is a wheeled vehicle."

CONCLUSION

For the above-stated reasons, HOTF respectfully requests that the Court adopt its proposed constructions of the disputed claim terms.

Dated: April 17, 2014

By: s/Paul J. Robbennolt
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One of the key issues at trial will be for Plaintiffs to prove before the jury that if the infringement allegations brought by HOTF as to the '993 Patent in the *Energy Heating* litigation were brought in "bad faith", the same must be true for the virtually identical allegations of infringement of the

'993 Patent in the underlying litigation by HOTF against Plaintiffs. Mr. Padmanabhan was also heavily involved in the underlying litigation against Plaintiffs in this Court, as referenced in PACER:

Dated: December 22, 2014

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The following excerpts from the Log of Privileged Documents recently served by Defendants show that both Messrs. Padmanabhan and Robbennolt have personal knowledge of the legal advice given with respect to assertion of the '993 Patent, and presumably also participated in the pre-suit investigations:

	Date	Document Type	Author	Recipient	CCs	Description	Privilege Claimed
42	3/10/14	E-mail Chain	Greg Porter	Danny Shurden		E-mails between counsel and client seeking and providing legal advice regarding litigation strategy	Attorney-Client Communication; Attorney Work Product
43	3/10/14	E-mail Chain	Seth Nehrbass	Paul Robbennolt; Devan Padmanabhan	Greg Porter; Danny Shurden; Len Brignac; Jim Cole; Gerald Sullivan; Michelle Dawson	E-mails between counsel and client seeking and providing legal advice regarding litigation strategy	Attorney-Client Communication; Attorney Work Product
44	3/10/14	Draft Legal Document	Devan Padmanabhan; Seth Nehrbass	Phoenix Consolidated Oilfield Services, L.L.C.		Draft memorandum with attorney notes	Attorney-Client Communication; Attorney Work Product

Dkt. 30-3 (APP 0032). The requested remedy requiring Messrs. Padmanabhan and Robbennolt not participating as advocates before the jury, but still participating with their clients in the preparation of the case for trial, will ensure that their clients are not unduly prejudiced as their clients will still benefit from the knowledge of these attorneys as having litigated the underlying patent infringement case, and the *Energy Heating* litigation. At the same time, there will then be no opportunity for the jury to be confused by lawyers acting as an "advocate" and a "witness" at the same time.

WHEREFORE, premises considered, Plaintiffs request that the Court grant this motion and order Devan Padmanabhan, Esq. and Paul Robbennolt, Esq. shall not participate as advocates in the presence of the jury at the trial of this matter.

Respectfully submitted,

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CERTIFICATE OF CONFERENCE

Pursuant to LR 7.1(b), on November 12, 2019 counsel for Plaintiffs, Theodore G. Baroody, Esq., spoke by telephone with counsel for Defendants, Paul Robbennolt, Esq., regarding this motion. Since Defendants would not agree that the crime/fraud exception applies, Defendants would not agree to the relief requested in this motion.

s/ Theodore G. Baroody
Theodore G. Baroody