The Ethical Quandary of Pretext Investigations in Intellectual Property Practice and Beyond

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I. Introduction

In order for attorneys to provide competent legal services, it is necessary to acquire information that is material to clients' interests. In the context of litigation, of course, procedural rules pertaining to discovery provide mechanisms for exchanges of information between parties. However, there are many circumstances in which formal discovery procedures are unavailing. Clients may need to verify suspicions of a violation of their legal rights before determining whether to pursue litigation or some other course of action, but information necessary to make the determination may purposefully be suppressed. Or they may contest a proffered valuation of assets that are the subject of licensing negotiations or other business transactions but lack closely held information necessary to resolve their concerns. Or they may anticipate that prejudicial information may not be provided during discovery notwithstanding mechanisms to compel complete disclosure through court order, etc.

In turn, attorneys and their clients may contemplate using investigative techniques that involve deception to induce parties to disclose prejudicial information by misrepresenting the identity and/or purpose of the individual eliciting the disclosure. Attorneys' participation in, or supervision of, such "pretext investigations" poses complications when juxtaposed with the New York Rules of Professional Conduct ("NY Rules").[1] Although deceptive tactics involving misrepresentation may not necessarily be illegal, the NY Rules facially proscribe such conduct as unethical when engaged in by attorneys either directly or by others acting under attorneys' direction or supervision.

Nevertheless, pretext investigations are hardly rare. On the contrary, they are commonplace in civil and criminal matters.[2] Many state and federal courts have affirmatively condoned such tactics in certain circumstances, as have various bar associations throughout the country in ethics opinions. Some states have gone further, amending their ethics rules to permit pretext investigations. Indeed, in several jurisdictions, the bodies responsible for enforcing attorney rules of professional conduct themselves engage in such deceptive tactics in investigating possible malfeasance. Although explicitly permissive treatment of pretext investigations remains the minority position, and some authorities continue to explicitly prohibit them, there is a growing recognition among the bar that the prevailing rules need to address the permissibility of such practices with more clarity and certainty.

This article presents the current state of the conflict between the NY Rules and pretextual investigative practices that have been condoned by authorities in New York State. Part II summarizes the NY Rules, which facially proscribe such conduct. Part III discusses New York court and ethics opinions condoning attorney use of pretext investigations and how the NY Rules were construed in those opinions. As we will see, intellectual property attorneys in particular have been exempted from the NY Rules' apparent prohibition on the use of pretext investigations, although for reasons that are not entirely clear doctrinally. Part IV describes additional opinions and rules from other jurisdictions that have addressed this issue. The conclusion summarizes the analysis, highlights the need for more clarity on this issue, and presents some general guidelines intellectual property attorneys could weigh when considering how to comply with the NY Rules in employing pretext investigations.

II. The NY Rules Facially Proscribe Attorney Implementation of Pretext Investigations

Several NY Rules explicitly prohibit attorneys from engaging in misrepresentation and deceptive conduct, either personally or by proxy, which in general are inherent characteristics of pretext investigations. Other NY Rules limit the individuals with whom attorneys are permitted to communicate, again either personally or by proxy, restricting who may be a subject of investigations, pretextual or otherwise.

Rule 4.1 states that "[i]n the course of representing a client, a lawyer shall not knowingly make a false statement of fact or law to a third person." Notably, in the rules recommended by the NYSBA Committee on Standards of Attorney Conduct (COSAC) and approved by the NYSBA such a statement constitutes an ethical violation only if it consists of "a false statement of *material* fact or law,"[3] in accordance with the Model Rules of Professional Conduct promulgated by the American Bar Association (ABA). By omitting the word "material" from the adopted rule, the New York courts rejected the proposition that a factual misrepresentation is unethical only if it is "significant to the issue or matter at hand,"[4] or "[o]f such a nature that knowledge of [it] would affect a person's decision-making."[5]

For purposes of pretext investigations, however, whether Rule 4.1 permits material misrepresentations is moot. The identity of an individual attempting to elicit information from a party in such circumstances is objectively significant, and the expectation that knowledge of

her identity and purpose would unfavorably impact the decision to provide information is the very purpose of engaging in such tactics.[6] Thus, even if New York had adopted the Model Rules' more permissive formulation, Rule 4.1 on its face would appear to prohibit the use of pretext investigations.

Furthermore, NY Rule 8.4(c) prohibits lawyers and law firms from "engag[ing] in conduct involving dishonesty, fraud, deceit or misrepresentation." By definition and necessity, pretext investigations involve dishonesty, deception, and misrepresentation, if not outright fraud, and thus appear to be prohibited by Rule 8.4(c). It has been suggested that the "catch-all" provision of 8.4(c)[7] is not applicable to pretext investigations, which fall within the more directly targeted ambit of Rule 4.1.[8] Ultimately, the resolution of this question may be strictly academic and of little help to practitioners, who in theory could suffer the consequences of violating Rule 4.1 whether or not the same conduct also constitutes a violation of Rule 8.4(c).

Rule 5.3(b) functions in combination with Rule 4.1 to further restrict the use of pretext investigations: "[A] lawyer shall be responsible for conduct of a nonlawyer employed or retained by or associated with the lawyer that would be a violation of [the NY Rules] if engaged in by a lawyer, if…the lawyer orders or directs the specific conduct or, with knowledge of the specific conduct, ratifies it." Thus, insofar as Rule 4.1 prohibits a lawyer from engaging in misrepresentation, Rule 5.3(b) prevents circumvention of this prohibition through performing pretext investigations through another, by proxy. Rule 8.4(a) also prohibits a lawyer or firm from violating the Rules "or do[ing] so through the acts of another."

Whereas Rules 4.1, 5.3(b), and 8.4 prohibit a lawyer from employing misrepresentation directly or indirectly, Rules 4.2 and 4.3 further circumscribe the permissibility of investigations by limiting whom lawyers may communicate with. Rule 4.2 states that "[i]n representing a client, a lawyer shall not communicate or cause another to communicate about the subject of the representation with a party the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the prior consent of the other lawyer or is authorized to do so by law."

Perhaps because Rule 8.4(a) prevents circumvention of the ethical rules by proxy, COSAC's proposed Rule 4.2(a) did not of itself make it a violation for an attorney to "cause another to communicate" with a represented party,[9] but the New York courts inserted that clause directly into the Rule, presumably to eliminate any doubt. Although Rule 4.2(b) states that "a lawyer may cause a *client* to communicate with a represented person…and may counsel the client with respect to those communications" (emphasis added), Rule 4.3(a) notwithstanding, it also requires advance notice of the communication be given to the party's counsel.[10] Thus, even if Rules 4.1, 5.3(b), and 8.4(c) do not prevent the use of pretext investigations, this notice requirement would undermine pretext investigations that were somehow shoehorned into any reading of a "safe harbor" into Rule 4.2(b).

Where a party is a corporation, as opposed to a natural person, a relevant question is which of its employees or other agents also qualify as parties for the purposes of Rule 4.2. The New York Court of Appeals formulated the following test for determining who qualifies as a party under these circumstances: "corporate employees whose acts or omissions in the matter under inquiry are binding on the corporation (in effect, the corporation's 'alter egos') or imputed to the corporation for purposes of its liability, or employees implementing the advice of counsel."[11]

However, pretextually investigating an employee of a corporate party who does not meet any of these descriptions, and thus technically is not a party, still may fall within the proscriptions of Rule 4.3, which states that "[i]n communicating on behalf of a client with a person who is not represented by counsel, a lawyer shall not state or imply that the lawyer is disinterested." The NYSBA comment to Rule 4.3 makes clear that "a lawyer will typically need to identify the lawyer's client and, where necessary, explain that the client has interests opposed to those of the unrepresented person."[12] As addressed above, Rules 5.3(b) and 8.4(a) would prohibit a lawyer from circumventing Rule 4.3 by proxy, thus rendering any attempted pretext ineffectual.

III. Court and Ethics Opinions in New York Have Condoned Pretext Investigations in Some Circumstances

In light of the above analysis, it may come as a surprise that authorities in New York have in recent years permitted attorneys' use of pretext investigations, although neither the NYSBA nor the Court of Appeals has issued an opinion explicitly condoning them. The New York County Lawyers' Association (NYCLA) issued an opinion in 2007 holding that although the use of pretext investigations is "generally unethical" under the NY Rules, they are ethically permissible "under certain exceptional conditions," to be interpreted "narrowly."[13] The opinion applied the term "dissembling" to describe what occurs in the context of a pretext investigation, defined as "giv[ing] a false impression about (something); … cover[ing] up (something) by deception."[14] Dissemblance, the NYCLA argued, is "distinguished…from dishonesty, fraud, and deceit by the degree and purpose of the dissemblance."[15] After surveying the treatment of this issue in various opinions issued in other states analyzing the applicability of ethics rules, the NYCLA concluded that pretext investigations are permissible when:

> (i) either (a) the investigation is of a violation of civil rights or *intellectual property*

> *rights* and the lawyer believes in good faith that such violation is taking place or will take place imminently or (b) the dissemblance is expressly authorized by law; and
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> (ii) the evidence sought is not reasonably available through other lawful means; and
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> (iii) the lawyer's conduct and the investigators' conduct that the lawyer is supervising do not otherwise violate the [NY Rules, such as Rules 4.2 and 4.3] or applicable law; and
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> (iv) the dissemblance does not unlawfully or unethically violate the rights of third parties.
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> Moreover, the investigator must be instructed not to elicit information protected by the attorney-client privilege.[16]

Out of context, designating intellectual property rights violations as warranting the use of pretext investigations might seem curious. However, federal courts had previously permitted pretext investigations in the context of enforcing copyrights and trademark rights. In *Gidatex v. Campaniello Imports, Ltd.*[17] the court denied a motion to preclude evidence that had been obtained during a pretext investigation aimed at uncovering violations of trademark rights in 1999. The plaintiff's attorney sent undercover investigators to defendant's place of business to pose as customers, speak with salespeople, and secretly tape record the conversations.[18] Although the court found that counsel's conduct technically corresponded to conduct proscribed by the NY Rules, including those forbidding contact with represented parties, it nevertheless concluded that "his actions simply do not represent the type of conduct prohibited by the rules."[19] Ultimately, the evidence gathered during the investigation was deemed admissible because "the remedy of preclusion would not serve the public interest or promote the goals of the disciplinary rules."[20]

A "public interest" exception to the NY Rules is not without corollary in New York State courts. For example, in 2003, the Kings County Supreme Court held that an attorney did not violate ethics rules when he assisted his client in surreptitiously recording telephone conversations with the defendant, her employer.[21] The recordings revealed another employee of the defendant using obscenities and racial slurs.[22] While acknowledging the deception involved, the court held that because the public policy interest of combating racial bias was served by the conduct, an exemption from condemnation was warranted.[23] Subsequently, although stating that "[u]ndisclosed taping smacks of trickery" and, in general, is "ethically impermissible as a routine practice," the Association of the Bar of the City of New York created an exception, holding that "[a] lawyer may…engage in the undisclosed taping of a conversation if…disclosure of the taping would impair pursuit of a generally accepted societal good."[24] By extension, similar rationales could be extended to exempting otherwise ethical pretext investigations from condemnation.

Gidatex is not the latest federal court opinion issued in New York to condone pretext investigations of suspected violation of intellectual property rights. In *Cartier v. Symbolix, Inc.* the same court summarily dismissed an argument by the defendant in a trademark suit that a claim for injunctive relief should be denied because the plaintiff's attorney had gathered evidence through use of a pretext investigation, an issue the court characterized as "collateral to the subject matter of [the] litigation—trademark infringement."[25]

Nor was it the first federal court to do so. In *Apple Corps Ltd., MPL v. Int'l Collectors Society*[26] the court condoned pretexting in the investigation of suspected violations of trademark rights and copyrights. The plaintiff's counsel directed investigators to call the defendant and purchase materials covered by the plaintiff's trademarks and copyrights—which the defendant was forbidden to sell to them under a prior consent decree—without disclosing their identity or their ultimate purpose in placing the orders.[27] The court held that the controlling ethical rules did not apply to a "lawyer's use of an undercover investigator to detect ongoing violations of the law…especially where it would be difficult to discover the violation by other means."[28]

Perhaps importantly, the court held that counsel did not violate the prohibition on contact with a represented party because the corporate defendant's salespeople whom the investigators contacted were not deemed parties.[29] The court also held that the controlling rule analogous to NY Rule 4.3, prohibiting a lawyer from contacting an unrepresented person "[i]n dealing on behalf of a client" also was not violated.[30] The court construed the quoted language to mean that the rule was violated only if the communication is by someone "acting as a lawyer."[31] Because the investigators were not functioning as attorneys but merely as customers, the court held, the rule against communication with unrepresented persons was not triggered.[32]

Thus, NYCLA Op. 737's application of public interest exceptions to the apparent prohibitions on pretext investigations, in particular with regard to intellectual property disputes,[33] was not unprecedented. However, to the extent the opinion relied on court precedents to explicitly allow pretexting in investigating an intellectual property rights violation (provided the additional requirements are also met), it is somewhat overinclusive. *Gidatex*, *Cartier*, and *Apple Corps* involved investigating intellectual property rights pertaining to trademarks and copyrights, but

no court or other ethics opinions specifically address dissemblance in other intellectual property matters, such as those involving trade secrets or patent rights.

Misappropriation of trade secrets, such as by obtaining them through fraudulent misrepresentation or engaging in industrial espionage, is itself proscribed by New York law.[34] Furthermore, Rule 8.4(b) prohibits lawyers from "engag[ing] in illegal conduct that adversely reflects on the lawyer's honesty, trustworthiness or fitness as a lawyer," and Rule 4.4(a) holds that "[i]n representing a client, a lawyer shall not…use methods of obtaining evidence that violate the legal rights of [a third] person." Thus, by engaging in a pretext investigation aimed at obtaining another's trade secrets, on behalf of a client or otherwise, an attorney would all but surely violate Rules 8.4(b) and / or 4.4(a), irrespective of Rules 4.1–4.3, 5.3(b), and 8.4(c). Conversely, however, a party that suspects its own trade secrets have been stolen, such as by a current or former employee, might consider launching a pretext investigation into the suspected misappropriation. As an aspect of intellectual property practice, would it be a violation of the NY Rules if a party's attorney were involved in such an investigation?

As for enforcing patent rights, pretext investigations may not be necessary for determining whether, for example, a party is infringing a product patent through importation or sales of infringing goods. In such a case, a patentee could simply purchase the goods through normal channels of commerce and determine through direct examination whether its patent reads on the product. However, it may be far more difficult to determine whether a process patent is being infringed. The process used by a suspected infringer may be maintained in secret, in which case the patentee's counsel may contemplate employing a pretext investigation.[35] Moreover, prior to filing or even drafting a patent application, use of pretext investigations may be contemplated as part of landscape searching. Notably, both the Federal Circuit[36] and the New York Appellate Division, First Department[37] have held that New York attorneys are subject to the ethics rules of New York State when representing clients before the USPTO, notwithstanding the USPTO's own ethics rules.[38]

No published opinions specifically address whether such examples of pretext investigations pertaining to patent or trade secret intellectually property rights violations are permissible under the NY Rules, notwithstanding NYCLA Op. 737's gloss on the issue.[39] Focusing on such particulars, however, suggests an inverse opinion from that suggested above: that NYCLA Op. 737 may be *underinclusive* in singling out suspected violations or impending violations of intellectual property rights or civil rights as those which warrant pretext investigations.[40] Barry Temkin, who participated in writing NYCLA Op. 737 as Chair of the NYCLA Professional Ethics Committee,[41] has argued convincingly for a reevaluation of the rules pertaining to pretext investigations.[42] He observes that judging the permissibility of such tactics by "the subject matter of the underlying claim or investigation" is "highly subjective, value-laden, and political."[43] From this perspective, the question is not which types of intellectual property matters warrant the use of pretext investigations but, rather, why should such tactics be forbidden in the investigation of other areas of law if permitted for intellectual property attorneys?[44]

Beyond civil litigation and transactional practice, law enforcement has long involved the use of misrepresentation in the form of informants and sting operations. In 2001, the U.S. District Court for the Western District of New York denied a criminal defendant's motion to suppress evidence,[45] obtained by informants at the apparent direction of FBI counsel.[46] The magistrate judge's report and recommendation, relied on in denying the motion to suppress, stated that there was "no authority for [the] conclusion" that "government attorneys could not supervise investigations involving undercover agents and informants who cannot reveal their true identity and purpose to the targets of the investigation."[47] Such conflict between ethical rules governing private attorneys in civil practice and even criminal defense and government lawyers involved in law enforcement has been the subject of substantial commentary,[48] as discussed below.

IV. Opinions from Other Jurisdictions on the Permissibility of Pretext Investigations

In Oregon, a 2000 Supreme Court attorney disciplinary proceeding that barred the use of pretext investigations and refrained from exempting law enforcement attorneys from the proscription paralyzed operative undercover criminal investigations, prompting a revision of the state's ethics rules.[49] The case is illustrative of the confusion prevalent in this area. An attorney, Daniel Gatti, represented chiropractors charged with racketeering and fraud.[50] Realizing that his clients had been the subjects of pretext investigations by the Oregon Department of Justice, he filed a complaint with the Oregon Bar, alleging violations of the state's ethical rules.[51] He was subsequently notified that the Oregon State Professional Responsibility Board had concluded that the dissemblance involved in the pretext investigation did not violate any ethical codes and that it had closed its file on his complaint.[52]

Subsequently, Gatti himself implemented a pretext investigation to assess his suspicions that an insurer and a medical review service company had engaged in fraud in denying an insurance claim of one of his clients. He telephoned a medical reviewer and an officer and director of operations for the medical service review company, representing that he was a chiropractor, eliciting information, and recording some of the calls.[53] For this conduct, Gatti himself was sanctioned by the Wisconsin Supreme Court, with a public reprimand.[54] In its opinion, the court considered and rejected a U.S. Attorney's amicus argu-

ment that it should create a "prosecutorial exception" to the ban on pretext investigations.[55] Rather, the court declined to recognize "an exception for *any* lawyer to engage in dishonesty, fraud, deceit, misrepresentation, or false statements," an exception which, it held, could only properly be made by an amendment to the state's rules of ethics.[56]

As a result, in 2002 Oregon amended its ethics rules to permit pretext investigation not only by law enforcement attorneys but by all lawyers.[57] Thus, although Oregon's Rule 8.4(a)(3) holds that it is "professional misconduct for a lawyer to…engage in conduct involving dishonesty, fraud, deceit or misrepresentation that reflects adversely on the lawyer's fitness to practice law," Rule 8.4(b) adds that "it shall not be professional misconduct for a lawyer to advise clients or others about or to supervise lawful covert activity in the investigation of violations of civil or criminal law or constitutional rights, provided the lawyer's conduct is otherwise in compliance with these Rules of Professional Conduct."[58]

The Oregon State Bar Association Board of Governors subsequently issued an ethics opinion elaborating on the circumstances under which pretext investigations would be permissible: the lawyer must rationally believe that there is a violation of civil or criminal law or constitutional rights to investigate and must not directly engage in dissembling.[59] Interestingly, however, the opinion also highlighted the fact that even under the revised Oregon Rule 8.4(b), the result in *Gatti* would not have been different.[60] Whereas the rule "is meant to permit a lawyer only to provide advice and supervision regarding covert activity, not to participate directly in that activity,"[61] Gatti had directly participated.[62]

A similar course of events transpired in Wisconsin. Attorney Stephen Hurley's client was accused of several crimes, including possession of child pornography.[63] Believing his client had been falsely accused, Hurley initiated a pretext investigation whereby an investigator convinced the accuser to surrender his computer, in which Hurley anticipated finding evidence that would exculpate his client.[64] In February 2007, the Wisconsin Office of Lawyer Regulation (OLR) filed a complaint against Hurley for his involvement in the pretext investigation.[65] The referee appointed to hear the matter recommended that Hurley not be found in violation of the Wisconsin's Rules.[66]

In support of her recommendation, the referee noted Mr. Hurley's "conflicting obligations": to zealously defend his client or to conform to a vague rule that had never before been used to condemn such pretext investigations.[67] In February 2009, the Wisconsin Supreme Court dismissed the OLR's subsequent appeal of the referee's report and recommendation, favorably citing her reasoning and noting that the OLR director and Dane County District Attorney both had admitted that "prosecutors frequently supervise a variety of undercover activities and sting operations carried out by nonlawyers who use deception to collect evidence, including misrepresentations as to identity and purpose."[68]

Also relevant to the court's determination was that in July 2007, after the OLR had initiated its proceedings against Mr. Hurley but before the referee had issued her report and recommendation,[69] Wisconsin Rule 4.1(b) was amended to state that "a lawyer may advise or supervise others with respect to lawful investigative activities." As the Committee Comment to the amended rule explained:

> Paragraph (b) has no counterpart in the [ABA] Model Rule…. As a general matter, a lawyer may advise a client concerning whether proposed conduct is lawful…. This is allowed even in circumstances in which the conduct involves some form of deception, for example the use of testers to investigate unlawful discrimination or the use of undercover detectives to investigate theft in the workplace. When the lawyer personally participates in the deception, however, serious questions arise…. Paragraph (b) recognizes that, where the law expressly permits it, lawyers may have limited involvement in certain investigative activities involving deception.
>
> Lawful investigative activity may involve a lawyer as an advisor or supervisor only when the lawyer in good faith believes there is a reasonable possibility that unlawful activity has taken place, is taking place or will take place in the foreseeable future.[70]

In ruling for Hurley, the Wisconsin Supreme Court noted that "the OLR [did] not contest that Attorney Hurley's conduct would violate the current version of the rule."[71]

Note that, as in Oregon, the permissibility of attorney participation in pretext investigations in Wisconsin requires that the attorney not participate directly in dissembling.[72] Although this contingency may have merit insofar as it seeks to spare attorneys from perceptions of unclean hands, it nevertheless suggests an elision of the doctrinal force of NY Rule 8.4(a) and its ilk, which prevent circumvention of the Rules by proxy, a point I elaborate on in the conclusion.

In any case, the tension between allowing government attorneys to circumvent ethical proscriptions on pretext investigations, while giving full force to the prohibitions on private attorneys, has played a central role in challenging the sustainability of such prohibitions.[73] Additional jurisdictions have issued opinions explicitly exempting government lawyers from prohibitions on pre-

text investigations.[74] Notably, NYCLA Op. 737 explicitly refrained from "address[ing] the…question of direction of investigations by government lawyers supervising law enforcement personnel where additional considerations, statutory duties and precedents may be relevant."[75] For its part, the NYSBA has suggested that communications with represented parties may be permitted as lawful if they consist of "investigative activities of lawyers representing governmental entities, directly or through investigative agents."[76]

Of particular interest are opinions holding that bar associations authorized to administer discipline to attorneys for ethical violations may themselves employ dissemblance in investigating lawyers' conduct. For example, the Virginia State Bar Ethics Counsel has held that bar investigators may engage in dissemblance in investigating suspected unauthorized practitioners of law (e.g., contacting them under a guise of requesting legal services).[77]

In a particularly apt case, a former D.C. Bar counsel, in investigating an attorney's attempt to sell a witness to the plaintiff's counsel in a pending lawsuit, "deputized" the plaintiff's counsel, who reported the attempt and encouraged him "to continue negotiations…to explore fully the ethical implications of [the attorney's] conduct."[78] The judge who delivered the opinion of the three-judge panel argued to exclude evidence against the witness-proffering attorney obtained after the reporting plaintiff's counsel had been "deputized" because the attendant dissemblance constituted an ethical violation.[79] Another judge on the panel agreed that the Bar Counsel violated ethics rules but refrained from opining on the admissibility of the evidence, as it was not necessary to reach a determination in the case.[80] The remaining judge argued that the Bar Counsel's participation in dissembling did not constitute a violation of the rules of ethics and recommended that the Board of Professional Responsibility "submit to the court proposed rules amendments to make clear Bar Counsel's authority to conduct post-complaint covert investigation and evidentiary rules deemed just."[81]

The fact that in that case a Bar Counsel engaged in dissembling, and three appellate judges could not agree on whether the conduct was permissible, speaks to the bar's continuing need for clarity and guidance on this issue. Indeed, to give the impression that authorities nationwide have embraced the use of pretext investigations by attorneys would be misleading. A number of court and ethics opinions have expressly declined to endorse such conduct.[82] Thus, examples of favorable treatment notwithstanding, uncertainty as to the permissibility of such tactics abounds.

V. Conclusions

As Chief Justice Roger B. Taney observed in 1856, "it is difficult, if not impossible, to enumerate and define, with legal precision, every offence for which an attorney or counsellor ought to be removed."[83] Corresponding sentiments clearly are shared by current members of the bar in New York and elsewhere in wrestling with the ethics of pretext investigations. And yet, navigating the rules governing pretext investigations is perilous for attorneys and clients alike. It is apparent that more consistency and clarity would be of benefit to the bar to avoid the "dog law" abhorred by Jeremy Bentham: a system akin to the way people train dogs by waiting for them to do something wrong and then beating them.[84] Much as the ABA Section on Intellectual Property Law advised the ABA's Ethics 2000 Commission to amend the Model Rules to clarify the permissibility of attorneys engaging in pretext investigations,[85] further guidance from state and national bar associations on this issue increasingly appears needed.

As Barry Temkin has argued, the formalistic and somewhat arbitrary nature of basing the permissibility of pretext investigations on a lawyer's status (e.g., whether a private or governmental attorney, counsel for a criminal defendant or for law enforcement or prosecution, attorney for a holder of intellectual property rights or for someone accused of infringement, or representatives of parties with altogether different interests) is giving way to a more functionalistic analysis based on the attorney's conduct.[86] Temkin suggests five factors that should govern the analysis:

> (a) the directness of the lawyer's involvement in the undercover subterfuge; (b) the significance and depth of the deception; (c) the necessity of the deception; (d) the existence of alternative means to uncover the sought-after evidence; and (e) whether the conduct violates other rules and principles, such as the no-contact rule of ABA Model Rule 4.2.[87]

He also argues that the ABA should amend the Model Rules to permit pretext investigations under circumstances that take these factors into consideration (i.e., when the investigation is necessary, other means of procuring the desired information are not available, the attorney does not participate directly in the dissemblance, and other ethical rules are not violated).[88]

It is worth noting that U.S. District Court judges in New York and New Jersey have expressed a relatively permissive attitude toward intellectual property attorneys' use of pretext investigations.[89] Thus, where litigation of intellectual property rights in those districts is contemplated, the risk of evidence preclusion as a result of engaging in pretext investigations may be less than in other jurisdictions.

Nevertheless, unless and until the New York courts adopt these or other recommendations, practitioners in the state should be mindful that engaging in pretext investigations could amount to violating the NY Rules.

The courts of New York State are not bound to apply the NY Rules in conformity with federal court interpretations. Moreover, neither state nor federal courts are likely to give unconditional approval to such practices, and it remains to be seen whether the Appellate Division committees that are responsible for enforcing attorney discipline would permit them at all, absent direction from the courts. Thus, practitioners should use caution and prudence in deciding whether and how to employ pretext investigations to avoid serving as a test case—and failing the test.

The guidelines of NYCLA 737 would seem to provide a reasonable basis upon which to ground such tactics,[90] at least until a higher controlling authority in the state issues a ruling or opinion on the matter. Paramount concerns should be attention to avoiding unauthorized communication with parties so as not to violate NY Rules 4.2 or 4.3 and exercising diligent supervision over any investigators who act at the attorney's direction to ensure that they are aware of, and conform to, their ethical obligations.

Avoiding direct participation in pretext investigations is also advisable, considering the hostility of court and ethics opinions to such involvement by attorneys. However, should the NY Rules ultimately be amended to accommodate some forms of pretext investigations, it is questionable whether direct attorney involvement should be precluded while indirect involvement is permitted. Currently, attorneys are prevented from circumventing the NY Rules by engaging others to do what they are not themselves permitted to do. If permitting the use of pretext investigations is indeed justified, why should attorneys be forbidden from engaging in them directly?

More to the point, if direct attorney engagement in the dissembling of pretext investigations is deemed inappropriate, how is it any less unfavorable to allow them to do so indirectly, through the acts of another? Allowing pretext investigations only by proxy would be somewhat of an anomaly among the rules, signaling at once the disapprobation, yet permissibility, of certain conduct and creating tension with the repeated admonitions against circumventing the NY Rules by acting through an agent.

By way of comparison, recall that NY Rule 4.2 prohibits lawyers from directly communicating with represented parties, but it does allow them to "cause" their clients to do so and to "counsel" their clients with respect to such communications, a rare example of allowing attorneys to do something through another what they are not allowed to do themselves.[91] In that case, the disparity is supported by significant, independent policy considerations. Adverse clients' direct communication with each other has long been considered helpful in the resolution of disputes, an end furthered by the assistance of their attorneys, whereas prohibiting lawyers from communicating directly with represented parties "carr[ies] on the long tradition of protecting the client-lawyer relationship against the risk of interference and overreaching by lawyers for parties with adverse interests."[92] By contrast, the existence of independent grounds for both permitting pretext investigations and preventing attorney involvement in them is less evident, provided that existing rules are otherwise complied with.

Of course, to ask whether attorneys should be permitted to directly participate in pretext investigations is premature, given that not even proxy investigations have yet been sanctioned. It is to be hoped that greater clarity and certainty on this important and difficult question will be forthcoming.

Endnotes

1. The New York Rules of Professional Conduct, codified at 22 N.Y.C.R.R. Part 1200, became effective on April 1, 2009. The NYSBA published comments to the rules intended to aid attorneys' interpretation and compliance, though the comments were not officially adopted by the courts. *See* New York State Bar Association, *Final New York Rules of Conduct With Comments* (2009), http://www.nysba.org (follow "For Attorneys" hyperlink; then follow "Professional Standards for Attorneys" hyperlink; then follow "Final New York Rules of Conduct with Comments" hyperlink) [hereinafter "NY Rules Comments"]. The NY Rules are formatted as, and borrow extensively from, the American Bar Association Model Rules, after which they largely modeled. *See* New York State Bar Association, *Proposed Rules of Professional Conduct*, vi (2008), http://www.nysba.org (follow "Sections/Committees" hyperlink; then follow "Committee on Standards of Attorney Conduct" hyperlink; then follow "Proposed Rules of Professional Conduct–Approved Nov. 3, 2007" hyperlink) [hereinafter "COSAC Report"]. In adopting this formulation, New York rejected its former Code of Professional Responsibility (NY Code). *Id.* However, the NY Rules retain much of the substance of the NY Code. Roy Simon, *Comparing the New NY Rules of Professional Conduct to the NY Code of Professional Responsibility (Part I)*, N.Y. PROF. RESP. REP., Feb. 2009, at 1, http://nysba.org (follow "For Attorneys" hyperlink; then follow "Professional Standards for Attorneys" hyperlink; then follow "Chart correlating new NY Rules of Professional Conduct to former Disciplinary Rules" hyperlink). Thus, for currentness and simplicity, when citing to materials that refer to provisions of the NY Code, i.e. opinions and articles written before the NY Rules went into effect, this article will substitute references to the NY Rules corresponding to such provisions of the NY Code (*see id.* at 2–8, providing a table for correlating each NY Rule to a corresponding provision, if any, in the NY Code).
2. David B. Isbell & Lucantonio N. Salvi, *Ethical Responsibility of Lawyers for Deception by Undercover Investigators and Discrimination Testers; An Analysis of the Provisions Prohibiting Misrepresentation Under the Model Rules of Professional Conduct*, 8 GEO. J. LEGAL ETHICS 791, 794 (1995).
3. COSAC Report, *supra* note 1, at 160.
4. BLACK'S LAW DICTIONARY 629 (8th ed. 2004).
5. *Id.* at 998.
6. Isbell & Salvi, *supra* note 2, at 813.
7. Restatement (Third) of The Law Governing Lawyers § 5 cmt. c (2000).
8. Isbell & Salvi, *supra* note 2, at 817 (arguing that construction of the term "misrepresentation" as used in Rule 8.4(c), considered within the context of the rest of the rule, should be limited to "apply only to misrepresentations that manifest a degree of wrongdoing on a par with dishonesty, fraud, and deceit," and, furthermore, not to

encompass misrepresentations prohibited by Rule 4.1, to avoid redundancy in the Rules as a whole).

9. COSAC Report, *supra* note 1, at 161.

10. *See also* NYSBA Rules Comments, *supra* note 1, Rule 4.2 cmt. 11 ("[a]gents for lawyers, such as investigators, are not considered clients within the meaning of this Rule.").

11. *Niesig v. Team I*, 76 N.Y.2d 363, 374 (1990). Note, however, that in a subsequent holding, the New York Court of Appeals held that, in applying this test, "so long as measures are taken to steer clear of privileged or confidential information, adversary counsel may conduct ex parte interviews of an opposing party's *former* employee," so long as counsel "conform[s] to all applicable ethical standards when conducting such interviews" (emphasis added). *Muriel Siebert & Co., Inc. v. Intuit Inc.*, 8 N.Y.3d 506, 511-12. *See* Patrick M. Connors, *The Desert Island Disciplinary Rule*, 239 N.Y. L.J. 3 (2008) (describing *Siebert* in more detail, as well as other cases in which the New York Court of Appeals has interpreted this rule).

12. *See* NYSBA Rules Comments, *supra* note 1, Rule 4.3 cmt. 1.

13. New York County Lawyers Ass'n Comm. on Prof'l Ethics, Formal Op. No. 737, 6 (2007), *available at* http://www.nycla.org/siteFiles/Publications/Publications519_0.pdf [hereinafter "NYCLA Op. 737"].

14. *Id.* at 2 (quoting BLACK'S LAW DICTIONARY 506 (8TH ED. 2004)).

15. *Id.*

16. *Id.* at 5-6 (emphasis added).

17. *Gidatex*, 82 F. Supp. 2d 119, 126 (S.D.N.Y. 1999).

18. *Id.* at 120.

19. *Id.* at 126.

20. *Id.*

21. *Mena v. Key Food Stores Co-op., Inc.*, 195 Misc. 2d 402, 403 (2003). At plaintiff's request, her counsel advised her of the legality of secretly tape recording "obscenities, foul language, racial slurs and epithets directed at women and African-Americans" that she alleged were "common parlance" in the defendant's offices. *Id.* at 403. Counsel also obtained the services of, and paid, a private investigator to help plaintiff secretly record in-person and telephone conversations with defendant's employees, and at least partly aided the plaintiff in proper use of recording equipment. *Id.* & n.1.

22. *Id.* at 403.

23. *Id.* at 407.

24. Ass'n for the Bar of the City of New York Committee on Prof. and Jud. Ethics, Formal Op. No. 2003-02 (2003), http://www.nycbar.org/Ethics/eth2003-2.html. *Cf.* False Denial of Secret Tape-Recording Didn't Violate General Rule on Deceit, 25 Laws. Man. on Prof. Conduct (ABA/BNA) 691 (2010) (describing a Vermont case where lawyers were held not to be in violation of Vermont's equivalent of NY Rule 8.4(c) by secretly taping a phone conversation, but to be in violation of equivalent Rule 4.1 for falsely denying the act of recording when asked); *In re* Attorney ST, 621 So.2d 229, 233 (Miss. 1993) (similar holding).

25. *Cartier*, 386 F. Supp. 2d 354 (S.D.N.Y.2005), 386 F. Supp. 2d at 362.

26. *Apple Corps Ltd.*, 15 F.Supp.2d 456 (D.N.J. 1998),15 F. Supp. 2d at 476.

27. *Id.* at 462.

28. *Id.* at 475.

29. *Id.* at 474.

30. *Id.* at 476.

31. *Id.*

32. *Id.*

33. NYCLA Op. 737, *supra* note 13, at 5-6.

34. Michael J. Hutter, *The Case for Adoption of a Uniform Trade Secrets Act in New York*, 10 ALB. L.J. SCI. & TECH. 1, 20 (1999).

35. Jeff Moore, *Sources for Patent Infringement Investigations and Patent Search Services on the Internet* (1998), http://www.ipmall.info/hosted_resources/bp98/moore.htm.

36. *Kroll v. Finnerty*, 242 F.3d 1359, 1365 (2001).

37. *Buechel v. Bain*, 275 A.D.2d 65, 74 (2000).

38. Representation of Others Before the PTO, 37 C.F.R. pt. 10 (2009).

39. *See supra*, notes 13–16 and accompanying text.

40. *Id.*

41. Barry R. Temkin, *Lying By Proxy: Permissible Trickery and Deception By Undercover Investigators*, Oct. 13 2009, at S8 n.12.

42. Barry R. Temkin, *Deception in Undercover Investigations: Conduct-Based vs. Status-Based Ethical Analysis*, 32 SEATTLE U. L. REV. 123, 164 (2008).

43. *Id.*

44. *Id.* at 126.

45. *United States v. Parker*, 165 F. Supp. 2d 431, 439 (W.D.N.Y. 2001).

46. *Id.* at 476.

47. *Id.* at 476-77.

48. Steven C. Bennett, *Ethics of "Pretexting" in a Cyber World*, 41 MCGEORGE L. REV. 271, 274 (2010); Megan Browdie & Wei Xiang, Comment, *Chevron Protects Citizens: Reviving the Citizens Protection Act*, 22 GEO. J. LEGAL ETHICS 695, 714 (2009) ; Jeremy Feinberg, *Report on Pretexting–Recent Cases & Ethics Opinions*, N.Y. PROF. RESP. REP., June. 2009, at 1, 5-6; William H. Fortune, *Lawyers, Covert Activity, and Choice of Evils*, 32 J. LEGAL PROF. 99, 103 (2008); Isbell & Salvi, *supra* note 2, at 800–01; Gerald B. Lefcourt, *Fighting Fire With Fire: Private Attorneys Using the Same Investigative Techniques as Government Attorneys: The Ethical and Legal Considerations for Attorneys Conducting Investigations*, 36 HOFSTRA L. REV. 397, 397–98 (2007); Douglas Richmond, *Deceptive Lawyering*, 74 U. CIN. L. REV. 577, 591-93 (2005); Temkin, *supra* note 41; Temkin, *supra* note 42, at 143-48.

49. Temkin, *supra* note 42, at 139-140.

50. *In re Gatti*, 8 P.3d 966, 969 (Or. 2000).

51. *Id.*

52. *Id.*

53. *Id.* at 970.

54. *Id.* at 979.

55. *Id.* at 974-75.

56. *Id.* at 976 (emphasis in original).

57. Temkin, *supra* note 42, at 140.

58. In response, Iowa adopted a comment to its Rule 8.4, consisting of language that closely parallels that in Oregon Rule 8.4(b). *See* Iowa Rules of Professional Conduct Rule 8.4 cmt. 6; Tempkin, *supra* note 42, at 155; 16 IOWA PRACTICE SERIES § 12:4(e) (2009).

59. Formal Op. No. 2005-173, at 482, 483, 485 (2005) [hereinafter "Op. No. 2005-173"].

60. *Id.* ad 483-84.

61. *Id.* ad 484.

62. *Gatti*, 8 P.3d at 970. *Cf. In re Ositis*, 40 P.3d 500, 503-04 (2002) (holding that an attorney had violated Oregon's rules as they existed prior to adoption of current Rule 8.4(b) by directing an investigator to obtain information from a party adverse to his client through dissemblance). In Op. No. 2005-173, the Oregon Board of Governors opined that under current Rule 8.4(b), *Ositis* might have been decided differently because, unlike in *Gatti*, he had not participated directly in any dissemblance (Op. No. 2005-173, *supra* note 59, at 484).

63. Office of Lawyer Reg. v. Hurley, No. 2007AP478-D, slip op. at 2 (Wis. Feb. 11, 2009).
64. *Id.* at 2–3.
65. *Id.* at 3.
66. *Id.*
67. *Id.*
68. *Id.*
69. *Id.* at 4.
70. Wisconsin Rule 4.1, Committee Comment [hereinafter "Wisconsin Committee Comment"].
71. *Hurley*, at 4.
72. Wisconsin Committee Comment, *supra,* note 70.
73. *See supra* note 48.
74. Utah State Bar Ethics Advisory Opinion Committee, Op. No. 02-05 (2005); D.C. Bar Ethics Op. 323 (2002) (which, in support of its holding, cites comment 12 to D.C. Rule 8.4, which reads "[t]he rule is not intended to enlarge or restrict the law enforcement activities of the United States or the District of Columbia which are authorized and permissible under Constitution and the laws of the United States or the District of Columbia. The 'authorized by law' proviso to Rule 4.2(a) is intended to permit government conduct that is valid under this law.").
75. NYCLA Op. 737, *supra* note 13, at 3.
76. NYSBA Rules Comments, *supra* note 1, Rule 4.2 cmt. 5.
77. Virginia State Bar Ethics Counsel Legal Ethics Op. 1845 (2009). *See also* William Wernz, *'Pretexting,' Prevaricating and Getting the Facts*, Minnesota Lawyer, Oct. 30, 2006, at 1, 2 ("The Minnesota Office of Lawyers Professional Responsibility itself has been known to call the office of a disbarred lawyer, to determine whether the disbarment has actually taken effect—'Hello, I'm Lynda Olson, and I'm wondering whether Mr. Doe is available for representation in a family law matter.'").
78. *In re Sablowsky*, 529 A.2d 289, 290 (D.C.C.A. 1987).
79. *Id.* at 291.
80. *Id.* at 294 (Rogers, J., concurring).
81. *Id.* (Nebeker, J., concurring).
82. *See, e.g.*, *In re Wood*, 526 N.W.2d 513 (Wis. 1995) (sanctioning an attorney, who was plaintiff in small claims court, for, among other things, using a pretext investigation to acquire information about the defendant's automobile insurance policy; though the Wisconsin Rules have since been amended to permit pretext investigations in some circumstances, the fact that the attorney in *In re Wood* could have obtained the insurance policy information through normal discovery procedures, a fact highlighted in the court's opinion (*id.* at 506), would likely find disfavor by the court even today); *Midwest Motor Sports, Inc. v. Arctic Cat Sales, Inc.*, 144 F. Supp. 2d 1147, 1158 (D.S.D. 2001) (sanctioning attorneys for violating South Dakota's equivalent of NY Rule 4.2 (prohibiting attorney contact with a represented party) by directing a pretext investigation; interestingly, no violation of South Dakota's equivalent to NY Rule 4.1 (prohibiting misrepresentation) was discussed in the opinion); *In re Air Crash Disaster*, 909 F. Supp. 1116, 1122, 1123-24 (N.D. Ill. 1995) (under similar circumstances, sanctioning attorneys for violating Illinois' equivalent of NY Rule 4.2 and, in addition, 4.3 (prohibiting contact with unrepresented persons)); *Curatola v. Am. Electric Power*, 2008 WL 2120840, *3-*4 (S.D.Ohio 2008) (sanctioning an attorney for violating Ohio's equivalent to NY Rule 4.2 by initiating a pretext investigation to an adversary in a civil litigation suit, though the severity of the sanction was mitigated in part because the court found that the attorney did not intend for the inappropriate contact to occur); Philadelphia Bar Ass'n Prof. Guidance Committee, Ethics Op. No. 2009-02 (2009) (holding that an attorney may not engage in the dissemblance of hiring a third party to "friend," through social networking websites, an adversarial witness in a lawsuit); *In re Pautler*, 47 P.3d 1175, 1178, 1182 (Colo. 2002) (a Deputy District Attorney was sanctioned for inducing a murderer and rapist to surrender peacefully by posing as a public defender on the telephone, deemed violations of Colorado's equivalents of NY Rules 4.3 and 8.4(c)).
83. Ex parte Secombe, 60 U.S. (19 How) 9, 14 (1856).
84. 5 Jeremy Bentham, The Works of Jeremy Bentham 235 (1843), referred to in *In re* Sablowsky, 529 A.2d at 294 (Nebeker, J., concurring).
85. ABA Comm'n on Evaluation of Rules of Prof. Conduct, Meeting Minutes, Aug.6–Aug. 8, 1999, http://www.abanet.org/cpr/e2k/080699mtg.html.
86. Temkin, *supra* note 42, at 175.
87. *Id.*
88. *Id.*
89. *See supra* notes 17–20, 25–32 and accompanying text.
90. *See* NYCLA Op. 737, *supra* note 13, and associated text.
91. *See supra* note 10 and accompanying text.
92. COSAC Report, *supra* note 1, at 163.

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