

Conference on Client Privilege In Intellectual Property Professional Advice

**Organized by
the World Intellectual Property Organization (WIPO)
in cooperation with
the International Association for the Protection of Intellectual Property (AIPPI)
WIPO Headquarters
Geneva, Switzerland
May 22 and 23, 2008**

INTELLECTUAL PROPERTY ADVISOR-CLIENT PRIVILEGED COMMUNICATIONS: CANADA AND OTHER JURISDICTIONS

**Steven B. Garland
Glen Kurokawa
Smart & Biggar/Fetherstonhaugh
Ottawa, Canada
sbgarland@smart-biggar.ca**

INTELLECTUAL PROPERTY ADVISOR-CLIENT PRIVILEGED COMMUNICATIONS: CANADA AND OTHER JURISDICTIONS

“The common law principles underlying the recognition of privilege from disclosure are simply stated. They proceed from the fundamental proposition that everyone owes a general duty to give evidence relevant to the matter before the court, so that the truth may be ascertained. To this fundamental duty, the law permits certain exceptions, known as privileges, where it can be shown that they are required by a public good transcending the normally predominant principle of utilizing all rational means for ascertaining truth.”¹

1. Introduction

The privilege from forced disclosure of confidential communications between a lawyer, solicitor, barrister, attorney or other legal advisor (hereinafter referred to collectively as “lawyers” for ease of reference) and their clients is well established in many jurisdictions. Such privileged communications may include legal advice in respect of intellectual property rights or IPRs such as patents, trade marks, copyrights, industrial designs (or design patents), trade secrets, plant breeders rights, and circuit topographies.

In many countries individuals who may be qualified to provide advice on intellectual property rights (“IP advisors”) are not limited to lawyers, and may include non-lawyer IP advisors such as patent agents and trade-mark agents. However, in some jurisdictions, the confidential communications between such non-lawyer IP advisors and their clients are not subject to the same or similar type of privilege that exists in respect of lawyer-client communications. Additionally, certain recent experiences in a number of jurisdictions have demonstrated a troubling lack of harmony as between the privilege that may attach to a communication in one country, and a court or tribunal’s ability or willingness to uphold that privilege in another country, with the result that IP advisor-client communications that were considered privileged in one country at the time that the communications were made, have been forced to be disclosed publically in another.

¹ *M. (A.) v. Ryan* (1997), [1997] 1 S.C.R. 157 (Supreme Court of Canada).

It is to be recalled that in today's economy, a company's primary assets are often its IPRs. These are important, valuable, potentially powerful, legal rights that exist on a global basis and are supported by international treaties and national laws. Such rights are generally granted by national governments or regions of the world with the purpose of encouraging investment in, and the public disclosure of, research and technology or the creative arts (e.g. patents, trade secrets, designs and copyright) or for the protection of the public (e.g. trade marks). The encouragement of such investment in, and disclosure of, technology is generally viewed as a significant, positive, benefit for the economy and for society at large.

IP owners, like any other owners of legal rights, need to be able to obtain advice in confidence in respect of their assets from qualified IP advisors nationally, and also trans-nationally. Therefore the maintenance of the confidentiality of communications between IP owners and their IP advisors (which communications often include confidential, proprietary technical information or know-how), including the prohibition against forced public disclosure, is of significant importance. The risk of adverse consequences flowing from a loss of privilege in those communications may lead to, amongst other things, an IP owner choosing not to engage in a full and frank discussion with its IP advisor of its potential IP rights, which may in turn lead to the IP owner obtaining incomplete or incorrect legal advice. It might also lead to an IP owner choosing not to seek IP advice at all, or choosing to not seek IP protection (and, for example, choosing not to publicly disclose its advancements in technology), or choosing not to invest in R&D. Any such outcome might lead to an overall negative result on research, development, and the economy.

As such, there are compelling reasons for the development of a common, global approach to ensuring that confidential communications between all IP advisors (including non-lawyer advisors) and their clients are considered privileged and free from forced public disclosure, and to also seek to harmonize national laws with the goal that the privilege that might attach to such communications in one country or region will be acknowledged

and upheld in other countries or regions of the world.

To that end, this paper will provide a general overview on the status and scope of privilege for communications as between non-lawyer IP advisors and their clients in Canada and in other jurisdictions. The paper will also discuss some of the pitfalls and obstacles that IP advisors and their clients may encounter when dealing with their IPRs on a global basis in view of the lack of harmony that exists in respect of the various national approaches to this issue of privilege.

2. The Legal Doctrine of Privilege in Canada

Privilege is the legal doctrine pursuant to which certain communications or documents are prohibited from forced public disclosure during the course of litigation. It is an exception to the rule that oral or documentary evidence should be produced or disclosed if relevant to the issues in a criminal or civil suit. The doctrine has evolved with time and it is perhaps best described by discussing some of its specific forms. As this paper focuses on Canada, privilege nomenclature from that country is used.

In Canada (and other common law jurisdictions), privilege has two basic categories, namely specific “class privileges” (e.g. lawyer-client privilege and litigation privilege) and general “case-by-case” privileges.

(a) *Lawyer-client privilege*

Lawyer-client privilege (referred to as solicitor-client privilege in Canada) is a “class privilege”, in that it is a blanket privilege that applies *prima facie*. That is to say, there is a *prima facie* presumption that confidential communications between a lawyer and a client in respect of the provision of legal advice are protected. It originated in the 16th century in England based on the oath and honour of a lawyer to keep his client’s

confidential information secret.²

One of the earliest reported decisions discussing the concept was the 1577 English decision in *Berd v. Lovelace*³:

Thomas Hawtry, gentlemen, was served with a subpoena to testify his knowledge touching the cause invariance; and made oath that he hath been, and yet is a solicitor in this suit, and hath received several fees of the Defendant; which being informed to the master of the roles, it is ordered that the said Thomas Hawtry shall not be compelled to be deposed, touching the same, and that he shall be in no danger of any contempt...⁴

Originally, privilege applied to legal advice received in respect of the particular legal proceeding in which the information was sought to be produced. However, over time the privilege has been extended such that now it applies to the receipt of legal advice in general, whether or not it was provided in the context of litigation.⁵ While the scope of the privilege has evolved and expanded with time, the rationale for it has not significantly changed since its inception, and courts in various common law jurisdictions have commented on it.

For example, in England in the case of *Greenough v. Gaskell*⁶, Brougham L.C. observed that:

The foundation of this rule is not difficult to discover. It is not (as sometimes been said) on account of any particular importance which the law attributes to the business of legal professors, or any particular disposition to afford them protection... it is out of regard to the interest of justice, which cannot be upholden,

² Sopinka, J., Lederman, S.N., and A.W. Bryant, *The Law of Evidence in Canada*, 2nd ed. (Toronto: Butterworths, 1999) at 728.

³ *Berd v. Lovelace* (1577), 21 E.R. 33 (Ch.).

⁴ *Ibid.*

⁵ *Solosky v. R.* (1980), [1980] 1 S.C.R. 821 (Supreme Court of Canada).

⁶ *Greenough v. Gaskell* (1833), 39 E.R. 618 (Ch.) at 620-621.

and to the administration of justice, which cannot go on, without the aid of men skilled in jurisprudence, in the practice of the Courts, and in those matters affecting rights and obligations which form the subject of all judicial proceedings.⁷

More recently, the Supreme Court of Canada discussed the doctrine in terms of the following:

This privilege, by itself, commands a unique status within the legal system. The important relationship between a client and his or her lawyer stretches beyond the parties and is integral to the workings of the legal system itself. The solicitor-client relationship is a part of that system, not ancillary to it... The *prima facie* protection for solicitor-client communications is based on the fact that the relationship and the communications between solicitor and client are essential to the effective operation of the legal system. Such communications are inextricably linked with the very system which desires the disclosure of the communication...⁸

Similarly, Mr. Justice Rehnquist of the United States Supreme Court in *Upjohn Co. v. United States*⁹ noted that lawyer-client privilege is the oldest form of privilege known at common law and commented:

Its purpose is to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and the administration of justice. The privilege recognizes that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer being fully informed by the client.¹⁰

⁷ *Ibid.*

⁸ *R. v. McClure*, [2001] 1 SCR 445 (Supreme Court of Canada) at para 31.

⁹ *Upjohn Co. v. United States*, 449 U.S. 383 (U.S. Supreme Court, 1981).

¹⁰ *Ibid* at 389.

It is important to recall that under the modern doctrine, it is the client's privilege, not the lawyer's, and the right to waive the privilege and permit disclosure belongs to the client. This form of privilege is near-absolute, as it yields to few exceptions¹¹.

Without the privilege, the concern is that clients will not feel free or unencumbered to disclose all material facts to their lawyers, thereby affecting the completeness and accuracy of legal advice, thus negatively affecting the integrity of the administration of justice. Overall, the modern view is that the overriding public policy benefits of fostering a strong relationship of trust as between a lawyer and a client outweigh any possible downside of suppressing potentially relevant evidence (especially given that there are often other means for obtaining any such evidence).

The principle of the protection of lawyer-client communications is not unique to common law jurisdictions such as Canada, the United States or the United Kingdom, but it is also found in some civil law jurisdictions where it often arises by way of some form of statutory or regulatory provision, and often tied to an obligation on the part of the legal advisor not to disclose the client's confidential information.

(b) Litigation privilege

Another form of "class" privilege that is closely related to lawyer-client privilege is what is sometimes referred to as "litigation privilege". This can be asserted over communications made in respect of pending litigation or contemplation of litigation, and is not limited to communications between a lawyer and a client, but can extend to communications between the client or the lawyer and third parties. It is derived from

¹¹ One exception would be that privilege cannot be relied upon in furtherance of a fraud.

solicitor-client privilege¹² because the law treats the communication as if it were made directly between solicitor and client. The rationale, however, differs:

... It had nothing to do with the client's freedom to consult privately and openly with their solicitors; rather, it was founded upon our adversary system of litigation by which counsel control fact-presentation before the court and decide for themselves which evidence and by what manner of proof they will adduce facts to establish their claim or defense, without any obligation to make prior disclosure of the material acquired in preparation of the case...¹³

Litigation privilege also promotes factual and legal investigation. Without the privilege, parties might engage in a less thorough investigation of the issues knowing that the results could be the subject of discovery.¹⁴

In Canada, litigation privilege may be asserted over communications whose "dominant purpose" is for litigation purposes¹⁵:

A document which was produced or brought into existence either with the dominant purpose of its author, or of the person or authority under whose direction, whether particular or general, it was produced or brought into existence, of using it or its contents in order to obtain legal advice or to conduct or aid in the conduct of litigation, at the time of its production in reasonable prospect, should be privileged and excluded from inspection.¹⁶

Thus, litigation privilege can be asserted over communications between the client (or the

¹² Manes, R.D. and M.P. Silver, *Solicitor-Client Privilege in Canadian Law*, (Toronto: Butterworths Canada, 1993) at 89.

¹³ Sopinka, *supra*, note 2 at 653.

¹⁴ See, for example, the comments in Intellectual Property Research Institute of Australia (IPRIA), "Patent Attorney Privilege in Australia: Rationale, Current Concerns and Avenues for Reform" (Report, December 2007).

¹⁵ See, for example, *General Accident Assurance Co. v. Chrusz* (1999), 45 O.R. (3d) 321 (Ontario Court of Appeal) at 333 and *Waugh v. British Railways Board*, [1979] 2 All E.R. 1169 (House of Lords) at 1181.

¹⁶ *Waugh, ibid*, at 1183.

client's agent) and third parties for the purpose of obtaining information to be given to the client's solicitors to obtain legal advice; between the solicitor and third parties to assist with the giving of legal advice; or created at their inception by the client including reports, schedules, briefs, and documentation¹⁷. However, unlike lawyer-client privilege, litigation privilege lasts only for the duration of the litigation (though the communications remain confidential at the client's discretion)¹⁸.

(c) *Case-by-case privilege*

Communications which do not fall into one of the recognized class privileges may still be eligible for privilege. They will be considered on a case-by-case basis, with the presumption being that they should be disclosed unless under the circumstances, the applicable policy considerations require their exclusion. In Canada, consideration of whether privilege should apply on a case-by-case basis involves application of four criteria, referred to as the "Wigmore criteria" (named after the author who initially set out the criteria as later applied and approved by the Supreme Court of Canada).¹⁹ The four criteria are as follows:

- (1) The communications must originate in a confidence that they will not be disclosed.
- (2) This element of confidentiality must be essential to the full and satisfactory maintenance of the relation between the parties.
- (3) The relation must be one which in the opinion of the community ought to be sedulously fostered.
- (4) The injury that would inure to the relation by the disclosure of the

¹⁷ Manes, *supra* note 12 at 90.

¹⁸ *Blank v. Canada (Department of Justice)* (2006), 51 C.P.R. (4th) 1 (Supreme Court of Canada) at 13.

communications must be greater than the benefit thereby gained for the correct disposal of litigation.²⁰

As a result of this approach, in certain cases and circumstances, communications made within confidential relationships other than the lawyer-client relationship, such as doctor-patient, psychologist-patient, or journalist-informant, may be protected.

3. The Scope of Privilege for Patent Agents/Trade-mark Agents in Canada

(a) Structure of Canadian Legal System

Canada is a federal state composed of ten provinces and three territories. Each of these jurisdictions has a 'provincial' common law court system, with the exception of the province of Quebec which is governed by a civil code. There is also a single, national Federal Court and Federal Court of Appeal. The Federal government has jurisdiction in respect of most intellectual property matters, and the relevant intellectual property statutes, such as the *Patent Act*²¹, *Trade-marks Act*²², *Industrial Design Act*²³, and *Copyright Act*²⁴ are all Federal acts. Moreover, while for intellectual property infringement actions the Provincial and Federal courts will have concurrent jurisdiction, most intellectual property disputes are heard in the Federal Court. Additionally, for certain proceedings, such as expungement (or impeachment) proceedings, the Federal Court has exclusive jurisdiction. As a result, although Canada does not have a specialized IP or patent court *per se*, the Federal Court and Federal Court of Appeal have developed a great deal of expertise and experience in dealing with IP cases. The Supreme

¹⁹ Wigmore, J. H., *Evidence in Trials at Common Law*, vol. 8. (Boston: Little, Brown, 1961).

²⁰ *Slavutych v. Baker* (1975), 55 D.L.R. (3d) 224 (Supreme Court of Canada) at 228, applying the Wigmore criteria.

²¹ R.S.C. 1985, c. P-4 as amended.

²² R.S.C. 1985, c. T-13 as amended.

²³ R.S.C. 1985, c. I-9 as amended.

²⁴ R.S.C. 1985, c. C-42 as amended.

Court of Canada is the final court of appeal (with leave) for both the Federal and Provincial court systems and often hears appeals in IP matters.

(b) *Patent/Trade-mark Agents in Canada*

Qualified Patent and Trade-mark Agents in Canada are trained through an apprentice-like procedure in patent or trade-mark law and practice and are also required to pass a rigorous set of examinations (overseen by the Canadian Intellectual Property Office (CIPO) and the Intellectual Property Institute of Canada (IPIC)). While many qualified agents are also lawyers, they are not required to be, and there are many non-lawyer Patent and Trade-mark Agents in Canada.

Patent and Trade-mark Agents will, amongst other things, provide advice on intellectual property matters related to the drafting, prosecution, and enforcement of patents and trade-marks in Canada. Patent Agents may also appear on behalf of their clients before the Patent Appeal Board, which hears appeals from decisions of Patent Examiners. Trade-mark Agents may appear before the Trade-marks Opposition Board and Trade-marks Hearing Officers.

(c) *Communications between Canadian IP owners and Patent and Trade-mark Agents*

Numerous Canadian court decisions have held that communications between non-lawyer Patent or Trade-mark Agents and their clients are not privileged.

The origins of the Canadian approach stems from the old English case *Moseley v. Victoria Rubber Co.*²⁵, which held that “communications between a man and his patent agent are

²⁵ *Moseley v. Victoria Rubber Co.* (1886), 3 R.P.C. 351, 55 L.T. 482 (High Court of Justice, Chancery Division) [*“Moseley”*].

not privileged”. One of the leading Canadian decisions on point is that of the Federal Court of Appeal in *Lumonics Research Ltd. v. Gould et al.*²⁶. At issue in that case was whether correspondence, invoices and drafts pertaining to foreign patent applications and interference proceedings were exempt from disclosure on the basis of lawyer-client privilege. The Federal Court of Appeal ruled that:

It is clear that, in this country, the professional legal privilege does not extend to patent agents. The sole reason for that, however, is that patent agents as such are not members of the legal profession. That is why communications between them and their clients are not privileged even if those communications are made for the purpose of or giving legal advice or assistance.²⁷

While the Court’s comments were directed to Patent Agents, the decision applies equally to Trade-mark Agents.²⁸

Similarly, *Procter & Gamble Co. v. Calgon Interamerican Corporation et al.*²⁹ held that:

The legal advisor with whom the plaintiff communicated must have been professionally qualified to advise it in respect of Canadian law [in order to assert privilege]: *United States of America v. Mammoth Oil Co.*, [1925] 2 D.L.R. 966, 28 O.W.N. 22 (Ont. C.A.). While such a communication with a qualified employee is as privileged as if with a qualified private practitioner, any such lawyer must have been qualified to practice law in Canada as a barrister and solicitor, not as a patent agent.³⁰

²⁶ *Lumonics Research Ltd. v. Gould et al.* (1983), 70 C.P.R. (2d) 11 (Federal Court of Appeal) [“*Lumonics Research*”].

²⁷ *Ibid* at 15.

²⁸ In respect of cases pertaining to Trade-mark Agents, see, for example, *Rentokil Group Ltd. v. Barrigar & Oyen* (1983), 75 C.P.R. (2d) 10 (Federal Court, Trial Division) and *Visa International Service Assn. v. Visa Travel International Ltd.* (1983), 74 C.P.R. (2d) 243 (Federal Court, Trial Division).

²⁹ *Procter & Gamble Co. v. Calgon Interamerican Corporation et al.* (1980), 48 C.P.R. (2d) 63 (Federal Court, Trial Division) [“*Procter & Gamble*”].

³⁰ *Ibid* at 64.

In summary, while privilege can attach to Patent or Trade-mark Agent communications in appropriate circumstances, most particularly by way of the litigation privilege³¹, the Federal Court of Canada has consistently found that communications between clients and agents *per se* are not protected by privilege as per lawyer-client communications³².

Equally troubling however are the number of Canadian decisions that have held that privilege will not necessarily extend to communications between a client and a lawyer who is also a Patent or Trade-mark Agent where that person is acting in his or her capacity as an agent and not as a lawyer. The court will look at what “hat” the lawyer is wearing at the time the advice is provided. If in fact the lawyer is found by the Court to be acting in his or her capacity as a Patent Agent, or Trade-mark Agent, and not as a lawyer, then the communications may not be privileged.

In *Montreal Fast Print (1975) Ltd. v. Polylok Corporation*³³, the Federal Court concluded:

While the jurisprudence is somewhat conflicting and there seems to be a tendency to extend the ambit of privilege to cover communications made by third parties to the solicitor including information obtained from experts and certainly information obtained from agents or employees of the solicitor, the distinction is still maintained between legal advice given by a patent agent as such and opinions given by an attorney or a solicitor. The difficulty occurs, as already stated, in making a distinction between when the lawyer who is also a patent agent or has patent agents in his full-time employ is acting as a lawyer and when he is acting as a patent agent... it is evident that lawyers in a firm giving advice to the client

³¹ See, for example, *ABC Extrusion Co. v. Signtech Inc.* (1990), 33 C.P.R. (3d) 474 (Federal Court, Trial Division).

³² For further examples see also *Sperry Corporation v. John Deere Ltd. et al.* (1984), 82 C.P.R. (2d) 1 (Federal Court, Trial Division); *Scientific Games, Inc. v. Pollard Banknote Ltd.* (1997), 76 C.P.R. (3d) 22 (Federal Court, Trial Division); and *Whirlpool Corp. v. Camco Inc.* (1997), 72 C.P.R. (3d) 444 (Federal Court, Trial Division).

³³ *Montreal Fast Print (1975) Ltd. v. Polylok Corporation* (1983), 74 C.P.R. (2d) 34 (Federal Court, Trial Division) [*“Montreal Fast Print”*], reconsidering or rehearing refused by (1983), 75 C.P.R. (2d) 95 (Federal Court, Trial Division).

would no doubt have discussed the legal implications of the submissions made to the Patent Office with the patent agents in their firm, or if they themselves are the patent agents making the submissions and are also lawyers they would certainly have used their legal knowledge in connection with same and advised the client accordingly. Nevertheless the jurisprudence appears to have made the distinction...³⁴

Very recently, Madam Justice Snider of the Federal Court confirmed this view stating: “[i]n particular, the courts have held, depending on the facts before them, that privilege might not arise where the lawyer who is also a patent agent acted in his or her capacity as a patent agent.”³⁵

It is of interest to note that in the old English case of *Moseley* referred to above, the judge also had cause to note that any communications made to a solicitor acting in his capacity as a patent agent were not privileged. However, in the United Kingdom it appears that this approach has been superseded by the statutory provision of privilege to agent-client communications pursuant to section 280 of the U.K. *Copyright, Designs, and Patents Act* (discussed further below). Similarly, the Canadian Federal Court of Appeal has also ruled that communications from an in-house counsel who is also a patent agent will be privileged only where the in-house counsel is acting in his capacity as a lawyer in *IBM Canada Ltd. v. Xerox of Canada Ltd. et al.*³⁶:

... there may be occasions when the legal privileges inherent in solicitor-client relationships may not be claimed. As Lord Denning, M.R., said at pp. 376-7 of the *Crompton* case:

... It does sometimes happen that such a legal adviser does work for his employer in another capacity, perhaps of an executive nature. Their communications in that capacity would not be the subject of legal

³⁴ *Ibid* at 43.

³⁵ *Laboratoires Servier v. Apotex Inc.* (2008), 2008 FC 321 (Federal Court) at para. 28.

professional privilege...³⁷

Several provincial cases have also held likewise. In *Sunwell Engineering Co. v. Mogilevsky*³⁸, the distinction was phrased this way:

Although it is not uncommon for one person to be both a solicitor and patent agent, where that situation arises it is necessary to determine whether the communication between the solicitor and the client involves the solicitor *qua* solicitor or *qua* patent agent.³⁹

It is difficult to imagine how a patent agent who is also a lawyer could provide advice as an agent, where that advice does not contain some component of legal advice such that privilege should attach. Indeed, the Federal Court of Appeal in *Lumonics Research, supra*, in implicitly acknowledging that Patent Agents provide legal advice, appeared to appreciate this point, stating:

... all confidential communications made to or from a member of the legal profession for the purpose of obtaining legal advice or assistance are privileged, whether or not those communications relate to the kind of legal advice or assistance that are normally given by patent agents. Legal advice does not cease to be legal advice merely because it relates to proceedings in the Patent Office. Those proceedings normally raise legal issues; for that reason, when the assistance of a solicitor is sought with respect to such proceedings, what is sought is, in effect, legal advice and assistance. And, this, in spite of the fact that a solicitor, as such, cannot represent an applicant in proceedings before the Patent Office.⁴⁰

Nevertheless, this dichotomy in approach with respect to lawyers who are also agents does exist in Canada and has resulted in courts in the past concluding that certain

³⁶ *IBM Canada Ltd. v. Xerox of Canada Ltd. et al.* (1977), 32 C.P.R. (2d) 205 (Federal Court of Appeal).

³⁷ *Ibid* at 208.

³⁸ *Sunwell Engineering Co. v. Mogilevsky* (1986), 9 C.P.R. (3d) 479 (Ontario Supreme Court).

³⁹ *Ibid* at 482-483.

communications between a lawyer and a client were required to be produced.

The law on whether communications between clients and non-lawyer agents working in law firms are subject to privilege is also uncertain. In *Whirlpool Corp. v. Camco Inc.*⁴¹, Teitelbaum J. of the Federal Court noted:

The fact that a patent agent was part of a firm that also carries on business as barristers and solicitors and as patent agents under the same name is not material. Just as Mr. Justice Mahoney determined at page 65 in *Calgon, supra*, the correspondence at issue in the case at bar is directed to and from one of the patent agents rather than one of the lawyers in the firm.⁴²

In *Procter & Gamble Co., supra*, correspondence directed to and from one of the patent agents, rather than a lawyer, of the law firm were held not to be privileged. Similarly, in *Montreal Fast Print, supra*, patent agents were not able to assert privilege over their communications despite working for a law firm because they were acting solely in their capacity as patent agents.

However, this approach may not be absolute. In *Groupe Tremca Inc. v. Techno-Bloc Inc.*⁴³, discussions between the client and a non-lawyer agent working in a law firm were “fully subject to privilege”⁴⁴, although “it is also hard to assess the discussions... since these discussions continued over three meetings that lasted several hours in total”⁴⁵. The Court apparently viewed the relationship with the patent agent as a relationship by extension with the firm of solicitors for whom the patent agent worked, thereby attracting privilege.

⁴⁰ *Supra*, note 26 at 15.

⁴¹ *Whirlpool Corp. v. Camco Inc.* (1997), 72 C.P.R. (3d) 444 (Federal Court, Trial Division).

⁴² *Ibid* at 448.

⁴³ *Group Tremca Inc. v. Techno-Bloc Inc.* (1998), [1998] F.C.J. No. 1458 (Federal Court, Trial Division), affirmed by (1999), [1999] F.C.J. No. 1813 (Federal Court of Appeal) and leave to appeal refused by (2000), 2000 CarswellNat 1723 (Supreme Court of Canada).

⁴⁴ *Ibid* at para. 47.

⁴⁵ *Ibid* at para. 25.

(d) *Communications Between IP Owners and Foreign Patent and Trade-mark Agents*

While Canadian law is underdeveloped in this area, there has been one recent and relevant case. In *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals*⁴⁶, the Federal Court concluded that communications between the inventors and their U.K. Patent Attorneys were not privileged and were required to be produced in the Canadian litigation, despite the fact that they were considered privileged in the U.K. where the communications took place.

Pursuant to section 280 of the U.K. *Copyright, Designs and Patents Act 1988*, communications between a person and his patent agent are “privileged from disclosure in legal proceedings in England, Wales, or Northern Ireland in the same way as communications between a person and his solicitor...”.

The Federal Court was asked to recognize and uphold the privilege that attached to the communications at the time they were made in the U.K. for the purposes of the Canadian proceeding. However, the Federal Court held otherwise noting that:

The law in this country does not recognize this [the U.K.] patent agent-client privilege and there is no reason to create such a privilege on an *ad hoc* basis.

Judicial comity between countries does not require Canada to recognize a privilege not established in Canada. This is so particularly for a privilege which has been advocated for but never adopted by legislation...

Pfizer chose to market their products in Canada and therefore take both the benefits and burdens of the Canadian legal regime when they sue or are sued in

this country.⁴⁷

This decision was appealed but unfortunately the matter was settled prior the Federal Court of Appeal having an opportunity to weigh in on the matter. It seems a particularly difficult decision to accept from a judicial comity standpoint that communications which at the time they were made were considered privileged pursuant to U.K. law, should lose their status as such because of subsequent, foreign litigation. As discussed further below, it is the authors' view that the United States has developed a much more enlightened approach to this problem, whereby courts in that country will generally respect and apply a privilege that attaches to communications as a result of foreign law practice.

One final case of interest, which perhaps leaves open the door in Canada for an approach more in keeping with that of the United States courts is the recent Ontario court decision in *Chancey v. Dharmadi*.⁴⁸ In that case, a plaintiff in a civil law suit involving a car accident sought to have produced communications between the defendant and her legal advisor in a related criminal case. In the latter matter, the defendant was not represented by a lawyer, but by a paralegal (a non-lawyer who is permitted to represent clients in certain civil and criminal matters). The defendant argued in resisting the request for production that those communications should be subject to a privilege analogous to lawyer-client privilege.

The Court considered whether paralegal-client communications should be the subject of a class privilege. The court concluded that in view of the fact that the paralegal in question was not licensed by the provincial law society, a class privilege should not be extended. However, the Court did go on to conclude that applying the Wigmore criteria, the communications were privileged on the "case-by-case" analysis.

⁴⁶ *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals* (2006), 55 C.P.R. (4th) 457 (Federal Court) [*"Lilly Icos"*], reversed on other grounds (2006), 2006 FC 1501 (Federal Court) and (2006), 2006 FC 1500 (Federal Court).

⁴⁷ *Ibid* at 461.

⁴⁸ *Chancey v. Dharmadi* (2007), 86 O.R. (3d) 612 (Ontario Superior Court of Justice, Ontario Master) [*"Chancey"*].

What was of particular interest was the court's view that a class privilege should extend to such paralegal communications where the paralegal is licensed by the law society (Ontario has only just recently passed legislation pursuant to which certain paralegals are so licenced). In reaching this conclusion, the Court made some insightful observations that are similarly applicable to the matter of non-lawyer agents/client communications:

Prima facie it appears that the rationale for granting class privilege to communications between a solicitor and his client made in the course of giving legal advice applies equally to communications between a paralegal and his client in the course of giving legal advice...The relationship between a client and his or her paralegal, just as the relationship with his or her lawyer "stretches beyond the parties and is integral to the workings of the legal system itself"...

If privilege is not [extended] to communications between a paralegal and his client substantial issues will be created respecting access to justice. It will mean that clients who can afford lawyers will have their communications protected, but those who cannot afford lawyers, and who retain a paralegal at much less cost to represent them, will not have their communications protected. It would create a two-tier system of justice.⁴⁹

On one final word on the situation in Canada, it is of interest to note that the Intellectual Property Institute of Canada (IPIC), Canada's national association of IP professionals having over 1700 members (consisting of both lawyers and non-lawyers), prepared and submitted to the Government of Canada in July of 2006 a proposal and draft legislation to create a self-regulated College of Patent Agents and Trade-mark Agents. Paragraph 35 of that draft legislation was intended to create a statutory form of protection for confidential client communications:

⁴⁹ *Ibid* at 621.

Confidential communications

35. (1) Subject to subsection (2), a communication, and its content, between a Patent Agent or a Trademark Agent and that agent's client or by a Patent Agent or a Trade-mark Agent on behalf of that agent's client is to be considered confidential and shall not be required to be disclosed by the agent or client, and they shall not be required to give evidence on the communication in legal or administrative proceedings involving the infringement, validity, use, or ownership of any intellectual property right that was the subject of any such communication, whether or not such proceedings were contemplated at the time of the communication.

Scope

(2) Communications to which subsection (1) applies are any oral, written, or electronic communications between a Patent Agent or a Trade-mark Agent and that agent's client or any person acting on behalf of the client or by a Patent Agent or a Trade-mark Agent on behalf of that agent's client in respect of intellectual property matters arising within the scope of services provided by the agent, and include any record or document made for the purposes of, or relating to, such communication.⁵⁰

To-date the Canadian Government has not moved forward with this draft legislation.

4. Privilege for Intellectual Property Advisors in Other Jurisdictions

In order to better understand, consider, and contrast the Canadian approach to IP advisor privilege, the following is a brief overview of how some other jurisdictions approach this issue.

(a) *United States*

Communications Involving American Non-lawyer Agents (or Patent Attorneys)

⁵⁰ The entire draft legislation may be found at <http://ipic.ca/english/pdf/college/July192006draftAc1.pdf>.

There is no statutory provision that the authors are aware of with respect to U.S. non-lawyer agent-client privilege. However, while there may be some inconsistency in the jurisprudence, there does appear to be a number of American court decisions that have held that communications between an American non-lawyer patent agent and a client with respect to that agent's representation of the client before the United States Patent and Trade-mark Office are privileged.

The U.S. Supreme Court in *Sperry v. Florida*⁵¹ ruled that patent practice (by a patent agent) involves legal advice “incident to the preparation and prosecution of patent applications before the Patent Office”⁵².

Subsequently, in *Knogo Corp. v. U.S.*⁵³, the court rejected the “conduit” theory that patent attorneys merely acted as a conduit of information between the USPTO and the inventors and assignees, stating that it is an “over-simplification of the role performed by the patent attorney during the patent application process”⁵⁴. Instead, *Knogo* viewed the relationship as a “cooperative effort” between the client and patent attorney, and one which communications were privileged.

The Court of Appeals for the Federal Circuit has also held in *In re Spalding Sports Worldwide, Inc.*⁵⁵ that a patent attorney's communications will be privileged “as long as it is... “for the purposes of securing primarily legal opinion, or legal services, or assistance in a legal proceeding”⁵⁶.

In the 2001 decision of the United States District Court of Illinois in *Mold-Masters Ltd. v.*

⁵¹ *Sperry v. Florida*, 373 US 379 (U.S. Supreme Court, 1963).

⁵² *Ibid* at 403.

⁵³ *Knogo Corp. v. U.S.*, 213 U.S.P.Q. 936 (U.S. Court of Claims, Trial Division, 1980).

⁵⁴ *Ibid* at 940-941.

⁵⁵ *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800 (U.S. Court of Appeals, Federal Circuit, 2000).

⁵⁶ *Ibid* at 805. See also *Burlington Industries v. Exxon Corp.*, 65 F.R.D. 26 (U.S. District Court, Maryland, 1974) and *Natta v. Hogan* 392 F.2d 686, (U.S. Court of Appeals, 10th Circuit, 1968).

*Husky Injection Molding Systems, Ltd.*⁵⁷, the court concluded that “... where legal advice is sought from a patent agent in his capacity as such, the communications relating to that purpose, made in confidence by the client, are at his instance permanently protected from disclosure by himself or by the patent agent except the protection be waived”⁵⁸. Other cases have reached similar a conclusion.⁵⁹

Communications Involving Foreign Agents

In addition to communications between an American agent and his/her client being privileged, the United States courts have taken a rather enlightened approach with respect to the application in American proceedings of a foreign jurisdiction’s law on IP advisor-client privilege.

In *Bristol-Myers Squibb Co. v. Rhone-Poulenc*⁶⁰, Bristol-Myers sought production of certain communications and memoranda between Rhone-Poulenc and its French patent agents. The Court concluded that based on its review of the relevant provisions of the applicable French legal codes, while there was an obligation on the part of a French patent agent to keep a client’s confidential information secret, production could nevertheless be compelled by a court and therefore such communications were not considered by the U.S. court as being privileged. Accordingly, the U.S. court concluded that since communications between a French patent agent and a client are not entitled under French law to an evidentiary privilege comparable to the solicitor-client privilege, such a privilege was not available in the United States and the communications and memoranda between Rhone-Poulenc and its French patent agents were producible.

⁵⁷ *Mold-Masters Ltd. v. Husky Injection Molding Systems, Ltd.*, No. 01-C-1576, 2001 WL 1558303, (U.S. District Court, Northern Illinois, Eastern Division, 2001).

⁵⁸ *Ibid* at 1.

⁵⁹ See, for example, *Vernitron Medical Products Inc. v. Baxter Laboratories Inc.* 186 U.S.P.Q. 324 (U.S. District Court, New Jersey, 1975); *In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377 (U.S. District Court, D.C. 1978); *Jack Winter, Inc. v. Koratron Company, Inc.*, 54 F.R.D. 44 (U.S. District Court, Northern California, 1971); and *In re Yarn Processing Patent Litigation*, 177 U.S.P.Q. 514 (U.S. District Court, Southern Florida, 1973).

⁶⁰ *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer Inc.*, 52 U.S.P.Q. 2d 1897, 188 F.R.D. 189 (U.S. District Court, Southern New York, 1999) [*“Rhone-Poulenc”*].

The case is of interest not because of the result *per se*, but because of the approach taken by the Court. The Court followed earlier American jurisprudence in concluding that under appropriate circumstances, if a privilege for agent-client communications exists in a foreign jurisdiction, then that privilege will be respected by American courts, subject to any overriding policy considerations. The problem for Rhone-Poulenc was that the Court concluded that no such privilege existed in France and therefore none was applicable in the American proceeding.

A number of other United States decisions, in following the same approach as that adopted by the Court in *Rhone-Poulenc*, have concluded that an agent-client privilege that existed in a foreign jurisdiction would be respected by the American courts.

One of the most recent examples is the decision of the New York District Court in *Eisai Ltd. v. Dr. Reddy's Laboratories*⁶¹. In that decision, Mr. Justice Lynch followed a number of earlier American decisions in concluding that communications between a client and a Japanese patent agent are the subject of privilege pursuant to Japanese law in view of Articles 197 and 220 of the *Japanese Code of Civil Procedure*. Mr. Justice Lynch observed that given that Japanese law accords such a privilege, American Courts should respect that privilege as a matter of judicial comity. Overall, he noted that “[t]he prevailing authority with respect to recognition of foreign privileges applicable to patent agents or attorneys holds that where a communication with a foreign patent agent or attorney involves a foreign patent application, “then as a matter of comity, the law that foreign country is considered regarding whether that law provides a

⁶¹ *Eisai Ltd. v. Dr. Reddy's Laboratories Inc.*, 77 U.S.P.Q. 2d 1854, 406 F. Supp. 2d 341 (U.S. District Court, Southern New York, 2005).

privilege comparable to the attorney-client privilege[,]. . . subject to any overriding U.S. policy considerations”⁶².

Another example of the same approach is the decision in *Murata Manufacturing v. Bel Fuse*⁶³ where again the privilege attaching to the communications between the client and the Japanese patent agent were upheld during the course of U.S. litigation. In the earlier decision in *VLT Corp. v. Unitrode Corp.*⁶⁴, the Court upheld the privilege that attached to both the communications between a client and its Japanese patent agent and between the client and its U.K. agent.

(b) Australia

Privilege for patent attorney-client communications in Australia is found in section 200(2) of the Australian *Patents Act 1990*, which says that:

A communication between a registered patent attorney and the attorney’s client in intellectual property matters, and any record or document made for the purposes of such a communication, are privileged to the same extent as a communication between a solicitor and his or her client.

In the Federal Court of Australia decision *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals*⁶⁵, Eli Lilly sought to have Pfizer produce certain documents that were created as a result of Pfizer seeking advice from its U.K. patent attorneys. The judge concluded that pursuant to the Australian statutory provision, privilege for a “registered patent attorney” was confined to communications between a client and a patent attorney

⁶² *Ibid* at 342-343.

⁶³ *Murata Manufacturing Co., Ltd. v. Bel Fuse Inc.*, 2005 WL 281217 (U.S. District Court, Northern Illinois, Eastern Division, 2005).

⁶⁴ *VLT Corp. v. Unitrode Corp.*, 194 F.R.D. 8 (U.S. District Court, Massachusetts, 2000). See also *Astra Aktiebolag v. Andrx Pharmaceuticals, Inc.*, 64 U.S.P.Q. 2d 1331, 208 F.R.D. 92 (U.S. District Court, Southern New York, 2002).

⁶⁵ *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals* (2004), 137 F.C.R. 573 (Federal Court of Australia) [*“Eli Lilly & Co.”*].

registered in *Australia*. The privilege did not attach to the communications between Pfizer and its U.K. attorneys and the documents were ordered produced. It is believed that these are the same communications that were the subject of the Canadian case discussed above in *Lilly Icos*⁶⁶.

In response to *Eli Lilly & Co.*, the Intellectual Property Research Institute of Australia (IPRIA) has proposed a legislative amendment to extend the privilege to “foreign patent attorneys arising out of the professional relationship” and “third parties where the purpose of the communication is to enable the patent attorney to provide or the client to receive patent attorney advice or services including services with respect to legal proceedings”⁶⁷.

(c) *New Zealand*

New Zealand’s *Evidence Act*, as amended by s. 34(2) of the *Evidence Amendment Act (No. 2) 1980*, contains the following provision:

A registered Patent Attorney shall not disclose in any proceeding any communication between himself and a client or any other person acting on the client’s behalf made for the purpose of obtaining or giving any protected information or advice, except with the consent of the client or, if he is dead, the consent of his personal representative.

It is of interest to note that this provision is the subject of an amendment pursuant to a 2005 Bill⁶⁸ to amend the *Evidence Act*, by way of which the provision would include reference to registered foreign patent attorneys or solicitors under the definition of “legal advisor”.

⁶⁶ *Supra*, note 46.

⁶⁷ IPRIA, *supra*, note 14 at 45.

⁶⁸ New Zealand, Government Bill 2005 No. 256-2.

(d) Japan

Articles 197 and 220 of the *Civil Proceedings Act 1998* provide statutory privilege to Japanese patent attorneys, who may or may not be lawyers. Subparagraph 197(1)(ii) specifically exempts patent attorneys from disclosing facts obtained in the exercise of professional duties or technical or professional secrets⁶⁹. Paragraph 220(2) exempts patent attorneys from producing documentary evidence containing such facts⁷⁰.

(e) United Kingdom

As noted above, pursuant to section 280 of the *Copyright, Designs and Patents Act*, communications between a person and his patent agent are “privileged from disclosure in legal proceedings in England, Wales, or Northern Ireland in the same way as a communication between a person and his solicitor...”.

(f) France

As a result of amendments made in 2004 to the French *Intellectual Property Code* (Article L422-11) it is the authors’ understanding that agent-client communications are now in essence privileged. It is also the authors’ understanding that these changes were implemented subsequent to the American *Rhone-Poulenc* case discussed above.

(g) Germany

It is the authors’ understanding that agent-client communications are considered, in

⁶⁹ Takenaka, T. “Recent Legislative Updates in Japan” (1999) online: University of Washington, School of Law, CASRIP <http://www.law.washington.edu/casrip/newsletter/newsv6i1jp2.html> (date accessed: 12 March 2003).

⁷⁰ *Ibid.*

essence, privileged pursuant to the *German Patent Attorney Code*.

(h) *European Patent Convention (EPC)*

Under the revised EPC, which entered into force in December 2007, subparagraph 134(d) now provides for privileged communications between professional representatives and their clients:

Where advice is sought from a professional representative in his capacity as such, all communications between the professional representative and his client or any other person, relating to that purpose and falling under Article 2 of the Regulation on discipline for professional representatives, are permanently privileged from disclosure in proceedings before the European Patent Office, unless such privilege is expressly waived by the client.

5. Pitfalls and Obstacles for IP Owners Operating in Multiple Jurisdictions

As noted above, different jurisdictions have different approaches to whether communications between a client and a domestic IP advisor are the subject of privilege. The same can be said in respect of how one jurisdiction treats a communication between a client and a foreign IP advisor, even if the communication is initially considered confidential or privileged in the home country of the IP owner.

Moreover, it is common that IP owners seek corresponding protection in multiple jurisdictions and as such one must look at intellectual property rights and their acquisition and protection as, in essence, being global in scope. It is also common to have related litigation being conducted in multiple jurisdictions. As such, what happens in one jurisdiction (whether in the course of preparing an IP patent application, or prosecuting a IP application, or litigating an issued IP right) has the potential to have relevance in not only that jurisdiction, but potentially many others, and this is especially so in the context of patent rights.

The pitfalls that might befall an IP owner in terms of forced production in jurisdictions such as the United States, Canada, or Australia have been discussed above. Clearly it is imperative that an IP advisor be aware of the different national approaches to be best prepared for any downstream issues that may arise. However, more important perhaps than the fact *per se* that client communications may be required to be disclosed are the potentially negative consequences that may flow from that disclosure. In the discussion that follows on the potential adverse effects of a forced disclosure, the comments apply equally to disclosures in respect of communications with both domestic and foreign IP advisors – in other words, communications between an IP owner and a foreign IP advisor can be used against the interests of the IP owner to the same extent as communications with the domestic IP advisor.

As such, it is imperative that the IP owner and the IP advisor, to the fullest extent possible, be aware of these jurisdictional differences to best insulate the IP owner from

any potential downstream difficulties. This is important not only in respect of the procurement of IP rights, but any possible subsequent litigation. Indeed, in many cases the greatest concern is the potential forced production of IP advisor - client communications during the course of legal proceedings in jurisdictions that have some form of documentary or oral discovery process, such as the United States, Canada, Australia and numerous other jurisdictions, and the negative impact that such forced disclosure may have on a party's rights.

For example, it has become common practice in patent infringement cases in Canada (and elsewhere) that a defendant seeks to obtain the domestic or foreign patent agent's file (the communications between the agent and the IP owner or inventor, opinions, notes, memos, etc.) in the hope of obtaining evidence to support certain invalidity attacks. One such attack would be an allegation that the IP owner did not act in good faith in prosecuting its patent application before the Canadian Patent Office (e.g. in not disclosing all relevant prior art that the applicant was aware of). In the United States, the duty of candor/fraud on the patent office defence is well known. However, as a result of some recent Canadian jurisprudence⁷¹ it is at least arguable that a similar duty of candor is now part of Canadian practice. While the law in this regard is still developing, it has certainly become common practice for allegations of this kind to be included in defences to infringement actions. It should be noted that unlike the United States, in Canada there is no doctrine of file wrapper estoppel. In other words, the file history is not used for the purposes of construing the patent – only the patent specification itself as issued is reviewed by the court in construing the claims. It is suspected that if the doctrine applied in Canada, there would have been more cause for defendants to seek production of the patent agents' files.

An allegation of a lack of good faith is just one potential invalidity attack that could be based on information found in the agent's file – any number of other attacks might equally be supported, including anticipation (or lack of novelty), obviousness (or lack of inventive step), lack of utility, covetous claiming, lack of support in the disclosure, etc..

Overall, forced disclosure of client communications or an agent's file could seriously undermine the IP owner's interests in its patent rights (and certainly might discourage a full and frank disclosure by the IP owner to its patent agent).

Another example is the potential negative impact on the remedies that an IP owner may seek to recover if successful in an infringement action. In Canada and elsewhere many of the remedies are subject to the discretion of the court as opposed to being available to a successful plaintiff as of right. These discretionary remedies are referred to in Canada as equitable remedies and include, amongst others, an accounting of the defendant's profits and injunctions, including permanent injunctions⁷². There are any number of reasons why a court may decide not to exercise its discretion in favour of the plaintiff in granting a remedy of this kind. One consideration is, for example, whether a plaintiff is coming into court with "clean hands". That is to say, a court may decide not to grant certain equitable relief, including an interim or permanent injunction, if the court is of the view that the plaintiff in some way has not acted in good faith. It is certainly feasible that a defendant might be able to rely upon confidential client communications with its IP advisor to support an allegation of bad faith on the part of the IP owner.

Additionally, often a successful party in Canada (and elsewhere) is entitled to some portion of its court or legal costs. Under certain circumstances, a successful party may be entitled to something approaching complete or full indemnification of court costs, known in Canada as "solicitor and client" costs. An award of solicitor and client costs can be substantial in IP matters that go through to trial, and often in the millions of dollars. Again, it is certainly possible that information obtained from an IP advisor's file could be used in support of an adverse order against the IP owner, or a defendant, on the issue of costs. Such was the result in the Canadian case of *Stamicarbon B.V. v. Urea Casale*

⁷¹ *G.D. Searle & Co. v. Novopharm Ltd.* (2007), 56 C.P.R. (4th) 1 (Federal Court) at 32-34, reversed on other grounds at (2007), 58 C.P.R. (4th) 1 (Federal Court of Appeal), leave to appeal refused at (2007), [2007] S.C.C.A. No. 340 (Supreme Court of Canada).

⁷² In respect of the discretionary nature of permanent injunctions, see *Merck & Co. v. Apotex Inc.* (2006), 53 C.P.R. (4th) 1 (Federal Court) at 65, additional reasons at (2006), 53 C.P.R. (4th) 69, reversed on other grounds at (2006), 55 C.P.R. (4th) 81 (Federal Court of Appeal). In this same regard, see also *eBay Inc. v. MercExchange, L.L.C.*, 54 U.S. 388 (U.S. Supreme Court, 2006) at 390 and 394.

S.A.⁷³, where the defendant patentee in an impeachment action was forced to disclose communications between the company and its non-lawyer Canadian patent agent. The plaintiff succeeded in obtaining summary judgement at the trial level and the patent agent's files were relied upon in obtaining a partial award of solicitor and client costs against the patentee. Although the defendant successfully appealed the order on the merits (such that the order for costs was also reversed), *Stamicarbon* is an example of how intellectual property remedies can be affected by a lack of privilege.

While typically in considering the issue of privilege one has a tendency to focus on the rights of IP owners, the potential downsides to a lack of privilege in respect of those against whom IP rights may be asserted should also be considered. Indeed, it is to be recalled that often defendants in infringement matters are not some form of rogue IP squatter, but are in fact IP owners themselves. In the United States and in other jurisdictions, there are potentially serious consequences should a party be found to have, for example, willfully infringed a patent, including possible elevated damages (e.g. treble damages), or punitive damages. It is certainly possible that confidential communications between a defendant and its IP advisor could be used against that party's interests if those communications are forced to be disclosed. Such adverse communications might include a negative legal opinion, or if there are in the communications any admissions against interest in respect of validity or infringement.

The above discussion highlights only a few examples of the possible adverse results that may flow from a forced disclosure of the client-IP advisor's confidential communications. However, IP advisors must always be cognizant of any potential negative fallout in respect of the rights or legal positions of an IP owners or defendant.

⁷³ *Stamicarbon B.V. v. Urea Casale S.A.* (2002), 17 C.P.R. (4th) 377 (Federal Court of Appeal), leave to appeal refused by (2002), 2002 CarswellNat 2821 (Supreme Court of Canada).

6. Conclusions

It is clear that in many jurisdictions, lawyer and non-lawyer IP advisors may provide the same or overlapping services to IP owners. Moreover, in some of those jurisdictions a confidential communication between one IP advisor may be considered privileged and therefore exempted from forced production or disclosure during litigation, while the identical confidential communication with a different IP advisor (e.g. a non-lawyer IP advisor or a foreign IP advisor) may not be considered privileged and not subject to the same protection.

If one accepts the public policy considerations in support of providing privilege to a communication between a lawyer IP advisor and an IP owner (namely, to encourage full and frank communication between clients and their IP advisors so as to promote the broader public interest in the observance of, and respect for, the law and the administration of justice), it is difficult to understand why those same public policy considerations would not apply when the same type of communication takes place between an IP owner and a non-lawyer IP advisor, or a foreign advisor. Indeed, the existence of such an artificial distinction can not only lead to unjust results as discussed herein, but also may raise more basic access to justice issues as a result of the potential limitation that such a distinction would place on IP owners when selecting their IP advisors, as well as adding further complexity and cost to global patent protection and litigation.

Additionally, the inconsistency in approach amongst different jurisdictions can, and in fact does, lead to situations where a confidential communications are exchanged between an IP advisor and a client on the understanding that those communications are privileged, and are in fact considered privileged by the jurisdiction in which they were made, only to have those communications forcibly disclosed in litigation taking place in another jurisdiction resulting in the loss of privilege.

Recalling the valuable nature of IP legal rights and the fact that they are designed to,

amongst other things, encourage investment in, and the public disclosure of, research and technology, the uncertainties that flow from this inconsistent approach can be significantly harmful. As with other legal rights, there are strong public policy reasons for ensuring that IP owners are able to obtain legal advice in confidence in respect of their assets from qualified IP advisors nationally, and also trans-nationally, and not to have those communications subject to disclosure as a result of inadequacies in national or international laws or policies. The possible adverse consequences of the loss of privilege in those communications are many and varied. In addition to the potential loss of rights discussed above, it can also lead to an IP owner choosing not to engage in a full and frank discussion with its IP advisor of its potential IP rights (which would be contrary to the public interest given the potentially powerful commercial rights associated with IPRs). In the alternative, an IP owner may simply choose not to seek IP advice at all, or choose to forgo seeking IP protection (and the public thereby losing the advantage of having new technologies disclosed), or perhaps in a worst case scenario choose not to invest in new technologies in the first place, with an overall negative result on research, development, and the economy.

In view of the above-noted difficulties and concerns, there are compelling reasons for countries to consider an international treaty, administered through WIPO, as an appropriate means to achieve a common, global approach to ensuring that confidential communications between all IP advisors and their clients are treated in a consistent, harmonious, and efficient manner.