Companies and Intellectual Property Commission
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COMPANIES AND INTELLECTUAL PROPERTY COMMISSION: PATENTS AND DESIGNS DIVISION (SOUTH AFRICAN PATENTS AND DESIGNS OFFICE)

SUBMISSION IN TERMS OF C. 7999: CONFIDENTIALITY OF COMMUNICATIONS BETWEEN CLIENTS AND THEIR PATENT ADVISORS

1. National laws and rules dealing with cross-border aspects of confidentiality of communications between clients and patent advisors

1.1 National Laws

- **Attorney-client privilege** exists in South Africa and derives from **the common law.** It was adopted in South Africa from English law (*General Accident, Fire and Life Assurance Corporation Ltd v Goldberg 1912 TPD 494*).

- Privilege is a right which vests in the client and is, for example in the case of an attorney, viewed as part of the duties of the attorney towards his/her client. It generally has two different manifestation and two different rules that relate to them:

    - **Legal advice privilege:** All confidential communications passing between lawyer and client and between the client's lawyers in relation to seeking legal advice are privileged;

    - **Litigation privilege:** The litigation privilege protects from disclosure communications made between the client and lawyer and between the client or lawyer and third parties for the purposes of obtaining legal advice

for actual or contemplated litigation. It protects from disclosure materials prepared for use in litigation.

The principle of legal advice privilege, has been (most notably) set out in the Appellate Division (as it then was) in the case of *The State v Safatsa 1988 (1) SA 868(A)*. In *Safatsa* the privileged nature of all communications between an attorney and a client made for the purposes of giving or receiving legal advice between attorney and client was confirmed. In *Mohammed v President of the Republic of South Africa and Others 2001 (2) SA 1145 (C)* it was made clear that the scope of legal advice privilege extends to in-house legal advisors when acting in their capacity as such.

- **Statutory provisions**: In addition to the common law, section 24(8) of the South African Patents Act, 1978 provides that any person who practices as a patent attorney shall be deemed, for the purposes of any law relating to attorneys, to be practicing as an attorney. Section 24(8) was introduced into the Act at the date of promulgation of the Act (1 January 1979). Section 24(9) provides that any communication by or to a patent agent (the definition of agent includes an attorney) in his or her capacity as such shall be privileged from disclosure in legal proceedings in the same manner as is any communication by or to an attorney in his or her capacity as such. It is understood that the intended effect of section 24(9) was to protect clients by extending the normal rules of privilege that apply to attorneys to their communications with patent agents who are not qualified as attorneys. The section was introduced by way of amendment to the Patents Act in the Patents Amendment Act of 1997.

In a nut-shell in South Africa:

- ✓ Intellectual property rights holders are entitled to claim privilege in respect of all communications with their IP legal advisors (i.e. patent or trademark attorneys or patent agents), provided those communications are made for the purpose of giving or receiving legal advice. This would not only include the

most commonly encountered relationship between a client and his legal advisor(s) in private practice but would also extend to in-house legal advisor(s) communicating with his or her client (employer). This may extend to communications with third parties in circumstances in which litigation privilege applies.

- ✓ The communication between an ordinary client (who is not an attorney or an in-house legal advisor) with a third party not in relation to particular litigation would usually be not privileged.

- ✓ The communication between IP legal advisors and third parties (such as technical experts) is not a communication between legal advisor and client. Thus, the legal advice privilege would ordinarily not extend to these communications and protection would usually be limited to situations in which litigation privilege applies. However, there may be certain factual situations in which such communications could arguably be held to be privileged to give proper effect to the principles underpinning the privilege rule i.e. in circumstances in which privileged information that passed between the client and the legal advisor was made available to a technical expert to enable the legal advisor to provide the client advice.

1.2 Cross-border aspects

- ✓ The communications between **a local IP professional and a foreign IP professional** would be considered to be privileged if the communications were made for the purpose of giving or receiving legal advice to a particular client (i.e. the local attorney is acting as an agent for obtaining the advice from the foreign attorney).

- ✓ The communications between **clients and a foreign IP professional :**
  - Such communications would be considered to be privileged in South Africa if the employee of the client acting on the client's behalf is a legal

advisor and the communications were made for the purpose of obtaining legal advice from the foreign IP professional;

- If the representative of the client is not so qualified the position is not entirely clear since a clear principle has not emerged from judgments of our Courts as to the basis on which communications between local and foreign parties may enjoy privilege. Although it is undecided, in the context of intellectual property, in South Africa it has seemingly been accepted by the conduct of parties in South African litigation that the standard that should be applied is to consider whether or not such communications would have enjoyed privilege in the terms of the foreign law of the country concerned.

2. Problems in relation to cross-border aspects of confidentiality of communications between clients and patent advisors

The potential problems in practice are that a non-qualified client may chose to communicate with a foreign patent agent in relation to the prosecution of a patent application in that country only to find that the communication may not be privileged in SA since it did not pass between a legal advisor (as defined in SA) and the client and/or it does not enjoy privilege in the particular country concerned. However, the comments that privilege may still be claimed locally by applying the foreign standard as set out above should be kept in mind if such foreign privilege exists.

3. Remedies that are available in countries and regions to solve the problems that remain at the national, bilateral, plurilateral and regional levels

All available remedies in South Africa are already addressed above based on the existing statutory provisions, common law principles and our court practice.

NOTE: The submission is based on the information kindly made available to us by our legal practitioners