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Information to the International Bureau on experiences and case studies on the effectiveness of exceptions and limitations, in particular, in addressing development issues (note C. 8481)

The information is provided on behalf of:

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i. Practical experiences on the effectiveness of, and challenges associated to, exceptions and limitations to patent rights, in particular addressing development issues

The Swiss Federal Act on Patents for Inventions of 25 June 1954, as amended in 2007, includes a number of provisions setting out exceptions and limitations to patent rights, for example:

- Art. 35 a: farmer's privilege
- Art. 37-40: rules on compulsory licensing
- Art. 40b: non-exclusive license with regard to the use of research tools
- Art. 40c: compulsory license for diagnostic tools
- Art. 40d: compulsory license for the export of pharmaceutical products.

Further information on the exceptions and limitations to patent rights and the relevant articles is available in the document SCP/23/3 and on the SCP Electronic Forum website at http://www.wipo.int/scp/en/exceptions/replies/suisse.html.

So far, no actual cases are known where these regulations were relevant. Switzerland's practical experiences with regard to exceptions and limitations to patent rights relate to the rule on **licenses for dependent rights, Article 36 Patents Act.** A few decisions have been issued since the introduction of the regulation more than 100 years ago. These cases are described in document SCP/23/3.

ii. Court cases with respect to client-patent advisor privilege including limitations or difficulties encountered

The client-patent advisor privilege is an important tool to protect the confidentiality of communications relating to legal advice. The client is encouraged to reveal the details that are important for receiving adequate legal advice with respect to his own rights and that of third parties, as well as appropriate representation of his interests. The privilege shields from disclosure of the communications in litigation and prevents the opposing party from obtaining documents produced during the consultation process. Legal advice, however, is hindered if the risk of disclosure is not excluded.
Patent advisors, in private practice or in-house, increasingly work a multi-national environment. They are confronted with foreign laws and court procedures. Countries have different national concepts of client-patent advisor-related confidentiality and varying legal foundations for the privilege. Some

countries have extensive statutory discovery proceedings, others more limited evidentiary and discovery rules. In common-law jurisdictions, evidentiary privileges are of substantive nature, in civil law countries of procedural. The level of protection of the client-patent advisor privilege may vary from country to country. In some national legislations, in-house counsels are excluded from the protection. Other nations do not have any kind of privilege. These differences cause high uncertainty for patent advisors and clients.

In countries with (some kind of) protection, a privilege might be acknowledged according to the national law and applied standards in the country of origin of the patent advisor. The acknowledgement or denial of the privilege depends on the interpretation of foreign laws by a single judge. The following case examples illustrate the situation of the Swiss patent attorney's profession in United States (U.S.) district court proceedings.

In re Burroughs Wellcome Co. v. Barr Labs. Inc., 143 F.R.D. 611, 616-17 (E.D.N.C. 1992) the court found that a letter from Swiss patent attorney to European patent attorney was privileged on the basis of unopposed declaration stating that Swiss privilege law covers communications between clients and patent agents.

In re Rivastigmine (239 F.R.D. 351, 359, S.D.N.Y.) the district court applied its interpretation of Swiss law and found that communications between a Swiss patent agent, his client and Swiss in-house counsel were not protected by a professional privilege. The court noted that where communication with a foreign patent agent or attorney involves a foreign patent application U.S. courts look to the law of the country where the patent application is pending to examine whether that country's law provides a privilege comparable to U.S. attorney-client-privilege. According to the judge, the Swiss regulations referred only to a professional secrecy obligation, and not to an absolute evidentiary privilege. The court was asked to consider the effects of these rules within the context of the Swiss discovery procedures. The Swiss plaintiff argued that the mandatory disclosure of documents would be quite limited in civil litigation in Switzerland, and that a Swiss court would not order disclosure of the documents at issue. A professional secrecy obligation would, therefore be sufficient to protect the privilege between patent agents and their clients. Although the judge noted", special problems [may] arise when evaluating the attorney-client privilege of foreign jurisdictions whose discovery systems are not comparable to our own," it decided that it would not imply privilege from discovery procedures if a special evidentiary privilege, comparable to the American attorney-client privilege, has not been recognized in Swiss law.

In re Schindler vs Otis (District Court New Jersey; 2:09-cv-00560) that court found that the privilege did not apply to a European patent attorney. Mr. H. Blöchle, Head Global IP, Schindler Management Ltd., presented the case during the 21st SCP meeting.
(http://www.wipo.int/edocs/mdocs/scp/en/scp_21/scp_21_ref_bloechle.pdf).

B. Schindler NJ Must Respond To Questions Seeking Non-Privileged Testimony

Otis seeks to compel Schindler NJ employee Frank Resch, a non-lawyer, to answer certain questions posed in his deposition on March 23, 2010. Otis asked questions about Schindler NJ's reasons for choosing to use one belt design rather than another in the United States. Schindler NJ's counsel instructed Mr. Resch not to answer on the basis of privilege. The conversations at issue were between non-lawyers. The record cannot support Schindler NJ's claim of privilege:

> Q. With whom have you had those discussions?
> A. This is, again --
> MR. YANNEY: You can answer the who, but don't reveal any of the substance of what may have been discussed.
> THE WITNESS: Okay.
> A. Inventio, Mr. Bloechle and the CTO.
> Q. What is Mr. Bloechle's job at Schindler?
> A. He is head of Inventio.

(Ex. 6, Resch Dep. at 16:8-10)

Mr. Bloechle is a European patent agent, not a lawyer. Communications with a patent agent are not entitled to attorney-client privilege under Swiss law. *See In re Rivastigmine Patent Litig.*, 239 F.R.D. 351, 359 (S.D.N.Y. 2006) (rejecting claim of attorney-client privilege to communications involving a patent agent because "Swiss statutes do not provide a privilege comparable to attorney-client privilege for patent agents").

In re Zoledronic acid (District Court New jersey; 2:12-cv-03967) the court found, in applying the amended Swiss law (Art. 10 Patent Attorneys Act, Art. 160 Swiss Code of Civil Procedure), that the privilege applies to a Swiss patent attorney.