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**SCP/20/9**  
**ORIGINAL: ENGLISH**  
**DATE: NOVEMBER 6, 2013**

## **Standing Committee on the Law of Patents**

**Twentieth session**  
**Geneva, January 27 to 31, 2014**

**CONFIDENTIALITY OF COMMUNICATIONS BETWEEN CLIENTS AND THEIR  
PATENT ADVISORS: COMPILATION OF LAWS, PRACTICES AND OTHER  
INFORMATION**

*Document prepared by the Secretariat*



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## EXECUTIVE SUMMARY

1. Pursuant to the decision of the Standing Committee of the Law of Patents (SCP) at its nineteenth session held from February 25 to 28, 2013, in Geneva, the present document is a compilation of laws and practices on, and a summary of information received from Member States on experiences relating to, the issue of confidentiality of communications between clients and their patent advisors. The document primarily draws on information contained in the documents which had been submitted to the previous sessions of the SCP (See Annex I). The compilation of information does not imply any recommendation or guide for Member States to adopt any particular mechanism contained in this document.

2. Background: It is often the case that an applicant mandates a local patent advisor in his country of origin to assist filing, preparing and prosecuting a patent application according to the national rules and practices. In the course of protecting his invention at the international level, the applicant further files corresponding patent applications abroad by engaging foreign patent advisors in different overseas countries. In some of those overseas countries, in particular in common law countries, courts may order, in the course of “discovery” proceedings during patent litigation, the forcible disclosure of confidential documents between the applicant and his patent advisor, including that of his local patent advisor in his country of origin. While the applicant might be protected by the rules and practices on the confidentiality of communications between him and his patent advisor in his country of origin, such confidentiality relationship might not be recognized and protected in foreign countries, even if the client engages different local patent advisors abroad and even if his patent advisor in the country of origin does not provide any services abroad.

3. In general, when a client seeks an opinion from a qualified lawyer, communications between the lawyer and his client are accorded the “privilege” of not being required to be disclosed in a court of law or those communications are protected from public disclosure by a secrecy obligation. The purpose of establishing such a privilege or secrecy obligation is to encourage those who seek advice and those who provide advice to be fully transparent and honest in the process. Those who seek advice should provide the advisor with all the information that could be relevant to obtain the best advice, including the aspects which may run counter to his position. On the other hand, the advisor should be able to be completely frank. Therefore, in order to ensure a high quality of legal advice, the exchange of instructions and advice should not be restricted due to the fear of disclosure of their communications.

4. In general, patent attorneys are not only technical experts and only file patent applications, but also provide legal advice related to patent prosecution and litigation. With the understanding that clients should be able to have frank and open communication with their patent attorneys, some countries extend the legal professional privilege to patent attorneys who are not qualified lawyers. However, some other countries do not provide for such an extension or do not have any specific rules on that issue. Even if the patent attorney’s privilege exists, the scope of communications covered by the privilege and the extent of privilege that overseas patent attorneys enjoy are different from one country to another. Consequently, although the confidentiality of communications between patent advisors and their clients may be maintained in their home country, there is a risk of forcible disclosure of such communications in another jurisdiction during the discovery or similar proceedings.

5. International framework: The issue of client-patent advisor privilege is not expressly regulated by any international intellectual property (IP) treaty. However, the provisions of the Paris Convention for the Protection of Industrial Property (Paris Convention), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and the

General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) have some relevance to the issue at stake. With regard to the Paris Convention, the issue of client-patent advisor privilege appears to fall under the permissible exceptions to the general rule of the national treatment, although the Paris Convention does not prevent its Contracting Parties from according the same treatment between national and foreign patent advisors. The TRIPS Agreement, similar to the Paris Convention, does not directly refer to the issue of client-patent advisor privilege, but contains both rules on the production of evidence, which lies in the control of the opposing party, and on the protection of confidential information (see Article 43). The issues of client-patent advisor privilege in connection with judicial proceedings appear to be outside the scope of GATS.

6. Different approaches at the national level: Annex III provides a compilation of national laws and practices regarding the scope of client–attorney privilege and its applicability to patent advisors in 41 countries (including both common law countries and civil law countries) and three regional frameworks. On the national aspects of the preservation of confidentiality of communications with patent advisors, it reviewed the national laws with respect to the following elements: (i) the origin of the privilege and/or secrecy obligation; (ii) professionals bound by the privilege and/or secrecy; (iii) the scope of the privilege/secrecy obligation; (iv) exceptions and limitations to the privilege/secrecy obligation; (v) penalties for breach of secrecy; and (vi) qualifications of patent advisors. Further, in connection with civil court proceedings, the information as to how such professional secrecy obligation interacts with a duty to testify or to produce documents is also provided, where available. On the cross-border aspects, information regarding the recognition of confidentiality of communications with foreign patent advisors was gathered.

7. Most countries impose confidentiality obligations on patent advisors either under national legislations or under codes of conduct set by professional associations or pursuant to governmental regulations. In general, the duty of confidentiality requires patent advisors not to disclose any information in relation to their advice obtained in the course of exercising their professional duties. However, there are a few countries where such obligation does not exist. For the issue of client-patent attorney privilege, it is important to take into account the particularities of court proceedings in common law and civil law countries.

8. In common law countries, the issues at stake inherently relate to a specific privilege in court proceedings with regard to discovery.

- (i) Some common law countries recognize privilege in respect of communications between non-lawyer patent advisors and their clients, similar to the client-attorney privilege.
- (ii) However, in some other common law countries, communications between non-lawyer patent advisors and their clients are not privileged.

9. In civil law countries, the issue is addressed by a professional secrecy obligation generally contained in civil codes and criminal codes.

- (i) In some civil law countries, the right to refuse to testify in court on a matter covered by the professional secrecy obligation and/or to produce documents that contain information covered by the professional secrecy obligation is not applicable to non-lawyer patent advisors.
- (ii) However, in some civil law countries, in principle, communications with non-lawyer patent advisors are also protected from disclosure during court procedures.

- (iii) Some of the civil law countries that protect the confidentiality of communications with non-lawyer patent advisors have reformed their law of evidence or IP law to expressly state the right to refuse both testimony and production of documents.

10. Approaches to cross-border aspects: Most countries do not provide specific laws and rules dealing with cross-border aspects of the confidentiality of communications between clients and foreign patent advisors.

- (i) Among the countries where the confidentiality of communications with national patent advisors is granted at the national level, there are some where the confidentiality of communications with foreign patent advisors is not recognized due to the fact that, for example, they are not registered under the respective national law or are not admitted to the bar.
- (ii) However, in a few countries, communications with foreign patent advisors, even if they are non-lawyers, are also protected from forcible disclosure.
- (iii) In most civil law countries, there is no practical experience with cross-border aspects of confidentiality of communications between clients and patent advisors, since there are no or very limited pre-trial discovery proceedings which might force disclosure of confidential information. However, the patent advisors in those civil law countries could be subject to a cross-border discovery in some common law countries, even if the protection of confidentiality is provided by their home country. Some civil law countries have explicitly established the privilege or secrecy obligation of non-lawyer patent advisors by statute in order to facilitate the recognition of the privilege in the courts of certain common law countries.

11. Issues addressed at the national and international levels: Based on the information gathered in Annex III and the discussions held at the SCP, the document contains further elaboration on a number of pertinent issues relating to the preservation of confidentiality of patent advisors' communications. It reviews the rationale for the client-patent advisor privilege and, in particular, its effects on the administration of justice, the public and private interests behind the regulation and the issue of development.

12. In relation to the cross-border aspects, the following issues have been addressed: (i) loss of confidentiality in foreign countries due to non-recognition of confidentiality of communications with non-lawyer patent advisors; (ii) legal uncertainty as to the recognition of foreign privileges and secrecy obligations; and (iii) the lack of comprehensive legal and practical measures to avoid forcible disclosure of confidential communications in a cross-border context. While it is not realistic to seek a uniform rule involving fundamental changes in national judicial systems, the legal uncertainty surrounding the treatment of confidential communications between patent advisors and their clients could affect the quality of the patent system at the international level.

13. Possible remedies for cross-border aspects: One type of possible remedies for cross-border aspects consists in extending, through national laws, the legal professional privilege provided in relation to communications between national patent advisors and their clients to communications with certain foreign patent advisors, including patent advisors from both civil law and common law countries (an approach found in the laws of Australia and New Zealand). This approach would allow countries to maintain their flexibilities in terms of substantive law on privilege or professional secrecy obligation, but the asymmetry of the cross-border protection of confidential IP advice would remain.

14. Another approach might be to seek a minimum standard or convergence of substantive national rules on privilege among countries. On the one hand, if a common set

of substantive rules will be applied to both national and foreign patent advisors in all countries, the confidentiality of IP advice would be recognized beyond their national borders. On the other hand, considering the current differences with respect to national laws in this area, countries may need some flexibilities, should they implement an international standard.

15. Another possible mechanism is to recognize the privilege existing in other countries as part of the choice of law rules, and grant the same privilege for the purpose of court procedures in one's own country if such communications would have been privileged in the foreign law of the country concerned (an approach taken in the United States of America). In civil law countries, clarifying the secrecy obligation of patent advisors by their national legislations could facilitate the recognition of confidentiality through the application of the choice of law rule to a certain extent (an approach found in the laws of France, Japan and Switzerland and the European Patent Convention (EPC)). On the one hand, the application of the choice of law rule does not require amendments of substantive domestic rules on privilege. On the other hand, even if a common choice of law rule were to be established, it would not be able to fully avoid forcible disclosure of confidential IP advice.

16. Further, one non-governmental organization proposed to establish an international framework that extends the recognition of privilege to foreign patent advisors who are designated by the respective foreign authorities.

17. In the absence of an international legal framework that effectively recognizes confidentiality of IP advice at the global level, a number of practical remedies, such as cooperation with lawyers and increased use of oral communications, have been sought by practitioners in order to avoid forcible disclosure of confidential IP advice at the national and international levels.

## INTRODUCTION

18. Following the decisions of the Standing Committee on the Law of Patents (SCP) at its twelfth to seventeenth sessions, held between 2008 to 2011 in Geneva, the Secretariat had prepared two preliminary studies with respect to the client-patent advisor privilege (documents SCP/13/4 and SCP/14/2) and a further analysis bringing together those studies (document SCP/16/4 Rev.), as well as two additional studies on cross-border aspects of the client-patent advisor privilege (documents SCP/17/5 and SCP/18/6). A brief summary of those documents is contained in Annex I to this document.

19. At the nineteenth session of the SCP, held from February 25 to 28, 2013, the Committee decided that the Secretariat would prepare, for the next session of the SCP, a document compiling laws and practices on, and summarizing information on experiences relating to, the issue of confidentiality of communications between clients and their patent advisors received from Member States.

20. For the purpose of a comprehensive compilation of laws and practices and a summary of information on experiences in that area, this document primarily draws on information contained in the existing documents and on information received from Member States on their national laws, practices and experiences. The compilation of such information does not imply any recommendation or guide for Member States to adopt any particular mechanisms contained in this document.

21. In this document, the term “patent advisor” is used to describe a person who is a professional representative on patent-related matters. Such a person is called “patent attorney” or “patent agent” in many countries. Often, subject to a qualification examination, she/he is registered with a national authority.<sup>1</sup> The exact scope of professional activities and qualification of patent advisors are defined in the applicable national/regional laws. Since the purpose of this document is to compile the existing information, and not to present draft international norms or an international legal instrument, it appears that the document does not need to contain a concise definition of that term. However, for the purpose of this document, it is important to note that a patent advisor may be a qualified lawyer or, if the applicable law permits, a non-lawyer.

22. The term “privilege” in connection with qualified lawyers (so called “attorney-client privilege”, “solicitor-client privilege”, “legal advice privilege” or “client-attorney privilege”) is well established in common law countries. One legal dictionary defines the term “attorney-client privilege” as follows:

“In law of evidence, client’s privilege to refuse to disclose and to prevent any other person from disclosing confidential communications between him and his attorney. Such privilege protects communications between attorney and client made for purpose of furnishing or obtaining professional legal advice or assistance.”<sup>2</sup>

As clearly stated in the above definition, the privilege belongs to a client, not to an attorney, and hence only the client has the power to waive it. It is a concept used predominantly in common law countries. The privilege protects only the source of information, i.e., the communication between a client and his/her attorney made for the purposes of professional

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<sup>1</sup> In many countries, only registered patent advisors are entitled to provide the defined professional services. However, in some countries, persons who are not registered are able to perform all or some functions which are normally performed by patent advisors.

<sup>2</sup> Black’s Law Dictionary, (6th ed. 1990), ISBN 0-314-76271-X.

advice, and not the information itself.<sup>3</sup> In that sense, the information itself could be subject to other obligations, for example, the obligation to fully disclose the invention in a patent application, but the communications as source of that information is protected by the privilege. While the patent advisor could not be compelled to disclose the communication, nothing prevents the client from doing so. However, if no privilege exists and it is permitted, it might be the client who could be compelled by the court to reveal the confidential communications with the patent advisor as part of court proceedings.

23. In this document, the term “client-patent advisor privilege” is used in order to describe a similar type of privilege given to a client of a patent advisor (who may be a non-lawyer patent advisor) in common law countries. The notion that is predominantly found in civil law countries – confidentiality obligation imposed on certain professions – is expressed by the representative term “professional secrecy obligation”. Since the issue under discussion in the SCP is not limited to one legal regime or the other, more general expressions, such as “preservation of confidentiality” and “maintaining confidentiality of communication with patent advisors”, are used in this document in order to cover the issue more generally.

## **CLIENT-PATENT ADVISOR PRIVILEGE – BACKGROUND**

### **CLIENT-ATTORNEY PRIVILEGE AND PROFESSIONAL SECRECY OBLIGATION**

24. In general, when a client seeks an opinion from a qualified lawyer, communications between the lawyer and his client are accorded the “privilege” of not being required to be disclosed in a court of law and those communications are protected by a secrecy obligation. The purpose of establishing such a privilege or secrecy obligation is to encourage those who seek advice and those who provide advice to be fully transparent and honest in their communications. Those who seek advice should provide the advisor with all the information that could be relevant to obtain the best advice, including aspects which may run counter to his position. On the other hand, the advisor should be able to be completely frank. Therefore, in order to ensure a high quality of legal advice, the exchange of instructions and advice should not be restricted due to the fear of disclosure of their communications.

25. There is both a public and a private interest underpinning the regulation of the professional privilege. On the side of the public interest, encouraging a client to frankly and fully communicate with his lawyer assists the administration of justice, and professional privilege ensures the human right to privacy. However, another public interest aspect exists, which is to investigate the truth for the sake of justice, and for that reason, all relevant information needs to be laid down before the court. Consequently, there is a need to balance these competing interests, and the answer of many countries is to provide a limited professional privilege which would not compromise the exercise of justice. The lack of express discovery provisions and such privileges in civil law countries might also show that there are other ways to investigate the truth and of establishing all relevant information.

#### *Discovery proceedings in common law countries in general*

26. One general characteristic of civil procedure in common law countries is “discovery” (or disclosure) in a pre-trial phase. There, each party to litigation may be required to provide disclosure of relevant documents and other evidence in the possession of other parties. The discovery system was developed with a view to bringing all evidence to the attention of the

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<sup>3</sup> See Cross, John T., Evidentiary Privileges in International Intellectual Property Practice (December 20, 2008). Available at SSRN: <http://ssrn.com/abstract=1328481> or <http://dx.doi.org/10.2139/ssrn.1328481>.

court so that the truth can be ascertained. On the other hand, as seen above, there is also a competing public need to keep certain information confidential from public inspection. For example, information that lawyers, doctors or priests received in their professional capacity should remain confidential. Considering the overall public interest, common law jurisdictions developed a notion of “privilege” under which a client is given the right to prohibit certain confidential communications or documents from forced disclosure. In parallel with the professional duty of confidentiality, the client-attorney privilege is intended to promote the broader public interest in the observance of law and the administration of justice by creating a specific exception to the discovery of information in litigation.

*No discovery proceedings in civil law countries in general*

27. Unlike common law countries, civil law countries do not have a discovery or disclosure process that obliges the parties to disclose all relevant information in their possession. Therefore, the inter-related concepts of discovery and the privilege granted to clients as an exception to it are not common in civil law countries.

28. However, civil law countries also recognize that confidentiality of communications between certain professionals and their clients needs to be protected in order to ensure frank and open communications necessary to the accomplishment of their professional tasks. Consequently, they have developed the notion of “professional secrecy obligation”, according to which certain professionals, such as lawyers, doctors and priests, are obliged to keep information that they have received through their professional activities secret. This would, in turn, guarantee the clients that the information communicated to those professionals could not be ultimately be disclosed to third parties. Typically, lawyers are covered by such an obligation.

CLIENT- PATENT ADVISOR RELATIONSHIP AND CONFIDENTIALITY

29. Patent law is a unique field where legal understanding and technical/scientific understanding go hand in hand. In many countries, a separate profession called, for example, “patent attorney” or “patent agent”, is well recognized for the development and maintenance of a functioning patent system. The role of patent advisor is, in general, to give advice and assist inventors and applicants in obtaining and maintaining patents. Patent advisors may also represent third parties during opposition or invalidation proceedings. Moreover, patent advisors may be asked to provide advice with a view to seek the full range of possible IP protection or enforcement options available to the client. Consequently, the advice given by patent advisors may cover a wide range of legal issues.

30. Similar to the client-lawyer relationship, clients should be able to freely communicate with their patent advisors. If a client does not feel free to discuss issues, both positive and negative, relating to his IP or patent rights with his patent advisors due to a fear that the patent advisor might reveal those issues in court, the advisor will not be able to give full and comprehensive legal advice. Further, if the client does not feel confident to provide all information to the patent advisor, it is not fully possible for the patent advisor to ensure that the applicable legal rules on IP and patents are fully complied with. Clients may need certainty that any communication to and from such advisor will remain confidential and will not be revealed in court or to a third party or otherwise made public.

*Discovery in patent-related cases with regard to patent advisors*

31. Where a legal action for patent infringement is filed in common law countries, in the course of discovery proceedings, it is common for one side or the other to oblige another

party to disclose any documents relating to communications between the patent advisor and the party in the hope that damaging statements may be found on the record which would destroy an alleged infringer's defense or show that there had been abuse of rights by the patentee. Communications between patent advisors and clients often contain technical matters which are closely inter-related with legal questions under consideration by a court. Therefore, some common law countries provide a privilege with respect to advice from patent advisors, even if they are not qualified lawyers. What is called "client-patent advisor privilege" is the right to resist requests from authorities or other parties to disclose communications between a person and that person's patent advisors on patent advice. Privilege is thus regarded as a form of guarantee for the free and confidential communication between clients and their patent advisors. However, when a client seeks the opinion of a patent advisor who is not a qualified lawyer, not all countries provide privilege to the advice the patent advisor gave to his client or keep the communication between the patent advisor and the client confidential from the court.

#### *Professional secrecy obligation for patent advisors*

32. In general, patent advisors are also covered by the professional secrecy obligation. This is often regulated under a code of conduct set by a professional association and/or under governmental regulations. Any breach of a client's confidential information may result in disbarment, suspension or other disciplinary measures against improper conduct, and in civil law countries, it can often result in criminal sanctions such as fine or imprisonment as well as civil sanctions for damages. In some civil law countries, non-lawyer patent advisors are entitled to refuse to testify in court on any matter falling under the professional secrecy obligation or produce documents containing information covered by such secrecy obligation. However, because of the lack of discovery-like proceedings in civil law countries, in general, forcible disclosure of confidential communications with non-lawyer patent advisor does not, in practice, become an issue in those countries, at least in a domestic context.

#### *Diversity of national laws*

33. The national rules in respect of maintaining confidentiality of communications with patent advisors vary significantly from one country to another. To begin with, in some countries, privilege applies only to attorneys at law, but not to IP advisors. In some others, it applies to both categories, but to IP advisors only where they are also law attorneys and give legal advice. In some other countries, privilege is also applicable to non-lawyer patent advisors who are officially registered with the IP office of the country concerned. Yet in some other countries, the client-patent advisor privilege is granted for clients of qualified patent advisors in that country, but not for clients of patent advisors qualified overseas. The situation is no better in some other countries where there is uncertainty about whether privilege is recognized with respect to communications with either local patent advisors or foreign patent advisors. In some countries, the protection of patent advisors' communications takes another form or receives additional protection, for example, it may be a crime or violation of professional rules for a patent advisor to disclose clients' confidences.<sup>4</sup>

34. Even if the client-patent advisor privilege exists, the scope of communications covered by the privilege and the extent of privilege that overseas patent advisors enjoy are different from one country to another. There are significant differences in both the substantive law of privilege, i.e., the scope of the confidentiality of communications between clients and patent advisors, and the choice of law/international private law rules, which determine whether the substantive law of privilege of a foreign country is recognized by the courts. While the

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<sup>4</sup> Report of AIPPI Special Committee Q163, March 2002.

substantive law deals with the scope of confidentiality, the choice of law rules address the international recognition of a foreign privilege or secrecy obligation law. Therefore, two related, but distinct issues are involved in this area of law. The first aspect relates to how confidentiality of communications with patent advisors is treated under the applicable national law. The second aspect concerns how confidential communications with patent advisors in one country would be treated in another country.

35. The issues relating to discovery and compelled disclosure of confidential communications between a client and his patent advisor were initially raised by some international associations of IP or patent practitioners who had been involved in providing IP advice to their clients (see Annex II). Their primary concern was the risk of losing confidentiality of such advice through the discovery procedure before common law courts. According to the IP or patent practitioners, such an inadvertent loss of confidentiality could have a negative impact on the quality of IP advice obtained from patent advisors, since a frank and open dialogue between the patent advisors and their clients could be discouraged due to the fear that the advice could be made public in the future. In order to contribute to a fair, transparent and effective legal system, their opinion has generally been that there needs to be some similarity of the scope of the privilege at the international level.

#### *Issues observed at the national level*

36. There have been some discussions on various aspects of maintaining confidentiality of communications with patent advisors at the national level. The primary issue is whose communications may be covered by the privilege. Should it apply to local patent advisors, in particular, those who are not lawyers? Should it be extended to in-house patent advisors? Should it be extended to overseas patent advisors who are not registered in the country concerned? If so, under which criteria should overseas patent advisors be protected? Further, in view of the complexity of patent advice involving both legal and technical aspects, not only a qualified patent advisor but also other parties may be involved in advising a client. In those cases, should it be extended to all those involved in giving instructions for advice and in giving the advice? As to those giving advice, should it be extended to anyone giving IP advice who is qualified in that country to do so and third parties (like experts) who contribute to the advice which is given?

37. Another essential question is what type of communications should be covered by the privilege. The privilege may only apply to communications made for the predominant purposes of giving legal advice, or it may cover all communications given in relation to IP matters. Naturally, the scope of privilege corresponds to the scope of professional activities of patent advisors, prescribed in the applicable law.

#### *Cross-border (or international) aspects*

38. Where business activities remain within a national territory, the question of IP advice has also to be answered only in respect of that territory. Consequently, the main issue for a client is whether the applicable national law ensures the maintenance of confidentiality of communications with patent advisors. Once the business extends beyond the territorial border, the situation changes. Since patent law is territorial in nature, the services of different patent advisors in each country or region are required with respect to the same invention. Where a patent advisor faces litigation in a foreign country, advice obtained from a patent advisor in another jurisdiction may influence the decision of the lawsuit. Therefore, the issue arises as to whether the confidentiality of IP advice would be lost because of the differences in respect of privilege in various countries.

39. For example, if the privilege existing in one country is not recognized in one of the several countries in which a patent owner wishes to enforce his patent, there is a risk that he

receives an order by a court of the latter country to disclose the contents of the confidential advice obtained in the country in which the privilege is available. Consequently, the effect of the privilege in the advice will be lost across borders, including in the country in which the advice was given. In other cases, if only clients of patent advisors who are qualified and registered in the country can enjoy a professional privilege before the court of that country, a client is not protected from a court's order that requires the disclosure of communication between the client and an overseas patent advisor with respect to the patent and other applications and patents in the same family.

40. Not knowing all practices in different countries, a client may find himself unexpectedly in a position where he has to disclose his communications with his patent advisors in a foreign court. Clients and patent advisors in both common law and civil law countries can be affected, since the central issue is the preservation of confidentiality of communications with patent advisors beyond the national borders.

## **INTERNATIONAL LEGAL FRAMEWORK**

41. As regards the recognition of foreign evidentiary privilege in general, in 2004 the Governing Council of UNIDROIT adopted the Principles of Transnational Civil Procedure prepared by a joint American Law Institute/UNIDROIT Study Group. The Principles served as guidelines for national law projects and reforms, and consist of 31 provisions, which aim at reconciling differences among various national rules of civil procedure, taking into account the peculiarities of transnational disputes. Article 18 deals with evidentiary privileges and immunities, and states that "effect should be given to privileges, immunities, and similar protections of a party or non-party concerning disclosure of evidence or other information". The comments to that Article note that privileges protect important interests, but they can impair the establishment of the facts. They highlight the differences of the conceptual and technical bases of the privileges from one system to another and the choice-of-law problems in applying such rules.

42. The protection of confidentiality of communications between patent advisors and their clients is not expressly regulated by any international IP treaty. However, there are provisions within those treaties which may have some relevance to the issue at stake. The present chapter explores provisions within the Paris Convention and the TRIPS Agreement. In addition, the relevance of the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) is addressed as well.

## **PARIS CONVENTION**

43. The Paris Convention was the first major international treaty designed to facilitate the acquisition of multi-country protection for industrial property rights. The issue of client-attorney privilege is not regulated in the Paris Convention. Each Contracting Party, therefore, may regulate the client-attorney privilege under its national law according to its own needs. However, a question may arise as to whether the principle of "national treatment" embodied in Articles 2 and 3 would apply to different treatments of client attorney privilege between local patent advisors and foreign patent advisors. Under these provisions, as regards the protection of industrial property, each Contracting State must grant nationals of the other Contracting States the same protection to its own nationals, without being allowed to require reciprocity.<sup>5</sup> Article 2(1) and (2) read as follows:

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<sup>5</sup> Article 2 of the Paris Convention.

“(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

“(2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights.”

44. Nationals of non-Contracting States are also entitled to national treatment under the Convention if they are domiciled or have a real and effective industrial or commercial establishment in a Contracting State.<sup>6</sup>

45. The national treatment rule guarantees not only that foreigners will be protected, but also that they will not be discriminated against. An exception to the national treatment rule is provided in Article 2(3) of the Convention which reads:

“(3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.”

46. This reservation of national law means that certain requirements which impose different or additional conditions on foreigners for the purposes of judicial and administrative procedures may be applied to foreigners who are nationals of other countries of the Union.

47. An example of such permissible discrimination against nationals of other countries is expressly stated: the requirement that foreigners should designate an address for service or appoint a local agent in order to facilitate the procedure in the country in which protection is sought.<sup>7</sup> Another example of permissible discrimination as to procedure could be a requirement for foreigners to deposit a financial guarantee to cover costs and lawyers' fees (*cautio judicatum solvi*). Another example could be the right to sue a national of another country in a court of the country where the plaintiff is domiciled or established.

48. The issue of client-patent advisor privilege seems to fall within the permissible exceptions to the general rule of non-discrimination allowing Contracting States to regulate it as they deem fit. On the other hand, the Paris Convention does not prohibit a Contracting Party from according the same treatment of client-patent advisor privilege between its nationals and nationals of other countries.

## TRIPS AGREEMENT

49. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) does not directly refer to the issue of client-patent advisor privilege. However, the following provisions could be relevant to the issue at stake.

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<sup>6</sup> Article 3 of the Paris Convention.

<sup>7</sup> G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property*, BIPRI 1969, WIPO Publication.

50. First, as far as patents are concerned, Article 2 of the TRIPS Agreement provides that members shall comply with Articles 1 to 12 and 19 of the Paris Convention in respect of Parts II, III and IV of the TRIPS Agreement. Consequently, obligations arising from the above Articles of the Paris Convention became obligations of WTO Members, and are enforceable under the Dispute Settlement Understanding.

51. Further, Article 3 of the TRIPS Agreement provides rules on national treatment obliging Members to accord to the nationals of other Members treatment no less favorable than that it accords to its own nationals with regard to protection of intellectual property. The same provision stipulates that the national treatment principle of the TRIPS Agreement is subject to the exceptions provided in the Paris Convention.<sup>8</sup>

52. In relation to those exceptions, Article 3(2) of the TRIPS Agreement, albeit indirectly, refers to Article 2(3) of the Paris Convention allowing exceptions to be made with respect to the appointment of agents, designation of an address for service and other special rules applicable to foreigners in judicial and administrative proceedings. The use of those exceptions under the TRIPS Agreement is limited to cases that are necessary to secure compliance with laws and regulations which are consistent with the provisions of the TRIPS Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.<sup>9</sup>

53. Accordingly, with respect to national treatment issues, Members of WTO seem to have a free hand in their treatment of the client-patent advisor privilege issue, provided that their policies are not inconsistent with other provisions of the Agreement and are not applied in a manner that would constitute a disguised restriction on trade. Naturally, such freedom for a WTO Member also includes freedom to treat nationals and non-nationals equally in judicial and administrative procedures with respect to client-patent advisor privilege.

#### *Most-favored nation treatment*

54. Article 4 of the TRIPS Agreement provides that “With regard to the protection of intellectual property, any advantage, favor, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members [...]” Further, the same provision stipulates four exceptions to the most-favored nation (MFN) rule. The relevant exception for the purpose of this paper is provided under paragraph (a) which exempts from the MFN obligation international agreements on judicial assistance or law enforcement in general, which are not particularly confined to the protection of intellectual property of the client-patent advisor issue. The main question which arises in the context of the client-patent advisor privilege issue is whether the MFN principle could suggest that any recognition of client-patent advisor privilege in a foreign jurisdiction (of a WTO Member) be extended to all other jurisdictions of WTO Members. In the light of the MFN principle, any obligation of extension may depend on the specific criteria and factual circumstances for the recognition of the foreign client-patent advisor privilege.

#### *Enforcement of IP*

55. Article 43 on “Evidence” concerning civil and administrative procedures and remedies provides that:

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<sup>8</sup> Article 3 of the TRIPS Agreement. In addition, the provision refers to exceptions allowed under the Berne and Rome Conventions.

<sup>9</sup> Article 3(2) of the TRIPS Agreement.

“The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.”

56. While this provision has not been analyzed in WTO dispute settlement proceedings, and no interpretation is proposed in this document, the last part of the provision “subject in appropriate cases to conditions which ensure the protection of confidential information” may have some relevance to the issue of client-patent advisor privilege. In particular, this provision is relevant to the scenario in which one party in litigation holds evidence relevant to the substantiation of the claims of the other litigant.

#### GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

57. The General Agreement on Trade in Services (GATS) extends the basic pillars of the multilateral trading systems, such as transparency to international trade in services among WTO Members, and the MFN and national treatment principles. The GATS applies to measures affecting trade in many service sectors, including professional services and more specifically services supplied, for instance, by lawyers and IP advisors, including patent advisors.

58. The GATS distinguishes among four different modes through which services can be provided (or “modes of supply”). Lawyers and IP advisors can supply their services to consumers located in foreign countries for instance via telecommunication (phone, fax or e-mail) or postal means (mode 1 - cross-border supply); through the establishment of a commercial presence in the country of the client (mode 3 - commercial presence); or by traveling to the country of the client (mode 4 - movement of natural persons). Finally, the consumers can visit the lawyers and IP advisors in the latter’s country (mode 2 - consumption abroad).

59. GATS obligations can be classified into two main groups: “horizontal” (or unconditional, such as the MFN and transparency obligations) which apply to all measures affecting trade in services, and “specific” (or conditional) obligations, the application of which is dependent upon the existence of obligations taken by Members on an individual basis and contained in their “schedules of specific commitments”. Market access, national treatment and domestic regulation fall into the latter category.

60. Under GATS, the issue of “privilege” for any professional service provider (including patent advisors) falls under the realm of domestic regulation. Each Member is free to regulate the provision of services in its own market. However, in sectors where specific commitments are undertaken, each Member shall ensure that measures are administered in a “reasonable, objective and impartial manner.”<sup>10</sup> Qualifications and licensing requirements and technical standards must be based on objective and transparent criteria, and should not be more burdensome than necessary to ensure quality of service.<sup>11</sup> The provision aims to

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<sup>10</sup> Article VI:1 of GATS

<sup>11</sup> Article VI:5 of GATS. The same provision in paragraph 4 mandates the development of multilateral disciplines on domestic regulation that would prevent domestic regulations from constituting unnecessary barriers to trade. Little headway has been made so far under this negotiating mandate, with the exception of the accountancy sector. Even in the case of the accountancy sector – the draft disciplines have yet to enter into force.

make it easier to obtain the qualifications necessary for suppliers to operate in a foreign country. However, it is to be noted that in sectors in which a Member has not undertaken specific commitments, for instance in the sector of legal services, it remains “unbound” and retains freedom in regulation of the activities of foreign suppliers of legal services in its domestic market.

61. The provision of GATS on “Recognition” may also have some relevance to the issue of “privilege”. Pursuant to Article VII, a WTO Member may recognize the education or qualifications obtained abroad by a service supplier. Such recognition may be done on an autonomous basis or through an agreement with the other country. GATS Article VII nevertheless requires such recognition not to be exclusive. Other WTO Members are to be afforded an opportunity to negotiate their accession to a recognition agreement or, in the case of autonomous recognition, to demonstrate that their qualifications should be recognized as well. Recognition of education and qualifications of foreign lawyers and IP advisors, which may result from the application of this provision, would facilitate their access to foreign markets and their eligibility to the same treatment as domestic ones. However, the recognition of qualifications of foreign lawyers and IP advisors under this provision would not necessarily guarantee that the “privilege” would be extended to those foreign service suppliers as Members retain their right in the application of their judicial proceedings. A key principle in the GATS is the flexibility it accords to Member States with respect to their ability to regulate. This is in line with the principle of progressive liberalization under GATS where Members are allowed to liberalize the service sector at their own pace.

62. As long as discussions in the SCP are confined to the professional secrecy obligation and client-patent advisor privilege in connection with judicial proceedings, it appears that those issues are outside the scope of GATS. It should also be noted that the issue of the privilege of the foreign patent advisor concerns also local patent advisors who do not provide services across borders and the issue also exists if the service only takes place in the country of origin.

## **SUMMARY OF NATIONAL LAWS AND PRACTICES**

63. Annex III provides a compilation of national laws and practices regarding the scope of client attorney privilege and its applicability to patent advisors in 41 countries (including both common law countries and civil law countries) and three regional frameworks.<sup>12</sup> On the national aspects of the preservation of confidentiality of communications with patent advisors, it reviews the national laws with respect to the following elements: (i) the origin of the privilege and/or secrecy obligation; (ii) professionals bound by the privilege and/or secrecy; (iii) the scope of the privilege/secrecy obligation; (iv) exceptions and limitations to the privilege /secrecy obligation; (v) penalties for breach of secrecy; and (vi) qualifications of patent advisors. Further, in connection with civil court proceedings, the information as to how such professional secrecy obligation interacts with a duty to testify or to produce documents is also provided, where available. On the cross-border aspects, information regarding the recognition of confidentiality of communications with foreign patent advisors is presented. Depending on the availability of information, the extent and depth of collected information of each country is not necessarily the same.

<sup>12</sup> They include: Argentina, Australia, Brazil, Bulgaria, Canada, Chile, Costa Rica, Cyprus, Denmark, Finland, France, Georgia, Germany, Hungary, India, Israel, Japan, Kyrgyzstan, Lithuania, Malaysia, Mexico, Monaco, New Zealand, Norway, Peru, Poland, Portugal, Republic of Moldova, Republic of Korea, Romania, Russian Federation, South Africa, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Kingdom, United Republic of Tanzania, United States of America and Zambia, as well as the frameworks established under the European Patent Convention (EPC), the Unitary Patent Court (UPC) Agreement and the Eurasian Patent Convention (EAPC).

64. This Section contains the summary of national laws and practices contained in Annex III.

## ORIGIN AND SCOPE

### *Origin of the general legal privilege and secrecy obligations*

65. The need for a client to disclose all facts to his or her legal advisor in order to obtain the best advice to respect the law is common to all countries. To that end, the desirability of the confidentiality of communications between the legal advisor and the client is probably uncontested, unless the maintenance of confidentiality is overridden by a fundamental public policy such as the prevention and punishment of criminal acts.

66. One of the important points of departure between common law countries and civil law countries is the different approaches taken in protecting confidential communications in those countries. Civil law countries impose secrecy obligations on the part of professionals in ensuring that clients' confidential information is kept secret through specific laws regulating the activities of professionals or through the respective national criminal law system. In principle, attorneys may refuse to testify any information received from a client during the course of professional duty. Similarly, an attorney may refuse to produce any document that contains such confidential information. In general, the disclosure of confidential documents by legal advisors is subject to sanctions. In civil law countries, the rule of evidence is that a plaintiff needs to substantiate his or her claim, and the fact that a document is in the possession of the defendant does not change this burden of proof. This could be regarded as a reason why the concept of "client-attorney privilege" has not developed in civil law countries. Such an assumption may be confirmed by the fact that when the Japanese Civil Procedure Law introduced a broader scope of the duty to produce documents, it also provided a broader right for an owner of a document containing communications with a lawyer or patent advisor protected by professional secrecy to refuse the production of such a document to the court.

67. Common law privilege originates from the solicitor-client privilege under the common law system which would later be known as legal professional privilege. The main purpose of the legal professional privilege in common law countries is to avoid confidential communications between an attorney and his or her clients from being disclosed to the court during the discovery stage. Privilege in common law countries applies to communications relating to legal advice whether there is litigation or not, subject only to the dominant purpose test and any established common law exceptions (such as for crime/fraud) and any statutory limitations.

### *Professionals bound by the privilege and secrecy*

68. Generally, in common law countries, certain types of professionals are required keep client information confidential. There are two legal bases of privilege: common law privilege and statutory privilege. The former, applies only to communications between qualified lawyers, including in-house lawyers, and the clients. It is not applicable to patent advisors who are not qualified lawyers. However, this common law approach has been modified by Statute in some common law countries such as Australia, New Zealand and the United Kingdom, which extend the client-attorney privilege to patent attorneys and patent agents who are not qualified lawyers. In any event, the privilege that prevents the disclosure of communications concerning legal advice belongs to the client. Therefore, the client may waive the client-attorney privilege.

69. In civil law countries, the professional secrecy obligation is created by statutes governing lawyers and many other professionals. In general, non-lawyer patent attorneys and patent agents are also bound by the professional secrecy obligation. In some countries such as France, Germany and Japan, non-lawyer patent attorneys have a right to refuse to testify in court any matter falling under the professional secrecy obligation, while in the Russian Federation, no immunity in respect of testimony in court is granted to non-lawyer patent attorneys. With respect to documents that contain information covered by the professional secrecy obligation, in some countries, the owners of such documents, who may be patent attorneys, their client or any third party, may refuse to produce such documents in court.

#### *Scope of the privilege/secrecy obligations*

70. The client-attorney privilege protects confidential communications between a lawyer and client made for the purpose of obtaining and giving legal advice. Similarly, where applicable, the same scope of privilege is provided for the client with respect to communications between a patent attorney (agent) and client under the relevant statute. The exact types of communications covered by the client-patent attorney (agent) privilege are not the same among countries, since the scope of the professional activities of those professionals (for example, whether copyright matters can be dealt with or not) is different from one country to the next. In particular, the question of whether the privilege does extend to communications by lawyers and clients with third parties is dealt with differently among the common law countries.<sup>13</sup>

71. According to the information gathered in Annex III, the professional obligation to keep secrets in civil law countries attaches to information and documents obtained from clients in the course of the professional relationship as between an attorney or a patent attorney and a client. It does not apply in other situations, for example, where attorneys act in their non-professional capacity such as that of a director, business advisor or business partner to the client.

72. This obligation of confidentiality extends beyond the life of the attorney–client relationship and is typically the result of rules of professional conduct that are put in place by the appropriate body responsible for regulating the legal profession in any given jurisdiction. The civil law countries in the compilation of national laws and practices<sup>14</sup> also extend the secrecy obligations even after the end of the professional relationship between the patent attorney and patent agents with their clients.

#### *Exemptions and limitations of the privilege and secrecy obligations*

73. One of the limitations of the legal professional privilege under the common law system is the fact that clients may decide to waive the privilege and thus allow the privileged communication to be disclosed to the court. Express and implied waivers are available under the common law systems of the United Kingdom, Australia and New Zealand. Malaysia only recognizes express waiver by the client.

74. The compilation of national laws and practices shows that both in civil and common law countries, there is an exception to the secrecy obligation and the privilege, if such confidential communications involve fraud or criminal acts.

#### *Penalties for breach of secrecy/disclosure*

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<sup>13</sup> For Australia, see *Pratt Holdings Pty Ltd and Another v. Commissioner of Taxation* [2004] FCAFC 122.

<sup>14</sup> See Annex III of this document.

75. Among the countries in the compilation, a breach of the secrecy obligation in civil law countries may lead to criminal prosecution. In both civil law and common law jurisdictions, a breach of secrecy and disclosure of privileged information may lead to professional disciplinary actions.

#### *Qualifications of patent advisors*

76. Qualifications to become a patent attorney or patent agent vary from one country to another, whether common law or civil law applies. Many countries such as Germany and the United Kingdom require patent agents and patent attorneys to be technically qualified. The United States of America allows non-lawyers who are technically and scientifically qualified to become patent agents, although patent attorneys must have legal qualifications. In some countries such as Brazil, Malaysia and South Africa, both lawyers who are not technically qualified and non-lawyers who are technically qualified may become patent agents.

#### APPROACHES TO CROSS-BORDER ASPECTS

77. Cross-border aspects concern the confidentiality of communications between clients and patent attorneys across national borders, in particular, the recognition of foreign privileges and secrecy obligation. Cross-border aspects are not necessarily related to providing professional legal services abroad. The applicable laws of the different countries take different approaches to the cross-border aspects of the client patent advisor privilege. Some common law countries recognize the foreign privilege as a result of choice of law rules. Other common law countries apply the law of the courts and therefore deny foreign privileges. Some other common law countries expressly extend the principle of privilege to foreign patent attorneys through express provisions in the patent law or evidentiary law.

78. Recognition of foreign law: The standard applied by the courts of some countries in deciding whether the privilege should apply in relation to communications with foreign patent advisors is to consider whether or not such communications would have enjoyed privilege in the foreign law of the country concerned (comity).

79. The recognition of foreign privileges or secrecy obligations is practiced in some States of the United States as part of the choice of law/international private law rules. In terms of the recognition of foreign patent attorney/agent privileges, two main approaches have been adopted across the Federal District Courts based on either the non-choice of law or the choice of law approach. Under the non-choice of law approach, no privilege for a foreign patent practitioner is recognized, because he or she is neither a United States' attorney nor the agent or immediate subordinate of an attorney. Most courts, however, use the choice of law approach, which is based on either the "Touching Base" approach, the "Comity Plus Function approach" or the "Most Direct and Compelling Interest approach". Under the Touching Base approach, communications with foreign patent agents regarding assistance in prosecuting foreign patent applications may be privileged, if the privilege applies under the law of the foreign country in which the patent application is filed and that law is not contrary to the public policy of the United States.

80. A similar approach has been chosen by other common law countries, such as South Africa. The communications between a local and a foreign patent advisor are considered to be privileged in South Africa, if the communications were made for the purpose of giving or receiving legal advice to, or from, a particular client. The communications between clients and a foreign patent advisor are considered to be privileged if the representative 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 patent advisor. If the representative of the client is not a legal advisor, the issue has not been settled by the courts.

81. Application of domestic *lex fori*: Some common law countries apply the domestic law of evidence (*lex fori*) for determining whether the foreign patent advisor is covered by the privilege. In this case, the foreign patent attorney regularly faces loss of confidentiality of the communications as she or he is not registered in that country.

82. Extension of principles of substantive law: In two common law countries, Australia and New Zealand, the domestic patent law (Australia) or law of evidence (New Zealand) provides an extension of the substantive principle of privilege to foreign patent advisors, in accordance with recent amendments to national laws. In recognizing the foreign client-patent advisor privilege, the courts of those countries must review either: (i) whether the functions of overseas patent advisors “correspond” to those of a registered patent attorney (New Zealand); or (ii) whether a foreign patent advisor is “authorized” to do patents work under the law of his/her country (Australia). In the United Kingdom, the Copyright, Designs and Patents Act 1988 stipulates that privilege applies to a more limited scope of foreign patent advisors, i.e., it applies to patent agents who are either registered in the United Kingdom or on the European patent attorney list.

83. Facilitating recognition of foreign law: In civil law countries, the confidentiality of communications between certain professionals and their clients is widely recognized in both criminal and civil procedures. The confidentiality of the communications is protected by professional secrecy, and the law of civil procedure does not provide for a discovery procedure or forcible disclosure of documents. Therefore, there is not much experience in respect of the client-patent attorney privilege in those countries, since, apart from a few exceptions, there is in general no forcible disclosure of documents affecting the confidentiality of client-patent advisor communications.

84. However, some non-lawyer patent advisors of those civil law countries have faced a loss of confidentiality of communications with their clients in foreign countries, in particular, in common law countries, because the foreign courts could not identify a corresponding privilege in the civil law countries. In order to alleviate the problem, some of those countries, such as France, Japan and Switzerland, have therefore expressly regulated the secrecy obligation of both lawyer and non-lawyer patent advisors, including refusing testimony in court and withholding documentation, with the aim of obtaining the foreign recognition of confidentiality in common law countries. The number of such countries has been increasing, in particular, in recent years. Such an approach, however, is not effective in common law countries which categorically deny the foreign privilege or secrecy obligation to non-lawyer patent advisors.

## **DISCUSSION OF THE RELEVANT ISSUES**

### **RATIONALE FOR CLIENT-PATENT ADVISOR PRIVILEGE**

85. There are several opinions either in favor of or against granting “client-attorney privilege” to clients of patent advisors. The survey of various literature<sup>15</sup> has shown that, in

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<sup>15</sup> For example, see John E. Sexton, Developments in the Law – Privileged Communications, 98 Harv. L. Rev. 1501 (1985); Berta Suchorukovaite, Should the Attorney-Client Privilege Be Applicable to Patent Agents? International Journal of Baltic Law, Vol. 3, No.1, March, 2007; Michael Dowling, Prospects for Improvement, What are the Options? Conference on Client Privilege in Intellectual Property Professional

[Footnote continued on next page]

general, the questions regarding the feasibility of applying the privilege to clients of patent advisors can be roughly grouped as follows:

- whether client-patent advisor privilege would ensure the quality of advice and administration of justice or impede justice by withholding certain information;
- whether non-lawyer patent advisors<sup>16</sup> merit the same treatment as lawyer patent advisors in terms of the client-attorney privilege; and
- whether patent advisors who act as intermediaries between clients and patent Offices and prepare documents for public disclosure deserve the client-patent advisor privilege.<sup>17</sup>

86. The following paragraphs will consider these questions in order.

*Effects on the administration of justice*

87. One of the arguments supporting client-patent advisor privilege is that the existence of such privilege could encourage open and frank discussions and communications between patent advisors and clients. Clients and patent advisors may discuss a broad range of issues such as patentability of inventions and the possibility of infringement of existing patents. If privilege is not applied, the client may be discouraged from revealing all related details. Such restricted communications can lead to difficulty in preparing an application and taking other necessary actions in a proper manner.

88. The role of patent advisors in promoting innovation and supporting dissemination of technical information is acknowledged. They carry out their missions through providing professional advice. If clients cannot fully trust their patent advisors due to a lack of complete confidentiality, it would be almost impossible for the patent advisors to defend and represent their clients, and to ensure that clients meet the requirements and enjoy full rights as prescribed in the patent law and other relevant laws. In short, it is suggested that the overall IP system and the public in general will benefit from privilege granted to communications between patent advisors and their clients, because it would ensure full compliance with the applicable laws.

89. On the other hand, there is a view that public interest requires disclosure of information to public tribunals in order to allow justice to be served. This is based on the argument that transparency of information is necessary to allow a tribunal charged with resolving a controversy to reach an impartial and just result. When a tribunal standing in judgment is not given access to all available information, its ability to reach a fair result is limited, if not compromised. In a way, the view therefore questions the concept of “privilege” in court proceedings in general. This contrasts with the practice of a number of countries granting “privilege” with a view to promoting public interest in the observance of the law. Since in civil law countries a general “discovery” of documents in the possession of the other party is

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[Footnote continued from previous page]

Advice (*CPIPPA*) organized by the World Intellectual Property Organization (WIPO) in collaboration with the International Association for the Protection of Intellectual Property (AIPPI), WIPO Headquarters Geneva, Switzerland May 22 and 23, 2008; Paul R. Rice, *Attorney-Client Privilege in the United States*, Second Edition, West Group, MN (1999); John M. Romary and Robert D. Wells, *The Forced Disclosure of Professional Intellectual Property Advice, A Prelude of International Deliberations*, May 2009.

<sup>16</sup> In some countries, a patent attorney has legal qualifications, but this does not apply to all countries.

<sup>17</sup> In some countries, patent advisors may represent their clients before a court in certain cases, but in some other countries, patent advisors can only represent their clients before a patent Office.

lacking or exists only in very limited case, such specific discovery might not always be necessary for the administration of justice.

*Non-lawyer status of patent advisors*

90. One of the arguments against the grant of common law client-attorney privilege to patent advisors is that in some countries, patent advisors do not have legal qualifications, nor are they admitted to the bar. Therefore, they cannot expect the same treatment with respect to the client-attorney privilege. Attorneys who are entitled to represent their clients before a court have a unique role to play in the administration of justice. Consequently, supporters of the argument consider that confidentiality between attorneys and clients should be treated differently from other confidential professional relationships.

91. On the other hand, some consider that the above view is formalistic, and differentiate the types of advice patent advisors offer to their clients. While technical knowledge is important in preparing a patent application, patent advisors provide legal advice relating to patentability and other relevant elements of the patent laws. An inventor knows best about his invention from the technical point of view. The major role of a patent advisor is to support the inventor by describing the legal scope of protection that meets all the requirements of the patent law. Therefore, while an understanding of the technical features of inventions is indispensable, the major contribution of patent advisors appears to be more of a legal nature. Further, the advice of a patent advisor may not necessarily be limited to the stage of filing a patent application, as he/she continues to provide advice after that stage in relation to the legal scope of protection throughout the life of the patent.

92. In some countries, while a legal qualification is not a requirement to become a patent advisor, he/she may also represent a client before a court with respect to certain IP cases. This could be considered as an indication of the existence of the special legal expertise of patent advisors. Further, in many countries, patent advisors are also bound by professional secrecy obligation, non-compliance with which could result in a severe sanction. Such an obligation is imposed on non-lawyer patent advisors in the same manner as on lawyer patent advisors. Consequently, some consider that client-attorney privilege should be applicable to the same extent to non-lawyer patent advisors, bearing in mind the legal nature of their activities.

*Intermediary work of patent advisors?*

93. In some countries, patent advisors are entitled to represent clients only before a patent office but not before a court. The fact that patent advisors act only as intermediaries or conduits between their clients and the patent office has led to the argument that patent advisors do not deserve to be granted the client-attorney privilege understood as such under the common law system. According to the conduit theory, a patent advisor is simply an intermediary between the patent Office and his or her client (i.e. an inventor or his or her successor in title). Since his or her task is limited to preparing documents for filings, the client should not expect coverage of the client-attorney privilege to communications with patent advisors.

94. Since one of the objectives of the patent system is to promote the dissemination of technological knowledge, all information disclosed in patent applications prepared by patent advisors will be made available to the public when the patent applications are published or patents are granted. Some consider that since both a patent advisor and his or her client know that the application will be disclosed at some point, such prior knowledge of disclosure defeats the purpose of client-attorney privilege.

95. On the other hand, the scope of patent advisors' work is not just explaining technologies underpinning the invention in a patent application. Obviously, a patent application should be prepared in such a way that the enabling disclosure requirement and other requirements relating to disclosure of an invention are complied with in accordance with the applicable patent law. A patent advisor should fully and completely describe all features of the invention and explain how the invention works and what the advantages of the invention are. However, drafting a patent application requires additional expertise that is not necessarily needed when writing an article for a technical journal or writing a technical book. While ensuring technical disclosure, a patent advisor also provides advice relating to the legal scope of protection, for example, how the claims should be drafted or how the description should be worded since it may be taken into account when interpreting the scope of the claims. This kind of advice which goes beyond the provision of technical disclosure may be subject to privilege.

96. The above discussion supports the argument that the work of patent advisors as intermediaries throughout the procedures before a patent Office has dual characteristics: technical as well as legal. The disclosure requirement under the patent law, which is a statutory requirement that must be complied with to obtain patents, cannot be influenced by the existence or non-existence of the client-attorney privilege.

*Disclosure of inventions and discovery of communications with patent advisors*

97. There needs to be a clear distinction between the public disclosure of inventions in patent applications and the public forcible disclosure of communications between patent advisors and their clients within the discovery procedure. Since the dissemination of technological information is one of the key objectives of the patent system, many national patent laws require that an applicant describe his/her invention in a patent application in a clear and complete manner so that a person skilled in the art would be able to carry out the claimed invention. In some countries, the applicant must also describe the best mode for carrying out the invention known to the inventor at the filing date (priority date). Further, in some countries, there is a duty of candor to faithfully disclose prior art, and in some countries disclosure statements have to be signed by applicants or patent attorneys to confirm the fulfilment of those requirements. In other countries, less strict requirements are applied, or there is no general obligation to provide a comprehensive list of prior art as part of disclosure.

98. Those requirements vary from one country to another, and are unrelated to the preservation of confidentiality of communications between patent advisors and their clients, such as privilege or professional secrecy obligation. For example, even if what had been discussed between a patent advisor and an applicant for the preparation of a patent application can be kept confidential, the applicant is obliged to publicly disclose all information necessary to comply with the disclosure requirements under the applicable patent law. Further, each country provides different sanctions for the non-fulfilment of disclosure requirements in patent law, such as invalidation of the patent and measures related to inequitable conduct, and, on the other hand, to the breach of confidentiality. Thus, granting or non-granting of a privilege for confidential communications to a patent advisor might not be appropriate or effective to ensure that the general obligation of disclosure is fulfilled.

99. Although the public disclosure of inventions may not be compromised by privilege or professional secrecy, concerns have been expressed that the confidentiality of communications between a patent advisor and his client may hinder courts and patent offices from reviewing evidence relevant to the determination of the case, such as a document relevant to patentability. For example, a case has been cited where a patent agent, who had received from an inventor a draft patent specification containing a reference

to a book that could become critical prior art for the determination of the patentability of an invention, had deleted the reference to that book from the patent application as filed, and the patent was granted. As this example suggests, although the deletion of the reference to the prior art book from the patent application does not remove the existence of that book as prior art, the privilege or the professional secrecy obligation for patent advisors could result in keeping important information away from public inspection.

100. However, it could be argued that the patent advisor's advice to delete a relevant reference from the patent application was not in conformity with his professional ethics and code of conduct. He was in fact advising the applicant to seek the grant of a patent which was not valid or at least at risk to be invalidated if the prior art contained in the book was found and the patent challenged. In order to prevent such misuse, high standards of codes of conduct, disciplinary measures and sanctions are common mechanisms contained in national laws. It has to be noted that the objective of discovery in civil proceedings is not to monitor or sanction such misuse, but to provide the other party and the court with relevant evidence.

101. A similar criticism in respect of the confidentiality of legal advice from lawyers, and the necessity for judges to access all relevant evidence has also been expressed with respect to the privilege for lawyers. In the end, the issue comes down to a global policy consideration on balancing the various interests involved, and many countries have made conscious policy choices with a view to promoting the public interest in having the law respected.

102. In general, administrative *inter partes* procedures before patent offices apply, *mutatis mutandis*, to many aspects of the general civil procedural law. Therefore, the way in which the preservation of confidential communications with patent advisors affects administrative procedures before patent offices may be another element that could be examined. Since patent advisors, including non-lawyer patent advisors, represent their clients in such administrative procedures in many countries, Member States may be interested in looking into the experiences of national/regional administrative bodies that provide privilege for patent advisors or that allow patent advisors to refuse to testify or submit documents relating to confidential communications with clients.

#### *Public interest and development*

103. As discussed previously, there are both public and private interests behind the regulation of the confidentiality of communications with patent advisors, including non-lawyer patent advisors. In relation to the public interest, an environment that encourages a client to frankly communicate with his patent advisors would ensure a high quality of advice given by patent advisors and would overall benefit the patent system and the public in general through full compliance with applicable laws. However, there is another public interest aspect, namely, to investigate the truth for the sake of justice, which may require tabling all relevant information before a tribunal. Both at the national level and, where the international dimension is considered, at the international level, there is a need to balance these competing interests. At the national level, many countries appear to be inclined to provide a mechanism allowing a limited scope of protection of confidential patent advice, which would not compromise the exercise of justice.

104. Although their qualifications and competence vary among national and regional applicable laws, in general, patent advisors play an important role in the "checks and balances" mechanism of the patent system. In particular, in many countries, technically qualified patent advisors, who are specialists in IP laws and technology, are essential players in a functional patent system. This has become more important in recent years, as the technology becomes more complex and the application of IP laws to cutting-edge technology becomes more challenging. Further, in addition to the preparation and

prosecution of patent applications before a patent office, some patent advisors provide comprehensive business and IP advice, including general IP consulting, licensing strategies, and dispute resolution. A good understanding of technology and IP laws certainly helps giving such business-oriented IP advice. If a client is not able to frankly communicate with his patent advisors due to the fear of potential loss of confidentiality, this could have a direct impact on the quality of services provided by patent advisors. In view of the functions that patent advisors can assume for the promotion of innovation and transfer of technology, in general, high-quality services by patent advisors support the public interest.

105. Fewer options of professional IP services or the absence of patent advisors in developing countries does not mean that the issue under consideration is irrelevant to those countries. It is believed that, in those countries, lawyers carry out the tasks entrusted to patent advisors elsewhere and, therefore, the confidentiality of communications between an inventor and his lawyer providing advice on patent prosecution, litigation and other patent related questions needs to be respected both in the national and international contexts. Therefore, the information contained in this document may provide a good opportunity for these countries to consider the usefulness of establishing or strengthening a regulatory mechanism for a special IP profession in their countries.

106. The obligation for patent advisors to respect the confidentiality of information that becomes known to them in the course of their professional practice is a prerequisite to any kind of protection of such information. In this regard, high standards of professional codes of conduct and their binding effect, disciplinary measures as well as high standards of professional training may facilitate the recognition of protection of confidentiality of communications with patent advisors.

107. According to the information contained in this document and the result of the AIPPI Questionnaire<sup>18</sup>, the current laws regarding privilege and the professional secrecy obligation seem to be deeply rooted in the legal tradition of each country, and the level of economic or technological development does not seem to be a determinant factor. One should be mindful of particular situations of countries at different stages of development. However, on this particular topic, the different legal traditions may be more pertinent to the consideration of flexibility in the international system.

#### COMMON LAW APPROACH TO THE CLIENT-PATENT ADVISOR PRIVILEGE

108. As seen, one general characteristic of civil procedure in common law countries is “discovery” (or disclosure) in a pre-trial phase. There, each party to litigation may request disclosure of relevant documents and other evidence in the possession of other parties. The discovery system was developed with a view to bringing all evidence to the attention of the court so that the truth can be ascertained. On the other hand, there is also a competing public need to keep certain information confidential from public inspection.

109. The reasons justifying the client-patent advisor privilege are similar to the justifications put forward in respect of the client-attorney privilege, i.e. the client’s need for frank, honest and open communications with patent advisors to obtain the best intellectual property advice, and the competing public interest to use all rational means for ascertaining truth during an *inter partes* procedure. Another argument supporting the client-patent advisor privilege is that, even if not all patent advisors are qualified lawyers, patent advisors provide legal advice

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<sup>18</sup> <https://www.aippi.org/download/onlinePublications/AIPPISubmissiontoWIPOonConfidentialityofCommunicationsBetweenClientsandtheirPatentAdvisorsSeptember6-FINAL.pdf>

relating to patent law, such as the patentability of inventions or the legal scope of patent protection.

110. On the other hand, it could be noted that the client-attorney privilege was introduced in the common law systems not with the sole reason of the legal nature of the advice given by lawyers. The lawyers' strict adherence to a code of ethics plays an important role. In addition, the lawyers' ability to professionally represent their clients before the courts may require special consideration. Therefore, this particular difference between lawyers and non-lawyer patent advisors could justify different treatment with respect to the recognition of the privilege.

111. It appears that the common law countries where the client-patent advisor privilege exists provide a vigorous regulatory environment for patent advisors. Patent advisors must be registered with the competent authority, are required to pass an official examination to obtain the relevant professional title under the applicable national/regional law (for example, "patent attorney" or "patent agent"), and only those who have been registered with the competent authority can use such professional title and conduct professional services. They are also bound by high standards of professional codes of conduct. Therefore, it is assumed that a high professional qualification of patent advisors is an important consideration in those countries. However, in some other common law countries, the client-patent advisor privilege is not recognized even if patent advisors in these countries adhere to similar high standards. Further, some common law countries provide the client-patent advisor privilege even if non-lawyer patent advisors are not allowed to represent their clients before the courts.

112. The above differences suggest that, at least for some common law countries, the full legal qualification of patent advisors or the entitlement to act before courts is not a decisive factor to establish the privilege. Considering the above, are there any common factors applicable to all common law countries for the determination of either applying or not applying the client-patent advisor privilege? From the information gathered to date, no such common factor emerged.

#### CIVIL LAW APPROACH TO THE PATENT ADVISOR PROFESSIONAL SECRECY OBLIGATION

113. In general, civil law countries protect the confidentiality of communications between lawyers and their clients in both criminal and civil procedures. Although they may be invoked less frequently in civil law countries than in common law countries, mechanisms exist that allow courts in civil law countries to issue an injunction order to the defendant, upon the admissible request of the plaintiff, to disclose a document which the plaintiff knows to be in the possession of the defendant.<sup>19</sup> There are also the so-called "*saisie contrefaçon*" procedure under French law or the possibility of a court ordering provisional measures to preserve relevant evidence, including seizure of documents.<sup>20</sup>

114. It appears that, in those circumstances, it is a well-established principle that confidential communications exchanged between lawyers and their clients would not be

<sup>19</sup> Article 6.1 of the EU Directive on the Enforcement of IP Rights (Directive 2004/48/EC) provides the following: "Member States shall ensure that, on application by a party which has presented reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, the competent judicial authorities may order that such evidence be presented by the opposing party, subject to the protection of confidential information."

<sup>20</sup> The provisional measures, however, may be less relevant to the issue of confidentiality, since these procedures do not automatically lead to the disclosure of the seized documents.

forced to be disclosed, recognizing the necessity of protecting the confidentiality of legal advice.<sup>21</sup> Further, in general, lawyers should refuse to testify as witnesses about any information provided to them in their professional capacity. The nature of the professional secrecy obligation, however, seems to be considered differently in different jurisdictions. In some, it is an absolute obligation derived from public order, and therefore, a client is not entitled to allow his lawyer to disclose the protected confidential communications. In others, it is a relative obligation where a client remains a custodian of the secret information. Therefore, they provide the possibility for a client to allow his lawyer to disclose the confidential communications.

115. With respect to communications with patent advisors, in some and an increasing number of countries, non-lawyer patent advisors are entitled to refuse to testify in court on any matter falling under the professional secrecy obligation. In some countries, they are also entitled to refuse to produce documents that contain information covered by the professional secrecy obligation. Therefore, communications with patent advisors (including non-lawyer patent advisors) are withheld from forced disclosure in litigation in some civil law countries in a manner similar to confidential communications with lawyers. Here again, taking into account the need to keep certain information confidential from public inspection, the broader public interest has been the key consideration of policy makers. However, similar to common law countries, the above mechanism that is designed to maintain the confidentiality of communications with patent advisors during litigation does not seem to be applied uniformly in all civil law countries.

116. In Germany, German Patent Attorneys who may represent clients before the Federal Patent Court as well as the Federal High Court with respect to patent revocation proceedings must refuse testimony on matters covered by the professional secrecy. However, a European Patent Attorney, who has the right to represent clients before the European Patent Office (EPO), but is not entitled to represent clients before these courts, cannot refuse testifying on confidential matters under professional secrecy before the German courts, unless he is registered as a German Patent Attorney. Similar to common law countries, different criteria are applied among civil law countries to decide whether patent advisors should be treated either in the same way or differently from lawyers.

## CROSS BORDER ASPECTS

### *The international dimension: cross-border recognition of confidentiality*

117. Once a client seeks patent protection beyond the national territory, the territoriality principle requires him/her to obtain a patent in each country in which patent protection is sought. Obtaining and maintaining patents in foreign countries often involve advice from patent advisors in each of those countries either directly or via a national patent advisor. This is because a client often seeks advice from each national expert who is an expert on the relevant national patent law, and many national laws require that foreign applicants shall be represented by a national patent advisor authorized to act before the national office concerned. Similarly, if a third party seeks to extend his business beyond the territorial border by, for example, exporting his products to a second country, he/she may find a patent relevant to his/her product in the second country. It is most likely that the third party will first

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<sup>21</sup> See *Akzo Nobel Chemicals Ltd and Akros Chemicals Ltd v European Commission* (Case C-550/07 P), Opinion of Advocate General Kokott, delivered on April 19, 2010 ("legal professional privilege is currently recognized in all 27 Member States of the European Union, in some of which its protection is enshrined in case-law alone, but in most of which it is provided for at least by statute if not by the constitution itself.")

consult an IP specialist in his country and, in addition, will seek advice from a patent advisor in the second country.

118. In general, if a client (who could be an applicant, a patentee or a third party) obtains advice from patent advisors from more than one country, each patent advisor is bound by the confidentiality obligation pursuant to each national law. This is the case regardless of whether the patent advisor is from a common or civil law country, or whether the patent advisor is a lawyer or a non-lawyer. In essence, although the exact wording of national laws vary, at least any confidential information that patent advisors receive from their clients in the course of their professional activity must be kept secret.

119. The question, then, arises as to how a confidential communication with a national patent advisor will be treated by foreign courts and how such communication with a foreign patent advisor will be treated during litigation in the client's home country.

120. As described above, not all courts in all countries recognize the confidentiality of communications between a party and his foreign patent advisor during a court procedure. In particular, where the foreign patent advisor is not a qualified lawyer, the risk of non-recognition of the confidentiality by courts increases. Consequently, even if communication between the party and his foreign patent advisor can be kept secret in the jurisdiction of the foreign patent advisor, the same communication could be subject to disclosure during litigation in another country.

121. Applying a privilege to foreign patent advisors at the international level may be made more complex by the fact that the so-called "patent advisors" are defined differently from one country to another. Each national law provides the qualification requirements of patent advisors, and the scope of their professional activities depends on the applicable law.

#### *Legal uncertainty*

122. The lack of explicit laws and rules dealing with cross-border aspects of confidentiality brings uncertainty as to whether the courts are bound to recognize confidentiality arising under the law of other jurisdictions. Even if there are applicable laws and rules, in reality, there is much uncertainty in many countries in this area: firstly, the issue often has not been addressed, and therefore, the laws and rules have never been interpreted; and secondly, where the treatment of communications with foreign patent advisors is decided by local courts on a case-by-case basis, varied decisions have been rendered by courts. Such unpredictable court decisions impose additional costs for parties. In addition, the parties have to fight over procedural questions and spend their resources on those matters before addressing the substantive issues. Such uncertainty is obviously a risk factor for clients who have to seek advice from foreign patent advisors or who are increasingly exposed to patent disputes in foreign countries. In this regard, there are no differences among clients and patent advisors from common law and civil law countries.

#### *International solution respecting national realities*

123. Many issues surrounding the protection of confidential communications with patent advisors relate to national judicial procedures and national legal tradition. It is neither practical nor realistic to expect that a single uniform judicial procedural rule governing each country could be established in the near future. At the international level, however, the fundamental issue relating to the preservation of confidentiality of communications with patent advisors is that the confidentiality accepted in one country may not be recognized in another country. Although the similarity between national laws may render an international recognition easier, it might be possible to find a solution through international cooperation

while preserving the various national legal traditions. It appears that an appropriate level of flexibility is essential, taking into account different national judicial procedures.

124. In many countries, the rules regarding the preservation of confidentiality of communications between patent advisors and their clients are not found in the patent law. However, patent advisors are often registered with a competent national patent office, and they work closely with patent offices. Above all, a strict adherence to the professional confidentiality by patent advisors affects the quality of professional advice, and has implications for the patent system at large. While the preservation of confidentiality of communications with patent advisors has an impact on the proper functioning of the patent system, the issue under consideration may be an integral part of civil and criminal procedural rules, and therefore, it cannot be considered in isolation by patent offices only. Similar to any other issues that touch upon the competence of more than one administrative unit, close coordination among relevant administrative units at the national level is indispensable in order to advance discussions at the international level.

### **POSSIBLE REMEDIES IDENTIFIED ON THE CROSS-BORDER ASPECTS**

125. In the context of the cross-border aspects of preserving the confidentiality of communications between patent advisors and their clients, the issues described above arise, in principle, where the following two conditions are simultaneously met:

- (i) the national procedural law provides a mechanism (discovery proceedings or any other similar proceedings) that obliges the production of information with respect to confidential IP advice by patent advisors to a court; and
- (ii) the national law does not fully recognize the privilege or confidentiality of IP advice given by foreign patent advisors.

In those circumstances, confidential IP advice given by a patent advisor may be kept secret in some jurisdictions, but risks forcible disclosure in others. In order to remedy this situation, a mechanism could be envisaged under which the confidentiality of IP advice by patent advisors is recognized beyond the national border.

126. In order to achieve seamless cross-border recognition of confidentiality, it may be useful to consider two aspects, i.e., the standards regulating the substantive law of the privilege of patent advisors, and the standards for the recognition of foreign law on privilege. These two aspects are reflected in the possible remedies identified below. In addition, even if they are not perfect solutions, practical approaches to remedy the problems have been applied by practitioners in the absence of legal rules. The following paragraphs will describe those different approaches.

127. In preserving the confidentiality of IP advice beyond national borders, none of the approaches identified above oblige civil law countries to introduce, in their national procedural laws, an evidentiary privilege akin to that of common law countries, as long as their procedural laws do not provide any proceedings that would require a party to produce communications containing confidential IP advice to a court.

## RULES CONCERNING THE RECOGNITION OF FOREIGN PATENT ADVISOR PRIVILEGE

### *Extension of national patent advisor privilege to foreign patent advisors*

128. One type of possible remedy would consist in extending, through national laws, the legal professional privilege provided in relation to communications between national patent advisors and their clients to communications with certain foreign patent advisors from both civil law and common law countries. In more general terms, the applicable national rules that govern the preservation of confidentiality of communications with national patent advisors would be also extended to such communications with certain foreign patent advisors.

129. The tests found in the laws of Australia and New Zealand in defining certain foreign patent advisors whose privilege is recognized are inclusive rather than limiting. The law of New Zealand recognizes the privilege of foreign patent advisors whose functions correspond to those of registered patent attorneys in New Zealand. According to the Raising the Bar Act of Australia, the privilege of foreign patent advisors who are authorized to do patents work under the law of their country or region is recognized. In determining the conditions for recognition, national courts have to look into the respective foreign law in order to identify whether a foreign patent advisor has the “corresponding functions” or the “authorization to carry out patents work”. To provide administrative guidance to courts and interested parties, a list defining the recognized countries may be established by the government, which is the case in New Zealand.<sup>22</sup>

130. The extension of the privilege could, but would not necessarily have to be, based on reciprocity. As the merit of this type of remedy lies in its simplicity, adding additional layers of reciprocity might complicate the determination of the recognition of the privilege granted to foreign patent advisors. Another merit of introducing inclusive conditions for the recognition of the privilege for foreign patent advisors is that parties in litigation are able to focus on the substantive issues under dispute, rather than spending money and time on procedural issues. Further, since the substantive law on privilege is defined by each national law, countries are free to define, in their law, the scope, exceptions and limitations, types of communications covered and the categories of foreign patent advisors to whom such substantive law of privilege applies. In other words, countries can maintain their flexibilities in terms of substantive law on privilege or professional secrecy obligation.

131. The asymmetry of the cross-border protection of confidential IP advice, however, does not entirely disappear through this type of approach. For example, even if the confidentiality of communications with a non-lawyer patent advisor is recognized in another country, if those communications are not privileged under the national law of his/her country, the confidential IP advice given by that patent advisor may be subject to discovery in his/her home country. Privileged communications with patent advisors in one country may not be privileged in another country, and communications with patent advisors from countries without privilege will continue to be subject to potential disclosure.

132. As regards the types of instruments to achieve the extension of national patent advisor privilege to foreign patent advisors, various types of instruments can be envisaged, for example, a binding instrument, a soft law approach or a unilateral adoption of similar rules by each country. So far, the unilateral extension of the recognition is achieved by including a

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<sup>22</sup> Evidence (Recognition of Overseas Practitioners) Order 2008:  
<http://www.legislation.govt.nz/regulation/public/2008/0202/latest/whole.html>

provision in domestic laws on evidence or patent laws. Depending on the national legal tradition, it could also be possible to apply the principle as part of conflict of law rules through case law. No international action is required for such a unilateral action. While countries may have some incentives to introduce privilege in their national law (in particular, if the extension is subject to reciprocity), such a unilateral process may take a long time to be generally applicable among countries, and the diversity of different national practices will remain. The soft law approach can take different forms. For example, WIPO Member States or a WIPO body may adopt non-binding principles that could be applied at the national level, or model provisions that could be utilized and adjusted to the legal systems at the national level may be prepared.

*Recognition of confidentiality established in foreign countries*

133. A similar mechanism would be to recognize the privilege existing in other countries, or/and grant the same privilege for the purpose of the court procedures in one's own country. For example, even if country X does not provide full privilege with respect to communications with patent advisors under its national law, the court of country X would recognize the privilege with respect to communications with a patent advisor in country Y, if the latter communications are privileged in country Y.

134. Under this mechanism, at least the client will not lose confidentiality of the privileged communication with his patent advisor in another country. However, the national differences with respect to the entitlement to privilege will remain. Further, communications with patent advisors in countries without privilege will continue to be subject to potential disclosure. A comparable approach can be found with respect to the right of priority under Article 4 of the Paris Convention, where priority can be claimed on the basis of a "regular national filing" under the applicable law. Although the substantive requirement for according a filing date is not necessarily harmonized among the Member States of the Paris Convention (for example, some require the payment of a filing fee and others do not), they accept any filing that is adequate to establish a filing date in the country of first filing as the basis for subsequent priority claims.

135. Similar to the extension of national patent advisor privilege to foreign patent advisors, possible instruments for the recognition of confidentiality in foreign countries may include a binding instrument, a soft law or a unilateral action by each country.

*An international framework for mutual recognition of privilege (ICC proposal)*

136. The International Chamber of Commerce (ICC) has suggested a framework that extends the recognition of privilege to foreign patent advisors who are designated by the respective foreign authorities.<sup>23</sup> In essence, the suggested framework consists of the following elements:

- (i) Each country should specify categories of advisors whose clients benefit from privilege before the State's Courts, intellectual property offices, tribunals, and investigators. These should be all such local general lawyers and local specialist IP advisors as the State considers to be adequately regulated, plus (in the case of EPC members) locally-resident European patent attorneys (both private practice and in-house);

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<sup>23</sup> The detailed description of the ICC suggestion is found in paragraphs 41 to 46 of document SCP/16/4 Rev.

- (ii) Within each country, certain communications<sup>24</sup> from or to the specified categories of advisors should be privileged (together with documents, material, and information preparatory to or otherwise related to such communications); and
- (iii) Each country shall respect the privilege of the communications under (ii) from or to advisors specified by other countries under (i).

137. The above framework would allow, at least within the countries participating in the framework, seamless cross-border recognition of the privilege of certain foreign patent advisors designated by each country. Each country maintains its autonomy to decide on which group(s) of professions is(are) “considered to be adequately regulated”. Further, the substantive law of privilege can be largely defined by each national law, such that each country may decide, for example, on the scope of, and exceptions and limitations to, the privilege.

138. As regards the mechanisms for establishing a possible framework, since it envisages an international mutual recognition of privilege, the most straightforward way to ensure such a legal effect is an international instrument. Another option would be a system under which national laws give effect to an international list of patent advisors administered by an international body listing specific categories of professionals designated by each country and whose clients would benefit from the recognition of privilege in all countries which accept the effect of that international list.

*International minimum standards or convergence of the substantive rules on privilege*

139. Another way to ensure the recognition of foreign privilege beyond national borders is to seek minimum convergence of substantive national rules on privilege among countries. One may envisage a common set of substantive rules that effectively prevent confidential IP advice from being disclosed to third parties, regardless of the nationality or the place of registration of patent advisors and of the place where the IP advice was given. If a uniform standard for privilege were applied to both national and foreign patent advisors on intellectual property matters in all countries, the confidentiality of IP advice by patent advisors would be recognized beyond their national borders, whatever choice of law rules these countries may adopt.

140. To this end, a Joint Proposal for the establishment of a minimum standard of protection from forcible disclosure of confidential IP advice has been developed by the American Intellectual Property Law Association (AIPLA), the International Association for the Protection of Intellectual Property (AIPPI) and the International Federation of Intellectual Property Attorneys (FICPI).<sup>25</sup> The essential agreement part of the Joint Proposal<sup>26</sup> reads as follows:

“1. In this Agreement,

‘intellectual property advisor’ means a lawyer, patent attorney or patent agent, or trade mark attorney or trade mark agent, or other person, where such person is officially recognized as eligible to give professional advice concerning intellectual property rights.

<sup>24</sup> The ICC defines the term “communications” as follows: “communications as to any matter relating to any invention, design, technical information, trade secret, trade mark, geographical indication, domain name, literary or artistic work, performance, software, plant variety, database, or semiconductor topography, or relating to passing off or unfair competition”.

<sup>25</sup> <https://www.aippi.org/?sel=publications&sub=onlinePub&cf=colloquium>

<sup>26</sup> The Joint Proposal consists of a preamble part and an agreement part. See footnote 25 for the full text of the Joint Proposal.

'intellectual property rights' includes all categories of intellectual property that are the subject of the TRIPS agreement, and any matters relating to such rights.

'communication' includes any oral, written, or electronic record whether it is transmitted to another person authorized to receive such communication or not.

'professional advice' means the subjective or analytic views or opinions of an intellectual property advisor and is not meant to include mere statements of fact.

"2. Subject to the following clause, a communication made for the purpose of, or in relation to, an intellectual property advisor providing professional advice on or relating to intellectual property rights to a client, shall be confidential to the client and shall be protected from disclosure to third parties, unless it is or has been made public with the authority of that client.

"3. Jurisdictions may have and apply specific limitations, exceptions and variations on the scope or effect of the provision in clause 2 provided that such limitations and exceptions individually and in overall effect do not negate or substantially reduce the objective effect of clause 2 having due regard to the need to support the public and private interests described in the recitals to this Agreement which the effect of the provision in clause 2 is intended to support, and the need which clients have for the protection to apply with certainty."

141. While cross-border legal aspects are not completely absent under the above Joint Proposal, since courts, for example, would have to look into foreign law to determine if a person is officially recognized as eligible to give professional advice, the core question of the scope of the privilege would remain the same in every case.<sup>27</sup>

142. On the one hand, the more uniform the substantive rules on privilege become at the international level, the more predictability potential parties to litigation (clients and their patent advisors on the plaintiff side as well as on the defendant side) may enjoy. On the other hand, considering the current differences with respect to national laws in this area, Member States may need some flexibility, should they implement an international standard.

143. As regards possible mechanisms for international minimum convergence of substantive rules on privilege, in addition to the adoption of a binding instrument, a soft law approach, such as recommendations or model provisions, could be envisaged. Further, international minimum convergence of certain principles through unilateral adoption of similar rules by each country at the national level may be an option, if a sufficient number of countries found benefits in implementing such principles in their national laws.

## CHOICE OF LAW RULES

383. The standard applied by the courts of some countries in deciding whether the privilege should apply in relation to communications with foreign patent advisors is to consider whether or not such communications would have been privileged in the foreign law of the country concerned. Such recognition of foreign privileges or secrecy obligations has been applied by courts in the United States.

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<sup>27</sup> See also John T. Cross, Evidentiary Privileges in International Intellectual Property Practice, INTA Annual Meeting 2009.

144. As stated earlier, some civil law countries have amended their national legislation to expressly recognize the privilege in respect of patent advisors, with the aim of achieving foreign recognition through the application of the choice of law rule. While such an approach might provide a remedy in foreign countries where the recognition of patent advisors' privilege in other countries is based on the conflict of law/international private law rule, including the comity rule, it does not have any effect in those foreign countries that apply the *lex fori*.

145. On the one hand, the application of the choice of a law rule does not require amendments of substantive domestic rules on privilege. On the other hand, such a rule has been developed by courts, and even if a common choice of law rule on the recognition of foreign privilege were to be established, the divergent substantive laws on privilege would continue to exist, thus making it impossible to fully avoid forcible disclosure of confidential IP advice by foreign courts.

146. As regards mechanisms to facilitate the recognition of foreign patent advisors' privilege through choice of law rules, various possibilities could be considered, for example, the unilateral adoption of common rules at the national level, a soft law approach or the adoption of an international agreement.

## PRACTICAL APPROACHES

147. In the absence of an international legal framework that effectively recognizes confidentiality of IP advice at the global level, a number of practical remedies have been sought by practitioners in order to avoid forcible disclosure of confidential IP advice in their countries as well as in foreign countries. However, certain practical measures such as increased use of oral communications or co-signature of documents with a lawyer and a patent advisor, are not considered as being always efficient, and may increase the cost of providing IP advice.

### *Cooperation with lawyers*

148. In some countries, non-lawyer patent advisors use the services of lawyers in provision of their services to clients. In particular, non-lawyer patent advisors provide their written communications/counseling to clients co-signed by lawyers. Such an approach may, however, complicate and raise the cost of IP legal advice.

### *Increased use of oral communications*

149. Patent advisors often communicate orally instead of in writing, to avoid the disclosure of confidential information in litigation in other countries. This may complicate the counseling process and prevent the establishment of useful documentation.

### *Contractual confidentiality agreements*

150. Patent attorneys who are not bound by confidentiality obligations in foreign jurisdictions could be bound by contractual confidentiality agreements. However, it is not clear whether such agreements would be effective against forcible disclosure in all different pre-trial discovery proceedings. In most jurisdictions, patent attorneys are already bound by domestic secrecy obligations.

[Annexes follow]

## **ANNEX I: BRIEF SUMMARY OF RELATED SCP DOCUMENTS**

1. Document SCP/13/4: The Client-Attorney Privilege

Document SCP/13/4 provided some examples of the legal situations in various countries describing the differences between the civil law and common law systems, addressed issues arising in the international context, and contained some of the options for solutions that had been discussed at the international level.

2. Document SCP/14/2: The Client-patent Advisor Privilege

Document SCP/14/2 expanded the information on the legal situation in various jurisdictions in a country study, examined the international dimension as contained in various provisions contained in international instruments such as the Paris Convention, the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement) and the General Agreement on Trade in Services (GATS), provided various arguments in relation to the rationale behind the client-patent advisor privilege, summarized the key findings and illustrated examples of potential areas for future work.

3. Document SCP/16/4 Rev.: Confidentiality of Communications Between Clients and their Patent Advisors

Document SCP/16/4 Rev. brought together those two studies by summarizing the major points discussed at the previous sessions, and providing further analysis. It suggested that the Committee could come to some common understanding that might become the basis for pursuing the topic further and presented a non-exhaustive list of subjects that might be relevant to the discussions on this subject at the international level.

4. Document SCP/17/5: Information on cross-border aspects of confidentiality of communications between clients and patent advisors

Document SCP/17/5 gathered information about national and regional practices regarding cross-border aspects of confidentiality of communications between clients and patent advisors, including, *inter alia*: (i) national laws and rules dealing with cross-border aspects of confidentiality of communications between clients and patent advisors; (ii) problems in relation to cross-border aspects of confidentiality of communications between clients and patent advisors; and (iii) remedies that are available in countries and regions to solve the problems that remain at the national, bilateral, plurilateral and regional levels.

5. Document SCP/18/6: Approaches and Possible Remedies to Cross-Border Aspects of Confidentiality of Communications between Clients and Patent Advisors

Document SCP/18/6 expanded document SCP/17/5 to explain approaches to cross-border issues and possible remedies identified in the area of confidentiality of communications between clients and patent advisors. It gave an overview of the existing national laws, introduced in the issues in relation to cross-border aspects, analyzed the approaches to cross-border aspects and identified possible remedies with respect to cross-border issues.

[Annex II follows]

## **ANNEX II: WORK UNDERTAKEN BY INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS**

The issue client-patent advisor privilege was given attention by IP practitioners who have been involved in advising clients. Work has been undertaken by a number of non-governmental organizations, such as the International Federation of Intellectual Property Attorneys (FICPI), the International Association for the Protection of Intellectual Property (AIPPI) and the Asian Patent Attorney Association (APAA), among others.

### **FICPI**

FICPI adopted, at its 2000 World Congress in Vancouver, Canada, from June 12 to 16, the resolution A which urged “appropriate authorities in countries and regions to amend their laws to establish an appropriate system of recognition of qualified intellectual property practitioners.”<sup>28</sup>

At its World Congress in Berlin, Germany, from June 2 to 6, 2003, FICPI passed another resolution (Resolution 4) addressing the issue of “qualification of professional representatives and practice across national borders”.<sup>29</sup>

### **AIPPI**

A milestone in AIPPI’s work was Q163 which was set up to investigate the application of privilege to clients of patent and trade mark attorneys. In its preliminary work, the Committee of Q163 found that there were significant differences between countries in the treatment of privilege.<sup>30</sup> It noted that a number of major factors influenced the type of protection available to patent and trade mark attorneys, including the following:

- The availability of discovery or forced disclosure in the jurisdiction.
- The status of the patent or trade mark professional in the jurisdiction.
- The common law/civil law condition of the jurisdiction.
- The imposition of criminal penalties on patent or trade mark attorneys who reveal their client's confidential information.

In 2003, at its EXCO meeting in Lucerne, AIPPI passed a Resolution arising from the work of Q163 of which the most relevant part is cited below:

“That AIPPI supports the provision throughout all of the national jurisdictions of rules of professional practice and/or laws which recognize (that) the protections and obligations of the attorney client privilege should apply with the same force and effect to confidential communications between patent and trade mark attorneys, whether or not qualified as attorneys at law (as well as agents admitted or licensed to practice before their local or regional patent and trade mark offices), and their clients regardless of whether the substance of the communication may involve legal or technical subject matter.”

<sup>28</sup> <http://www.ficpi.org/library/Resolutions/CA2000-RES-1GB.pdf>

<sup>29</sup> <http://www.ficpi.org/library/Resolutions/DE03-RES-4GB.pdf>

<sup>30</sup> Documents prepared by the Committee of Q163 are available at:  
<https://www.aippi.org/?sel=questions&sub=listingcommittees&viewQ=163#163>

The heart of the AIPPI Resolution is that clients of patent and trade mark attorneys should be afforded the same level of protection by privilege as communications between clients and their legal attorneys. AIPPI decided to put more work into raising the attention of governments, among others through WIPO, in order to address the issue. The organization made a decision to explore the avenue of an international instrument as a solution to the perceived problems and approached WIPO in order to explore the possibility to further investigate the matter with WIPO Member States. In that context, AIPPI suggested an international basic standard in 2005<sup>31</sup>.

As a result of those contacts, it was decided to hold a WIPO-AIPPI Conference on Privilege, which was held on May 22 and 23, 2008, in Geneva. The Conference was attended by Member States, Intergovernmental Organizations, Non-Governmental Organizations and private persons. It raised much interest and covered a broad range of issues, including an overview of the issues, the presentation of cases in common and civil law systems, the potential and real pitfalls in multiple jurisdictions, developments in various jurisdictions, the point of view of companies, including in respect of in-house counsels and options for improvement.<sup>32</sup>

#### APAA

At its 55<sup>th</sup> Council meeting held in Singapore from October 18 to 21, 2008, APAA put the question of privilege on the agenda and organized a workshop entitled “What Privilege? Whose Privilege?” The event had a considerable success, and APAA adopted a Resolution supporting a solution at the international level.<sup>33</sup> It resolved that:

“confidential communications between a client and its qualified IP professionals (whether domestic or foreign) should be recognized as privileged communications internationally, so that the client’s position can be appropriately protected internationally”; and

“in order to ensure full and frank communications between a client and its qualified IP professionals (whether domestic or foreign) without any risk of disclosure of their confidential communications, an international consensus on setting minimum standards of privilege should be built so that all national legal systems should be harmonized in such a way that such confidential communications can enjoy privilege internationally”.

#### COMMUNIQUÉ FROM AIPLA, AIPPI & FICPI

From June 26 to 28, 2013, AIPLA, AIPPI and FICPI jointly organized a colloquium entitled “Protection of Confidentiality in IP Advice (PCIPA or the Protection) – National and International Remedies” in Paris, France.<sup>34</sup> The Colloquium was held to encourage consensus on a framework to protect confidential IP advice given to a client by lawyer and non-lawyer IP advisors. The three organizations issued a joint Communiqué<sup>35</sup> after the Colloquium, in which it is stated that “In both common and civil law systems an agreement

<sup>31</sup> [http://www.wipo.int/edocs/mdocs/mdocs/en/wipo\\_aippi\\_ip\\_ge\\_08/wipo\\_aippi\\_ip\\_ge\\_08\\_www\\_100879-related2.pdf](http://www.wipo.int/edocs/mdocs/mdocs/en/wipo_aippi_ip_ge_08/wipo_aippi_ip_ge_08_www_100879-related2.pdf). The proposal was updated in 2012 (<http://www.ficpi.org/AIPLA-AIPPI-FICPI-Colloquium/Primer.pdf>).

<sup>32</sup> The full program can be found on WIPO’s website at [http://www.wipo.int/meetings/en/2008/aippi\\_ipap\\_ge/program.html](http://www.wipo.int/meetings/en/2008/aippi_ipap_ge/program.html)

<sup>33</sup> [http://www.apaaonline.org/pdf/APAA\\_55\\_council\\_Meeting/Minutes\\_of\\_the\\_Singapore\\_Council\\_Meeting\\_in\\_2008\\_AfternoonSession.pdf](http://www.apaaonline.org/pdf/APAA_55_council_Meeting/Minutes_of_the_Singapore_Council_Meeting_in_2008_AfternoonSession.pdf)

<sup>34</sup> <https://www.aippi.org/?sel=publications&sub=onlinePub&cf=colloquium>.

<sup>35</sup> *Ibid.*

could be made that communications relating to IP professional advice with lawyers and/or non-lawyer IP advisors shall be either confidential to the client or subject to professional secrecy and shall, in both cases, be protected from disclosure to third parties unless made public by or with the authority of the client.” In addition, at and after the Colloquium, the three organizations drew up a Joint Proposal<sup>36</sup> for the establishment of a minimum standard of protection from forcible disclosure of confidential IP advice.

[Annex III follows]

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<sup>36</sup>

*Ibid.*

## **ANNEX III: COMPILATION OF NATIONAL LAWS AND PRACTICES**

This Annex provides information on national laws and practices regarding the scope of client attorney privilege and its applicability to patent advisors, including foreign patent advisors, in the following countries: Argentina, Australia, Brazil, Bulgaria, Canada, Chile, Costa Rica, Cyprus, Denmark, Finland, France, Georgia, Germany, Hungary, India, Israel, Japan, Kyrgyzstan, Lithuania, Malaysia, Mexico, Monaco, New Zealand, Norway, Peru, Poland, Portugal, Republic of Moldova, Republic of Korea, Romania, Russian Federation, South Africa, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Kingdom, United Republic of Tanzania, United States and Zambia, as well as within the regional framework of the European Patent Convention (EPC), the Unitary Patent Court (UPC) Agreement and the Eurasian Patent Convention (EAPC).

### **1. ARGENTINA**

Article 5 of Ruling No. 101/96, issued by the National Industrial Property Institute (INPI) of Argentina establishes that patent advisors should provide suitable advice to those persons who hire their services and protects the secrecy of confidential information which was received by IP agents in course of their professional duties with regard to the matter entrusted to them. Further, Law No. 24.481 on Patents and Utility Models, amended by Decree 260/96, establishes in Article 77 that the violation of a secrecy obligation imposed by the law is sanctioned under criminal law.

### **2. AUSTRALIA**

#### National aspects

#### *Discovery procedure and how privilege protection operates against discovery*

There are two methods of discovery under the Australian High Court rules. One is the normal track discovery and another is the fast track discovery under Federal Court of Australia New Practice Note 30 (fast track) of April 2009, which aims to finalize a proceeding within five to eight months of commencement. On the fast track discovery, the court expects the parties to cooperate with and assist the court in ensuring that the case is conducted in accordance with the fast track. Under the fast track procedure, discovery is only limited to documents on which a party intends to rely and documents that have significant probative value adverse to a party's case.

Under the normal track, discovery may be made on documents on which the party relies, documents that adversely affect the party's own case, documents that affect another party's case and documents that support another party's case. Client-attorney privilege operates to entitle a client, and even an attorney in his or her role as a witness or a party to litigation, to withhold evidence, or in some cases, to prevent others from disclosing privileged information. For example, the privilege allows a client to withhold, from a court, communications that she/he has had with his or her lawyer for the purpose of obtaining legal advice.

#### *Professionals covered by the privilege and secrecy obligation*

Professionals covered by the privilege are qualified lawyers, including in-house qualified lawyers and patent attorneys. The term "qualified lawyers" refers to lawyers called to the

Bar in each of the States and Territories of Australia. The ultimate decision to admit a person with certain qualifications to the Bar rests with the State or Territory in which one is seeking admission.

Patent attorneys are granted patent attorney privilege by statutes (Section 200 of the Patents Act 1990). The Australian Patents Act restricts patent attorneys from preparing documents to be filed in court, or transacting business or conducting proceedings in court, distinguishing it from that of lawyers who may prepare documents, transact business and conduct proceedings in court.

In comparison, Australia also provides for the same privilege to trademark attorneys as prescribed for their patent attorney counterparts. Australia's Trade Marks Act of 1995, as amended by the Intellectual Property Laws Amendment Act 1998, extends the same rights to Australian patent and trademark attorneys.

#### *In-House Patent Attorney*

Based on the strict interpretation of Section 200(2) of the Patents Act and the recent comments in *Telstra Corporation Limited v. Minister for Communications, Information, Technology and the Arts (No 2)*<sup>37</sup> regarding client-lawyer privilege, it is expected that patent attorney privilege would apply to communications with in-house patent attorneys subject to certain conditions. Firstly, the attorney would need to be registered under the Patents Act. Secondly, he or she would need to be acting in his or her capacity as a patent attorney rather than in any commercial or technical capacity. In that case, Graham J reiterated the independence required of the in-house lawyer and stated that, for privilege to operate, the lawyer needed to be acting in a legal, rather than a commercial, role. The lawyer, and thus also the patent attorney, would need to be able to give impartial legal (patent attorney) advice not "compromised by virtue of the nature of his employment relationship with his employer".

#### *Scope of privilege*

The lawyer-client privilege protects communications between lawyers and clients for the purpose of legal advice. Based on the decision in *DSE (Holdings) Pty Ltd v. Intertan Inc.*,<sup>38</sup> legal advice that is entitled to a privilege must go beyond formal advice as to the law. This means that client-lawyer privilege protects communications (oral or written) and documents which are confidential and pass between or are created by a lawyer and client for the dominant purpose of the lawyer providing, or the client receiving, legal advice. In Australia, client-attorney privilege extends to communications with third parties.

Following the decision of the High Court of Australia in *Daniels Corporation International v. ACCC*,<sup>39</sup> it is now settled that legal professional privilege is a rule of substantive law of which a person may avail himself to resist giving information or the production of documents which would reveal communications between a client and his or her lawyer made for the dominant purpose of giving or obtaining legal advice or the provision of legal services, including representation in legal proceedings. This means that legal professional privilege is not confined to the processes of discovery and inspection and providing evidence in judicial proceedings.

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<sup>37</sup> [2007] FCA 1445.

<sup>38</sup> (2003) 135 FCR 151.

<sup>39</sup> (2002) 213 CLR 543.

According to Section 200(2) of the Patents Act, the scope of client-patent attorney privilege is narrower than client-lawyer privilege. Privileged communications are limited to those on intellectual property matters. Further, while the privilege granted to clients of solicitors is extended to communications with third parties, communications covered by client-patent attorney privilege are restricted to communications between a registered patent attorney and his or her client.

#### *The limitations and exceptions to the privilege*

Exceptions to the legal professional privilege in Australia take the form of common law exceptions or statutory exceptions. Common law exceptions include the name of the client,<sup>40</sup> the circumstances in which allowing the claim of legal professional privilege would frustrate legal processes<sup>41</sup> and where communication between the lawyer and the client is for the purpose of committing a crime or fraud. In *Carter v. Northmore Hale Davy & Lake*, it was held that, in particular circumstances, a court could override the legal professional privilege.<sup>42</sup>

Statutory exceptions to privilege are provided in different legislation. For example, legal professional privilege may be lost where a communication between the lawyer and client concerns “acts attracting the anti-avoidance measures in Pt IV A of the Income Tax Assessment Act 1936” and “in furtherance of a contravention of the Trade Practices Act 1974”.

The exceptions and limitations to legal professional privilege may be express or conditional. For example, Section 37(3) of the Administrative Appeals Tribunal Act 1975 provides for an express exception which imposes an obligation on parties to lodge certain documents with the tribunal notwithstanding any rule of law relating to privilege or public interest in relation to the production of documents. On the other hand, Section 157 of the Trade Practices Act 1974 provides for a conditional limitation to the legal professional privilege, according to which a court can order the Australian competition authority to comply with a request for information but such a request may not be complied with if “the court considers it inappropriate to make the order by reason that the disclosure of the contents of the document or part of the document would prejudice any person, or for any other reason.” The decision of the High Court of Australia in *Daniels Corporation International Pty Ltd v. ACCC*<sup>43</sup> suggests that a statute abrogates legal professional privilege in cases where “very clear, indeed unmistakable, provisions of legislation” exist which deny the application of privilege.

#### *Consequences of the loss of confidentiality and penalties for disclosure*

The loss of confidentiality or inadvertent disclosure of confidential information subject to the privilege means the confidentiality and also the privilege are lost. A patent attorney who discloses confidential information without authorization may be subject to disciplinary proceedings by the Professional Standards Board in accordance with Disciplinary Guidelines for Registered Patent and Registered Trade Marks Attorneys under Regulation 20.33 of the Patent Regulations 1991. The Guidelines set out the procedures that the Professional Standards Board will follow in investigating a registered patent attorney or a registered trademark attorney and in deciding whether or not to commence disciplinary proceedings.

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<sup>40</sup> *Commissioner of Taxation v. Coombes* (1999) 92 FCR 240.

<sup>41</sup> *R v Bell; Ex parte Lees* (1980) 146 CLR 141.

<sup>42</sup> (1995) 183 CLR 121, 135.

<sup>43</sup> (2002) 213 CLR 543.

The Board has the power to refer any patent attorney who is in breach of confidentiality for professional misconduct to the Disciplinary Tribunal.

#### *Requirements/qualifications for patent advisors*

The registration of patent attorneys and trademark attorneys in Australia is governed by the Professional Standards Board for Patent and Trade Mark Attorneys, a body established under Section 227A of the Patents Act 1990. The Board administers the regulatory and disciplinary regimes for patent and trademark attorneys in Australia.

To register as a Patent and Trademark Attorney in Australia, the following conditions must be met: pass nine prescribed exams; hold a degree in a field of technology that contains potentially patentable subject matter; be ordinarily resident in Australia; have worked for a year as either a technical assistant in a patent attorney's practice, an employee in a company in Australia practicing patent matters on behalf of a company or an examiner of patents at IP Australia; and be of good repute, integrity or character, and not have been convicted within the past five years of offences against patents, trademarks and designs legislation.

#### Cross-border aspects

##### *Recognition of Foreign Privilege in Australia*

The patent attorney privilege was not applicable to communications between clients and foreign patent attorneys who are not registered under the Australian Patents Act 1990 until 2013. In Australia, the requirement for a "registered patent attorney" was established by the Federal Court of Australia in *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals* (2004), 137 F.C.R. 573 (Federal Court of Australia) ["*Eli Lilly & Co*"]. The privilege for communications with a registered patent attorney was confined to communications with an attorney registered in Australia. The court based its decision on the limitation of the scope of the statutory privilege to registered patent attorneys.

The Australian Government recognized that legislative changes were needed to afford a client of a non-lawyer patent attorney certainty in relation to confidentiality of intellectual property advice both in Australia and overseas. Furthermore, the privilege applicable to clients of non-lawyer patent attorneys should also apply to their communications with suitably accredited overseas non-lawyer patent attorneys. Further, many patent applicants hold global patent portfolios, including a number of patents for the same invention in different jurisdictions. This means that a dispute in relation to a single invention may be prosecuted simultaneously in a number of different jurisdictions. It is not always desirable or practical for parties to such disputes to limit their requests for advice to Australian patent attorneys.

The Intellectual Property Laws Amendment (Raising the Bar) Act extended the existing client-patent attorney privilege to foreign patent attorneys which entered into force on April 15, 2013. This was achieved by expanding the definition of 'patent attorney' to include an individual authorized to do patents work under the law of another country or region. No further criteria are mentioned in the Act. However, the privilege applies to the extent that the attorney is authorized to provide intellectual property advice. Consequently, communications with a foreign patent attorney relating to trade marks or other rights will be privileged only if the attorney is authorized to do that work in his home country in addition to patents work. Methodologically, the Act extends the principle of the client-patent attorney privilege to foreign advisors in IP law and not in evidentiary law.

The Intellectual Property Laws Amendment (Raising the Bar) Act revised subsection 200(2) of the Patents Act as follows:

- “(2) A communication made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to the same extent, as a communication made for the dominant purpose of a legal practitioner providing legal advice to a client.
- “(2A) A record or document made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to same extent, as a record or document made for the dominant purpose of a legal practitioner providing legal advice to a client.
- “(2B) A reference in subsection (2) or (2A) to a registered patent attorney includes a reference to an individual authorized to do patents work under a law of another country or region, to the extent to which the individual is authorized to provide intellectual property advice of the kind provided.
- “(2C) Intellectual property advice means advice in relation to:
- (a) patents; or
  - (b) trademarks; or
  - (c) designs; or
  - (d) plant breeder’s rights; or
  - (e) any related matters.”

It is noted in relation to those provisions, that patents work is defined as work in relation to patents or patent applications done, on behalf of someone else, for gain. The intention is that the privilege provision captures communications between clients and foreign IP professionals who are authorized to perform work similar to the work done by their Australian counterparts. This will include not only persons authorized under the law of a nation state, but also persons registered under an international treaty, such as Article 134 of the EPC 1973, which authorizes persons to do patents work before the EPO.

The scope of the privilege is limited to the scope of a person’s authority to perform the work in their home country or region. Further, the communication, record or document must be made for the ‘dominant’ purpose of a patent attorney providing intellectual property advice to a client in order for the communication, record or document to attract the privilege. The definition of ‘intellectual property advice’ in subsection 200(2) limits the scope of privilege to only those fields in which patent attorneys have specialist qualifications and knowledge.

### *Summary*

The client-attorney privilege accorded to patent attorneys in Australia is part of the statutory privilege and does not originate from the common law legal professional privilege, although the patent attorney privilege closely mirrors the common law legal professional privilege. Thus, before 2013, the patent attorney privilege was only applicable to the intended beneficiary who is a registered patent attorney in Australia and not an unregistered patent attorney which includes a patent attorney registered in a foreign country but not in Australia. Since the entering into force of the Act on April 15, 2013, Australian law extends the patent attorney privilege to foreign to the extent to which the individual is authorized to provide intellectual property advice of the kind provided.

### 3. BRAZIL

#### National aspects

Lawyers and registered Patents & Trademark Agent (API) are bound by professional secrecy obligation. Section 297 of the *Brazilian Criminal Procedural Code* exempts from the duty of giving testimony anyone who must keep privilege due to his profession. The *Brazilian Civil Procedural Code* has a similar provision in section 406, II. Criminal acts committed with the assistance of lawyers and APIs, however, are not covered by privilege and the privilege does not apply to documents evidencing such criminal acts.

#### *Origin of the professional secrecy obligation and its coverage*

The Brazilian Constitution recognizes the lawyer as an essential profession to the administration of justice. Professional acts and manifestations are protected by the Constitution, in the terms of a federal law. Federal Law n. 8.906/94, known as the Statute of Lawyers, provides for rules applicable to the legal profession. Besides, the Brazilian Bar Association (*Ordem dos Advogados do Brasil*) enacted a Code of Ethics and Discipline, which establishes the ethical principles of the legal profession. Those legislations impose high standards of professional conduct on Brazilian lawyers, particularly in relation to confidentiality and professional secrecy.

#### *Professionals bound by the secrecy obligation*

Many professionals are bound by secrecy obligations. They include practicing lawyers, medical doctors, dentists, and also patent agents and patent attorneys. The confidentiality and secrecy obligation applies to both lawyers and registered patent and trademark agents (*Agentes da Propriedade Industrial (APIs)*). Lawyers are bound by secrecy due to strict guidelines contained in the Statute of Lawyers. APIs are bound by professional secrecy obligations under the Code of Conduct of APIs enacted by the Brazilian Patent and Trademark Office (BPTO) through Normative Act 142, of August 25, 1998. It is to be noted that the Brazilian Criminal Procedure Code (Section 297) exempts from the duty of giving testimony anyone who must keep privilege due to his or her profession and the Brazilian Civil Procedure Code has a similar provision (Section 406, II).

The relationship between attorney and client is regulated in Brazil by the Statute of Lawyers and the Code of Ethics and Discipline referred to above. These provisions apply to all Brazilian lawyers, including in-house attorneys. There are express and specific provisions in the Statute and in its Regulations about privileged relationship between an attorney and his or her client, which guarantee the attorney the right to protect, and not to disclose, the information received from his or her clients.

#### *Kind of information/communication covered by secrecy obligation*

In Brazil, lawyers and APIs are required to respect the confidentiality of all information that becomes known to them in the course of their professional practice. Nevertheless, the scope of the confidentiality obligation is governed by different laws. Section 26 of the Code of Ethics and Discipline, in particular, states that Brazilian lawyers must maintain confidentiality and secrecy in court proceedings *vis-à-vis* what they have learned from their clients throughout their professional practice. Section 26 further states that lawyers should refuse to testify as witnesses about any facts related to a client, even if authorized or requested by the client. This obligation remains regardless of whether the relationship between lawyer and client continues or has already been terminated by either party.

All the information supplied to the attorney by the client, including written communication, is confidential. As per this privilege, it can only be revealed, unless if used in the defense limits, when authorized by the client. The confidentiality privilege is extended to the attorney's office, files, data, mail and any kind of communication (including telecommunications), which are held inviolable.

*Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure*

In a decision of December 5, 1995,<sup>44</sup> the Higher Court of Justice (*Superior Tribunal de Justiça*) held that a lawyer was allowed to give testimony in court proceedings about facts that the lawyer himself had witnessed, ignoring the language of both the Brazilian Statute of Lawyers (Section 7, XIX) and the Code of Ethics and Discipline (Section 26). In laying down his decision, Justice Teixeira stated that “the prohibition for a lawyer—who counsels or has counseled a party—to testify, under [Brazilian] procedural law, exists by the closeness of both vis-à-vis their contractual relationship, which would lead the testimony of the lawyer to be nothing more than a positive statement of the party with force of testimony. Nothing prevents, however, a lawyer, by himself and not because he has heard from his client, from testifying in court proceedings with respect to facts that he has witnessed”. Justice Teixeira further stated that “the barring from a lawyer’s testimony is restricted only to the lawsuit in which the lawyer represented or still represents a party.”

On October 16, 2003, the Ethics Committee of the São Paulo branch of the Brazilian Bar Association issued an opinion, holding that a lawyer called to give testimony as a fact witness, in court proceedings involving former clients, is unconstrained to do so as long as the lawyer observes the strict interests of his former client.

Criminal acts committed with the assistance of lawyers and APIs are not covered by privilege and the privilege does not apply to documents evidencing such criminal acts. Attorneys and APIs have the right to refuse to make depositions as witnesses (i) in a question in relation to which the attorney has acted or may act, or (ii) about facts qualified as professional secrecy related to a person who is or has been his or her client, even if authorized by the last.

The Code of Ethics and Discipline, in Chapter III, also provides that the attorney–client relationship is protected by professional secrecy, which can only be violated in the cases of (i) severe threat to life or honor; or (ii) when the attorney is insulted by his or her own client; and (iii) in self-defense. Violation of professional secrecy must be restricted to the interests of the question under discussion.

*Consequences of the loss of confidentiality and penalties for unauthorized disclosure*

Any breach of a client's confidential information, under both statutes, can result in administrative, civil and criminal sanctions for the breaching lawyer. The disciplinary proceeding commences either with a petition by the interested party or “*ex officio*”. Once the petition is received, the President of the State Council must appoint a member of the Council to report the case and govern the collection of evidence. Penalties established in the Statute of the Lawyer are: admonition, suspension, disbarment and fines. If lawyers disregard the privilege, without reasonable grounds, they are subject to: (a) professional sanctions imposed by the Bar Association (Law 8906/94, Section 34, paragraph VII); (b) criminal sanctions (Sections 153 and 154 of the Criminal Code), such as a fine or one to 12 months

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<sup>44</sup> STJ, Resp No. 76.153, Relator: Min. Sálvio de Figueiredo Teixeira, 05.12.1995, D.J.U. 05.02.1996, p. 1,406.

of imprisonment; (c) civil sanctions for damages (Section 159 of the 1916 Brazilian Civil Code).

#### *Requirements/qualifications for patent advisors*

In Brazil, API is recognized by law and is entitled to give advice on IP matters as well as to represent clients before the BPTO. Those who are willing to enroll in the BPTO Official Register of APIs need to be successful in an examination given before BPTO. However, lawyers admitted to the Brazilian Bar can be automatically enrolled as APIs, without any additional examination. Lawyers admitted to the Bar in Brazil are also fully qualified to give advice on IP matters as well as to represent clients before BPTO. APIs who are not lawyers have in many cases an engineering degree, although this is not a legal requirement.

#### Cross-border aspects

There is no evidence to show that the same treatment of confidentiality and privilege applies to foreign patent attorneys.

#### *Summary*

Brazilian law imposes confidentiality obligations on the patent attorneys and lawyers not to disclose confidential information obtained in the course of dealing with clients. However, this obligation is not absolute as there are several exceptions to the confidentiality obligation, such as in the case of crime and fraud or where the lawyer is required to testify as a witness in matters that he or she does not represent. Although the confidentiality requirement is applicable to both qualified lawyers and patent attorneys, it is not known whether the same obligation and right to keep information confidential applies to foreign patent advisors.

In Brazil, patent agents are bound by the secrecy obligation flowing from his or her profession. The Brazilian Criminal Procedure Code (Section 297) and the Brazilian Civil Procedure Code (Section 406) exempts anyone who is bound by the professional secrecy obligation from the duty of giving testimony. There is no evidence to show that a different treatment applies to foreign patent advisors.

## 4. BULGARIA

#### National aspects

The Ordinance on the Industrial Property Representatives, adopted by the Council of Ministers, provides that patent representatives (lawyers or non-lawyers) are obliged to perform their duties and protect the interests of their clients in good faith by, inter alia, guaranteeing to keep in secret any information disclosed to them when acting as representatives. However, it fails to specify any sanctions for breach of the professional secrecy obligation. Nationals of EU Member States may also practice their attorney profession. They are deemed equal to Bulgarian attorneys and bound by the same professional confidentiality obligations, when acting before the Bulgarian authorities.

The Code of Civil Procedure stipulates that the courts may order third parties to supply documents in their possession upon written request of a party to the proceedings. Where the third party unduly fails to do so it can be fined by the court and is liable to any damages caused to the requesting party. The same code also specifies that any witness may refuse to answer certain questions, if that may result in immediate damages, disgrace or criminal prosecution for him or his relatives. The professional secrecy obligation could be invoked in

such cases to justify any refusal to supply a document or testify in civil proceedings, if that may result in immediate damages to a client.

In criminal proceedings prevails the public interest of ascertaining the truth. Consequently, a witness may refuse to testify only about facts that have been disclosed to him as a defense attorney. Other persons, including patent advisors (lawyers or non-lawyers), cannot rely on this exception. The Code of Criminal Procedure does not contain specific provisions about possibilities to refuse to supply documents.

#### Cross-border aspects

Bulgarian national law contains no specific provision on the cross-border aspects of confidentiality of communications between clients and patent advisors. The lack of express laws and rules dealing with cross-border aspects of confidentiality brings uncertainty as to whether the courts are bound to accept confidentiality obligations arising under other jurisdictions.

### 5. CANADA

#### National aspects

Canadian patent attorneys do not benefit from a privilege.

#### Cross-border aspects

The privilege of foreign patent advisors is not recognized in Canada. In *Lilly Icos LLCs v. Pfizer Ireland Pharmaceuticals* (2006), 2006 FC 1465, the Federal Court of Canada decided not to recognize the privilege despite the fact that the communications between clients and patent attorneys were considered privileged in the United Kingdom under Section 280 of the U.K. Copyright, Designs and Patents Act 1988. The confidentiality of communications was not recognized even if they took place in the United Kingdom. The Canadian Court stated that judicial comity between countries did not require Canada to recognize a privilege not established in Canada. It is reiterated that differently from the Australian case, Canadian patent attorneys do not benefit from a privilege. Therefore, the recognition of a foreign client-patent advisor privilege would go beyond the mere extension of a national privilege to foreign patent advisors. Rather, it would be the recognition of a new privilege not recognized under national law. While the domestic law leaves little ambiguity with respect to cross-border aspects, the categorical denial of privilege for domestic and foreign non-lawyer patent advisors might not necessarily encourage obtaining legal advice from them in the Canadian IP system.

### 6. CHILE

The Chilean law does not provide for IP professionals as it does for doctors, lawyers etc. IP practitioners are neither the subject of a specific examination nor qualification for practicing. The practice indicates that most of the IP practitioners are lawyers in Chile. Lawyers are bound by professional secret obligation, according to which third parties cannot force disclosure of communications between lawyers and their clients, third parties or other attorneys. The non-lawyer practitioners will be ruled by the civil mandate and eventually by the clauses of a contract with their clients and/or employers.

## 7. COSTA RICA

In Costa Rica in practice applicants may be assisted by an attorney for the filing of their patent applications. With respect to the confidentiality of communications between client and attorney, the provisions of the Code of Legal, Moral and Ethical Duties for Legal Professionals states in Article 41:

“Confidential information given to an attorney in the course of his or her professional duties by a client, adversarial party, or colleagues, such information resulting from conciliation or trade-related interviews as well as from third parties, shall be subject to client-attorney privilege. Similarly, the knowledge obtained in the course of employment involving private documents, documents received and the content thereof shall be subject to client-attorney privilege. It shall be forbidden to disclose the information obtained subject to client-attorney privilege with the exceptions established in the following article.”

## 8. CYPRUS<sup>45</sup>

The national law of Cyprus does not provide any rules dealing with cross-border aspects of confidentiality of communications between clients and patent advisors.

## 9. DENMARK

No national laws and rules dealing with cross-border aspects of confidentiality of communications between clients and patent advisors, who are non-lawyers, exist in Denmark. Especially because of the cross-border challenges in relation to confidentiality of communications, the Danish Patent and Trademark Office intends to set up a national committee to examine ways to change national regulation within the area in order to meet the cross-border challenges.

## 10. FINLAND

In Finland, the current Act on Patent Attorneys (552/1967) does not contain specific confidentiality provisions. However, there are some general provisions in the Code of Judicial Procedure and the Administrative Procedure Act (434/2003) which cover the protection of confidential information. The secrecy provisions in the new Act on Licensed Attorneys (715/2011) may also apply to some patent attorneys/agents. The national strategy concerning intellectual property rights of 2009 involves a broad range of proposals for action, including a proposal for drafting a new act on approved IPR attorneys/agents. The new act would repeal the current legislation on patent attorneys and, in addition to introducing a qualifying examination, also set forth specific rules on confidentiality.

## 11. FRANCE

*Clarification of secrecy obligation in order to facilitate recognition in foreign courts*

In France, the Intellectual Property Code R.422-54 (2°) was amended to expressly provide for a professional secrecy obligation of patent advisors. Article L422-11 (inserted by Act No. 2004-130 of 11 February 2004, Article 67, Official Journal of February 12 2004) states:

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<sup>45</sup> Cyprus belongs to a mixed legal system combining common law aspects and civil law aspects.

“In any matter and for all the services mentioned under Article L. 422-1, the industrial property attorney shall observe professional secrecy. Consultations addressed or intended for customers, professional correspondences exchanged with customers, fellow-members or attorneys-at-law, notes of meetings and, more generally, all documents of the file shall be subject to professional secrecy.”

The motivation for passing this legislation was to avoid the forcible disclosure in discovery proceedings of communications with industrial property attorneys in foreign courts, as in the case *Bristol-Myers Squibb Co. v. Rhone-Poulenc* in 1999.<sup>46</sup>

## 12. GEORGIA

### National aspects

The general rules under the Georgian legislation concerning duties of patent attorneys address the issue in terms of responsibilities and protection of professional secrecy. These rules are provided in the Statute of Patent Attorneys of January, 12, 2011, which was adopted in accordance with the Georgian Patent Law. According to the Article 9 of the statute a patent attorney is obliged: (a) to protect professional secrecy notwithstanding time passed; and (b) to abstain from disseminating information without a consent of the client during execution of his obligations as a patent attorney. According to Article 10 of the present statute, a patent attorney is obliged to refrain from any action which threatens the interests of client, activities of patent attorneys and their independence. According to Article 11 of the statute, the breach of the above-mentioned duties will cause the suspension of his right to practice as a patent attorney.

### Cross-border aspects

The Georgian law does not provide rules dealing with cross-border aspects of confidentiality of communications between clients and patent advisors.

## 13. GERMANY

### National aspects

It seems to be the case that agent-client communications are considered, in essence, privileged pursuant to the German Patent Attorney Code.

### *Origin of the professional secrecy obligation and its coverage*

The professional secrecy obligation of lawyers in Germany is based both on the Criminal Code and on the Federal Code for Lawyers (*Bundesrechtsanwaltschaftsordnung*) – BRAO.

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<sup>46</sup> French Senate, Ordinary Session 2002-2003, Document No : 176, Title 7 (Réforme du statut de certaines professions judiciaires ou juridiques, des experts judiciaires et des conseils en propriété industrielle, N° 176, SÉNAT, SESSION ORDINAIRE DE 2002-2003, Annexe au procès-verbal de la séance du 12 février 2003).

*Professionals bound by the secrecy obligation*

The secrecy obligation applies to many professionals such as medical doctors, bankers, lawyers and patent attorneys. For example, §43a.II of BRAO provides that a lawyer is bound by professional secrecy obligations. Patent attorneys are bound by professional secrecy obligations under the *Patentanwaltsordnung* (PAO) - (German Patent Attorney Code) and *Berufsordnung der Patentanwälte* (BOPA) - (Code of Conduct for Patent Attorneys).

*Kind of information/communication covered by secrecy obligation*

Under Section 43b.II of BRAO, the lawyer's secrecy obligation applies to any information that the lawyer became aware of while exercising his or her professional duties. This does not apply to facts which are public or do not require secrecy according to their significance. This obligation continues even after the lawyer and client have had no further professional relationship between them.

Similarly, under the PAO, the secrecy obligation for a patent attorney will apply only to the extent that the patent attorney obtains information from a client. Patent attorneys may represent their clients not only before administrations such as the German Patent Office, but also before the German Federal Patent Court, the German Federal Supreme Court with regard to patent validity cases and compulsory licenses and any other court where representation by an attorney at law is not obligatory. In the court proceedings, lawyers and patent attorneys are entitled to refuse to testify in both civil and criminal cases regarding any information provided to them in their professional capacity.<sup>47</sup> German civil and criminal procedures provide for the right for lawyers and patent attorneys to refuse to provide evidence that is subject to professional secrecy.

*Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure and how protection operates*

Based on Section 43b of BRAO, the confidentiality obligation does not apply to facts which are public or which are not so significant as to require secrecy. Lawyers are entitled to breach secrecy obligations in only very limited circumstances, such as to prevent the commission of a serious crime. In addition, clients are able to waive the privilege, and their waiver binds their lawyers.

*Consequences of the loss of confidentiality and penalties for unauthorized disclosure*

All lawyers, whether in-house or not, are obliged to avoid any associations that may jeopardize their professional independence,<sup>48</sup> and all lawyers admitted to the bar have a duty to maintain professional secrecy,<sup>49</sup> the breach of which is a criminal offence.<sup>50</sup> Patent attorneys who are in breach of the secrecy and confidentiality obligation could face disciplinary proceedings leading to various possible sanctions such as a fine or disbarment.

<sup>47</sup> *Bundesrechtsanwaltsordnung* v 1.8.1959 (BGBl I 1959 S 565) (Federal Lawyers Regulation) § 43a(2).

<sup>48</sup> *Bundesrechtsanwaltsordnung* v 1.8.1959 (BGBl I 1959 S 565) (Federal Lawyers Regulation) § 43a(1).

<sup>49</sup> *Bundesrechtsanwaltsordnung* v 1.8.1959 (BGBl I 1959 S 565) (Federal Lawyers Regulation) § 43a(2); *Berufsordnung für Rechtsanwälte* (Regulations concerning the Legal Profession) § 2.

<sup>50</sup> *Strafgesetzbuch* (Criminal Code) §§ 203 at 300.

### *Treatment of foreign patent advisors*

It appears that provisions that regulate the right to withhold information subject to professional secrecy obligations only apply to attorneys who are called to the German Bar or patent attorneys admitted in Germany.

### *Requirements/qualifications for patent advisors*

One need not be a qualified lawyer but technically qualified before becoming a patent attorney in Germany. Applicants should have a university degree in engineering or natural sciences and have spent three years in practice in industry. During the additional 34 months' education they receive 26 months' legal training with an established attorney and also eight months with the German Patent and Trademark Office (DPMA) and the German Federal Court. The applicant must also pass registration examinations of high standards such as those relating to legal studies and intellectual property law.

### Cross-border aspects

A European patent attorney, who is not registered as a German patent attorney, is not entitled to represent clients before the German courts and is not admitted to the German bar. Therefore, in general, his privilege on confidential matters under professional secrecy does not exist before the German courts.

However, the right to refuse testimony under the German law depends on the existence of a legal obligation to keep confidentiality. Due to this connection between patent attorney's legal obligation to keep confidentiality and his corresponding right to refuse testimony, any foreign patent attorney or advisor who is obliged to keep confidentiality under the applicable jurisdiction of his place of business has the right to refuse testimony in the same manner as recognized for German patent attorneys.

### *Summary*

Secrecy obligations in Germany apply to both qualified lawyers and patent attorneys. They have to ensure that a client's confidential information obtained in the course of a professional relationship is kept secret except in several circumstances such as the commission of a crime. The right to withhold information under the secrecy obligation is granted only to patent attorneys registered and practicing in Germany.

Under German law, patent attorneys admitted to the bar are obliged to keep confidentiality regarding any information provided to them in their professional capacity (Section 39a of the Act on Patent Attorneys), and accordingly, German patent attorneys are entitled to refuse to testify before the courts (Section 383 of the German Civil Procedures Act).

## 14. HONG KONG, CHINA

### National Aspects

There is currently no regulatory regime for provision of patent agent services in Hong Kong, China. Any person, with or without the relevant technical and/or legal expertise, may claim himself or herself to be a patent practitioner.

In Hong Kong, China, it is not uncommon that solicitors are retained as patent agents. In this connection, communications between clients and their patent advisors who are solicitors will qualify as confidential information.

- (a) A solicitor owes the duty of confidence to his client during the subsistence of the solicitor–client relationship. This relationship comes to an end with the termination of the retainer. But the duty of confidentiality survives the termination to protect the confidentiality of the information imparted during the subsistence of that solicitor–client relationship: *see Prince Jefri Bokjiah and KPMG (a firm) [1997] 2 AC 222 at 235 c-F, per Lord Millett*
- (b) Moreover, under paragraph 8.01 of the Hong Kong Solicitors' Guide to Professional Conduct, Vol. 1, it is stated that:

*“8.0. A solicitor has a duty to hold in strict confidence all information concerning the business and affairs of his client acquired in the course of the professional relationship, and must not divulge such information unless disclosure is expressly or impliedly authorized by the client or required by law or unless the client has expressly or impliedly waived the duty.”*

- (c) Further, legal professional privilege protects the confidentiality of *bona fide* communications between a lawyer and a client concerning matters of legal advice or in reference to litigation, be it on-going or in contemplation. The privilege conveys the right to resist the compulsory disclosure of those communications.

Upon endorsing the recommendations made by the Advisory Committee of Review of the Patent System, the government of Hong Kong, China, has decided to develop a fully-fledged regulatory regime on patent agent services in the long run, which has to be achieved in stages, with possible interim measures.

## 15. HUNGARY

Hungarian Law expressly provides for confidentiality of communications between clients and their patent advisors including explicitly documents. Article 15 of the provisions of Act XXXII of 1995 on patent attorneys, which came into force April 1, 2013, concerning confidentiality of communications between clients and their patent advisors provides that

- “(1) A patent attorney – in the absence of a provision of law to the contrary – shall be under secrecy obligation with respect to all facts and data that come to his knowledge in connection with his activity as patent attorney; this obligation shall remain even after the termination of his activity as patent attorney.
- “(2) The secrecy obligation shall extend to those documents of patent attorney that contain facts and data subject to patent attorney secrecy. In the course of the administrative examination at the patent attorney, the patent attorney shall not disclose the documents and data concerning his client, but he cannot obstruct the procedure of the authority.
- “(3) The client and his successor in title may grant exemption from the secrecy obligation.

- “(4) The secrecy obligation shall extend to individual patent attorneys and their employees, patent attorneys’ office and their employees, patent attorneys’ partnership and their employees, Hungarian Chamber of Patent Attorneys and its officers and employees.

Article 22 of the same Act contains disciplinary sanctions for violation of these obligations.

## 16. INDIA

Section 126 of the *Indian Evidence Act 1872* provides that no barrister, attorney, pleader or *vakil* shall be permitted to disclose communications made by his client or advice given by him in the course of his employment except if there is an illegal purpose or showing a crime or fraud after commencement of his employment. Further, section 129 states that no one shall be compelled to disclose to a court any confidential communication between him and his legal professional adviser except when he offers himself as a witness, to the extent necessary to explain evidence given. According to *Wilden Pump Engineering Co. v. Fusfield*, a patent agent was not regarded as a variety of lawyer and was held to be outside the common law privilege under English law.

## 17. ISRAEL

In Israel, there are no statutory provisions in the law regarding the confidentiality of communications between clients and their patent advisors, though private organizations might have best practices recommendations. Courts may rule in favor of confidentiality in view of there being a fiduciary relationship between the client and its patent advisor.

## 18. JAPAN

Articles 197 and 220 of the *Code of Civil Proceedings 1998* provide statutory privilege to Japanese patent attorneys, who may or may not be lawyers. Article 197(1)(ii) specifically exempts patent attorneys from disclosing facts which were obtained in the exercise of professional duties and which should be kept secret. Article 220(4) exempts patent attorneys from producing documentary evidence containing such facts.

### *Origin of the professional secrecy obligation and its coverage*

Many professions in Japan, including lawyers and patent attorneys (*Benrishi*), are covered by professional secrecy obligations. For example, Article 23 of the Lawyers Law and Article 30 of the Patent Attorneys Law provide such obligations.

In connection with civil court proceedings, Article 197 of the Japanese Civil Procedure Law stipulates the cases where a witness can refuse to testify. One such case is where certain professionals, including lawyers and patent attorneys, are examined with regard to any fact that they have learned in the course of their professional duties and which should be kept as secret information (Article 197(1)(ii)). In addition, where a witness is examined with regard to matters concerning technical or professional secrets, he or she may refuse to testify (Article 197(1)(iii)).

Further, Article 220 provides rules concerning the production of evidential documents. In 1998, the revised Civil Procedure Law expanded the scope of duty to produce documents by including Article 220(iv) which made such a duty a general rule with the prescribed limited

exceptional cases where an owner of certain documents can refuse the submission of such documents. One of those exceptional cases applies to documents that contain facts subject to the professional secrecy referred to in Article 197(1)(ii), which includes documents that contain information covered by the professional secrecy obligation imposed on lawyers and patent attorneys. Another exceptional case where an owner of the document can refuse the submission of documents is when the document contains matters concerning technical or professional secrets as referred to in Article 197(1)(iii).

*Professionals bound by the secrecy obligation*

Article 30 of the Patent Attorney Law provides that a patent attorney or a person who was a patent attorney must not disclose or appropriate, without any justifiable reason, secrets that have become known through the performance of his or her duty. Article 23 of the Lawyers Law provides that non-disclosure constitutes a professional right as well as a professional obligation, unless otherwise prescribed in statutes.

According to Article 197(1)(ii) of the Civil Procedure Law, professionals who have a right to refuse to testify on any matter covered by professional secrecy obligations, unless such duty to keep a secret has been lifted, are medical doctors, dentists, pharmacists, pharmaceutical distributors, birthing assistants, attorneys at law (including foreign lawyers registered in Japan), patent attorneys, defense counsels, notaries or persons engaged in a religious occupation, or persons who were in any of these professions in the past.

In addition, in accordance with Article 220(iv) of the Civil Procedure Law, an owner of a document that contains information covered by the professional secrecy obligation of the professions in the above list or a document containing technical or professional secrets may refuse to produce such a document. An owner of such a document may be the professional covered by the secrecy obligation, a client of such a professional or any third party. In other words, a client of a patent attorney who has in his or her possession a document containing information which relates to professional advice that should be kept secret can refuse the production of such a document to the court.

*Kind of information/communication covered by the secrecy obligation in general and in relation to patent law*

With regard to an attorney at law, he or she has a right and an obligation to keep confidential information that he or she received in the course of his or her professional activities secret. Such rights and obligations continue to exist indefinitely. Any exceptions to such rights and obligations should be stipulated in laws. As regards patent attorneys, he or she must not disclose or appropriate, without any justifiable reason, secrets that have become known through the performance of his or her duty.

Attorneys at law and patent attorneys have a right to refuse to testify on any matter covered by professional secrecy obligations. However, if their duty to keep information confidential is lifted, they cannot refuse the testimony. In addition, any witness may refuse to testify on matters relating to any technical or professional secrets, such as technological know-how and trade secrets. In addition, the refusal to testify is allowed for cases where a testimony would defame the witness.

With respect to documentary evidence, any document that contains information covered by the professional secrecy obligation or technical or professional secrets can be withheld from the production of evidence. For example, in *Eisai Ltd. v. Dr. Reddy's Lab. case*,<sup>51</sup> the judge

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<sup>51</sup> S.D. N.Y Dec. 21, 2005.

ruled that documents reflecting legal advice provided by a Japanese patent attorney or requests for such advice were privileged and need not have been produced. It should be noted that, even if the general duty to produce documents exists in Japan, its scope is much narrower than the discovery proceedings in common law countries. Article 221 of the Civil Procedure Law requires that, if a party requests a court to order the owner of the document to produce such documents, the party must show the court that the fact is proven and there is a need for the documents to present the case. Nevertheless, it could be said that the inclusion of the statutory provision that allows any owner of a document (not limited to professionals covered by the secrecy obligation) refuse the production of the document that contains information subject to professional secrecy was triggered by the expansion of the scope of the duty to produce evidential documents under Japanese civil procedures.

Further, Article 223(3) of the Civil Procedure Law provides so-called *in camera* inspection of a document. The court is entitled to examine whether the secrecy of the document is justified in a proceeding where only judges are allowed to access the document.

#### *Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure*

The Court may compel attorneys and patent attorneys to produce evidence subject to secrecy obligations. The Civil Procedure Law, Article 220(1) provides that a holder of a document shall not refuse the production of the information and document where the party itself is in possession of the document to which he or she has referred in the litigation.

#### *Consequences of the loss of confidentiality and penalties for unauthorized disclosure*

Any breach of confidentiality is subject to professional sanctions, where applicable. Any disclosure of secrets is subject to disciplinary measures under the Lawyers Law. Article 80 of the Patent Attorneys Law provides a specific criminal penalty of imprisonment for a period not greater than six months or a monetary penalty not greater than 500,000 yen for violation of non-disclosure duty. In addition, Article 134 of the Penal Code provides for an offence for divulging clients' secrets. Clients may also seek compensation for general wrongful acts under Article 709 of the Civil Procedure Law. In addition, the Japan Patent Attorneys Association has a code of conduct concerning confidentiality, which also includes penalty provisions.

#### *Requirements/qualifications for patent advisors*

All patent attorneys (*Benrishi*) must pass the government examination conducted by the Japan Patent Office and must be registered with the Japan Patent Attorneys Association.

### Cross-border Aspects

#### *Treatment of foreign patent advisors*

The application of Articles 197(1)(ii) and 220(iv) of the Civil Procedure Law to patent attorneys who are registered in other countries is not clear at this point, due to a lack of case law and established legal opinions.

*Clarification of secrecy obligation in order to facilitate recognition in foreign courts*

In Japan, following the amendment of the Code of Civil Procedure<sup>52</sup> in 1996, where a patent attorney is examined, as a witness, with regard to any fact that he/she has learned in the course of his/her professional duties and which should be kept as secret information, he/she can refuse to testify, in accordance with Article 197(1)(ii) of the Code of Civil Procedure as follows:

“Article 197

“(1) In the following cases, a witness may refuse to testify:

the case set forth in Article 191(1);

cases where a doctor, dentist, pharmacist, pharmaceuticals distributor, birthing assistant, attorney at law (including a registered foreign lawyer), patent attorney, defense counsel, notary or person engaged in a religious occupation, or a person who was any of these professionals is examined with regard to any fact which they have learnt in the course of their duties and which should be kept secret;

cases where the witness is examined with regard to matters concerning technical or professional secrets.

“(2) The provision of the preceding paragraph shall not apply where the witness is released from his/her duty of secrecy.”

Further, in accordance with Article 220(iv) which provides exceptions to the general duty to produce documents, the owner of certain documents that contain facts subject to the professional secrecy referred to in Article 197(1)(ii), which includes documents that contain information covered by the professional secrecy obligation imposed on patent attorneys, may refuse the submission of such documents, as follows:

“Article 220

“In the following cases, the holder of the document may not refuse to submit the document:

“ [...]”

“(iv) In addition to the cases listed in the preceding three items, in cases where the document does not fall under any of the following categories:

(a) A document stating the matters prescribed in Article 196 with regard to the holder of the document or a person who has any of the relationships listed in the items of said Article with the holder of the document;

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<sup>52</sup> Code of Civil Procedure (Act No.109 of June 26, 1996, as last amended by Act No. 95 of June 27, 2007).

- (b) A document concerning a secret in relation to a public officer's duties, which is, if submitted, likely to harm the public interest or substantially hinder the performance of his/her public duties;
- (c) A document stating the fact prescribed in Article 197(1)(ii) or the matter prescribed in Article 197(1)(iii), neither or which are released from the duty of secrecy;
- (d) A document prepared exclusively for use by the holder thereof (excluding a document held by the State or a local public entity, which is used by a public officer for an organizational purpose); and
- (e) A document concerning a suit pertaining to a criminal case or a record of a juvenile case, or a document seized in these cases”.

### *Summary*

A patent attorney is subject to the same secrecy obligations as an attorney at law, and enjoys the same privilege with respect to testimony and a production of evidential documents. The Patent Attorneys Law also provides for penalties for breach of such a secrecy obligation. As the law provides for specific secrecy obligations and certain privileges of non-disclosure in relation to Japanese patent attorneys, it is not clear to what extent the law applies to patent attorneys registered in foreign countries. Following and amendment of the respective legal provision, it was clarified that a patent attorney has the duty to refuse testimony if examined, as a witness, with regard to any fact that he/she has learned in the course of his/her professional duties and which should be kept as secret information, and may be excepted from the general duty to produce documents in courts.

## 19. KYRGYZSTAN

According to Article 14 of the Law of the Kyrgyz Republic "On Patent Attorneys" any information, which a patent attorney (agent) receives from his or her client during the performance of his/her assignment, shall be considered confidential unless otherwise specifically provided by the client or unless clearly arises from his/her actions.

A patent attorney is required to ensure security of the documents he or she receives and/or composes during the performance of his/her duties. A patent attorney is not entitled to transmit such documents or copies thereof to the third parties or to disclose orally the information contained therein without prior written consent of the person whose interests he or she represents. Pursuant to Article 13 of the above Law of the Kyrgyz Republic a patent attorney shall be subject to administrative and other sanctions for improper performance of his/her duties in accordance with the legislation of the Kyrgyz Republic (Article 7, Part I of the Civil Code of the Kyrgyz Republic).

## 20. LITHUANIA

### National aspects

The Lithuanian Regulation of Patent Attorneys, approved by the Order of the Government of the Republic of Lithuania No 362 of May 20, 1992, applicable to the activity of the patent advisors (patent attorneys), does not provide for any rules regarding confidentiality of communications between clients and patent attorneys. However, clients and patent

attorneys may provide for confidentiality rules, e.g. in representation agreements. There are no special remedies for solving problems in relation to confidentiality of communications between clients and their patent attorneys at the national level.

### Cross-border aspects

The relevant government authorities have no information regarding problems in relation to cross-border aspects of confidentiality of communications between clients and patent advisors, but note that in some cases there might be problems with confidentiality of communications when an exaction of documents is addressed to foreign country and question of application of foreign law arises.

## 21. MALAYSIA

### National aspects

In Malaysia, the law on privilege is a subject matter of legislation supplemented with common law principles where applicable. Generally, then law of privilege only covers communications between a lawyer and his client. However, the Malaysian law on privilege does not protect communications between a registered IP agent and his client.

#### *Discovery procedure and how privilege protection operates against discovery*

Under pre-trial case management, the Rules of the High Court 1980 set out a non-exhaustive list of directions which the Judge may make. Where discovery by a party is considered inadequate, application for further or more specific discovery may be made to the court. Failure to comply with an order for discovery can ultimately result in dismissal of the action or striking out of the defense. It is the legal duty of each party and its solicitor to make full disclosure of those documents in his or her possession or control and relevant to the issues in the action, if the party making disclosure relies on those documents or such documents would lead the opponent to a relevant course of inquiry. The disclosure shall be made even if it is helpful to the opponent's case.

Privileged documents are exempt from disclosure. In Malaysia, the law on privilege is generally the subject of legislation supplemented with common law principles where applicable. Section 126 of the Evidence Act 1950 prohibits advocates from disclosing any communication with his or her clients for the purpose of his or her professional activities unless express consent is given by the client. Section 126 reads as follows:

- “(1) No [advocate] shall at any time be permitted, unless with his client's express consent, to disclose any communication made to him in the course and for the purpose of his employment as such [advocate] by or on behalf of his client, or to state the contents or condition of any document with which he has become acquainted in the course and for the purpose of his professional employment, or to disclose any advice given by him to his client in the course and for the purpose of such employment: Provided that nothing in this section shall protect from disclosure – (a) any such communication made in furtherance of any illegal purpose; (b) any fact observed by any [advocate] in the course of his employment as such showing that any crime or fraud has been committed since the commencement of his employment.
- “(2) It is immaterial whether the attention of the [advocate] was or was not directed to the fact by or on behalf of his client.”

In addition, the client is also protected by privilege under the Evidence Act as provided in Section 129 as follows:

“No one shall be compelled to disclose to the court any confidential communication which has taken place between him and his legal professional advisor unless he offers himself as a witness, in which case he may be compelled to disclose any such communications as may appear to the court necessary to be known in order to explain any evidence which he has given, but no others.”

For example, communications with legal advisors for the purpose of obtaining legal advice are privileged. Documents tending to incriminate a party are also privileged. Documents containing matters confidential to a party and not otherwise privileged must be disclosed, but the Court may order a controlled method of disclosure to protect confidentiality.

#### *Professionals covered by the privilege and secrecy obligation*

Under Section 126 of the Evidence Act 1950 and the Interpretation Act which defines “advocate” to mean a lawyer qualified to practice law in any part of Malaysia, the duty to keep communications with clients secret only applies to qualified practicing lawyers and does not apply to IP professionals in Malaysia (patent and trademark agents) who are not qualified lawyers. A qualified lawyer means a person who has been admitted to the Malayan Bar or the Sabah and Sarawak Bar under the Legal Professional Act 1976 and the respective law in Sabah and Sarawak.

On the other hand, under Section 129 of the Evidence Act, the term “legal professional advisor”, and not “advocate”, is used. Consequently, clients’ privilege to keep communications secret does not apply to communications with patent or trademark agents, but may also be extended to in-house lawyers.<sup>53</sup> Communications with patent agents who are also lawyers are covered by privilege.

#### *Scope of privilege*

Generally, the law of privilege in Malaysia only covers communications between a lawyer and his or her client. The scope of privilege is wide and covers all communications in the course and for the purpose of his or her services as a lawyer. It continues even after cessation of his or her employment as a lawyer of the client. Communications protected by privilege would also include communications between the lawyer and third parties (such as independent expert witnesses) during the course of his or her engagement as a lawyer.

#### *The limitations and exceptions to privilege*

The limitations and exceptions to privilege have been discussed by the Malaysian Federal Court in a recent case of Anthony See Teow Guan v. See Teow Chuan and See Teow Koon (Civil Appeal 02-50-2006, judgment delivered on February 23, 2009). In this case, the Federal Court upheld the common law maxim that “once privileged, always privileged.” The Court held that the client could waive the privilege recognizing the position of the client as the holder of the privilege and the lawyer as the holder of the confidentiality. The waiver must be made with the express consent of the client and as such Malaysian law does not recognize the common law waiver of implication or by imputation. It is also held that the disclosure of any legal opinion did not remove the privilege attached to the legal opinion.

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<sup>53</sup> VL Kandan, Malaysia’s Position on IP Advisor-Client Privilege, WIPO AIPPI Conference on Client Privilege in IP Professional Advice, May 22-23, 2008.

Apart from express waiver, there are statutory provisions that provide for exceptions to privilege. For example, Section 14 of the Anti-Money Laundering and Anti-Terrorism Financial Act 2001 (“AMLATF”) imposes on a reporting institution an obligation to “promptly report to the competent authority any transaction: Exceeding such amount as the competent authority may specify; and where the identity of the persons involved, the transaction itself or any other circumstances concerning that transaction gives any officer or employee of the reporting institution reason to suspect that the transaction involves proceeds of an unlawful activity.”

With effect from September 30, 2004, advocates and solicitors are included as one of the ‘Reporting Institutions’ in the First Schedule of AMLATF. Lawyers thus have the same obligations as that of financial institutions to report to the competent authority any transaction which falls within Section 14 of AMLATF.

Further, Section 47 of AMLATF is a provision specific to advocates and solicitors which empowers a High Court judge to make an order, in relation to an investigation into a money laundering offence or a terrorism financing offence, requiring an advocate and solicitor to disclose information in respect of any transaction or dealing relating to any property which is liable to seizure under AMLATF.

The legal professional privilege between the advocate and solicitor and his or her client is overridden by Section 20 of AMLATF for the purposes of the reporting obligation. It will not excuse the advocate or solicitor from any failure to report a suspicious transaction.

#### *Consequences of the loss of confidentiality and penalties for disclosure*

Any lawyer who discloses confidential documents and privileged documents without the express consent of his or her client will be subject to professional penalties and professional disciplinary proceedings. The discipline of patent agents is not fully provided for under the Patent Regulations 1986. Regulation 45E(3) of the Patent Regulations 1986 only provides that “the Registrar may refuse to renew the registration of any person who has been convicted of an offence involving fraud or dishonesty.” This may mean that a registered patent agent who has dishonestly disclosed the client’s information may be classified as dishonest, and the renewal of the registration may be refused.

#### *Requirements/qualifications for patent advisors*

To be a registered patent agent in Malaysia, one has to pass the patent agent examination set by the Malaysian Intellectual Property Corporation and has to hold an engineering or science degree or be a practicing lawyer. Under the Patents Act and the Patent Regulations 1986, a legal education is not required in order to qualify for a patent agent. A candidate for the patent agent examination has to sit for several subjects, namely, Technology, Malaysian Patent Law and Practice, Malaysian Trademark and Design Law and Practice and Foreign Intellectual Property Law.

#### Cross-border aspects

##### *Treatment of foreign lawyers and patent advisors*

According to Section 126, the duty of confidentiality applies to domestic lawyers. Due to a lack of case law regarding the interpretation of the term “legal professional advisor” in Section 129 of the Evidence Act, it is not clear whether privilege under Section 129 extends to communications with foreign lawyers. One expert assumes that communications with a client and his or her foreign patent attorney who is also qualified as a lawyer are also

covered by Section 129.<sup>54</sup> Since there is no statutory provision establishing privilege for communications between a client and his or her patent agent who is not a lawyer, it is likely that privilege does not extend to foreign patent attorneys who are not lawyers.

### *Summary*

Malaysia provides for statutory client-attorney privilege to qualified lawyers, including in-house lawyers, only. Therefore, patent agents in Malaysia need to be qualified lawyers in order to be able to be covered by privilege. Whether a foreign based lawyer or a foreign based patent attorney who is also a qualified lawyer is also covered by the client-attorney privilege in Malaysia has not been clarified.

According to Section 129 of the Evidence Act, no one shall be compelled to disclose to the court any confidential communication which has taken place between him and his legal professional advisor. Due to the lack of case law regarding the interpretation of the term “legal professional advisor” in the above provision, it is not clear whether privilege extends to communications with foreign lawyers or to foreign patent advisors.

## 22. MEXICO

### National aspects

The Mexican law provides for a legal privilege for professionals without distinguishing between professionals, attorneys or patent advisors. The Law regulating Article 5 of the Mexican Constitution concerning the discharge of professions in the Federal District, which is published in the Federation Official Gazette on May 26, 1945, states in Article 36:

“Article 36.- Any professional person shall be obliged to main strict confidentiality regarding the subjects entrusted to him or her by his or her clients, with the exception of the reports stipulated by the respective laws.”

Title Nine, Chapter I, Article 210-211 of the Federal Penal Code states the type of crimes relating to the disclosure of secrets criminalizes the disclosure of professional secrets. It is important to highlight that Article 210 of the above Code establishes the offense of disclosure of a secret or reserved communication that has been made known or received for the purposes of employment, work or post, without establishing a specific capacity in the active subject of the offense, i.e., there is no requirement for the person who discloses the secret to be an attorney. However, Article 211 provides for aggravating circumstances in the case of the disclosure of a secret by a person providing professional services or where the secret or published material is industrial in nature, a legal assumption that may cover the advice of an attorney or lawyer, with respect to subjects such as patent applications or registration of industrial designs, which, as may be appreciated, are industrial elements.

### Cross-border aspects

As regards regional practice, there is no bi- or multilateral treaty to which Mexico is party, which would incorporate the scenario of client-attorney privilege. For that reason the legislation of each country in which a relationship exists between clients and their patent advisors shall apply.

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<sup>54</sup> VL Kandan, Malaysia’s Position on IP Advisor-Client Privilege, WIPO AIPPI Conference on Client Privilege in IP Professional Advice, May 22-23, 2008.

## 23. MONACO

### National aspects

Article 308 of the Criminal Code of Monaco punishes any violation of a professional secrecy obligation, including that of a patent attorney providing advice to his client. According to Article 329 of the Code of Civil Procedure, any person bound by a professional secrecy or confidentiality obligation can refuse testimony in court proceedings.

### Cross-border aspects

There is no legal provision in Monaco which could lead to the conclusion that foreign patent attorneys would be treated in a different way.

## 24. NEW ZEALAND

### National Aspects

Under Section 54 of New Zealand's *Evidence Act 2006*, communications between "legal advisers" and their clients are privileged. The definition of "legal adviser" refers to lawyers, registered patent attorneys and "overseas practitioners" whose functions wholly or partly correspond to those of New Zealand registered patent attorneys. Such "overseas practitioners" include Australian barristers, solicitors and registered patent attorneys and practitioners who are equivalent to New Zealand's lawyer or patent attorney and are in a country specified by an Order in Council. The privilege covers communications relating to the obtaining or giving of information or advice concerning intellectual property, which includes copyright and protection against unfair competition.

### *Discovery procedure and how privilege protection operates against discovery*

New Zealand court trials closely resemble those of the United Kingdom and Australia. Pre-trial discovery is limited to document discovery (which is based on similar concepts of relevance to the United Kingdom) and interrogations answered on affidavit. In New Zealand, legal professional privilege is a term that applies to the protection of confidential communications between a lawyer and his or her client. Legal advice protected by legal professional privilege will not need to be produced for inspection during discovery in legal proceedings. Consequently, the opponent in the case will not be able to have access to the privileged document.

### *Professionals covered by the privilege and secrecy obligation*

Amongst the various reforms brought about by the New Zealand Evidence Act 2006, which came into force on August 1, 2007, was a strengthening of the statutory privilege which protects communications between registered patent attorneys and their clients (also known as "patent attorney privilege"). The privilege also covers in-house lawyers.

Section 54 of the Evidence Act 2006 provides that:

#### "Privilege for communications with legal advisors

- (1) A person who obtains professional legal services from a legal advisor has a privilege in respect of any communication between the person and the legal advisor if the communication was-

- (a) intended to be confidential; and
  - (b) made in the course of and for the purpose of-
    - (i) the person obtaining professional legal services from the legal advisor;  
or
    - (ii) the legal advisor giving such services to the person.
- “(2) In this section, professional legal services means, in the case of a registered patent attorney or an overseas practitioner whose functions wholly or partly correspond to those of a registered patent attorney, obtaining or giving information or advice concerning intellectual property.
- “(3) In subsection (2), intellectual property means one or more of the following matters;
- (a) literary, artistic, and scientific works, and copyright;
  - (b) performances of performing artists, phonograms, and broadcasts;
  - (c) inventions in all fields of human endeavor;
  - (d) scientific discoveries;
  - (e) geographical indications;
  - (f) patents, plant varieties, registered designs, registered and unregistered trademarks, service marks, commercial names and designations, and industrial designs;
  - (g) protection against unfair competition;
  - (h) circuit layouts and semi-conductor chip products;
  - (i) confidential information;
  - (j) all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.”

Thus, under Section 54 of the Evidence Act 2006, privilege may be claimed for communications between “legal advisors” and their clients. The definition of “legal advisor” refers to lawyers, registered patent attorneys and overseas practitioners whose functions wholly or partly correspond to those of a New Zealand registered patent attorney.

#### *Scope of privilege*

In accordance with the Evidence Act 2006, privilege applies to communications between a legal advisor and his or her client, where the legal advisor is acting in his or her professional capacity, the communication is intended to be confidential, and the communication is for the purpose of obtaining legal advice.

Under the former Evidence Act 1980, registered patent attorneys and their clients could claim privilege only in relation to information or advice relating to any patent, design, or trademark, or to any application in respect of a patent, design, or trademark, whether or not the information or advice related to a question of law. However, the Evidence Act 2006, under Section 54(2), has extended the scope of legal professional privilege relating to registered patent attorneys and overseas practitioners so as to cover communications relating to obtaining or giving information or advice concerning “intellectual property”, as defined under Section 54(3) above.

The statutory intent of the above amendment is to provide all-encompassing protection against discovery during legal proceedings of communications between patent attorneys and their clients concerning the protection, enforcement or use of intellectual property rights. The scope of the privilege is not limited simply to the types of communications listed, but may protect any other communications concerning rights resulting from intellectual activity in the industry, scientific, literary or artistic fields.

### *The limitations and exceptions to privilege*

The protection of legal professional privilege may be lost in two circumstances, express waiver and implied waiver. Express waiver exists when a client chooses to waive privilege in the legal advice and release it. Implied waiver exists when a client refers to the legal advice in a way that would make it unfair to allow the privilege to be maintained.

### *Consequences of the loss of confidentiality and penalties for disclosure*

As in any other common law countries, loss of confidentiality means that the relevant document and communication has to be disclosed and communicated to the party requesting such information. Professionals who make unauthorized disclosure may have to face disciplinary proceedings. The Patent Regulations do not provide for any disciplinary procedure for breach of confidentiality. Patent attorneys who are members of the New Zealand Institute of Patent Attorneys may be subject to the Code of Conduct set by the Institute. Under the Code of Conduct, paragraph 1.3 states that it is the duty of the patent attorney to keep his or her knowledge of each client's affairs confidential unless otherwise expressly authorized by clients to disclose it.

Upon a breach of Code of Conduct, the Institute may impose the following penalties: admonishment and/or reprimand delivered in writing; suspension from membership of the Institute for such a period and on such terms as the Council deems appropriate, with such suspension and the terms or conditions thereof to be notified to the member in writing, or expulsion from the Institute.

### *Treatment of foreign lawyers and patent advisors*

New Zealand now extends the legal professional privilege to communications between a client and his or her foreign legal advisor including foreign patent attorneys from more than 80 countries. This is due to the Order in Council of August 2008 issued under the Evidence Act 2006.

### *Requirements/qualifications for patent attorneys*

In New Zealand, a patent attorney is a person that has specialized qualifications to act as a professional intermediary between clients and the Intellectual Property Office of New Zealand. Patent attorneys deal with intellectual property, specifically, patents, trademarks, and designs. In practice, patent attorneys also deal with other aspects of intellectual property law, such as copyright, trade secrets and plant variety rights.

The Patent Regulations 1954 provide the regulations on how to register as a patent attorney in New Zealand. Section 154 of the Patent Regulations 1954 provide that any person who wishes to be registered as a patent attorney in New Zealand must be a British subject or a citizen of the Republic of Ireland, of good character, and have passed the patent attorneys' examination. If an applicant is not a solicitor of the Supreme Court of New Zealand, or a patent agent or patent attorney registered in the United Kingdom or in Australia, such a person must have been employed for a period totaling not less than three years by a patent attorney in New Zealand; or in the Patent Office; or in some other employment which, in any particular case in the opinion of the Commissioner and the Council of the New Zealand Institute of Patent Attorneys Incorporated, affords substantially similar practical experience to that given by either of the last two mentioned forms of employment.

Candidates wishing to apply to be registered as a patent attorney must pass an examination, consisting of the following subjects: New Zealand Law and Practice relating to patents and designs; New Zealand Law and Practice relating to trademarks; Foreign Patent Law; the

preparation of specifications for New Zealand patents; and patent attorney practice in New Zealand, including the interpretation of patent specification

#### Cross-border aspects

Due to the Order in Council of August 2008 issued under the Evidence Act 2006, New Zealand extends the legal professional privilege to communications between a client and his or her foreign legal advisor including foreign patent advisors from 87 countries.<sup>55</sup>

Section 54 of the Evidence Act 2006 provides that the privilege applies to an

“overseas practitioner whose functions wholly or partly correspond to those of a registered patent attorney, obtaining or giving information or advice concerning intellectual property.”

## 25. NORWAY

#### National aspects

There are no authorization nor attorney–client evidentiary privilege for patent advisors in Norway. However, authorized lawyers have the right to keep the communications with their client confidential according to the Dispute Act, Article 22-5, the Criminal Procedure Act, Article 119 and the Criminal Code Article 144.

#### Cross-border aspects

Due to international development on this matter, the Norwegian Government has recently indicated to consider whether to implement regulations on authorization of patent advisors in order to provide attorney–client evidentiary privilege for patent advisors in Norway.

## 26. PERU

The Constitution of Peru protects in Article 2, Section 18 the professional secrets. Further, Article 165 of the Criminal Code provides for sanctions for the violation of professional secrets.

## 27. POLAND

#### National aspects

Pursuant to Article 14 (1) of the Polish Act on Patent Attorneys of 2001 patent attorneys are obliged admitted to the bar to keep the confidentiality of any information acquired in the course of practicing the profession. Accordingly, Polish patent attorneys are entitled to refuse to testify before the courts. The patent attorney’s obligation to keep the professional confidentiality of the facts obtained during provision of assistance in IP matters cannot be waived. A European patent attorney, who is not registered as a Polish patent attorney, is not entitled to represent clients before the Polish courts and is not admitted to the Polish bar. Therefore, in general, he cannot refuse testifying on confidential matters under professional

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<sup>55</sup> <http://www.legislation.govt.nz/regulation/public/2008/0202/latest/DLM1357905.html>

secrecy before the Polish courts. There are no information on cross-border aspects of the client patent attorney privilege.

## 28. PORTUGAL

### National aspects

There is no specific legislation on confidentiality of communications between clients and their patent advisors in Portugal. However, patent attorneys who are members of ACPI (Portuguese Association of Industrial Property Consultants) are bound by ethical rules of the association and of the relevant technical international federation (FICPI). The patent attorneys who are also attorneys at law are as well subject to the rules established by their own professional bar that recognizes the obligation of confidentiality in communications with customers. Although there are no legally prescribed penalties in such cases, the duties of confidentiality are generally safeguarded in the national territory.

### Cross-border aspects

At the international level, the disparities within the various jurisdiction and the lack of international regulation on the issue of confidentiality is considered disturbing since the information contained in patent documents usually takes a cross-border character which would require that non-disclosure rules should have a transverse nature among several countries.

## 29. REPUBLIC OF MOLDOVA

According to the Rule 45 of the Regulations on the Activity of Patent Attorneys of the Republic of Moldova of July 22, 2011, which entered into force from July 22, 2012, patent attorneys shall exercise their powers according to the principles of good faith, honesty, trust and confidentiality. According to Article 185 of the Penal Code of the Republic of Moldova, the disclosure of information on IP prior to the official publication of data from the registration request, by a person to whom such information was entrusted is sanctioned.

## 30. REPUBLIC OF KOREA

The law in the Republic of Korea protects the confidentiality of communications between clients and their patent advisors by civil and criminal law. Article 26 (Duty to Maintain Confidentiality) provides that "no attorney-at-law or former attorney-at-law shall disclose any confidential matter that he/she has learned in the course of performing his/her duties: provided, that the same shall not apply to cases where such disclosure of confidential matters is especially prescribed otherwise by Acts." Article 23 (Crime as to Use by Stealth and Divulgence) provides that a "patent attorney or a person who was a patent attorney divulges or uses by stealth without any justifiable reason the secret of an invention or design of an inventor, a designer, or an applicant for patent or registration, which he has learned in the course of performing his duty, he shall be punished by imprisonment for not more than five years or a fine not exceeding ten million won."

The obligation also applies to the forced disclosure of documents. Article 112 (Professional Secrets and Seizure) states that a "person who is or was a licensed advocate, patent attorney, notary public, certified public accountant, licensed tax accountant, public scrivener, doctor, herb doctor, dentist, pharmacist, druggist, midwife, nurse, or a religious functionary may resist seizure of articles held in his custody or possession in consequence of mandate he has received in the course of his profession and which relates to secrets of other

persons: provided, that this shall not apply if the principal has consented to such seizure, or if it is necessary for important public interests.” Article 149 provides the same privilege to refuse to testify in respect to facts of which he has obtained knowledge in consequence of a mandate he has received in the course of his profession.

However, Article 315 (Right to Refuse Testimony) provides that the right to refuse testimony shall “not apply to the case where the witness has been exempted from a liability for keeping secret” and Article 344 (Obligation to Submit Document) provides for the case of forcible disclosure:

- “(1) When the party holds the document quoted in a lawsuit;
- (2) When the applicant holds a judicial right to ask the holder of the document to transfer or show it to him; and
- (3) When the document has been prepared for the benefit of the applicant, or prepared as to a legal relationship between the applicant and the holder of document: Provided, that the same shall not apply to the case falling under any one of the following causes”.

### 31. ROMANIA

While obligations concerning the professional confidentiality and its cross-border aspects in relation to lawyers are provided by the Statute of the Lawyer Profession of Romania, such provisions do not exist in relation to patent advisors who are not admitted to the bar.

### 32. RUSSIAN FEDERATION

#### National aspects

##### *Origin of the professional secrecy obligation and its coverage*

Article 23 of the Constitution of the Russian Federation guarantees that each person shall have the right to inviolability of private life, and personal and family secrecy. This right may be restricted only on the basis of a court decision.<sup>56</sup> Presidential Decree No. 188 of March 6, 1997, defines a list of confidential information. The list includes *inter alia*: information linked to professional activities, access to which is restricted in accordance with the Constitution of the Russian Federation and Federal Laws (medical and notarial secrecy, and attorney privilege, confidentiality of correspondence, telephone conversations, postal dispatches, telegraph or other communications etc.); information linked to commercial activities, access to which is restricted in accordance with the Civil Code of the Russian Federation and Federal Laws (commercial secrecy); information on the essential features of an invention, utility model or industrial design prior to official publication of information thereon.

Federal Law No. 149-FZ of July 27, 2006, on Information, Information Technologies and Protection of Information<sup>57</sup> states that information obtained by citizens when carrying out professional obligations, or by organizations in their performance of specific types of activities (professional secrecy) shall be protected in cases where obligations are placed on these persons by federal laws to observe the confidentiality of such information.

<sup>56</sup> Article 23, Chapter 2 “Rights and Freedoms of Human Beings and Citizens” of the Constitution of the Russian Federation, December 12, 1993.

<sup>57</sup> Article 9(5) of the Federal Law No. 149 FZ of July 27, 2006 on Information, Information Technologies and Protection of Information. (Further “Federal Law on Information”).

Thus, it can be said that the institution of “professional secrecy” is based on the constitutional right of citizens to the inviolability of their private life, and personal and family secrecy. The laws regulating one or other specific activity may contain provisions obliging confidentiality of the information obtained in the performance of such activities to be observed. The sphere of validity of this institution covers the activities of natural persons in their performance of professional obligations or of organizations in their performance of specific forms of activities.

#### *Professionals bound by the secrecy obligation*

The requirement to observe professional secrecy is established by the laws in various spheres of activity: for doctors (medical secrecy), lawyers (attorney privilege),<sup>58</sup> notaries and other persons carrying out notarial activities (notarial secrecy), courts of arbitration (secrecy of arbitration proceedings), for persons registering acts of civil status (secrecy of child adoption), for telecommunications operators and their employees (secrecy of communication), tax authorities and their employees (fiscal secrecy), banks and their employees (banking secrecy), pawn brokers and their employees, internal affairs authorities and their employees etc.

Federal Law No. 316-FZ of December 30, 2008, on Patent Attorneys (which came into force on April 1, 2009) establishes, in relation to patent attorneys, a prohibition “to transmit or otherwise disclose”, without the client’s written consent, information contained in “documents obtained and/or produced as part of the performance of their activities”.<sup>59</sup> In addition, an employer of a patent attorney, who has concluded a civil law agreement with a client providing for the patent attorney’s services, shall not disclose confidential information obtained as part of the implementation of this agreement.<sup>60</sup>

#### *Kind of information/communication covered by secrecy obligation*

There is no general description in legislation of the types of information/ communications which may be protected by professional secrecy. In each specific profession, the relevant law establishes the type of information/communication relating to confidential issues, not subject to disclosure without the consent of the client.

As far as attorneys are concerned, the following types of information and documents, *inter alia*, are covered by a secrecy obligation: any documents and evidence prepared by an attorney in preparation of litigation; information received from the clients; information about clients which became known to the attorney in the course of provision of legal advice; the content of legal advice provided and any other type of information related to the provision of legal assistance by the attorney to the client. The attorneys’ secrecy obligation in relation to the above listed communications/documents is not time-bound and can only be waived by the client.

In relation to a patent attorney, the restriction contained in Presidential Decree No. 188 of March 6, 1997, which defines as confidential information the essential features of an invention, utility model or industrial design prior to publication of official information thereon, is applicable. The Law on Patent Attorneys identifies as protectable by professional secrecy the content of documents obtained and/or produced as part of the activities of a patent

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<sup>58</sup> Article 4(5) of the Federal Law on Advocatory Activity and Advocacy in the Russian Federation, May 31, 2002, N63-FZ.

<sup>59</sup> Article 4(3)(6) of the Federal Law on Patent Attorneys, No. 316-FZ of December 30, 2008 (Further: Federal Law on Patent Attorneys).

<sup>60</sup> Article 3(2)(4) of the Federal Law on Patent Attorneys.

attorney, and also confidential information obtained as part of the implementation of an agreement with a client.

As a general rule, the Federal Law on Information establishes that “information which constitutes a professional secret may be passed on to third parties in accordance with federal laws and/or on a court decision”.<sup>61</sup> Nevertheless, an exception to this rule is established for attorneys. In particular, the Federal Law on Advocatory Activity and Advocacy in the Russian Federation provides that “an attorney cannot be called or questioned as a witness in relation to circumstances made known to him as a result of a request for legal assistance made to him or in connection with its provision”.<sup>62</sup> A similar provision, in relation to attorneys, exists under the Code of Criminal Procedure of the Russian Federation.<sup>63</sup>

Such an exception to the general rule of disclosure for attorneys is granted as a realization of the provisions of the Constitution of the Russian Federation on the right of each person to qualified legal assistance<sup>64</sup> and the right to inviolability of private life, and personal and family secrecy,<sup>65</sup> as well as universally recognized principles and norms of international law.

A patent attorney who is obliged to observe professional secrecy does not enjoy “immunity” against requests from a court to disclose confidential information.<sup>66</sup> This is because the activity of a patent attorney is not regarded as advocatory activity, except in cases where it is the attorney who fulfils the function of a patent attorney.<sup>67</sup> Thus, it is mainly an attorney (“адвокат”), a person who has a graduate or post-graduate legal degree, and has successfully passed the examination and obtained the status of attorney according to the applicable law in the Russian Federation, who is covered by such “immunity”.<sup>68</sup>

*Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure*

As provided by the Federal Law on Advocatory Activity and Advocacy, in the Russian Federation, an attorney cannot be called or questioned as a witness in relation to circumstances made known to him in the course of provision of legal assistance. However, this rule neither applies to means of committing the crime nor to things, the circulation of which is prohibited or restricted by the Law of the Russian Federation.<sup>69</sup>

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<sup>61</sup> Article 9(6) of the Federal Law on Information.

<sup>62</sup> Article 8(2) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004.

<sup>63</sup> Article 56(3) of the Code of Criminal Procedure of the Russian Federation of December 18, 2001, No.174 FZ.

<sup>64</sup> Article 48, Chapter 2 “Rights and Freedoms of Human Beings and Citizens” of the Constitution of the Russian Federation.

<sup>65</sup> Article 23, Chapter 2 “Rights and Freedoms of Human Beings and Citizens” of the Constitution of the Russian Federation.

<sup>66</sup> The “immunity” does not also apply to the activities of other professions listed above under “Professionals bound by the secrecy obligation”.

<sup>67</sup> Article 1(3) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004.

<sup>68</sup> It is to be noted that the Code of Criminal Procedure of the Russian Federation provides that a churchman and a member of the State Duma cannot be questioned as witnesses in relation to circumstances made known to them as a result of their profession (Article 56(3)).

<sup>69</sup> Article 8(3) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004.

### *Consequences of the loss of confidentiality and penalties for unauthorized disclosure*

Penalties for disclosure of confidential information are established by law. Penalties may be civil, administrative or criminal.

One of the civil penalties, established by the Civil Code, is the obligation to provide compensation for losses caused by the unlawful disclosure of confidential information.<sup>70</sup> Other civil penalty measures may be established by agreement between the holder of confidential information and the person to whom this information was transmitted.

The patent attorney who has allowed disclosure of confidential information may be subject to special measures provided for under the Law on Patent Attorneys: an administrative caution; suspension of activity of the patent attorney for a period of up to one year or exclusion from the Register of Patent Attorneys for a period of up to three years according to a court decision, taken at the request of the Patent Office.<sup>71</sup> The Code of the Russian Federation on Administrative Infringements provides for administrative penalties for the deliberate disclosure of information with limited access: an administrative fine ranging from 500 to 1,000 rubles for citizens and from four to five thousand rubles for officials.<sup>72</sup>

The disclosure of information on the essential features of an invention, utility model or industrial design prior to its official publication, where these acts have caused major harm, shall incur criminal penalties in accordance with Article 147 of the Criminal Code of the Russian Federation: a fine of up to 200,000 rubles or the salary or other income of the convicted person, for a period of up to 18 months, or compulsory labor for a period ranging from 180 to 240 hours, or a prison sentence of up to two years.<sup>73</sup>

### *Requirements/qualifications for patent advisors*

A citizen of the Russian Federation may be registered as a patent attorney of the Russian Federation if he or she resides permanently on its territory, has attained the age of 18, completed higher education, and has not less than four years' experience working in the sphere of activity of a patent attorney in accordance with his or her chosen specialization, has successfully passed the qualifying examination, at which knowledge of legislation on intellectual property is tested, and has the practical skills to work as a patent attorney in his or her chosen specialization (specialization: inventions and utility models; industrial designs; trademarks and service marks; appellations of origin; computer programs, databases and topographies of integrated circuits).<sup>74</sup>

### Cross-border aspects

#### *Treatment of foreign patent advisors*

The Federal Law on Advocatory Activity and Advocacy applies to foreign attorneys who obtained the status of attorney according to the applicable law in the Russian Federation.<sup>75</sup> According to the wording of the statute, it appears that such foreign attorneys cannot be

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<sup>70</sup> Articles 15 and 1472 of the Civil Code of the Russian Federation.

<sup>71</sup> Articles 9 and 10 of the Federal Law on Patent Attorneys.

<sup>72</sup> Articles 13 and 14 of the Code of the Russian Federation on Administrative Infringements, December 30, 2001.

<sup>73</sup> Article 147 of the Criminal Code of the Russian Federation, June 13, 1996, No.63 FZ

<sup>74</sup> Article 2 of the Federal Law on Patent Attorneys.

<sup>75</sup> Article 2(6) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004.

called or questioned as a witness in relation to circumstances made known to them in connection with provision of legal assistance.

Foreign patent attorneys do not enjoy immunity in relation to the legal requirements of a Russian court to disclose confidential information entrusted to them by their clients. As part of civil, administrative and criminal liability for disclosure of confidential information, where the disclosure has occurred in the territory of the Russian Federation, foreign persons are treated on the same conditions as Russian citizens. There is no case law developed on the issue of treatment of foreign patent attorneys as far as the issue of secrecy obligation is concerned.

### *Summary*

Patent attorneys have an obligation to keep the contents of documents obtained and/or produced as part of the activities of a patent attorney, as well as confidential information obtained as part of the implementation of an agreement with a client, undisclosed to third parties without the consent of the client. However, unlike general attorneys at law, patent attorneys do not enjoy “immunity” and have to provide confidential information upon court request. Similarly, foreign patent attorneys do not enjoy immunity in relation to the legal requirements of a Russian court to disclose such confidential information.

The Federal Law on Advocatory Activity and Advocacy and the Code of Criminal Procedure of the Russian Federation provides that an attorney in law cannot be called or questioned as a witness in relation to circumstances made known to him as a result of a request for legal assistance made to him or in connection with its provision. However, foreign patent attorneys do not have protection in relation to the legal requirements of a Russian court to disclose confidential information entrusted to them by their clients.

## 33. SOUTH AFRICA

### National Aspects

#### *Discovery procedure and how privilege protection operates against discovery*

According to the South African Law of Evidence, legal professional privilege in South Africa is based on the Anglo-American evidentiary system. It is based on the fundamental principle that every person has the right of access to the courts, and thus the right of access to a legal advisor, which includes the right to consult with such an advisor privately and confidentially.

Generally, as in any other common law country, a privileged document will not be subject to disclosure in any litigation or to the court. However, it should be borne in mind that the question of privilege has not yet been scrutinized by the South African Courts in view of the South African Constitution which came into effect in 1997.<sup>76</sup> Although the Constitution contains no express recognition of a right to privilege, the Constitution appears to suggest the implicit creation of such a right. Section 34 mentions the right to access to the courts. Section 35 recognizes the right to assistance of counsel and the right not to be compelled to give self-incriminating evidence. Section 14 creates the general right to privacy, which includes the right not to have the privacy of communications infringed.

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<sup>76</sup> Constitution of the Republic of South Africa No. 108 of 1996

*Professionals covered by the privilege and secrecy obligation*

In terms of common law privilege, South African and foreign attorneys, which include in-house attorneys, but exclude patent agents or attorneys acting in their capacity as patent agents, may enjoy client-attorney privilege.

In 1997, the South African Patents Act No. 57 of 1978 was amended to include a new Section 24 (9) which provides that:

- “(9) Any communication made by or to a patent agent in his or her capacity as such shall be privileged from disclosure in legal proceedings in the same manner as is any communication made by or to an attorney in his or her capacity as such.”

Consequently, communications between a client and a South African patent agent or patent attorney acting in the capacity of a patent agent (e.g. advising on the patentability of an invention or drafting, filing and prosecuting a patent application) are privileged. It is important to note, however, that this provision expressly applies only to South African patent agents.

*Scope of privilege*

Under the common law, communications made between a client and a legal advisor may obtain privilege if the following requirements are met:

- (i) the legal advisor must have been acting in his or her professional capacity;
- (ii) the legal advisor must have been consulted in confidence;
- (iii) the communication must have been made for the purpose of obtaining legal advice; and
- (iv) the advice must not facilitate the commission of a crime or fraud.

The South African Appeal Court decision of *S v. Safatsa and Others*,<sup>77</sup> extended privilege to all communications with a legal advisor made for the purpose of giving or receiving legal advice, going beyond communications made for the purpose of litigation.

Prior to *Safatsa*, in the case of *MJ Snyman v. Alert-O-Drive (Pty) Ltd*<sup>78</sup> in an opposition to the grant of a patent on patent application 74/2501, it appeared that certain documents came into existence in respect of consultations between the applicant and his or her patent agents and attorneys, for the purposes of filing and prosecuting the patent application. During the course of the opposition proceedings, the objector sought to use the documents for the purposes of cross-examining the applicant but the applicant objected to the admission of any such document on the grounds that it was clothed in professional privilege. The Commissioner of Patents held that the documents were all communications between the applicant and their counsel, in their capacity as patent agents and in connection with the application for a patent, and at a time when there was no question of any litigation. The fact that the counsel was also an attorney was therefore purely coincidental. This issue was also raised in the case of *Kirin-Amgen v. Bioclones*<sup>79</sup> and the Commissioner of Patents refused to depart from this precedent set in the *MJ Snyman* case.

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<sup>77</sup> 1988 (1) SA 868 (A).

<sup>78</sup> 1981 BP 215 (CP).

<sup>79</sup> 1993 BP 420 (CP).

However, as described earlier, the Patents Act No. 57 of 1978 now provides that communications made by or to a patent agent shall enjoy the same scope of privilege as that given to communications made by or to an attorney.

#### *The limitations and exceptions to privilege*

Where a communication facilitated the commission of a crime or fraud, it would not be privileged and thus should be disclosed if required by the court.

#### *Consequences of the loss of confidentiality and penalties for disclosure*

Patent attorneys and agents are subject to rules of professional confidentiality and must maintain the confidentiality of confidential communications with a client. A legal advisor who discloses privileged information without authorization from the client may be struck off the roll for improper conduct. The client may also have a claim against the advisor in such circumstances.

#### *Requirements/qualifications for patent advisors*

There are two types of patent-related professionals in South Africa, one is patent agents and the other is patent attorneys. A patent agent does not need to be legally qualified whereas a patent attorney does. A patent attorney may also act as a patent agent. A patent attorney must be admitted as an attorney in South Africa, must be a member of the South African Law Society, and be in possession of a technical or scientific diploma or degree or have adequate practical experience in a technical or scientific field. In addition, the patent attorney must have passed the examinations held by the patent examination board.

#### Cross-border aspects

##### *Treatment of foreign patent advisors*

In terms of the common law, communications between a client and a foreign patent agent or a foreign patent attorney acting in the capacity of a patent agent (e.g. advising on the patentability of an invention or drafting, filing and prosecuting a patent application) might be privileged in practice if the foreign advisor is either (i) a legal advisor being contacted for the purpose of obtaining legal advice or (ii) if such communications are privileged under the law of the foreign country concerned. Under the statute, only South African patent agents and South African patent attorneys acting in the capacity of patent agents are covered by the client-attorney privilege.

The potential problems in practice are that a non-qualified client may choose 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 South Africa since it did not pass between a legal advisor 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. However, 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.

## Summary

South Africa has a comprehensive legal professional privilege under the common law system that also extends, under the statute, to patent agents and patent attorneys acting in their professional capacity as patent agents. In order to qualify as a patent agent or a patent attorney, one needs to be legally or technically and scientifically qualified and pass certain examinations. Nevertheless, South African law only extends privilege to local-based patent attorneys and patent agents and not to foreign patent agents or foreign patent attorneys. However, the privilege of foreign patent attorneys might be recognized by courts, if such foreign privilege exists in the foreign law of the country.

## 34. SWEDEN

Under the system introduced in 2010 in Swedish law, a patent agent authorized by the Patent Agents Board (an governmental agency), and his or her assistants are obliged to keep any information gathered within their professional activity confidential, and are correspondingly exempted from the duty to give evidence in court proceedings as far as the information in question concerns "patent affairs". This scheme, set out in the Patent Agents Authorization Act and the Code of Judicial Procedure, constitutes the basis of the legal privilege system for patent agents in Sweden.

An unauthorized patent agent is not bound by this scheme and can therefore not be exempted from duty of giving evidence. However, such a patent agent may be subject to confidentiality based on contractual liability. On a national level, an authorized patent agent who does not adhere to the principle of confidentiality may be warned, or even have his or her authorization revoked.

## 35. SWITZERLAND

### National aspects

#### *Origin of the professional secrecy obligation and its coverage*

The professional secrecy obligation of the legal profession in Switzerland relates to the confidentiality between client-lawyer communications which covers all information that an attorney receives from his or her client or of which he or she learns in the course of his or her activity as an attorney. Swiss law provides for strong protection of confidentiality, in part because of the very high value placed on the constitutional right to privacy.<sup>80</sup> Switzerland's highest court has emphasized that legal professional secrecy assists the administration of justice by allowing clients to confide frankly in their lawyers: if the client does not unreservedly trust him or her, and if he or she is not aware of all the material circumstances, then it is difficult, even impossible, for the lawyer properly to represent the client in either advisory work or in a lawsuit.<sup>81</sup> In *S v. Switzerland*,<sup>82</sup> the European Court held that: "[A]n accused's right to communicate with his advocate out of the hearing of a third person is one of the basic requirements of a fair trial in a democratic society. If a lawyer were unable to confer with his client and receive confidential instructions from him without such surveillance, his assistance would lose much of its usefulness".

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<sup>80</sup> Constitution Fédérale de la Confédération Suisse art 13.

<sup>81</sup> BGE 112 Ib 606, 606–7.

<sup>82</sup> (1992) 14 E.H.R.R 6770.

### *Professionals bound by the secrecy obligation*

Professionals covered by secrecy include attorneys, medical doctors, notaries, dentists and bankers. Article 321 of the Swiss Criminal Code provides that clergymen, attorneys, notaries public and auditors are bound by secrecy. Pursuant to the Swiss Code of Obligations, doctors, dentists and pharmacists who divulge secrets entrusted to them or which they come to know in their professional capacity may be punished by imprisonment or a fine. Banking secrecy falls under Article 47 of the Swiss Federal Law on Banks and Savings Banks. In-house counsels are not protected by confidentiality on the basis of their perceived lack of independence.<sup>83</sup>

Although, at the moment, there is no law regulating an independent patent profession such as that of patent attorney in Switzerland, the process of establishing such a law is underway.<sup>84</sup> In addition, there are three patent attorney associations in Switzerland, namely, the Association of Swiss Patent and Trademark Attorneys (VSP),<sup>85</sup> the Association of European Patent Attorneys Working in Switzerland in the Private Practice (VESPA)<sup>86</sup> and the Association of Patent Attorneys in Swiss Industry (VIPS).<sup>87</sup> The members of all those associations are bound by the Code of Conduct and the Disciplinary Regulation of the Institute of Professional Representatives before the EPO (epi), which obliges its members to keep the information received from their clients undisclosed.<sup>88</sup> In addition, VSP represents the *Fédération Internationale des Conseils en Propriété Industrielle* (FICPI) in Switzerland and therefore the patent attorneys of VSP are also bound by FICPI rules and more particularly the Lugano Code of Conduct.<sup>89</sup>

### *Kind of information/communication covered by secrecy obligation*

Under Article 321 of the Swiss Criminal Code, the secrecy obligation covers all information that an attorney at law has received from his or her client, or of which he or she has learned in the course of professional activity as an attorney at law. However, professional secrecy is only limited to such material which is confided for the purpose of the mandate and the exercise of the lawyer's profession.<sup>90</sup> In addition, professional secrecy extends only to facts which the client entrusts to his or her lawyer in order to carry out the mandate, or which the lawyer notices in the practice of his or her profession.<sup>91</sup>

In general, lawyers cannot be compelled to testify on confidential matters arising out of their profession,<sup>92</sup> nor can such documents be seized. The lawyer is not bound by secrecy concerning such facts which he noticed as a private person, or which are generally known, since the client can have no interest in keeping them secret.<sup>93</sup>

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<sup>83</sup> *Loi fédérale sur la libre circulation des avocats du 23 juin 2000* RS 935.61 (Federal Law on the Free Circulation of Lawyers) art 12(b): '*[l'avocat] exerce son activité professionnelle en toute indépendance, en son nom personnel et sous sa propre responsabilité*' [the lawyer engages in his professional activity with complete independence, in his own name, and under his own responsibility].

<sup>84</sup> The Swiss Parliament adopted the Patent Attorney Act in March 2009. The Act will enter into force in 2011.

<sup>85</sup> <http://www.vsp.ch/index.php?setLang=2>

<sup>86</sup> <http://www.chepat.ch/>

<sup>87</sup> <http://www.acbis.org/>

<sup>88</sup> See Article 2 of the Disciplinary Regulation of epi.

<sup>89</sup> See Rule 5 of the Lugano Code of Conduct.

<sup>90</sup> BGE 112 Ib 606.

<sup>91</sup> BGE 112 Ib 606 at 607.

<sup>92</sup> *Loi fédérale de procédure civile fédérale du 4 décembre 1947* RS 273 (Federal Law on Federal Civil Procedure) art 42; *Loi fédérale sur la procédure pénale du 15 juin 1934* RS 312.0 (Federal Law on Criminal Procedure) art 77.

<sup>93</sup> BGE 112 Ib 606 at 607.

*Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure*

.An attorney at law can disclose information if he or she is duly authorized (but in no way obliged) by the Cantonal authority in charge of supervising attorneys at law. An attorney at law may request the authorization to disclose privileged information if his or her professional honor is at stake, or if he or she can only defend himself by disclosing such information (e.g. in a malpractice case), or if it is in the public interest to do so, e.g. in the event of a crime or fraud.<sup>94</sup>

Patent attorneys who are bound by the epi Code of Conduct are obliged to keep information received in the course of the exercise of their duties undisclosed, unless they are released from this obligation.<sup>95</sup> Moreover, patent attorneys are automatically released from their secrecy obligation if the secret information is published.<sup>96</sup>

*Requirements/qualifications for patent advisors*

In Switzerland, there is no recognition of a separate patent and/or trademark attorney profession. Therefore, at present, there is no qualification requirement for those professions.

*Consequences of the loss of confidentiality and penalties for unauthorized disclosure*

The violation of the confidentiality obligation is a criminal offense under Article 321 of the Swiss Criminal Code.<sup>97</sup> An attorney at law, including an attorney who carries out patent prosecution and litigation, can be held liable for any damages caused by the violation. He or she can also be subject to administrative sanctions, warned, fined, suspended or disbarred in the event he or she violated the privilege.

Article 9 of the FICPI statute provides that an individual member may face expulsion from the Organization if he or she has been deficient in their professional conduct. It is assumed that deficiency in professional conduct includes breach of professional client confidentiality. In addition, a professional representative who fails to comply with the rules of professional conduct of epi may face disciplinary measures, such as a warning, reprimand, a fine not exceeding EUR 10,000, removal from the list of professional representatives for not more than six months and deletion from the list of professional representatives for an indefinite period of time.<sup>98</sup>

In Switzerland, the new Patent Attorney Act entered into force on July 1, 2011, providing professional secrecy obligations for patent attorneys, and the professional secrecy guaranteed by the Swiss Criminal Code was extended to patent attorneys. Further, according to the new law on the Federal Patent Court, which will fully enter into force on January 1, 2012, a registered patent attorney can represent a party before the Federal Patent Court. As a procedural counterpart, the new Code of Civil Procedure provides that patent attorneys may refuse the production of evidence that is subject to professional secrecy.

Section 3, Article 10 of the Patent Attorney Act states:

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<sup>94</sup> Canton of Zurich, *Anwaltsgesetz vom 17 November 2003* (OS Zürich Bd 59 S 144) arts 33–5; Canton of Geneva, *Loi sur la profession d'avocat du 26 avril 2002* (RSG E 6 10) art 12.

<sup>95</sup> Article 2 of the Disciplinary Regulation of epi.

<sup>96</sup> Rule 4(g) of the Code of Conduct of epi.

<sup>97</sup> *Code pénal suisse du 21 décembre 1937* RS 311.0 (Swiss Criminal Code) art 321.

<sup>98</sup> Article 4 of the Disciplinary Regulation of the epi9

“Section 3: Professional Confidentiality

Article 10

- (1) Patent attorneys are obliged to maintain confidentiality concerning all secrets that are entrusted to them in their professional capacity or which come to their knowledge in the course of their professional activities, this obligation being unlimited in time.
- (2) They must ensure that persons assisting them maintain professional confidentiality.”

The law on the Federal Patent Court states:

“Section 3: Representation of Parties

Article 29

- (1) In proceedings concerning the validity of a patent, patent attorneys may also represent parties before the Federal Patent Court as provided for in Article 2 of the Patent Attorney Act of 20 March 2009, provided that they engage in independent practice.
- (2) Proof of independent practice as a patent attorney shall be furnished by way of suitable documentation at the request of the Federal Patent Court.”

Cross-border aspects

*Treatment of foreign patent advisors*

In connection with a lawyer’s secrecy obligations under Swiss court proceedings, available information concerning the recognition of patent attorneys registered in foreign countries was insufficient. However, the question as to whether the relevant provisions could be invoked for preserving the confidentiality of communications with foreign patent attorneys is not yet resolved by the legislative changes in 2011 and 2012.

*Summary*

Attorneys at law who practice patent law are obliged to comply with the secrecy obligation under the Criminal Code. In general, lawyers cannot be compelled to testify on confidential matters arising out of their profession, nor can documents covered by privilege be seized. Members of Patent Attorney Associations, such as VSP, VESPA and VIPS are required to observe the rules and the code of conduct of those associations which oblige members to keep the information received from their clients undisclosed. Whether patent attorneys registered in foreign countries are entitled to also enjoy such privilege is not known.

36. THAILAND

*Origin of the professional secrecy obligation, its coverage*

The Lawyers Act B.E. 2528 (A.D. 1985) defines a lawyer as “a person who has been registered as a lawyer, and a license has been issued to him or her by the Law Society of Thailand.” As a member of the Law Society of Thailand, a lawyer (member) must abide by

the code of ethics, called the Regulations of the Law Society of Thailand on Lawyer's Ethics B.E. 2529 (A.D. 1986), which is overseen and supervised by the Committee on Professional Ethics. The types of professional and ethical conduct described include a prohibition from revealing client's secrets.

*Professionals bound by the secrecy obligation*

In relation to this paper, registered lawyers are bound by the secrecy obligation but this may also include medical doctors and notaries, patent attorneys and patent agents. The Criminal Code of Thailand prescribes that whoever knows or acquires a private secret of another person by reason of his or her functions as a competent official or his or her profession, including an advocate or lawyer, or by reason of being an assistant in such a profession, and who discloses such a private secret, shall be punished with imprisonment or with a fine, or with both. This provision would therefore require that both patent attorneys and patent agents have an obligation to maintain the secrecy of confidential client information and confidential communications with their clients.

*Kind of information/communication covered by secrecy obligation*

The scope of the secrecy obligation is broad and covers all communications between an attorney and his or her client (or an assistant to the attorney and his or her client) that contain a private secret disclosed in conjunction with the execution of professional duties. Similarly, such communications made between a patent agent and his or her clients are also covered by the secrecy obligation. Whether the professional secrecy obligation could prevent communications containing such secret information from being disclosed to the court is not known.

*Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure*

Exceptions may apply in the event of fraud or criminal activities.

*Consequences of the loss of confidentiality and penalties for unauthorized disclosure*

A breach of confidentiality constitutes professional misconduct. If any lawyer violates any of the regulations, it may result in any of three types of penalties: probation, suspension of practice not exceeding three years, or deletion of the name from the register. This applies to patent attorneys who are also registered lawyers.

The Council of the Law Society under Section 28 of the Lawyers Act B.E. 2528 (A.D. 1985), has issued the Rules on Lawyer Ethics as follows:

“Article 4: Any lawyer who violates or does not comply with any of the Rules hereinafter shall be deemed guilty of misbehavior.

“Article 11: Disclosure of a client secret obtained while a lawyer acts on behalf of a client is prohibited unless the client consents or a [Thai] court orders the disclosure.”

The Criminal Code of Thailand prescribes that whoever knows or acquires a private secret of another person by reason of his or her functions as a competent official or his or her profession, including an advocate, or lawyer, or by reason of being an assistant in such profession, and who discloses such private secret, shall be punished with imprisonment or with a fine, or with both. The same provision would apply in relation to both patent attorneys and patent agents.

### *Requirements/qualifications for patent advisors*

In Thailand, there are two types of professionals who can represent clients before the patent office: patent attorneys and patent agents. A patent attorney must be a qualified lawyer, must hold a bachelor's degree, must have attended a training program arranged by the Department of Intellectual Property, and must have completed a course on intellectual property laws, arranged by an institution or any other agency which has been approved by the Department of Intellectual Property. Under the Patents Act, a patent agent does not have to have a law degree, but must meet all of the other requirements of a patent attorney.

### Cross-border aspects

#### *Treatment of foreign patent advisors*

It is not clear whether attorneys registered in foreign countries may be able to prevent professional secrecy information from being disclosed to Thai courts.

#### *Summary*

Thailand's Criminal Code imposes broad secrecy obligations on professionals and this applies equally to patent attorneys and to patent agents. Any breach of the secrecy obligations may cause the professional to face criminal prosecution and compensation claims from clients. At the same time, it is not clear whether professionals who are not registered in Thailand can also prevent disclosure of secret information obtained through their professional duties in court proceedings.

Thailand's Criminal Code imposes secrecy obligations on various professionals which apply *inter alia* to patent attorneys and to patent agents. At the same time, it is not clear whether professionals who are not registered in Thailand can also prevent disclosure of secret information obtained through their professional duties in court proceedings.

## 37. TURKEY

There are no specific provisions in Turkish laws and practices on or experiences relating to the issue of confidentiality of communications between clients and their patent advisors.

## 38. UKRAINE

According to the Paragraph 16 of the Regulations on Intellectual Property Representatives (Patent Attorneys)<sup>99</sup>, a patent attorney must keep confidential information which he has obtained in the course of his professional duties, in particular, matters raised by the person he represents, content of consultations, advice, explanations, etc. secret. In accordance with Paragraph 9 of the Article 23 of the Law of Ukraine "On Advocacy and Legal Practice" of July 05, 2012, № 5076-VI, any intrusion in private communication of lawyer with his client is prohibited.

According to Article 23 of the Criminal Code of Ukraine, any intentional disclosure of trade secrets without the owner's consent by a person who knows this secret due to his professional or official duties, if it is committed for mercenary or other personal reasons and

<sup>99</sup> As approved by the Order of the Cabinet of Ministers of Ukraine of August 10, 1994, № 545 (as amended by Decree of the Cabinet of Ministers of Ukraine of August 27, 1997, № 938) (hereinafter – the Regulations).

causes substantial damage to an entity of economic activities, shall be punished by fine from one thousand to three thousand untaxed minimum incomes with deprivation of the right to occupy certain positions or be engaged in certain activities for a term up to three years.

### 39. UNITED KINGDOM

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...”.

The term “patent agent” is defined in the Act that it means (a) a registered patent agent or a person who is on the European list (i.e., a European patent attorney); (b) a partnership entitled to describe itself as a firm of patent agents or as a firm carrying on the business of a European patent attorney, or an unincorporated body (other than a partnership entitled or describe itself as a patent attorney; or (c) a body corporate entitled to describe itself as a patent agent or as a company carrying on the business of a European patent attorney.

#### *Discovery procedure and how privilege protection operates against discovery*

Under English law, parties to a civil action are under the duty of “disclosure” - which is known as “discovery” - to enable the other party to obtain information as to the existence, and also to the contents, of the relevant documents relating to the matters in question. It is considered to be an important duty, where strict timetables have to be followed.

In most cases, each party must make “standard disclosure” after an action starts. It is done by way of a list which sets out, describes and identifies documents relating to any matters in question between them. Subject to practice directions, a party is only required to disclose documents (i) on which he relies; (ii) which adversely affect his or her case; (iii) which adversely affect the other party’s case; (iv) which support the other party’s case; or (v) which are required to be disclosed by the court rules. In compiling the list, a party has the duty to make reasonable searches proportionate to the issues of the case, and to make a “disclosure statement” verifying that searches have been carried out. The legal representative has the duty to ensure that the person making the statement understands the duty of disclosure.

If a party believes that the other party has any specific documents which he has failed to disclose, he may make an application for “specific disclosure”. In both “standard disclosure” and “specific disclosure”, the duty of disclosure is limited to documents that are, or have been, within a party’s control.

Generally, the party enjoys the right to inspection, subject to exceptions such as where the documents are no longer within the other party’s control, or where the other party has a right or duty to withhold inspection (privilege). If a party claims a right/duty to withhold, it must state this in the “disclosure statement” with the grounds provided. Pre-trial depositions or oral examination of opposition witnesses for the purpose of disclosure of information are not available as a matter of English Court procedure.

Solicitor–client privilege is the legal protection provided by common law to communications between lawyers and their clients. Lawyers have a legal and professional obligation to refuse to make disclosure of privileged communications, except where the client has waived the privilege; or unless the lawyer is compelled to do so, by a court of competent jurisdiction.

In the United Kingdom, solicitor–client privilege has been found to be absolute. It was deemed too crucial to the administration of justice to interfere with.<sup>100</sup>

The common law courts first recognized privilege for communications in relation to litigation, based upon the oath and honor of a lawyer who was duty-bound to guard his or her client's secrets.<sup>101</sup> One of the earliest reported decisions discussing the concept was the 1577 English decision in *Berd v. Lovelace*.<sup>102</sup>

Originally, privilege was restricted to an exemption only from testimonial compulsion, a right belonging to the lawyer, protecting him against the forced disclosure of his or her clients' secrets. Since then, the definition of privilege has been extended, such that it now applies to the receipt of legal advice in general, even if provided outside the context of litigation, and is considered to be a right belonging to the client.

While the scope of solicitor–client privilege has evolved and expanded with time, the rationale for the privilege has not significantly changed since its inception. Once a document is classified as privileged, the document will not be disclosed to the other party to the litigation, and the relevant legal advisor cannot be compelled to testify in court on the privileged information or communication.

#### *Professionals covered by the privilege and secrecy obligation*

The privilege in the United Kingdom extends to solicitors and barristers as well as in-house lawyers. Section 280 of the Copyright, Designs and Patents Act 1988 extends the same privilege to patent agents and trademark agents irrespective of whether they are legally qualified or not. Section 280(3) of the Copyright, Designs and Patents Act 1988 defines “patent agent” as (a) a registered patent agent or a person who is on the European list; (b) a partnership entitled to describe itself as a firm of patent agents or as a firm carrying on the business of a European patent attorney; or (c) a body corporate entitled to describe itself as a patent agent or as a company carrying on the business of a European patent attorney.

Although it is not a matter of the national procedures in the United Kingdom, in the context of the European patent attorney, it should be noted that, under the revised European Patent Convention (EPC 2000), which entered into force in December 2007, Rule 153(1) of the Implementing Regulations to the EPC provides for privileged communications between professional representatives and their clients in the procedures before the European Patent Office: “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.”

#### *Scope of privilege*

Before the Civil Evidence Act 1968 (UK), there was no provision for a patent attorney privilege in the UK. At that time, patent agents were not considered to be professional legal advisors and communications with them were not privileged. However, with Section 15 of that Act, the UK legislature provided for a patent agent privilege which put a patent agent in the same position as a solicitor would have been if he had been acting in the place of the

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<sup>100</sup> *R. v. Derby Magistrates' Court*, [1995] 4 All E.R. 526.

<sup>101</sup> See, for example, *Berd v. Lovelace* (1577) 21 ER 33 (Ch.); *Dennis v. Codrington* (1580) 21 ER 53.

<sup>102</sup> *Berd v. Lovelace* (1577) 21 ER 33 (Ch.).

patent agent. That provision later appeared in Section 104 of the Patents Act 1977 and is now found in Section 280 of the Copyright, Designs and Patents Act 1988. The substantive wording of the current provision is:

- “(1) This section applies to communications as to any matter relating to the protection of any invention, design, technical information or trademark, or as to any matter involving passing off.
- “(2) Any such communication: (a) between a person and his patent agent, or (b) for the purpose of obtaining, or in response to a request for, information which a person is seeking for the purpose of instructing his patent agent, is 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 or, as the case may be, a communication for the purpose of obtaining, or in response to a request for, information which a person seeks for the purpose of instructing his solicitor.
- “(3) In subsection (2) “patent agent” means: (a) a registered patent agent or a person who is on the European list, (b) a partnership entitled to describe itself as a firm of patent agents or as a firm carrying on the business of a European patent attorney, or (c) a body corporate entitled to describe itself as a patent agent or as a company carrying on the business of a European patent attorney.”

In the United Kingdom, client-lawyer privilege protects confidential communications between a solicitor and his or her client made for the purpose of obtaining and giving advice and confidential communications made between the client or solicitor and third parties having as their sole or dominant purpose the preparation for existing or contemplated litigation. In *Three Rivers District Council v. Governor and Company of the Bank of England (no. 5)*,<sup>103</sup> a restrictive interpretation of “client” in the context of advice privilege was adopted. The court held that other than those employees specifically responsible for instructing and receiving legal advice (in that case, a unit established to deal with all communications between the Bank and an independent inquiry into the collapse of the Bank of Credit and Commerce International SA) employees of the Bank of England were not the “client” for the purposes of the privilege. Rather, they were third parties and as such, not covered by the privilege.

#### *The limitations and exceptions to privilege*

Privilege may be lost by waivers, implied or express, and by the failure to apply for privilege during the discovery stage. Apart from the waivers, common law rules also state that privilege cannot be claimed if it relates to the name of the client<sup>104</sup> or the legal professional communication involved crime and fraud. In *Crescent Farm (Sidcup) Sports Ltd v. Sterling Offices Ltd*,<sup>105</sup> Goff LJ held that fraud included tort of deceit, dishonesty, fraudulent breach of trust, fraudulent conspiracy, trickery and sham contrivances. In *Barclays Bank plc v. Eustace*,<sup>106</sup> it was held that “where legal advice is given to further a purpose that is ‘sufficiently iniquitous,’ then legal professional privilege will not attach to such communications *whether or not the client was aware of the wrongdoing thereby facilitated.*”

Apart from common law limitations, there are also statutory limitations. For example, the Limitation Act 1980 provides for the power to compel a partial waiver of privilege.

<sup>103</sup> [2002] EWHC 2730.

<sup>104</sup> *R (on the application of Howe) v. South Durham Magistrates Court* [2004] EWHC (Admin) 362.

<sup>105</sup> *Crescent Farm (Sidcup) Sports Ltd v. Sterling Offices Ltd* [1972] 1 Ch 553.

<sup>106</sup> [1995] 4 All ER 511, CA.

In the Police and Criminal Evidence Act 1984, it is provided that prosecuting authorities may obtain orders for the production of “special procedure material.”

#### *Consequences of the loss of confidentiality and penalties for disclosure*

The loss of confidentiality results in the loss of privilege and will lead to full disclosure of documents. Unauthorized disclosure will lead to disciplinary action by the professional bodies. As a self-regulating body, the Chartered Institute of Patent Agents (CIPA) is involved in the disciplinary process, but the responsibility for agent removal from the Register remains with the government’s Intellectual Property Office. CIPA is responsible for investigating less serious breaches of agent misconduct under its Rules of Professional Conduct and for disciplining its members pursuant to the sanctions set out in its Charter and Bylaws. Sanctions CIPA may impose include an unpublished warning, a public reprimand, an order to pay a fine, an order to take remedial action, an order to forego or, if appropriate, to repay some or all of the charges rendered in connection with the work complained of, an order to pay compensation to the complainant, and an order to pay a proportion, of or the full costs of, the disciplinary procedure. Serious breaches of agent conduct and complaints against registered patent agents who are not members of CIPA are referred directly to the Intellectual Property Office. The Intellectual Property Office is then able to remove agents from its register for misconduct defined as conduct “discreditable to a registered patent agent”. Many members of CIPA also belong to the Institute of Professional Representatives since membership of this institute is required in order to appear before the European Patent Office. Additionally, members of CIPA who are also qualified as trademark agents belong to the Institute of Trademark Attorneys (ITMA). Both of these Institutes maintain their own separate codes of conduct.

#### *Requirements/qualifications for patent advisors*

To become a registered patent agent, one must pass the qualifying examinations set by CIPA. There is a combination of examinations and practical training courses. Almost all patent agents in the United Kingdom also qualify as European patent attorneys. This also entails the need to pass examinations and obtain practical experience.

#### Cross-border aspects

##### *Treatment of foreign patent advisors*

Client-lawyer privilege in the United Kingdom extends to communications with foreign legal advisors.<sup>107</sup> It would seem that communications with patent practitioners who are neither registered in the UK nor on the European patent attorney list may be excluded from the protection afforded by patent agent privilege. This is based on the wording of Section 280 of the Copyright, Designs and Patents Act 1988 which appears, in essence, to confine patent agent privilege to communications with *registered* patent agents or persons on the *European List*.<sup>108</sup> There is no recent case law regarding the possible application of privilege for foreign patent attorneys.

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<sup>107</sup> *In re Duncan, Deed. Garfield v. Fay* [1968] P. 306 and *Great Atlantic Insurances Co v. Home Insurance Co* [1981] 1 WLR 529.

<sup>108</sup> This is based on the view of Simon Thorley and Richard Miller, in Thorley and Terrell, *Law of Patents*, Sweet and Maxwell, London (15<sup>th</sup> ed) (2000), 39, which states that: ‘[i]n practice, an applicant would be well advised to employ the services of a Registered Patent Agent (or a person on the European list or firm or company entitled to describe themselves as European patent attorneys), not least because of the provisions about patent agents’ privilege which only apply to communications with such persons.’

## Summary

English common law is the key to the beginning of legal professional privilege in common law countries. English common law on legal professional privilege has evolved through the years to include a statutory provision creating legal professional privilege for patent attorneys and patent agents. The United Kingdom has taken steps to recognize the legal professional privilege of patent agents, which extends to United Kingdom based patent agents and European patent attorneys. Nevertheless, according to the Copyright, Designs and Patents Act 1988, it appears that the privilege is not extended to other foreign agents. Foreign patent attorneys who are qualified lawyers may also be covered by the client-attorney privilege.

Based on the wording of Section 280 of the Copyright, Designs and Patents Act 1988, it appears that patent agent privilege is confined to communications with patent agents registered in the United Kingdom or persons on the European List (i.e. European patent attorneys) only. There is no recent case law regarding the possible application of privilege to foreign patent attorneys.

## 40. UNITED REPUBLIC OF TANZANIA

In the case of judicial proceedings by either party, Courts in the United Republic of Tanzania shall take judicial notice to the effect that the client's representative has and is by duty bound to maintain communications confidential which are produced as a cause of the client-patent advisor relationship. However, there are no specific provisions in the United Republic of Tanzania in respect of cross-border aspects of confidentiality of communications between clients and their patent advisors.

## 41. UNITED STATES OF AMERICA

### National aspects

#### *Discovery procedure and how privilege protection operates against discovery*

The discovery procedure in the United States of America depends on whether a case is filed and heard in a state or a federal court. After a suit is filed, both parties exchange certain information, namely all material "regarding any non-privileged matter that is relevant to any party's claim or defense."<sup>109</sup> Discovery begins with certain mandatory disclosures, including witness lists, lists of documents to be used to prove one's case, and certain other preliminary documents. The two limits on discovery are the attorney-client privilege and the attorney work product doctrine. In other words, during the discovery stage a party may refuse to supply any documents requested by the other party to litigation on the grounds that the documents are subject to attorney-client privilege or subject to attorney work doctrine or both.

The attorney-client privilege is the oldest privilege recognized in America.<sup>110</sup> Wigmore states that the privilege exists only: (i) where legal advice of any kind is sought; (ii) from a professional legal advisor in his or her capacity as such; (iii) for the communication relating to that purpose; (iv) when made in confidence; (v) by the client; (vi) at his or her instance

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<sup>109</sup> Fed. R. Civ. P. 26(b)(1).

<sup>110</sup> *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981).

permanently protected; (vii) from disclosure by himself or by the legal advisor; and (viii) except the protection be waived.<sup>111</sup>

On the other hand, Judge Wyzanski states that to be able to claim attorney–client privilege, one has to show that (1) the asserted holder of the privilege is or sought to become a client; (2) the person to whom the communication was made (a) is a member of the bar of a court, or his or her subordinate and (b) in connection with this communication is acting as a lawyer; (3) the communication relates to a fact of which the attorney was informed (a) by his or her client, (b) without the presence of strangers, (c) for the purpose of securing primarily either (i) an opinion of law or (ii) legal services or (iii) assistance in some legal proceeding, and not (d) for the purpose of committing a crime or tort; and (4) the privilege has been (a) claimed and (b) not waived by the client.<sup>112</sup>

#### *Professionals covered by the privilege and secrecy obligation*

Qualified lawyers are covered by the privilege and many professionals such as medical doctors are required to keep client information secret. The attorney–client privilege also extends to U.S. patent attorneys, but courts have not uniformly extended the same privilege to communications with U.S. patent agents, who are registered to practice before the USPTO but are not admitted to a state bar. This is because of the U.S. Supreme Court decision that the only *legal* services patent agents may render are those “necessary and incident” to patent prosecution, including patentability opinions and the preparation and filing of patent applications.<sup>113</sup> Unlike patent attorneys, patent agents are not authorized to render infringement opinions, because the issue of patent infringement is not “incident to patent prosecution.”<sup>114</sup> However, there are cases where federal courts recognize that the privilege operates fully in respect of patent agents, giving consideration to the function they perform rather than their title.<sup>115</sup> The same applies to trademark attorneys who are recognized and trademark agents who are not and do not have the privilege. The privilege also applies to in-house lawyers who do work of a legal rather than a commercial nature.

#### *Scope of privilege*

In the U.S. Supreme Court decision in *Sperry v. Florida*,<sup>116</sup> it was ruled that patent practice was the practice of law thus rendering the extension on attorney–client privilege to patent attorneys. In *re Spalding*,<sup>117</sup> the Court of Appeals for the Federal Circuit was required to decide the privilege of an invention record submitted to Spalding’s corporate legal department by two inventors. The court stated that the client legal privilege “exists to protect not only the giving of professional advice to those who can act on it, but also the giving of information to the lawyer to enable him to give sound and informed advice”. Citing *Sperry v. Florida*<sup>118</sup> and *Knogo Corp v. United States*,<sup>119</sup> the Court of Appeals went on to hold that a communication to a patent attorney 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”,<sup>120</sup>

<sup>111</sup> John Henry Wigmore, *Evidence in Trials at Common Law* 2290 (McNaughton rev. ed. 1961).

<sup>112</sup> *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 358 (D. Mass. 1950).

<sup>113</sup> *Sperry v. Florida*, 373 U.S. 379, 386 (1963).

<sup>114</sup> Shashank Upadhye, Understanding Willfulness in Patent Infringement: An Analysis of the “Advice of Counsel” Defense, 8 Tex. Intell. Prop. L.J. 39, 53 (1999).

<sup>115</sup> *Vernitron Medical Products Inc v. Baxter Laboratories Inc.* 186 USPQ (BNA) 324 (DNJ 1975) and *In re Ampicillin Antitrust Litigation* 81 FRD 377 (D.D.C. 1978); Willi (2005), 303-307.

<sup>116</sup> 373 US 379 (1963).

<sup>117</sup> 203 F.3d 800 (Fed Cir. 2000).

<sup>118</sup> 373 US 379 (1963).

<sup>119</sup> (1980) 213 USPQ (BNA) 936.

<sup>120</sup> 203 F.3d 800 (Fed Cir. 2000), 806 quoting *Knogo Corp v. United States* 1980 213 USPQ (BNA) 936. Co. 50 FRD 225, 228 (N. D. Cal 1970).

and that an invention record prepared primarily for the purpose of obtaining legal advice on patentability and legal services in preparing a patent application was privileged".

In *United Shoe*,<sup>121</sup> the Court states that privilege arises when a communication is made between a client and an attorney, that the communication is made in private, and that it be made in order to obtain legal advice. The tests also require that the privilege be asserted; that is, clients may waive the privilege at any time should they so choose.

As for communications from the attorney to the client, courts are split on what should be privileged and what should not. Some courts have held that only when the attorney's communication would itself reveal a confidential communication from the client to the attorney is the communication protected.<sup>122</sup> Other courts have held that virtually any communication from the lawyer conveying legal advice should be protected.<sup>123</sup>

The Courts in *Jack Winter, Inc. v. Koratron Company, Inc. (Jack Winter I)*<sup>124</sup> and *Jack Winter, Inc. v. Koratron Company, Inc. (Jack Winter II)*<sup>125</sup> held that the preparation of patents does constitute the practice of law. However, the Court held that the privilege should not fully apply. The Court held that a patent attorney's practice involved relaying to the USPTO all relevant material concerning the patentability of the invention without exercising any discretion as to what portion of the information to be related to the Patent Office. As such it was held that all technical information provided by a client could not be expected to be held in confidence by the attorney.

The extension of client-attorney privilege to communications involving third parties is limited to the situation where those third parties are acting as agents for either the client or the legal practitioner and only if their presence is necessary to secure and facilitate communication between the attorney and client.<sup>126</sup>

For the client-attorney privilege, the form of the communication does not matter in most instances in the determination of whether privilege applies.<sup>127</sup> The communication may even be non-documented so long as it actually pertains to advising the client.<sup>128</sup> What does matter is whether the document reflects an actual substantive communication between the attorney and the client regarding legal advice: simply giving a document to a lawyer will not protect the communication.<sup>129</sup> The privilege will only protect the actual communication between the lawyer and the client: it will not protect the facts underlying the communication.<sup>130</sup> Even if the facts were included in a communication with the lawyer, the party may still be required to disclose them to the opposing party.<sup>131</sup>

#### *The limitations and exceptions to privilege*

There are several limitations and exceptions to the attorney-client privilege in the United States, such as the crime-fraud exception and testamentary exception, in order to safeguard

<sup>121</sup> 89 F. Supp. at 358-59.

<sup>122</sup> *United States v. Ramirez*, 608 F.2d 1261, 1268 n.12 (9th Cir 1979); *GFL Advantage Fund, Ltd. v. Colkitt*, 216 F.R.D. 189 (D.D.C. 2003).

<sup>123</sup> *In re LTV Securities Litigation*, 89 F.R.D. 595, 602 (N.D. Tex. 1981); Restatement (Third) of the Law Governing Lawyers § 69 cmt. I (2000).

<sup>124</sup> (50 F.R.D. 225 (N.D. Cal. 1970)).

<sup>125</sup> 54 F.R.D. 44 (N.D. Cal. 1971).

<sup>126</sup> *Fin Tech Int'l Inc v. Smith* 49 Fed R. Serv. 3d 961, 967 (S.D. N.Y. 2000).

<sup>127</sup> *Haines v. Liggett Group, Inc.*, 975 F.2d 81, 90 (3d Cir. 1992).

<sup>128</sup> Restatement (Third) of the Law Governing Lawyers § 69 cmt. E (2000).

<sup>129</sup> *Fisher v. United States*, 425 U.S. 391, 404 (1976).

<sup>130</sup> *Upjohn Co. v. United States*, 449 U.S. 383, 395-96 (1981).

<sup>131</sup> *re Six Grand Jury Witnesses*, 979 F.2d 939, 943 (2d Cir. 1992).

the proper functioning of the adversary system.<sup>132</sup> In *United States v. Zolin*,<sup>133</sup> it was held that the purpose of the crime-fraud exception to the attorney–client privilege is to ensure that the “seal of secrecy” between lawyer and client does not extend to communications “made for the purpose of getting advice for the commission of a fraud or crime.”<sup>134</sup> Testamentary exception relates to disputes on estates of a deceased between the heirs of the clients.<sup>135</sup>

The most common way of destroying privilege is its voluntary waiver by the client. This can happen in a number of settings and for a variety of motives. In the patent context, voluntary waivers tend to take two forms. The first concerns disclosures made by an inventor of attorney communications to “a third party who lacks a common legal interest.”<sup>136</sup> Any such disclosure will render the communication unprivileged by destroying the confidentiality of the document.

The second, and more common, type of voluntary waiver in the patent setting is that connected with an advice-of-counsel defense to a willful infringement claim. A defendant raising such a defense will argue that she could not have been willful in her infringement because she sought the advice of a lawyer who returned an opinion that the allegedly infringing activity was not in fact covered by the plaintiff’s patent, or that the plaintiff’s patent was likely to be invalid.<sup>137</sup> Such a defense will, by necessity, require that the attorney opinion letter be disclosed to the fact-finder in the case, as well as those documents underlying the advice in the letter.<sup>138</sup>

Another form of the voluntary waiver of attorney–client privilege occurs when a client decides to waive privilege in response to prosecutorial incentives. Courts have so far been split on what the effect is of a voluntary waiver to a government agency on third party access to disclosed material. Most favor an approach which respects the absolute nature of the attorney–client privilege, and so will find that any disclosure to an agency is a complete waiver of the privilege. The Eighth Circuit has endorsed the concept of selective waiver.<sup>139</sup> Selective waiver would permit a party to waive the attorney–client privilege with respect to certain third parties but not to others. A disclosure to one government agency would then not have destroyed the privilege with respect to the disclosed material.

The final method of waiving privilege occurs when material meant to be kept confidential is inadvertently disclosed. The most common scenario for inadvertent disclosure occurs as parties answer document requests during discovery, and material meant to be excluded is accidentally supplied to opposing counsel. Courts have adopted three primary means of addressing this situation, perhaps best thought of as points along a continuum. At one extreme are the courts which have held that any disclosure is sufficient to destroy confidentiality and therefore no privilege can exist. These courts will argue that the purpose of privilege is to preserve confidentiality: without such confidentiality then there is no sense left in preserving the privilege.<sup>140</sup> For these courts, the reason for the disclosure does not matter, only that the disclosure happened.

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<sup>132</sup> *United States v. Zolin* (1989) 491 US 554, 562-563, quoted in *Swidler & Berlin v. United States* (1998) 524 US 399.

<sup>133</sup> *United States v. Zolin* (1989) 491 US 554, 562-563.

<sup>134</sup> *United States v. Zolin* (1989) 491 US 554, 563.

<sup>135</sup> *Swidler & Berlin v. United States* (1998) 524 US 399.

<sup>136</sup> *Ferko v. NASCAR*, 218 F.R.D. 125, 134 (E.D. Tex. 2003). See also, *United States v. Ackert*, 169 F.3d 136, 139 (2d Cir. 1999); *In re Auclair*, 961 F.2d 65, 69 (5th Cir. 1992).

<sup>137</sup> *Westvaco Corp. v. International Paper Co.*, 991 F.2d 735, 743 (Fed. Cir. 1993).

<sup>138</sup> See, e.g., *Micron Separations, Inc. v. Pall Corp.*, 159 F.R.D. 361, 363-65 (D. Mass. 1995).

<sup>139</sup> *Diversified Industries, Inc. v. Meredith*, 572 F.2d 596 (8th Cir. 1977).

<sup>140</sup> See, e.g., *Hamilton v. Hamilton Steel Corp.*, 409 So. 2d 1111, 1114 (Fla. Dist. Ct. App. 1982).

The other extreme sees courts which rule that waiver is a voluntary action and therefore cannot happen inadvertently. For these courts the fact that a disclosure happened is not enough to waive privilege, and so even when an opposing party obtains documents meant to remain confidential that party may not use them.<sup>141</sup>

There are also statutory limitations to the attorney–client privilege in the United States. For example, in major and important corporate cases such as the Enron World fraud case, the Department of Justice issued guidelines to encourage federal prosecutors to seek waivers by corporations of the attorney–client privilege in a sort of *quid pro quo* for favorable treatment by the prosecutor in considering whether to indict the corporation. Prosecutors then use a corporation’s refusal to provide privilege waivers as an aggravating factor in support of charging a corporation with a crime.<sup>142</sup>

#### *Consequences of the loss of confidentiality and penalties for disclosure*

As privilege is premised on the idea that certain communications were meant to be kept private by the client, once a communication is disclosed to the public the need for confidentiality is removed and the privilege may be destroyed. Such a disclosure may be voluntary or inadvertent, and the consequences of the disclosure can vary depending on what type of disclosure was made.

The consequences for the attorney responsible for a disclosure may be severe, depending on the nature of the disclosure. The Model Rules of Professional Conduct require that attorneys preserve client confidentiality.<sup>143</sup> The rule requires lawyers not to disclose intentionally confidential information, as well as taking reasonable precautionary steps to guard against any disclosure by employees. Should the lawyer fail to do the above, she may become the subject of disciplinary action by the relevant bar association, leading to a punishment ranging from warnings to suspension to disbarment.<sup>144</sup> A lawyer disclosing information may also be sued by her client for malpractice, which could bring with it far more severe pecuniary punishments.

The law gives the United States Patent and Trademark Office (USPTO) the power to make rules and regulations governing conduct and recognition of patent attorneys and agents to practice before the USPTO. The USPTO has the power to disbar, or suspend from practicing before it, persons guilty of gross misconduct, etc., but this can only be done after a full hearing with the presentation of clear and convincing evidence concerning the misconduct.

#### *Requirements/qualifications for patent advisors*

The USPTO maintains a register of patent attorneys, who are attorneys at law, and patent agents, who are not attorneys at law. According to the USPTO, to be admitted to this register, a person must comply with the regulations prescribed by the Office, which require proof that the person is of good moral character and of good repute and that he/she has the legal, and scientific and technical qualifications necessary to render applicants for patents a valuable service. Some of these qualifications must be demonstrated by passing an examination. Those admitted to the examination must have a college degree in engineering or physical science or the equivalent of such a degree.

#### Cross-border aspects

<sup>141</sup> See, e.g., *Stratagem Dev. Corp. v. Heron Int’l N.V.*, 153 F.R.D. 535, 543 (S.D.N.Y. 1994).

<sup>142</sup> R J Anello, “Preserving the Corporate Attorney-Client Privilege: Here and Abroad” (2008) 27 *Pennsylvania State International Law Review* 291, 293.

<sup>143</sup> Model Rules of Prof’l Conduct R. 1.6 (2008).

<sup>144</sup> Model Rules of Prof’l Conduct R. 8.5 (2008).

### *Treatment of foreign patent advisors*

In terms of the recognition of foreign patent attorney/agent privilege, there are two main approaches adopted across the federal district circuit courts either based on the non-choice of law or choice of law approach.

Under the non-choice of law approach, no privilege for a foreign patent practitioner is recognized, because he or she is neither a US attorney nor the agent or immediate subordinate of an attorney (examples of this approach can be found in decisions of the Federal District Courts in Maryland and Wisconsin). However, limited privilege is recognized, i.e. communications are privileged only when the foreign patent practitioner is acting as the agent or immediate subordinate of a US attorney (note that independent foreign patent practitioners retained either by the client directly to prosecute US patent applications through US attorneys or by a US attorney to prepare and prosecute patent applications in their foreign country are not generally treated as agents or subordinates) (examples of this approach can be found in decisions of the Federal District Courts in New York, Delaware and Illinois). Limited privilege is also recognized where the foreign patent practitioner is *functioning* as an attorney e.g. are permitted by law in their country to give patent law advice by virtue of being registered in the patent office of their country (examples of this approach can be found in decisions of the Federal District Courts in New Jersey, Delaware and Illinois).

Most courts, however, use the Choice of Law approach, which is based on either the “Touching Base” approach, the “Comity Plus Function approach” or the “Most Direct and Compelling Interest approach”. Under the Touching Base approach, communications with foreign patent agents regarding assistance in prosecuting foreign patent applications may be privileged if the privilege would apply under the law of the foreign country in which the patent application is filed and that law is not contrary to the public policy of the United States.<sup>145</sup>

Under the Comity Plus Function approach, the Court will abide by the outcome dictated by comity when the foreign patent agent renders independent legal services. In *Mendenhall v. Barber-Greene Co.*,<sup>146</sup> the Court held that where a U.S. client seeks a foreign patent through her U.S. attorney the U.S. attorney operates only as a conduit for information between the client and the foreign agent, and therefore communication is effectively between a U.S. client and a foreign agent, and communication is then privileged only if the foreign law would recognize such a privilege.

Another situation is where a US client retains a US attorney to secure a foreign patent, and the US attorney hires a foreign agent in order to prosecute the application before the foreign office. If the foreign attorney does nothing other than filing documents with the foreign office, then, again, the agent is nothing more than a conduit and the privilege exists only if the foreign law would grant such a privilege to communications between the US attorney and the foreign office directly.

Under the “most direct and compelling interest” approach, the court will weigh the competing interests of all involved states and decides which one has the greatest interest in seeing its own law applied. This may involve the application of the Restatement (Second) Conflict of Laws.<sup>147</sup> Section 139(2) of the Restatement (Second) of Conflict of Laws § 139(2) provides for several factors to be taken into consideration when deciding on the law to be applied

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<sup>145</sup> See *Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146, 1169-71 (D.S.C. 1975).

<sup>146</sup> 531 F. Supp. 951, 952 (N.D. Ill. 1982).

<sup>147</sup> *VLT Corp. v. Unirode Corp.*, 194 F.R.D. 8, 16 (D. Mass. 2000); Restatement (Second) of Conflict of Laws § 139(2) (1988).

including the real ties between the parties and the various nations involved and in the overall equities in the situation. In *Aktiebolag v. Andrx Pharmaceuticals, Inc.*,<sup>148</sup> the district court suggested that the doctrine could be used in a more expansive way to protect more communications. The court found that the equities of a situation may require that the law of a state without the strongest interest but with greater privilege protections may require that these laws be applied. The court also suggested that for the purposes of federal common law privilege doctrine there was no difference between U.S. and foreign patent attorneys for the purpose of deciding protection for communications with U.S. clients by arguing that a German, a Korean, and a U.S. patent attorney were all alike for the analysis of attorney–client privilege.

In the *Bristol-Myers Squibb Co. v. Rhone-Poulenc*<sup>149</sup> case in 1999, the New York District Court did not recognize the client–patent attorney privilege of a European professional representative, since the confidentiality of communications was not expressly contained in the French statutory law. The court held that the Institute of Professional Representatives before the European Patent Office’s (epi) Disciplinary Rule on secrecy did not provide European patent attorneys the equivalent of the US attorney–client privilege. Consequently, the entire contents of the files of the European patent attorney of a French company were ordered to be produced in court. Similarly, privilege for IP advice made by Japanese patent attorneys has been denied by US courts, as in the case *Honeywell v. Minolta* in 1986, where all communications made by the Japanese patent attorneys were forcibly disclosed. However, after the amendment to the Japanese Code of Civil Procedures in 1996, which gave patent attorneys the right to refuse to testify with regard to any facts that are under professional secrecy obligation and to produce documents containing those facts, in the decision *Eisai Ltd. C. Dr. Reddy’s Laboratories*<sup>150</sup>, the New York District Court recognized the confidentiality of communications between a client and a Japanese non-lawyer patent agent as privileged according to the principle of judicial comity. Still, it was considered that comity was subject to overriding U.S. policy considerations.

This approach of recognizing foreign law based on conflict of laws/international private law could be seen as generating appropriate results, leaving sufficient flexibility to each national jurisdiction concerning the substantive law of evidence or IP law. In the absence of international standards, it provides for a remedy which takes into account national realities. However, it might trigger additional costs for the examination of foreign law and increases legal uncertainty. As the case *Rhone-Poulenc* based its decision on the non-existence of patent advisor privilege in the statute, it provided for some incentives, in civil law countries, to set national statutory standards as a necessary element for foreign recognition by countries following such an approach.<sup>151</sup>

As the above makes clear, the state of the law regarding foreign patent agents is anything but settled. However, what ultimately separates courts is more a question about how expansive the attorney–client privilege is meant to be rather than any doubts about the value of foreign agents.

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<sup>148</sup> 208 F.R.D. 92, 104-105 (S.D.N.Y. 2002).

<sup>149</sup> *Bristol-Myers Squibb Co. v. Rhone-Pulenc Rorer Inc.*, 52 U.S.P.Q. 2d 1897, 188 F.R.D. 189 (U.S. District Court, Southern New York, 1999) [“Rhone-Poulenc”].

<sup>150</sup> *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).

<sup>151</sup> See, for example, the amendments made in national laws of France, as well as the Implementing Regulations to the European Patent Convention.

## Summary

The above discussion shows how complicated the situation is in the United States in dealing with attorney-client privilege, especially in relation to patent attorneys and patent agents. Attorney-client privilege is generally extended to patent attorneys and in limited circumstances to patent agents who provide legal advice to clients. The law is not settled on the treatment of patent agents as decisions are rendered on a case-by-case basis and depends on the treatment of such a request for privilege by the court. Attorney-client privilege may exist in normal circumstances, that is, in legal communications between an attorney and his or her client in the attorney's legal professional capacity. The patent attorney privilege may be lost where there the legal advice is sought for the purpose of committing crime and fraud. The privilege may also be lost by clients' waiver. Any breach of the privilege will cause patent attorneys to be subject to disciplinary proceedings by the relevant Bar and/or by the USPTO.

United States case law provides several legal rules in allowing the privilege to be extended to foreign patent attorneys under different doctrines. It appears that most courts use the "touching base" approach (communications with foreign patent agents regarding assistance in prosecuting foreign patent applications may be privileged if the privilege would apply under the law of the foreign country in which the patent application is filed and that law is not contrary to the public policy of the United States) and the "comity plus function approach" (the court will abide by the outcome dictated by comity when the foreign patent agent renders independent legal services).

## 42. ZAMBIA

Zambia provides in Chapter 30 of the Legal Practitioners Act for the client-attorney privileges and rights. To practice in Zambia as an attorney that person must be a resident and registered in accordance with the Legal Practitioners Act. The functions, qualifications and privileges of patent agents are regulated in Part X of the Patent Act of Zambia. According to Section 67 Patent Act, a patent agent may draw and sign all documents and make all communications between an applicant and the patent Office and may represent an applicant at all attendances before the Office. According to Section 68 Patent Act, patent agents have to be registered. Only persons ordinarily resident in Zambia could register as patent agent after having passed certain prescribed examinations and fulfilling other qualifications. No other persons than registered patent agents are allowed to practice as patent agents, with the exception of legal practitioners registered in Zambia. There are no information on cross-border aspects of the confidentiality of communications between clients and their patent attorneys.

## 43. EUROPEAN PATENT CONVENTION

### Cross-border aspects

#### *Clarification to facilitate the recognition by foreign courts*

At the regional level, the case *Bristol-Myers Squibb Co. v. Rhone-Poulenc* motivated the EPO to amend the EPC to which the US domestic law refers to decide whether attorney-client privilege applies to communications between a European patent attorney and his client. With a view to protecting – in the course of US proceedings – the confidentiality of communications between European patent attorneys and their clients, a new provision,

Rule 153, was introduced in the Implementing Regulations to the European Patent Convention (EPC)<sup>152</sup>, as follows:

“Rule 153: Attorney evidentiary privilege

- “(1) 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.
- (2) Such privilege from disclosure shall apply, in particular, to any communication or document relating to:
  - (b) the assessment of the patentability of an invention;
  - (c) the preparation or prosecution of a European patent application;
  - (d) any opinion relating to the validity, scope of protection or infringement of a European patent or a European patent application.”

The new rule created a European patent attorney–client privilege applicable in EPO proceedings, modeled after the evidentiary privilege existing in the United States.<sup>153</sup> However, it is unclear whether and how the privilege will be recognized under national laws of the EPC Member States, if the disclosure of the relevant privileged communication becomes an issue in national court proceedings.

#### 44. EUROPEAN UNION – AGREEMENT ON THE UNITARY PATENT COURT

The Agreement on the Unified Patent Court (UPC) signed by 25 Member States of the European Union (EU) on February 19, 2013 provides for creating a specialized patent court with exclusive jurisdiction for litigation relating to European patents and European patents with unitary effect. It will need to be ratified by at least 13 Member States, including France, Germany and the United Kingdom to enter into force.<sup>154</sup>

The Agreement on the UPC<sup>155</sup> and its proposed Rules of Procedure provide for a protection of confidentiality of communications between clients and their patent advisors. While Article 53 UPC Agreement provides for “discovery” proceedings with regard to requests for information, production of documents and inspection, Article 48 UPC Agreement states that the communication with representatives of clients, namely lawyers or European Patent Attorneys (see Article 134 EPC), are privileged. Rules 287 and 288 of the Preliminary Rules of Procedure for the UPC in its version of May 31, 2013 provide for an attorney–client and a

<sup>152</sup> Basic Proposal for the Revision of the European Patent Convention (MR/2/00), October 13, 2000, Munich, page 191.

<sup>153</sup> *Ibid.*

<sup>154</sup> <http://www.epo.org/law-practice/unitary/patent-court.html>.

<sup>155</sup> [http://documents.epo.org/projects/babylon/eponet.nsf/0/A1080B83447CB9DDC1257B36005AAAB8/\\$File/upc\\_agreement\\_en.pdf](http://documents.epo.org/projects/babylon/eponet.nsf/0/A1080B83447CB9DDC1257B36005AAAB8/$File/upc_agreement_en.pdf)

litigation privilege for communications between a client and a lawyer and a client and a patent attorney in a professional capacity to advise on patent matters.<sup>156</sup>

#### 45. EURASIAN PATENT CONVENTION

The issue of confidentiality of communications between clients and their patent attorneys is beyond the scope of the EAPC and a matter of the applicable law of the Contracting States.

[End of Annexes and document]

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<sup>156</sup> 15<sup>th</sup> draft of May 31, 2013 Preliminary set of provisions for the Rules of Procedure ("Rules") of the Unified Patent Court, Document - Ref. Ares(2013)2443291 - 21/06/2013: <http://www.unified-patent-court.org/images/documents/draft-rules-of-procedure.pdf>.