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THE CLIENT-ATTORNEY PRIVILEGE*

Document prepared by the Secretariat

* Comments made by Members and Observers of the SCP on this document are available at:
http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=153705

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EXECUTIVE SUMMARY

1. Pursuant to the decision of the Standing Committee on the Law of Patents (SCP) at its twelfth session held from June 23 to 27, 2008, in Geneva, the present document prepared by the Secretariat is submitted as a preliminary study on the issue of Client-Attorney Privilege. The document addresses the issue at stake and gives some examples of the legal situation in various countries. It then goes on to shortly describe the differences between civil law and common law systems and depicts the different issues that arise, in particular, in the international context and portrays some of the options for solutions that have been discussed at the international level.
2. What is the issue? In order to ensure the acquisition and enforcement of IP rights, IP owners must be able to freely communicate with their intellectual property (IP) adviser. Similarly, third parties need to consult IP advisers on matters such as potential infringement of patent rights or invalidation of granted patents. In both cases, clients must be sure that any communication to and from such adviser will remain confidential and will not be revealed in court or to a third party or otherwise made public. What is called "Client-Attorney Privilege" in the IP context is the right to resist requests from authorities or other parties to disclose communications between a person and that person's IP adviser, on IP advice relating to the matter on which disclosure is sought. Privilege is thus a form of guarantee for the free and confidential communication between clients and their IP adviser.
3. The lack of uniform laws relating to the application of privilege to communications to and from IP advisers and their clients is causing clients to risk loss of, and lose confidentiality in, advice they obtain from IP advisers. It may further cause the loss of privilege in countries where privilege exists.
4. Privilege is dependent upon confidentiality in the communications to which it applies first being established and then being maintained. If privilege is not recognized in one of two countries in which a client wishes to defend his interest, communication of the advice obtained in the country where privilege does exist to the country where it does not, brings with it the risk that the advice may be required to be made public in the latter country. If it is thus forced to be published, it is no longer confidential. Thus, privilege in the advice will be lost in the country where privilege would otherwise have existed.
5. Privilege exists for the purposes of encouraging those seeking advice and those giving it to be fully frank with each other in the process. The global nature of trade and of IPR which supports that trade go hand in hand. Thus, the problems of different standards of privilege and of the recognition in one place of privilege and non-recognition of privilege in another place are going to cause problems in dealing with and enforcing IPR.
6. Some issues which have been under consideration are: Does the scope of privilege in each country involved in this issue need to be minimally the same? Should the privilege apply to local IP advisers? 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? Should it be extended to overseas IP advisers?

7. Several options for a solution at the international level have been examined in the past years, among them the unilateral introduction of privilege in national law, the application of privilege existing in the other country, the application of one's own privilege to foreign advisers and exploring the merits of establishing a minimum standard in respect of privilege applicable to communications with IP advisers at the international level.

I. INTRODUCTION

8. At its twelfth session held from June 23 to 27, 2008, in Geneva, the Standing Committee on the Law of Patents (SCP) asked the WIPO Secretariat to establish, for its next session, preliminary studies on four issues. These four issues are:

- Dissemination of patent information (*inter alia* the issue of a database on search and examination reports);
- Exceptions from patentable subject matter and limitations to the rights, *inter alia* research exemptions and compulsory licenses;
- Patents and Standards;
- Client-attorney privilege.

9. These four issues are not to be considered prioritized over other issues contained on the list which was established during the twelfth session of the SCP and was contained in the Annex to document SCP/12/4 Rev. (see paragraph 8(c) of document SCP/12/4 Rev.).

10. The present document addresses the client-attorney privilege and gives a number of examples of the legal situation in various countries. It then goes on to shortly describe the differences between civil law and common law systems and depicts the different issues that arise, in particular, in the international context and portrays some of the options for solutions that have been discussed at the international level.

11. At the twelfth session of the SCP, it was made clear that the *modus operandi* of the Committee, namely, to move forward along a number of tracks, including the preparation of preliminary studies, was agreed upon for the purpose of developing a work program for the SCP (see paragraph 123 of document SCP/12/5 Prov.). Against this background, the preliminary study aims to contextualize the current legal framework and to contain no conclusions.

II. THE ISSUE

12. In order to ensure the acquisition and enforcement of intellectual property (IP) rights, IP owners must be able to freely communicate with their IP adviser. Similarly, third parties need to consult IP advisers on matters such as potential infringement of patent rights or invalidation of granted patents. In both cases, clients must have certainty that any communication to and from such adviser will remain confidential and will not be revealed in court or to a third party or otherwise made public. What is called “Client-Attorney Privilege” in the IP context is the right to resist requests from authorities or other parties to disclose communications between a person and that person’s IP adviser, on IP advice relating to the matter on which disclosure is sought. Privilege is thus a form of guarantee for the free and confidential communication between clients and their IP adviser.

13. Today, national laws and practices relating to the application of privilege to communications to and from IP advisers and their clients lack uniformity and are therefore the cause of situations where the clients risk loss of confidentiality of the advice they obtain from IP advisers and may as a consequence lose confidence in such an adviser. These divergences may also be at the root of loss of privilege in countries where privilege actually exists: indeed, privilege is dependent on being, in the first place, established and then being maintained in the

countries where protection is sought. If the privilege is not recognized in one or more countries in which a client seeks to defend his interest, communications of the advice obtained in the country where privilege exists to countries where it does not exist, could entail the risk that the advice would have to be made public in those latter countries. This could mean that the privilege would be lost in the countries where the privilege would otherwise exist.

14. While the laws on privilege vary significantly from one country to the other, particularly between civil law countries and common law countries, 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 tends to be inclined to provide a limited professional privilege which would not compromise the exercise of justice.

15. During the discussions held on the issue of the client-attorney privilege, in order to contribute to a fair, transparent and effective legal system, the opinion has generally been that there needs to be some similarity of the scope of the privilege at the international level. In addition, the privilege should apply to local IP advisers as well as to all those involved in giving instructions for advice and in giving the advice. One way to define the persons to whom the privilege should extend would be to apply it to all who are qualified in a given country to give IP advice. Finally, it has been stated that the privilege needs to be extended to foreign IP advisers whose advice is sought in relation to IP rights.

III. EXISTING INTERNATIONAL INSTRUMENTS AND ACTIVITIES

16. Firstly, it has to be stated that the client-attorney privilege issue is not regulated in any international IP treaty, be it the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), despite its provisions on the enforcement of IP rights, or the Paris Conventions for the Protection of Industrial Property (Paris Convention) or any other such international treaty. It may, however, be mentioned that the Paris Convention, in its Article 2(3) expressly leaves to national law the establishment of provisions on judicial procedures, which leaves the freedom to States to regulate this type of procedures as they consider adequate:

“(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.”

17. The issue was given attention at the international level 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, which are described in the following paragraphs:

FICPI

18. FICPI adopted, at its 2000 World Congress in Vancouver, Canada, the following resolution:

“RESOLUTION A

(PRIVILEGE)

FICPI, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession of more than 70 countries, assembled at its World Congress held in Vancouver from June 12 to June 16, 2000, passed the following Resolution:

Recognizing the need for a client to have frank, honest and open communication with its Intellectual Property Advisers and to obtain opinions and advice therefrom,

Understanding that communications between an Intellectual Property Adviser and a client, even when confidential, may be subject to discovery in some jurisdictions,

Given that these communications may be with an Intellectual Property Practitioner located outside those jurisdictions,

Appreciating the possible consequences that the discovery of such communications may have in litigation in those countries,

Appreciating the international character of some intellectual property litigation,

With the knowledge that Intellectual Property Practitioners are required to be registered to practice in some countries or regions, members of an accredited professional association in some other countries and are not required to have any qualifications in other countries,

Appreciating that for the filing of an application for protection at a Regional Office, a client will prefer to engage a practitioner where legal professional privilege will apply rather than a practitioner in a country where that privilege does not apply,

Believing that the effect this has on the provision of services in that region is inequitable,

Resolves that the client of an Intellectual Property Practitioner should be afforded in relation to communications with that practitioner the protection of legal professional privilege,

Urges appropriate authorities in countries or regions which do not now afford such protection to amend their laws as necessary to provide legal professional privilege in relation to communications between a client and a registered Intellectual Property Practitioner or practitioners who are members of an accredited professional association, and that all countries should recognize the legal professional privilege that exists in other countries,

And urges appropriate authorities in countries and regions to amend their laws to establish an appropriate system of recognition of qualified intellectual property practitioners. ”

19. At its World Congress in Berlin in 2003, FICPI passed another resolution addressing the issue:

“RESOLUTION 4

QUALIFICATION OF PROFESSIONAL REPRESENTATIVES,
AND PRACTICE ACROSS NATIONAL BORDERS

FICPI, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession of more than 70 countries and especially of all European Community Member States, assembled at its World Congress held in Berlin, Germany from June 2 to June 6, 2003, passed the following Resolution:

Considering that patents for invention, trade and service marks and registered and unregistered designs for example, (hereinafter IP rights), have become strategic issues for the development and competitiveness of the economies of all countries of the world;

Considering that IP rights are generally each of great economic importance to the right holder;

Taking into account that the protection of innovation and of marks has become increasingly important for enterprises, at national, regional and international levels;

Considering that the increasing complexity of IP protection and validity evaluation of IP rights requires the availability for enterprises of professional advice in all countries of the world;

Taking into consideration the lack of international harmonization of IP legislation in both formal and substantive matters as well as in enforcement procedures;

Considering the importance of languages in the preparation of applications, interpretation of the scope of protection, and thus, enforcement of IP rights;

Taking into account the interface of IP law with legislation in other areas for a proper creation, maintenance, evaluation and enforcement of IP rights in each jurisdiction;

FICPI resolves:

- 1) That the existence of qualified professional representatives in all countries of the world should be a strategic goal for governments to make available to local industry quality professional advice for the understanding and management of IP issues;
- 2) That consistent with previous resolutions made in Cannes in 1988 and Helsinki in 1999 and while taking into account transitional provisions governing professional representatives who are already qualified to represent clients, professional representatives should be required to pass a qualifying examination on national,

regional and international law in the relevant field of IP rights before being admitted to practice in that field in a particular country;

- 3) That if legislation for cross-border provision of services is enacted, that legislation should guarantee that a professional representative qualified in one country, before being accepted to practice as a free professional in another country (host country), should be required to satisfy such additional requirements as may be deemed necessary by the host country including where deemed appropriate sufficient knowledge of the language of the host country, to provide quality advice to clients in that host country;
- 4) That a qualified professional representative should operate under a protected title recognized as such in any particular country;
- 5) That a client should enjoy client attorney/agent professional privilege in connection with any direct or indirect communication with a professional representative in his own country or another; and
- 6) That due to reasons of public interest, associations of free professionals in each country should establish sets of rules on ethical conduct, continuing education and cover for professional liability to be complied with by free professional representatives in that country.”

AIPPI

20. 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.¹ 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.

21. 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

¹ Documents prepared by the Committee of Q163 are available at:
<https://www.aippi.org/?sel=questions&sub=listingcommittees&viewQ=163#163>

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.”

22. 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.

23. 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.²

APAA

24. At its 55th 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 as follows:

“APAA Resolution

The Asian Patent Attorneys Association (APAA), being broadly representative of patent attorneys in private practice in the Asian region, passed at its 55th Council Meeting (Singapore) on October 21, 2008 the following resolution:

1. Recognizing that intellectual property (IP) is international in character and requires protection in many different jurisdictions;
2. Recognizing that a client needs to have full and frank communications with domestic and/or foreign qualified IP professionals in the countries where the client wishes to obtain the best possible advice;
3. Recognizing that confidential communications between a client and its qualified IP professionals should be protected as the client's own right for protecting the

² The full program can be found on WIPO's website at http://www.wipo.int/meetings/en/2008/aippi_ipap_ge/program.html

communications as confidential or from being disclosed in a discovery or similar system in certain countries;

4. Understanding that confidential communications between a client and its qualified IP professionals which are protected in one country are sometimes forced to be disclosed in another country because the confidential communications which are privileged in one country are not privileged in another country; and
5. Recognizing that, once confidential communications have been disclosed in one country, such disclosure may prejudice the client's position in other countries;
6. APAA resolves 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
7. APAA resolves that, 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."

25. At the end of the session on "What Privilege? Whose Privilege", a straw poll was conducted on the following motion:

"There should be an international instrument and model law for recognizing, confirming and/or extending the client's right not to produce or reveal contents of communications (a) with its legal advisers for professional advice and (b) with other third parties directly or through a lawyer with the dominant purpose of preparing for existing or contemplated legal proceedings, to intellectual property practitioners as if they were communications with legal advisers."

26. The results of the straw poll were as follows: roughly half of the audience was did not express a view. The other half of the audience, who actually voted, voted in favor of the motion. Two persons voted against the motion.

IV. NATIONAL AND REGIONAL SYSTEMS

(a) Common law and civil law systems: differences

27. The origins of the client privilege are found in common law systems, where it constitutes a counterbalance to the discovery system applied in common law countries, such as the United States of America, India, Malaysia or the United Kingdom, to name but a few. Under the discovery procedure, courts are entitled to oblige parties to litigation proceedings to submit documents in their possession. There is, however, a general exception, according to which a Court may not request that parties produce documents between a party and his/her lawyer: they are what is commonly called "privileged". In the understanding prevailing in

common law systems, it is a privilege afforded to the client: in other words, it is the client who can decide whether to waive or maintain the privilege in respect of a particular communication with his/her lawyer, regardless of the will of the lawyer.

28. Privilege is accorded to communications between clients and legal advisers, as this is considered to be in the interest of justice and its application. It is believed that the exchange of information between a client and a legal adviser will be more frank and complete, if it is covered by privilege. However, privilege is not always accorded to communications between a client and an adviser who is not legally qualified, and sometimes not even to legal advisers who do not act in their legal function, but, for example, giving advice in technical matters.

29. In civil law countries, where there is not such a strong obligation to disclose information before a court, but where the parties determine, to a certain extent, the limits of the dispute, there was not such a strong need for introducing the notion of privilege. Therefore, in such systems, one rather finds concepts, such as the professional secrecy obligation, which prohibits professionals to disclose information obtained from the client. This is therefore not so much a privilege of the client, but rather, it is an obligation for professionals not to disclose secrets entrusted to them because of their profession.

(b) A few selected countries³

Australia

30. The privilege for patent attorney-client communications in Australia is found in section 200(2) of the Australian Patents Act 1990, which states:

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

31. In the Federal Court of Australia decision *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals*,⁴ Eli Lilly sought to have Pfizer produce certain documents that were created as a result of Pfizer seeking advice from its U.K. patent attorneys. The judge concluded that pursuant to the Australian statutory provision, privilege for a “registered patent attorney” was confined to communications between a client and a patent attorney registered *in Australia*. The privilege did not attach to the communications between Pfizer and its U.K. attorneys and the documents were ordered to be produced.

32. In response to *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals*, the Intellectual Property Research Institute of Australia (IPRIA) has proposed a legislative amendment to extend the privilege to “foreign patent attorneys arising out of the professional relationship” and “third parties where the purpose of the communication is to enable the patent attorney to

³ These examples are mainly reproduced from presentations made at the WIPO-AIPPI Conference in May 2008

⁴ *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals* (2004), 137 F.C.R. 573 (Federal Court of Australia) [*“Eli Lilly & Co.”*].

provide or the client to receive patent attorney advice or services including services with respect to legal proceedings”.

Brazil

33. 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.

Chile

34. 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.

Germany

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

India

36. 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.

Japan

37. 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.

Malaysia

38. 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.

New Zealand

39. 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.

United Kingdom

40. 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...".

41. 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 to 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.

European Patent Convention (EPC)

42. Under the revised EPC, which entered into force in December 2007, Implementing Regulations to the EPC, Rule 153(1) now provides for privileged communications between professional representatives and their clients:

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

V. ISSUES UNDER CONSIDERATION

43. There are a number of issues that have been raised in the context of the privilege, including, but not limited to, the scope of the privilege, who shall be privileged, together with the questions of what qualifications should be required and of whether in-house counsels should be covered, the differences in the various countries and how to address them. This part attempts to summarize those issues.

(a) Different laws

44. The lack of uniformity of protection of privilege is widespread, including the fact that in some countries privilege is not recognized at all. The situation is no better in some countries where there is uncertainty about whether privilege will be recognized either locally or internationally. In addition, the issue becomes more complex through the fact that the privilege, in many instances, goes beyond the intellectual property legal framework, but relates also to other laws.

45. In this connection, the different effect of the so-called privilege in various countries, in particular, differences between the common law countries and the civil law countries based on their fundamental legal tradition needs to be mentioned. Either in the form of the so-called “privilege” or of the “professional secrecy obligation”, as long as the client-IP adviser relationship is confined to the national jurisdiction, national laws will seek a balance within each legal system. However, once a client is involved in a dispute in a foreign country with a different legal system, some difficulty may arise (see “the international dimension” below). The professional secrecy obligation for IP advisers in one country may not be enough for a client to refuse the disclosure of communications with his IP adviser in a foreign court.

(b) Who is entitled to privilege?

46. In some systems, privilege applies only to legal attorneys at law, but not to IP advisers, in others they do apply to both categories, but to IP advisers only if they are also legal attorneys and give legal advice. In some other countries, the privilege is extended to non-lawyer IP advisers who are officially registered with the IP office concerned. There is thus a variety of alternatives found all over the world.

47. Intellectual property law, particularly patent law, is a unique field where legal understanding and technical/scientific understanding go hand in hand. Since there are not many lawyers who are familiar with technology, in many countries, a separate profession called “patent attorney” or “patent agent” (the term “IP adviser” is used in this document because the terminology as well as the functions of such profession is different from one country to the other, as described below) exists, which plays a significant role in developing and maintaining a functioning patent system. The role of IP advisers is, in general, to give advice and to assist inventors and applicants to obtain and maintain patents, including, for example, the drafting and preparation of patent applications, representing the applicant before the patent office, responding to office actions and assisting the patentee to maintain and enforce his right. The IP adviser may also represent third parties during opposition or invalidation proceedings to assist the client if a patent was erroneously granted or an abuse of rights was established. Moreover, IP advisers 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.

48. Consequently, the advice given by IP advisers may cover a wide range of legal issues. Depending on the applicable law regulating IP advisers, their legal advice may also cover other fields of IP such as trade secrets, industrial designs, trademarks, domain names, geographical indications, unfair competition, contract law in connection with licensing agreement or assignment of rights and competition (anti-trust) law relating to IP contracts or abuse of dominant position. Against this backdrop, the question has been raised as to why a client does not enjoy privilege for communications with non-lawyer IP advisers who are qualified to provide certain legal advice as far as IP is concerned, while, in the same country, the same client would be privileged for similar communications with lawyers. In other words, one of the fundamental questions appears to be whether privilege should be extended to IP advisers at the national level.

49. At the international level, the recognition of a privilege for foreign IP advisers is made more complex by the fact that the notion of “IP adviser” might be quite different from country to country. Each national law provides its requirements to become a qualified IP adviser in that country, and the bestowed power under the applicable law is different. In some countries, IP advisers must be legally qualified in general law and additionally pass a special examination relating to IP. In some other countries, a candidate needs to hold an academic degree (which does not necessarily need to be a law degree) and shall pass a special examination, while in some others, it is a simple registration without examination. Following the qualification required to become an IP adviser, the scope of professional activities allowed by the applicable law (for example, whether an IP adviser can represent his client before the courts or not) is different from country to country as well. With a view to recognizing the same privilege for foreign IP advisers, the question arises as to whether there is a need for introducing criteria and conditions for determining minimum qualifications for being recognized as an IP adviser. As it might be a challenging task to attempt to unify those criteria at the international level, another, more realistic approach may be to envisage that privilege should cover any IP adviser who is recognized and qualified to practice in his or her home country, and to recognize such qualification in other countries.

(c) The particular situation of in-house legal advisers

50. Another aspect of the privilege issue is whether in-house legal advisers should be entitled to the privilege. Where a company employs an in-house legal adviser, correspondence between the in-house legal adviser and other employees will be exchanged within the company. Unlike an attorney who is in private practice and gives advice as an independent adviser, an in-house legal adviser is employed by the company to whom he gives advice. One argument sometimes brought forward is that the in-house legal adviser does not have the same independent status as an attorney in private practice, and therefore, privilege should not apply. On the other hand, particularly where an in-house legal adviser is a registered attorney, he/she is obliged to perform legal duties in full conformity with the professional disciplinary code of conduct as other attorneys in private practice. This, on the other hand, rather supports the argument that in-house legal advisers should enjoy the same privilege as other, in particular, independent attorneys.

51. Currently, in some countries, in-house legal advisers and private practice legal advisers are subject to the same professional disciplinary code, and consequently, privilege applies to in-house legal advisers in the same way as to external legal advisers. In some countries, the in-house legal advisers’ communications with clients are not privileged. In the latter countries, the practical implication is that companies cannot rely on their in-house advisers

and have to employ an external attorney if there is a potential risk that communications with the in-house advisers may be required to be disclosed during future litigation.

52. Similarly, in the field of IP, there are IP advisers who work independently in private practice. On the other hand, there are IP advisers who work in an IP department or a legal division of a company as employees. They may be registered IP advisers before the patent office concerned, or employees who acquired the necessary expertise through professional experience and training. Those in-house IP advisers provide often daily IP advice to their client (employer), and the question needs to be addressed as to whether the same privilege should not be accorded to both private practice IP advisers and in-house IP advisers. According to the Implementing Regulations to the EPC, Rule 153(1), with respect to disclosure in proceedings before the European Patent Office, privilege is recognized to all European Patent Attorneys recorded in the list of professional representatives, regardless of whether he/she is an independent practitioner or an employee.

53. A related issue concerns the question as to whether privilege should be applicable to other employees or IP experts who give IP advice or employees who work for an IP adviser (such as secretaries). Having regard to the globalization of IP services, another question which may be considered is whether privilege should be applicable where an IP adviser outsourced certain IP-related work to someone in another country.

(d) The scope of privilege

54. An essential question to be considered is what type of information should be covered by the privilege. Some of the common law systems require that the privilege only applies to communications made for the purpose of giving legal advice. Others may wish to include into the privilege all communications given in relation to IP matters. Since IP advisers in different countries may have a different range and nature of professional activities as provided by the applicable law, at the national level, the scope of privilege will correspond to the scope of these professional activities of the IP advisers. At the international level, on the other hand, some common understanding would increase legal certainty. One further example is the text that the AIPPI Q199 Committee has proposed in its attempt to define privilege:

“For the purposes of this treaty, the term “privilege” is to have the same meaning, scope and effect as that term may be understood, used and applied in Member States in respect of communications between solicitors, lawyers, attorneys, or other legal advisers and clients pursuant to which such communications are considered confidential and are prohibited from disclosure to third parties except by or with the consent of the client.”

55. A connected issue to address is the question of which kind of communications should be covered, that is, written or oral or other communications. The mainstream opinion found is that any oral, written, or electronic communication between a client and his IP adviser, or any person acting on behalf of those persons, that has not been made available to the public, is covered by the privilege.

(e) The international dimension

56. Where a business' activities remain confined to a national territory, the question of IP and IP advice has also to be answered only in respect of that territory. Consequently, the

main issue for a client is whether he/she can obtain advice from IP advisers which on the basis of the national law will remain confidential unless the client chooses to make it public.

57. Once the business extends beyond the territorial border, the situation changes. The obtaining and maintenance of IPR globally involves advice from IP advisers from country to country. Where a company exports its product to other countries, it may face IPR issues in these other countries. An advice obtained from an IP adviser in one jurisdiction may influence the decision of a lawsuit in another jurisdiction. Therefore, the issue arises as to whether privilege will be lost because of the differences in respect of the recognition of privilege in various countries, as described above.

58. One issue arises where clients and IP advisers enjoy privilege under their local national law, but their communications are not privileged in another country that applies a discovery system and therefore, resulting in them being forced by the court to disclose such communications. In this case, the other country may not recognize the privilege for IP advisers at all, or it may only recognize the privilege for national IP advisers or for IP advisers from some specific countries.

59. The differences in national laws also affect clients and IP advisers in civil law countries, where the discovery procedure is found to a lesser extent, but where often only a professional secrecy obligation for IP advisers exists. As an example, a client from a civil law country where only a professional secrecy obligation for IP advisers exists (no privilege for a client to withhold submission of client-attorney communications to a court, simply because there is no need to provide such privilege under the national legal system) has been involved in a lawsuit in a common law country with pre-trial discovery. The client, who is not covered by the professional secrecy obligation, may be obliged to disclose his communications with the IP adviser in his home country in the foreign court, while his adversary may enjoy client-attorney privilege with respect to communications with the IP adviser in that common law country.

60. Some countries recognize legal professional privilege locally and with some qualifications, also in respect of legal advice by foreign lawyers. However, when it comes to patent attorney advice, whilst privilege is recognized for those who are qualified locally, privilege does not always apply to communications with patent attorneys abroad who are not also lawyers. Further, the privilege which is applied locally may not extend to all categories of IP advisers who may become involved in giving advice on the same subject at the international level. 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 IP adviser in a foreign court. Obviously, once disclosed, confidentiality is lost forever.

61. In a nutshell, there are two main issues involved in the international dimension of the client-attorney privilege. One is the application of privilege for IP advisers at the national level in the first place, and the other is the recognition of privilege for IP advisers in foreign countries. Because of the territoriality principle of IPRs, where a client seeks advice about intellectual property protection in relation to one country, he/she typically requests the services of a local IP adviser who has a better knowledge about the local IP laws and practices of that country. If the client has no guarantee of confidentiality in respect of communications with a local IP adviser, he may not trust - and thus not fully use - the quality of professional IP services in that country, services which play an important role in the checks and balances mechanism of the patent system.

(f) Options for addressing the issue

62. In order to respond to the challenges involving the international dimension, there may be different options as to how this issue could be addressed at the international level. As regards possible mechanism to prevent clients seeking IP advice from losing confidentiality of their communications with IP advisers internationally, a first mechanism, which has been adopted in some countries, is to extend the privilege under the national law to other countries, subject to reciprocity. In other words, country X applies the privilege with respect to communications with IP advisers in country Y only if the same privilege is applicable in country Y with respect to communications with IP advisers in country X. No international action is required for such a unilateral action. While countries may have some incentives to introduce privilege in their national law, such a unilateral process may take a long to be generally applicable among countries, and the diversity of different national practices will remain. Privileged communications with IP advisers in one country may not be privileged in another country, and communications with IP advisers from countries without privilege will continue to be subject to potential disclosure.

63. A second mechanism would be to recognize the privilege existing in other countries, 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 IP advisers under its national law, the court of country X would recognize the privilege with respect to communications with an IP adviser in country Y, if the latter communications are privileged in country Y. Thus, at least the client will not lose confidentiality of the privileged communication with his IP adviser in another country. However, the national differences with respect to the entitlement to privilege will remain. Further, communications with IP advisers 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.

64. A third mechanism could be to apply the privilege under the national law to foreign IP advisers. That is to say, where country X recognizes the privilege with respect to communications with national IP advisers, it shall also recognize the same privilege with respect to communications with IP advisers of other countries. The scope of privilege recognized in different countries may continue to be different in various jurisdictions, but in one particular jurisdiction, the same scope of privilege would apply to communications with national IP advisers and with foreign IP advisers. In other words, this approach is similar to the national treatment provisions found in various IP treaties.

65. A fourth mechanism could consist in exploring a minimum standard of privilege applicable to communications with IP advisers, which could be adopted by Member States. This option has the advantage that a certain convergence among national practices could be achieved. However, in view of the existing differences among national laws, further investigation as to the feasibility of such a minimum standard would be required.

66. The above four mechanisms are not mutually exclusive when considering the issues relating to the client-attorney privilege. For example, one may set a minimum standard on the type of communications to be privileged and may agree that each country recognizes the privilege of communications with IP advisers in other countries, without regulating, at the international level, the substantive requirements and qualifications for “IP advisers” in each country. Or, as another example, a minimum standard could be defined as to the professional privilege for IP advisers in each country, and countries could then recognize the effect of privilege in other countries.

67. Whether and how one or more of the above options should be implemented at the international level will have to be decided by Member States.

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