Seminar on the Confidentiality of Advice from Patent Advisors

Patent Advisors’ Perspectives

AIPPI, AIPLA, FICPI

November 5, 2014
Geneva
International Privilege Issues: A United States View

WIPO Standing Committee on Patents
5 November 2014

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Defining the Privilege Issue

- U.S. has both an attorney-client privilege and a more limited “work product” (litigation) immunity

  
  “… [T]o encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice. The privilege recognizes that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer’s being fully informed by the client.”

- U.S. applies attorney-client privilege to non-attorney patent agent communications, but stricter. *In re Spalding Sports Worldwide Inc.* (Fed. Cir. 2000)

- Foreign agents? Sometimes!
Discovery in the U.S.

- U.S. litigation allows broad information gathering once case is commenced
- Parties must disclose information
- Can even obtain discovery from third parties
- Standard: is information *likely* to lead to *relevant information*?
  - Not based upon admissibility
- Courts routinely find information involving even foreign patents to be relevant (as long as the same invention) … and typically cases are multi-national
Compare: Privilege –v- Fifth Amendment

• U.S. CONSTITUTION, BILL OF RIGHTS, ART. V: “No person … shall be compelled in any criminal case to be a witness against himself …”
  — Criminal Case
  — Do not need to testify about anything

• Privilege: Keep confidential communications with a legal professional that were intended to solicit legal advice and be confidential United States v. United Shoe Mach. Corp. (D. Mass. 1950)
  — Does not “protect” underlying facts
  — Only makes discussions with counsel confidential
Privileges for “Patent Agents”

• U.S. patent agent:
  — There is privilege, although older cases questioned

• Foreign agent:
  — No “U.S. privilege” for those “functionally equivalent to an attorney” even if registered in that country
  — If dealing with U.S. patent application, no privilege for foreign agent unless acting with U.S. agent/attorney

• Does it have to be called “privilege”?
• Costs for proving in a U.S. court
Privilege When U.S. Application Involved

- Agent involved in both U.S. and non-U.S. filings
- Courts apply a “touch base” standard
  
  
  — if “balancing” shows significant connection to U.S. application, then use U.S. law
  
  *VLT Corp. v. Unitrode Corp.* (D. Mass. 2000)
  
  - No privilege unless agent is licensed in U.S.
    
    (unless work with U.S. agent or attorney)
  
  - Otherwise, look to see if privilege applies from nation having most direct/compelling interest.
  
  *Id.*
  
  - Even if involved in U.S. litigation.
What Is The United States of America?

- Constitutional federal republic
- One national federal government with 3 branches:
  - Legislature (Congress)
  - Judiciary (Federal Courts)
  - Executive (the President and federal departments and agencies)
- U.S. CONSTITUTION, BILL OF RIGHTS, ART. X ("TENTH AMENDMENT")
  "The powers not delegated to the United States by the Constitution … are reserved to the States respectively, or to the people."
U.S. Federal Court System

United States Supreme Court

U.S. Judicial Districts and Circuits

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The 50 States

• Each is sovereign
• Has own legislature, judiciary, and executive
• Each state's court system is independent of the federal system
  — Can only appeal from State's highest court to federal system when a federal law or right is involved
• U.S. CONST. ART. II, § 2 CL. 2: “No State shall, without the Consent of Congress, … enter into any Agreement or Compact with … a foreign Power…”
Federal Rules of Evidence, Rule 501

“Privilege in General

The common law – as interpreted by United States courts in the light of reason and experience – governs a claim of privilege unless any of the following provides otherwise:

- the United States Constitution;
- a federal statute; or
- rules prescribed by the Supreme Court.

But in a civil case, state law governs privilege regarding a claim or defense for which state law supplies the rule of decision.”
Sperry v. State of Florida

- Patent Agent [= patent lawyer] working in Florida
- “under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law. … [I]n the absence of federal legislation, [Florida] could validly prohibit nonlawyers from engaging in … patent practice.” [383]

- “law of the State … must yield when incompatible with federal legislation … No State law can hinder or obstruct the free use of a license granted under an act of Congress.” [384-85]

- “Congress having acted within the scope of the powers ‘delegated … by the Constitution,’ […] has not exceeded the limits of the Tenth Amendment …” [403]

[internal quotations and citations omitted]
Presidential & Congressional Powers

U.S. CONST. ART. II, § 2 CL. 2: The President shall “have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur....”

U.S. CONST. ART. VI, CL. 2: “This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every state shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.”

U.S. CONST. ART. I, § 8 CL. 18: Congress has the power to “make all laws which shall be necessary and proper for carrying into execution ... all other powers vested by this Constitution ...”
Supreme Court broadly interpreted Congressional power to legislate in support of treaties

“If the treaty is valid there can be no dispute about the validity of the statute under Article I, § 8, as a necessary and proper means to execute the powers of the Government.”

Treaty power is distinct from legislative authority

Tenth Amendment does not reserve power to States

— Treaty power is delegated expressly to the Federal government

— Treaties are expressly declared to be “the supreme law of the land.”
Treaty Power Rarely Challenged

Cases since *Holland* confirm broad power to legislate for treaties

- **United States v. Belfast** 611 F.3d 783, 804-05 (11th Cir. 2010)
  - Torture Act (Convention Against Torture)
  - Laws in support of treaty are valid if rationally related to the implementation of a treaty
  - Congressional power broad in area of foreign relations

- **United States v. Wang Kun Lue** 134 F.3d 79 (2d Cir. 1997)
  - Hostage Taking Act (Hostage Taking Convention)
  - “… it is not the province of the judiciary to impinge upon the Executive’s prerogative in matters pertaining to foreign affairs.”
  - Treaty legislation not limited to “matters of international concern”
**Legislation Must Be Commensurate**

*Bond v. United States* 134 S. Ct. 2077 (2014)

- Chemical Weapons Convention Implementation Act (Convention on the Prohibition of …. Chemical Weapons)

- “The question presented … is whether the [] Act also reaches a purely local crime …”
  - 3d Circuit decision (earlier) bound by *Holland*, but questioned validity of *Holland* urging Supreme Court review
  - Supreme Court declined to address the constitutional question.
    - “… this Court has never held that a statute implementing a valid treaty exceeds Congress’s enumerated powers.” [2087]
  - *Holland* remains the law of the land
  - Instead, ruled that petitioner’s minor crime did not fall within the meaning of “chemical weapons” under the statute
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