

## Standing Committee on the Law of Patents

**Twenty-Fifth Session**  
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### COMPILATION OF COURT CASES WITH RESPECT TO CLIENT-PATENT ADVISOR PRIVILEGE

*Document prepared by the Secretariat*

#### INTRODUCTION

1. At its twenty-fourth session, held from June 27 to 30, 2016, the Standing Committee on the Law of Patents (SCP) agreed that the Secretariat would prepare, based on the information received from members and observers of the SCP, a compilation of court cases with respect to aspects of the client-patent advisor privilege, including limitations or difficulties encountered. Pursuant to the above decision, members and observers of the SCP were invited, through Notes C.8585, C.8587 and C.8588 dated August 16, 2016, to submit information to the International Bureau on the subject.
2. Consequently, the Secretariat received information relating to the subject from Japan and Switzerland. Since the WIPO webpage “Compilation of laws and practices regarding the scope of client attorney privilege and its applicability to patent advisors”<sup>1</sup> contains references to court cases relating to the client-patent advisor privilege, this document also refers to those cases. Reflecting the fact that a majority of court cases collected those in the United States of America, the document contains mostly court decisions from that jurisdiction.
3. In May 2008, a Conference on the Client Privilege in Intellectual Property Professional Advice was organized by the World Intellectual Property Organization (WIPO) in cooperation with the International Association for the Protection of Intellectual Property (AIPPI). Many presentations made during that Conference also referred to relevant court cases in some

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<sup>1</sup> [http://www.wipo.int/scp/en/confidentiality\\_advisors\\_clients/national\\_laws\\_practices.html](http://www.wipo.int/scp/en/confidentiality_advisors_clients/national_laws_practices.html)

jurisdictions. The presentations are available 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).

## **APPLICABILITY OF PRIVILEGE TO FOREIGN PATENT ADVISORS IN THE UNITED STATES OF AMERICA**

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

5. While there is a court case applying the non-choice of law approach, which recognizes no privilege for a foreign patent practitioner because he or she is not a member of the American Bar Association (*Status Times Corp. v. Sharp Electronics Corp.*, 95 F.R.D. 27 (S.D.N.Y. 1983)), most courts 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”.

6. Under the touching base approach, courts determine whether to apply U.S. or foreign law based on the jurisdiction with the predominant interest in whether communications should remain confidential and the place where the allegedly privileged relationship was entered into, unless public policy dictates otherwise. In *Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146, 1169-71 (D.S.C. 1975), the Court held that while in principle, communications with patent agents who were not attorney at law were not privileged, if the communications with a foreign patent agent had significant connection with a patent application filed in his/her country, the privilege rule under the law of that foreign country would prevail.

7. In the *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer Inc.*, 52 U.S.P.Q 2d 1897, 188 F.R.D. 189 (S.D.N.Y. 1999), the District Court did not recognize the client-patent attorney privilege of a professional representative who was a qualified French patent agent and a European patent attorney. The Court ruled that French patent agents were not entitled under French law to an evidentiary privilege comparable to the attorney-client privilege as it was enjoyed by patent attorneys under United States law. As a result, the Court held that unless the French patent agent was acting under the authority of an American attorney, the French patent agents’ communications were not privileged. It also ruled that although the Institute of Professional Representatives before the European Patent Office (epi) Disciplinary Rule contained a disciplinary rule of secrecy, the said rule of secrecy did not confer the equivalent of the United States attorney-client privilege on EPO representatives.

8. 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.* 531 F. Supp. 951, 952 (N.D. Ill. 1982), the Court held that where a U.S. client sought a foreign patent through his/her U.S. attorney, the U.S. attorney operated only as a conduit for information between the client and the foreign agent. Therefore, communication was effectively between a U.S. client and a foreign agent, and communication was privileged only if the foreign law would recognize such a privilege.

9. Under the most direct and compelling interest approach, the Court will weigh the competing interests of all involved states and decide which one has the greatest interest in seeing its own law applied. This may involve the application of the Restatement (Second) Conflict of Laws (*VLT Corp. v. Unitrode Corp.*, 194 F.R.D. 8, 16 (D. Mass. 2000)). Section 139(2) of the Restatement (Second) of Conflict of Laws provides for several factors to be taken into consideration when deciding on the law to be applied, including the real ties between the parties, the various nations involved and the overall equities in the situation.

10. In *Astra Aktiebolag v. Andrx Pharmaceuticals, Inc.* 208 F.R.D. 92, 104-105 (S.D.N.Y. 2002), the District Court suggested that the doctrine be used in a more expansive way to protect more communications. The Court found that the equities of a situation required that the law of a state without the strongest interest but with greater privilege protections, i.e., U.S. privilege law, be applied, although the communications at issue did not touch base with the United States of America.

11. With regards to Swiss patent attorneys, in *Burroughs Wellcome Co. v. Barr Labs. Inc.*, 143 F.R.D. 611, 616-17 (E.D.N.C. 1992), the Court found that a letter from a Swiss patent attorney to an European patent attorney was privileged on the basis of an unopposed declaration stating that the Swiss privilege law covered communications between clients and patent agents.

12. However, in *In re Rivastigmine* (239 F.R.D. 351, 359, S.D.N.Y. 2005), in applying its interpretation of Swiss law, the District Court found that communications between a Swiss patent agent, his client, and a Swiss in-house counsel were not protected by a professional privilege. The court noted that where communication with a foreign patent agent or attorney involved a foreign patent application, U.S. courts looked to the law of the country where the patent application was pending to examine whether that country's law provided a privilege comparable to the U.S. attorney-client-privilege. According to the judge, the Swiss regulations referred only to a professional secrecy obligation and not to an absolute evidentiary privilege. The court was asked to consider the effects of these rules within the context of the Swiss discovery procedures. The Swiss plaintiff argued that the mandatory disclosure of documents would be quite limited in civil litigation in Switzerland, and that a Swiss court would not order disclosure of the documents at issue. A professional secrecy obligation would, therefore, be sufficient to protect the privilege between patent agents and their clients. Although the judge noted that "special problems [may] arise when evaluating the attorney-client privilege of foreign jurisdictions whose discovery systems are not comparable to our own", it decided that it would not imply privilege from discovery procedures if a special evidentiary privilege, comparable to the American attorney-client privilege, had not been recognized in Swiss law. Similarly, in *Schindler v. Otis* (District Court New Jersey; 2:09-cv-00560), the Court found that the privilege did not apply to communications made with a non-lawyer European patent attorney, as communications with a patent agent were not entitled to attorney-client privilege under Swiss law.<sup>2</sup>

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

14. Concerning Japanese patent attorneys, privilege for IP advice made by Japanese patent attorneys had been denied by U.S. courts in the 1980s and early 1990s, as in the case of *Honeywell, Inc. v. Minolta Camera Co., Ltd.*, 1990 U.S. Dist. LEXIS 5954 (D.N.J. 1990). Other such cases include: (i) *Status Time Corp. v. Sharp Electronics Corp.*, 95 F.R.D. 27 (S.D.N.Y. 1982); (ii) *Detection Systems Inc. v. Pittway Corp.*, 96 F.R.D. 152, 156 (W.D.N.Y. 1982); (iii) *Burroughs Wellcome Co. v. Barr Labs. Inc.*, 143 F.R.D. 611, 616-17 (E.D.N.C. 1992); and (iv) *Santrade v. General Electric*, 27 USPQ 1446 (E.D.N.C. 1993).

15. The amendment to the Japanese Code of Civil Procedures in 1996, however, gave patent attorneys the right to refuse to testify with regard to any facts that were under the professional secrecy obligation and to produce documents containing those facts. After such amendment, in the decision *Eisai Ltd. V. Dr. Reddy's Laboratories Inc.*, 77 U.S.P.Q. 2d 1854, 406 F. Supp. 2d 341 (S.D.N.Y. 2005), the Court recognized the confidentiality of communications between a

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<sup>2</sup> [http://www.wipo.int/edocs/mdocs/scp/en/scp\\_21/scp\\_21\\_ref\\_bloechle.pdf](http://www.wipo.int/edocs/mdocs/scp/en/scp_21/scp_21_ref_bloechle.pdf).

client and a Japanese non-lawyer patent agent as privileged according to the principle of judicial comity. Still, it was considered that the comity was subject to overriding U.S. policy considerations. Another case involving the Japanese patent agent after the amendment is VLT Corp. v. Unitrode Corp., 194 F.R.D. 8, 16 (D. Mass. 2000).

### **COURT CASES IN CANADA**

16. Previous Canadian case law did not recognise client-patent advisor privilege (*Lumonics Research Co. v. Gould*, 70 C.P.R. (2d) 11; *Whirlpool Corp. v. Camco Inc.*, 72 C.P.R. (3d) 444; *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals*, 2006 FC 1465). However, that case law is no longer valid in light of recent legislative changes creating a privilege for the clients of agents.

17. On June 24, 2016, Canada enacted amendments to its patent legislation to recognize as privileged confidential communications between patent advisors and their clients. This privilege applies to any communication between a registered patent agent and their client, which is intended to be confidential and is made for the purpose of seeking or giving advice with respect to any matter relating to the protection of an invention. Canada's new patent law also recognizes as privileged in Canada communications between a client and a patent advisor from another country, provided that the law of the other country also recognizes those communications as privileged. So far, no court decisions have been issued regarding this new legislation.

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