

These Submissions to WIPO will also be sent by the respective AIPPI representative of each of its National and Regional Groups to the government of each country in which AIPPI has representation, in advance of the SCP 20 meeting in Geneva, 27-31 January 2014.

Further submissions of the International Association for the Protection of Intellectual Property (AIPPI) on information which has become available to AIPPI since the SCP 19 meeting, relating to the need for the protection of confidentiality in IP professional advice (PCIPA).

1 The positive roles of the SCP and WIPO in relation to the study of CAP or the protection of confidentiality in IP professional advice (PCIPA)

1.1 The SCP study of PCIPA has made substantial progress since it started in 2009. AIPPI congratulates the SCP and WIPO on this progress. Particular subjects or markers in the SCP process which should be mentioned in this context, include the following.

- The exhaustive studies of the problems for clients from SCP 12 to now (SCP 20) have led to the recognition that the problems of PCIPA cannot be solved by national laws alone – an international remedy is required.
- The problems are the lack of adequate protection in some nations and the risk of and actual loss of whatever protection there is in particular nations when disclosure of advice is required cross-border.
- One factor involved in the problems is the establishment of new legal specialist professions of patent attorneys or patent agents without at the same time providing the clients of those with the same or similar protection as they had when they dealt with general lawyers previously.
- An international remedy has to be compatible with both common and civil law.
- An element shared by both common and civil law in relation to the needs of clients to be protected from forcible disclosure of their advice is confidentiality of the advice. That applies in most nations. The remedy for problems of PCIPA can be based on that common element.
- The protection from forced disclosure of confidential advice given by the IP professionals and lawyers has been recognised for centuries both in the common and civil law regimes (*the protection*).
- Where the protection exists, it flows from public policy that clients need to be protected from forcible disclosure so that they can get correct legal advice (i.e. through communications that are 'full and frank').
- In relation to any proposed remedy, it needs to be made clear that the protection applies to communications relating to the advice itself and does not provide protection against disclosure of facts material to determining intellectual property rights such as the existence of relevant prior art.

1.2 The foregoing points (and many others) have been influenced by the involvement of the SCP and WIPO in the process. Whether nations are ready to adopt any particular remedy or not should not be a factor in deciding whether they should or should not have a say in what remedy might be adopted including how it should be expressed. The past process of the SCP has been enriched by its inclusiveness of all Member States. AIPPI urges the Member States to continue their studies of PCIPA by its process which includes all the Member States.

2 AIPPI Primer on the Protection (Post-Colloquium – 28 August 2013)

2.1 AIPPI draws the attention of the SCP to AIPPI's further work on PCIPA since SCP 19 and the development of the international remedy which AIPPI proposes for the consideration of the Member States. Part of that work was the development of AIPPI's proposed remedy. That proposal was peer reviewed by lawyers, patent attorneys and government representatives in a Colloquium conducted by the IP NGOs - AIPLA, AIPPI and FICPI with government representatives of Australia, Germany, Japan, Switzerland and the USA in Paris in May 2013. There were also representatives of the governments of Denmark, Norway and Canada at that meeting.

2.2 Responding to suggestions made in the SCP by developing nations and others that any remedy needs to make clear that knowledge of prior art is not compromised by the remedy, the AIPPI proposal was amended at the Colloquium specifically to deal with that point.

2.3 The AIPPI proposal is Appendix 5 of the Primer document which is **Attachment 1** to these submissions. The specific amendment which deals with the suggestion in the SCP referred to above is the definition of '**professional advice**' which was added. It reads as follows.

'**professional advice**' means information relating to and including the subjective or analytical views or opinions of an intellectual property advisor but not facts including mere statements of fact which are objectively relevant to determining issues relating to intellectual property rights (for example, the existence of relevant prior art).

2.4 That definition reads onto the existing definition in Appendix 5 of the Primer of '**intellectual property advisor**' which reads as follows:

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

2.5 In turn that definition reads onto the principal operative provision of the AIPPI proposal which reads as follows.

2. Subject to the following clause, a communication made for the purpose of, or in relation to, an intellectual property advisor providing 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.

2.6 In effect, the subject of the protection is limited to a communication made for the purpose of or in relation to, an intellectual property advisor providing advice to the client.

3 Assessment of the current problems of the protection

3.1 Following the Colloquium referred to above, AIPPI produced an updated Assessment of the problems of PCIPA (the **Assessment**), a copy of which modified for these submissions is **Attachment 2** hereto.

- 3.2 Further, AIPPI has provided information in response to requests for comments on specific topics, as follows.
- Specify the problem of cross border CAP by means of a) concrete examples of impediments in the daily business of a patent attorney, b) explanations why and where these impediments occur and c) indication of decisions by different courts and based on different legal backgrounds.**
- 3.3 As to (a), the behavioural effects referred to in paragraph 1.8 of the Assessment could be thought of as 'impediments' in the daily business of a patent attorney. However, the concrete examples of not putting anything in writing, discussing only by telephone, never communicating advice except in the presence of a generalist lawyer, and avoiding communications with attorneys in nations where protection of confidentiality in the advice is in doubt, are mere symptoms of the main problem.
- 3.4 The main problem which dominates all others is uncertainty as to the existence and maintenance of enforceability of the protection. If an IP professional is unable to assure a client that what passes between them (i.e. instructions on all relevant facts from the client, legal advice and consequential legal / commercial suggestions by the IP professional, and communications including discussions about those subjects), the communications between them are adversely affected. The client becomes wary about disclosing all that the client knows to the advisor and thus the advisor lacks all that should be known to advise that client correctly.
- 3.5 Thus, uncertainty about the maintenance and enforceability of the confidentiality of the instructing and advising process defeats the public purposes of applying confidentiality in the first place. The principal public purpose is that the client is supported to get correct advice. Closely related to that is the need for the law to be enforced. The first step in enforcement of the law is advice based on the correct application of the law to the facts.
- 3.6 So, the daily business of a patent attorney always involves assessing the risks to the client's confidentiality and reacting to those risks in order to maximise the prospect of confidentiality being maintained and enforced.
- 3.7 The foregoing deals with concrete examples of 'impediments' and explains to some degree why and where they occur. There is, however, more to mention as to the 'impediments' and the implications as between and civil and common law, as follows.
- 3.8 As to 'impediments', even if the protection existed and there was harmony as between nations (including civil and common law nations) as to application of the protection, IP professionals will continue to be 'on guard' against the risk that confidential information may be disclosed whether that be through negligence, accident, or inadvertence. The behaviour of professionals is conditioned by such risks of disclosure. Their behaviour is not likely to change.
- 3.9 What will be encouraged by such protection and harmony however, is the free flow of information between the client and the professional. Only if the professional can promote 'full and frank' disclosures by the client through assurances that confidentiality is underwritten by the protection, can this level of communication be supported.
- 3.10 As to civil and common law, it is likely that not all civil law IP advisors know of the risks of forcible disclosure of their IP advice in common law nations. The 'professional secrecy' and 'no discovery' conditions which apply in civil law nations can create in them a false sense of security.

- 3.11 It is likely too that not all common law IP advisors know that even though there is no discovery as between parties in civil law nations, civil law courts still have discretion to call for the production of documents and to interrogate the client, as well as allowing the seizure of documents at the client's premises.
- 3.12 If the truth of the propositions referred to in the two previous paragraphs were more widely known, that would only increase the uncertainty which currently exists cross-border about disclosure of confidential information in IP advice. Better knowledge of these realities would add to the forces compromising achievement of the public policy of supporting the obtaining of correct legal advice. **Supporting the obtaining of correct legal advice by certainty as to the application of the protection is the core issue.** The one behavioural effect on IP professional advisors that is relevant to that is whether they can assure their clients that the law will be applied so that the forcible disclosure of their instructions and advice will not occur.
- Describe possible remedies to overcome the established difficulties including an analysis of their respective advantages and disadvantages based on your professional experience and expertise. While doing so, please, do also consider the political implications of and the expected time for enforcement procedures.**
- 3.13 The SCP process on CAP has identified a number of possible courses to pursue¹. However, the requirement of certainty as to the protection from forcible disclosure will only be achieved by an arrangement which has an agreed minimum standard of protection. The protection must apply to both national and overseas IP advisors. How the minimum standard is achieved within each nation which signs up to the arrangement, is a matter for the national law of that signatory.
- 3.14 Assuming the signing up to such a minimum standard, the protection applied to overseas IP advisors could be the national protection (i.e. national treatment of the client's overseas IP advisors) or the protection that applies to the overseas IP advisors in their country of origin. However, for the sake of greater certainty within the nation in which the protection is to be enforced, national treatment is to be preferred.
- 3.15 Following the Colloquium on the protection which was conducted by the three IP NGOs – AIPLA, AIPPI and FICPI – in June this year, the remedy proposed by AIPPI was updated in accordance with the input of that meeting. As indicated in paragraph 2.1 above, that included input by the government representatives of Australia, Germany, Japan, Switzerland and the USA. As well, there were leading IP lawyers and patent attorneys including one from Brazil, who contributed to the updating of the AIPPI remedy.
- 3.16 The proposed remedy (post Colloquium) is explained fully in Appendix 5 of the updated Colloquium Primer attached. That provides for a minimum standard of protection based on applying and maintaining confidentiality in IP professional advice.
- 3.17 By the operative clause 2 of the AIPPI proposal referred to above and the definition of '**intellectual property advisor**' which the proposal applies in the operative clause, the protection from forcible disclosure applies to a communication made for the purpose of, or in relation to, an intellectual property advisor providing advice on or relating to intellectual property rights to a client. That subject is confidential to the client and protected from disclosure to third parties unless it is or has been made public with the authority of that client.

¹ See SCP/13/4 62 to 66; SCP/16/4 Rev 37 to 51; SCP/17/5 28 to 30; SCP/18/6 18 to 65.

- 3.18 Thus the protection applies to clients as well as IP advisors. As it applies to IP advisors, it is much narrower than professional secrecy (which continues to exist, of course). Professional secrecy is absolute as to all that passes between a client and the professional but, of course, that only applies to the professional.
- 3.19 The AIPPI proposal was first made to WIPO in July 2005. It has been developed to its present form over 8 years since then. The focus or fulcrum of the AIPPI proposal is confidentiality in the instructing / advising process of clients and their IP professionals.
- 3.20 The same fulcrum has subsequently been applied in the draft Rules of Procedure of the UPC. In both cases (i.e. the AIPPI and UPC proposals) confidentiality can only be waived by the client.

4 The AIPPI proposal and the draft Rules of Procedure of the European Unified Patent Court

- 4.1 The principle which the AIPPI proposal applies is that a communication relating to advising on IPRs is confidential and is protected from disclosure to third parties.
- 4.2 The proposed Rules of Procedure for the Unified Patent Court (see **Attachment 3**) assume that where a client seeks advice from a lawyer, there can be confidential communications. The Rules state that those communications are to be privileged from disclosure.
- 4.3 Thus, the establishment and preservation of confidentiality in communications relating to advice about IPRs (in the case of the AIPPI proposal) and to anything arising in proceedings in the UPC (in the case of the draft Rules of the UPC), are key elements of the protection in both cases.
- 4.4 The AIPPI and the UPC proposals are based on or assume that the existence of communications which are 'confidential' is definitive of a legally enforceable right or status and that that right or status will have the same, or a materially similar, effect from one nation to the next.

16 December, 2013