

Confidentiality of Communications between Clients and their Patent Advisors

United Kingdom

Pursuant to section 280 of the Copyright, Designs and Patents Act 1988 (“the 1988 Act”), which has UK extent, communications between a person and his/her patent attorney are “privileged from disclosure in like manner as if the patent attorney had at all material times been acting as the client’s solicitor...” (s. 280(2)).¹

Disclosure procedure and how privilege protection operates against discovery

Under English law (which applies in England and Wales), parties to a civil action are under the duty of disclosure 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 an important duty, where strict timetables have to be followed. The concept of “disclosure” is broadly similar to the concept of “discovery” in many other common law jurisdictions. In other parts of the UK, there may be differences in discovery/disclosure procedures.²

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. In general, a party is only required to disclose documents (i) on which he/she 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 a relevant practice direction. 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 must endeavour 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/she has failed to disclose, he/she 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, a party enjoys the right to inspection of the documents disclosed, 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 Law Court procedure.

¹ Section 280 applies to “communications as to any matter relating to the protection of any invention, design, technical information, or trade mark, or as to any matter involving passing off”.

² For example, there is no discovery procedure in Scotland, but a recovery process, which isn’t mandatory. Applications can be made to the court for recovery of evidence in Scotland following Scottish rules. Chapter 35 of the Ordinary Cause rules in the Court of Session sets down the procedure.

Solicitor–client privilege is the legal protection provided by common law to certain communications between solicitors and their clients. Solicitors have a legal and professional obligation to refuse to make disclosure of privileged communications, except where the client has waived the privilege or disclosure is required by law. In the United Kingdom, solicitor–client privilege, once established, has been found to be absolute. It was deemed too crucial to the administration of justice to interfere with (*R. v. Derby Magistrates’ Court*, [1995] 4 All E.R. 526).

The common law courts first recognized privilege for communications in relation to litigation, based upon the oath and honour of a lawyer who was duty-bound to guard his or her client’s secrets (*Berd v. Lovelace* (1577) 21 ER 33 (Ch.) and *Dennis v. Codrington* (1580) 21 ER 53 are examples).

Originally, privilege was restricted to an exemption only from testimonial compulsion, a right belonging to the lawyer, protecting him/her 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. Privilege in Scotland has developed along very similar lines as in England and Wales, but began from a different starting point. In Scotland, the courts initially protected legal advice and then later conduct relating to litigation.

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

In general, privilege in the United Kingdom extends to solicitors and barristers (known as “advocates” in Scotland), as well as in-house lawyers in most circumstances.^{3,4} Section 280 of the 1988 Act extends the same privilege to patent attorneys, with the definition of “patent attorney” given by section 280(3) (see below).

Scope of privilege

Before the Civil Evidence Act 1968, there was no provision for a patent attorney privilege in England and Wales. At that time, patent agents were not considered to be professional legal advisors and communications with them were not privileged. However, with section 15 (now repealed) of that Act, the legislature provided for a patent agent privilege which put a patent agent in the same position as a solicitor

³ In England and Wales, s.190 of the Legal Services Act extends privilege to other types of lawyer.

⁴ However, in *Akzo Nobel Chemicals Ltd and Akros Chemicals Ltd v Commission* (Case C-550/07 P) [2010], the Court of Justice of the European Union confirmed that privilege does not apply to communications between a company and its in-house lawyers in the context of EU antitrust investigations.

would have been if he/she had been acting in the place of the patent agent. That provision later appeared in section 104 of the Patents Act 1977 (also repealed) and is now found in section 280 of the Copyright, Designs and Patents Act 1988 (which has UK extent as mentioned above). The substantive wording of the current provision is:

- “(1) This section applies to –
- (a) 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, and
 - (b) documents, materials or information relating to any matter mentioned in paragraph (a)
- “(2) Where a patent attorney acts for a client in relation to a matter mentioned in subsection (1), any communication, document, material or information to which this section applies is privileged from disclosure in like manner as if the patent attorney had at all times been acting as the client’s solicitor.
- “(3) In subsection (2) “patent attorneys” means: (a) a registered patent attorney or a person who is on the European list, (b) a partnership entitled to describe itself as a firm of patent attorneys or as a firm carrying on the business of a European patent attorney, (ba) 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 attorney or as a company carrying on the business of a European patent attorney.”

In the United Kingdom, legal advice privilege protects communications between a solicitor and his or her client where the communications are both confidential and made for the purpose of obtaining and giving advice. Litigation privilege, which is wider than advice privilege, protects confidential communications made between the solicitor and a client or third parties, where the communications are for the sole or dominant purpose of existing or contemplated litigation.

In *Three Rivers District Council v. Governor and Company of the Bank of England (no. 5)*, [2002] EWHC 2730, 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 advice privilege.

In *Three Rivers District Council and Others v The Governor and Company of the Bank of England*, [2004] UKHL 48, the court confirmed the absolute nature of legal advice privilege and reaffirmed the Court of Appeal's view in *Balabel v Air India* that “legal advice is not confined to telling the client the law; it must include advice as to

what should prudently and sensibly be done in the relevant legal context” ([1988] Ch 317, per Lord Taylor at 330).

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 disclosure stage. Apart from the waivers, common law rules also place further limitations on the application of privilege. In England and Wales, privilege cannot be claimed if it relates to the name of the client (*R (on the application of Howe) v. South Durham Magistrates Court* [2004] EWHC (Admin) 362), but there is no equivalent rule in Scotland.

Privilege also cannot be claimed if the legal professional communication involved crime and fraud. In *Crescent Farm (Sidcup) Sports Ltd v. Sterling Offices Ltd* [1972] 1 Ch 553, 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*, [1995] 4 All ER 511, CA, 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.” The position for legal professional communication involving fraud is similar in Scotland.

Apart from common law limitations, there are also statutory limitations. For example, the Limitation Act 1980 (which extends to England and Wales) provides for the power to compel a partial waiver of privilege.

In the Police and Criminal Evidence Act 1984 (which extends to England and Wales), it is provided that prosecuting authorities may obtain orders for the production of “special procedure material.” There are other statutory limitations in England and Wales, as well as in other parts of the UK.

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 may lead to disciplinary action by the professional bodies/relevant regulators. Those authorised by the Chartered Institute of Patent Attorneys (CIPA) are regulated by the Intellectual Property Regulation Board (IPReg). IPReg deals with complaints of professional misconduct and breaches of the Rules of Conduct against patent attorneys and trade mark attorneys. IPReg can issue notices, reprimands and fines. It can also remove an attorney or a practice from its registers either for a specified period or permanently. 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.

Requirements/qualifications for patent advisors

IPReg sets the education and training requirements for qualification as a patent attorney. There is a combination of examinations and practical training courses. Alternatively, patent attorneys registered anywhere else in the EEA can apply to be

included on the UK patent register, under EU legislation concerning mutual recognition of professional qualifications.

Almost all patent attorneys 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

R (on the application of Prudential Plc) v Special Commissioners of Income Tax [2013] UKSC 1 confirmed that legal advice privilege applies only to communications between clients and their solicitors and not to other advisors, such as accountants offering advice on tax law⁵. It also confirmed that communications with foreign lawyers are entitled to the same legal professional privilege as communications with English lawyers. Communications with patent practitioners who are neither registered in the UK nor on the European patent attorney list are excluded from the protection afforded by patent agent privilege. This is based on the wording of section 280 of the 1988 Act which confines patent attorney privilege to communications with *registered* patent attorneys or persons on the *European* List. There is no recent case law regarding the possible application of privilege for foreign patent attorneys.

Summary

The wording of section 280 of the 1988 Act means that patent attorney privilege is confined to communications with patent attorneys registered in the United Kingdom or persons on the European List (i.e. European patent attorneys) only. Privilege is not extended to other foreign attorneys but attorneys who are qualified lawyers may also be covered by solicitor-client privilege. There is no recent case law regarding the possible application of privilege to foreign patent attorneys.

⁵ Note that in England and Wales, s.190 of the Legal Services Act extends privilege to types of lawyers other than solicitors and barristers.