Report Q163

Attorney-Client Privilege and the Patent and/or Trademark Attorneys Profession

Introduction

The Committee was established by the Bureau to investigate the new question of the applicability of the attorney-client privilege to communications between patent or trademark attorneys and their clients.

The Committee first conducted an informal survey of several large jurisdictions among the Membership to gain an understanding of the issues surrounding this question. As a result of this preliminary research, the Committee determined that there was a significant amount of variation as to the treatment of the privilege across various countries. In addition, there were several factors suggesting the question was ripe for examination and Resolution on the international level:

(1) With the increasing value of Intellectual Property, the role of the patent and trademark attorney, regardless of his or her qualifications as well as an attorney-at-law, is an important one and is becoming more important every day;

(2) Clients, on a world wide basis, reasonably expect that communications with their local and international patent and trademark attorneys will be treated with the same degree of confidence and professionalism as are their communications with attorneys-at-law; and

(3) As is the case for the attorney-client privilege, the overall Intellectual Property system will be better served if clients are encouraged by the existence of a similar privilege to fully and timely communicate all relevant facts to their respective patent or trademark attorneys.

The Groups were therefore invited to deal in depth with this important question of current interest. The question raised specific issues of national effect on which each of the Member countries were invited to comment. The Reporter General received Comments from 22 National Groups: Argentina, Australia, Brazil, Bulgaria, Canada, China, Czech Republic, Denmark, Germany, Greece, Japan, Latvia, Mexico, Netherlands, Philippines, Poland, Republic of Korea, Spain, Sweden, Switzerland, the United States, Ukraine, and United Kingdom.

This Summary Report analyzes the replies from the Groups in the order of the issues were set out in the survey.

The Responses from the Groups:

1. Privileges protecting disclosure of communications between attorneys-at-law and their clients

The Groups were invited to explain the current situation within their jurisdiction in respect of the attorney-client privilege generally, including discussion of the limits, the practice significance, and consequences for violation. The privilege protecting communications between attorneys-at-law and their clients is universally recognized in some form by all of the responding Groups. Although there are slight variations in the treatment of the privilege, the following statements are generally applicable to all of the Groups:

- The attorney-client privilege protects against forced disclosure to third parties of confidential communications between the attorney and the client in the course of the attorney-client relationship.

- The attorney-client privilege is generally not limited in time by the duration of the relationship.
- Disclosure of privileged information may subject the attorney to consequences, which could take the form of disciplinary, civil or criminal sanctions.

Nearly all of the responding Groups stated that the attorney-client privilege arose by way of statutory law. The Groups from Poland, Brazil, Japan, Germany and Mexico indicated that the privilege was simultaneously enforced by way of statutory law and professional ethics. In the Philippines, the privilege is established not only by statute, but also by administrative rule and regulations and by case law. The United Kingdom and Canadian Groups stated the duty to maintain confidential communications between attorney and client was created solely by case law. In the United States the privilege is generally regarded as a matter of common law, although the professional obligations laws of the various States also recognize the privilege, sometimes in statutory form.

Although most of the responses described a specific attorney-client privilege, the Argentine and Mexican Groups indicated that the attorney-client privilege within their jurisdictions is grounded in a general secrecy principle that obligates all professionals to keep confidential those secrets that they obtained through the course of performing their profession; no specific rule was articulated regarding attorneys-at-law. Canadian law, on the other hand, not only recognizes a specific attorney-client privilege, but goes further to distinguish between two types known as the solicitor-client privilege and the contemplated litigation privilege. Both privileges arise from obtaining professional legal advice from a lawyer, but the latter is narrower in its protection than the former. In Japan, nondisclosure privilege has its basis in the unique position of a person being required to disclose something, and does not require the privileged matter be a certain kind of communication with another person.

The Australian Group described a type of privilege that was broader in its protection in that it extended to communications between the client and another person, or the lawyer acting on behalf of the client and another person, where the communication was for the dominant purpose of the client being provided with professional legal services. The Australian interpretation of the attorney-client privilege therefore turned on a question of the purpose of the communication and was not restricted to communications between attorneys and clients.

There is substantial variation as to the limitations upon the attorney-client privilege across the responding Groups. In some countries, disclosure may be permitted or even required in certain instances. Most countries require client approval in order for disclosure to be permissible. The Argentine, Ukrainian and Polish Groups noted that criminal cases present a situation where disclosure may be necessary. In Argentine, it is generally accepted that the professional retains some discretion in determining what constitutes privileged material; however, such discretion is limited by the requirement that there be "legitimate cause" to maintain secrecy. Similarly, "legitimate cause" is required in order to disclose a confidence and avoid criminal penalty. In Brazil, a similar concept of "reasonable ground" is required in order to avoid punishment for disclosing privileged material.

The attorney-client privilege in Switzerland, however, grants the attorney-at-law discretion over the decision to disclose. The Swiss Group stated that once a communication is determined to be privileged, there is no obligation on the part of the attorney to disclose, even if the client asks him to do so. In effect, an attorney may disclose if authorized, but is not obliged to do so. The Greek Group made a more general statement that an attorney-at-law may never be examined as a witness in cases where the witness was involved as attorney, without the prior authorization of the Bar Association or in urgent cases.

In jurisdictions that have no discovery or disclosure procedure, as articulated by the Chinese Group, the judges do not force interested parties to produce certain documentation or testimony. Thus, the interested parties do not need to rely on the attorney-client privilege for not producing documentation or testimony. However, the Chinese Group acknowledged the practical significance of the privilege in securing client confidence and trust in their attorneys.

Three of the responding Groups (Ukraine, Australia and Canada) stated that the attorney-client privilege was limited to only legal matters. Bulgaria, Switzerland, Brazil, Denmark, Germany, Greece, China and Japan, on the other hand, indicate that the privilege is broad enough to encompass non-legal matter as well, so long as the information was obtained in the course of the attorney's professional assistance. Most of the responding Groups also limit the invocation of the attorney-client privilege to circumstances where the protecting of privileged information will not further the commission of fraud or crime.

Amongst the Groups that included significant specificity as to how the attorney-client privilege arose and was treated in their respective legal systems, the great majority indicated that the privilege could be invoked in all types of cases, be it civil, criminal or administrative. The Australian and Canadian Groups limited the privilege's applicability to civil and criminal matters. The Japanese Group went further and stated that the privilege could only be invoked in every civil case. And, the Latvia Group, although stating that the privilege could be asserted in several contexts, acknowledged that the privilege was most significant within the criminal context.

Although nearly every Group indicated the attorney-at-law to be subject to disciplinary measures for violation of professional conduct rules, some countries go further and impose civil and criminal sanctions as well. In particular, attorneys-at-law in the Ukraine, Bulgaria, Switzerland, Brazil, Spain, United Kingdom, Philippines, Australia, China and Japan may be required to pay damages or receive civil sanctions for violating the privilege. In the United States, disciplinary measures for violation vary by state, but civil penalties (such as a malpractice claim) as well as state bar disciplinary actions (such as suspension of the right to practice or in an extreme case disbarment) are possible. In Argentine, Bulgaria, Germany, Switzerland, Brazil, Denmark, Spain, Mexico, Philippines, China and Japan, it is a criminal offense to violate the attorney-client privilege, and the attorney-at-law may be subjected to possible imprisonment.

2. *Privileges protecting disclosure of communications between patent or trademark attorneys and their clients*

The Groups were invited to explain the current situation in their jurisdiction in respect of any privilege protecting communications between patent attorneys, patent agents, or trademark attorneys and their clients. It is to be noted that terminology and responsibilities varied across countries as to patent attorneys, trademark attorneys, and patent agents, but the following points are some generalizations that can be made regarding the responding Groups:

- There is a distinction made between attorneys-at-law, who may deal with a range of various legal issues, and patent attorneys, who deal primarily with intellectual property rights or sometimes a more restrictive set of responsibilities limited to obtaining a patent from the Patent Office. Only attorneys-at-law may typically appear before a court in litigation.
- Patent and trademark attorneys are generally not attorneys-at-law. Although they can be both, there is typically no requirement that the patent or trademark attorney also be an attorney-at-law.

- Patent agents and patent attorneys are terms used interchangeable. They refer to the same type of position. (For purposes of consistency, the term "patent attorney" will include patent agents.)

Particularly notable is the fact that Greece requires that patent and trademark attorneys are required to be attorneys-at-law. Thus, patent and trademark attorneys are one and the same as attorneys-at-law. In the United States, by definition, patent attorneys are also attorneys at law, although a large number of patent agents who are not attorneys are also registered to practice before the U.S. Patent and Trademark Office.

There was a split amongst the responding Groups as to what level of recognition was given to a privilege protecting the communications between patent or trademark attorneys and their clients. Greece, Germany and Japan noted that the privilege protecting patent or trademark attorney communications was the same as or similar to the privilege protecting attorney-at-law communications, and arise out of the same source of law. The Japanese Group noted in particular, the nondisclosure privilege is considered to have its basis in professional or social responsibility, different from the common law, and therefore is imposed on patent attorneys as part of their professional duties.

The Groups from the Czech Republic, Australia, Ukraine, Bulgaria, Brazil, China, Spain, Poland, Mexico and United Kingdom indicated that a separate privilege exists for patent attorneys, arising either out of statutory law or professional rules that were specific to the patent attorney profession. In Australia, for example, patent and trademark attorneys' communications are privileged, as regulated by the respective Patents Act and the Trademarks Act. Even though the source of the privilege is separate, however, Australian law treats this privilege as the same as when an attorney-at-law communicates with their client. The distinction to be made is that the patent and trademark attorney privilege extends only to Intellectual Property matters, and communications with a dominant purpose of obtaining the patent or trademark attorney's advice.

In Brazil, the patent and trademark attorney privilege is created by the Agents' Ethical Code of Behavior, and limited by the same "reasonable ground" standard as the general attorney-client privilege. Although the Chinese Group stated there was no specific regulation on the patent or trademark attorney-client privilege, Chinese Patent Law and Regulations include provisions requiring keeping client's inventions and information learned by the attorney during the course of their relationship confidential. The Czech Group noted that the privilege afforded to patent and trademark attorneys extends to technical disclosures made during such communications.

Because Argentine and Mexico possess an attorney-at-law privilege grounded in general secrecy principles applicable to all professionals, patent and trademark attorneys enjoy privileges grounded in these very same principles. These two Groups indicate that there is no more specified law that deals with this issue. Communications between patent attorneys and their clients in the United States are treated the same way as communications between attorneys at law and their clients; the same generally holds true as to communications between patent agents and their clients, as long as the communications are within the scope of the patent agent's license to practice before the U.S. Patent & Trademark Office.

Finally, no specific privilege is recognized in Latvia, Denmark, the Philippines, Switzerland or Canada. The Canadian Group acknowledged, however, the possibility that a litigation privilege may attach where a non-lawyer patent or trademark attorney was assisting the client or lawyer on contemplated or pending litigation. The Danish Group stated that third parties are able to access any and all correspondence between the patent attorney and the patent office when the application is laid open, but also acknowledged that

internal correspondence and advice between patent owner and patent attorney would probably be considered internal working notes and therefore a court will not request production. The Swiss Group explained the lack of specific privilege was due to the fact that there are currently no specific requirements or qualifications for representing clients before the Federal Institute of Intellectual Property.

3. Proposal for general rules

The Groups were invited to comment on whether the AIPPI should take a position regarding the consistent recognition throughout the Groups of a privilege protecting communications between patent attorneys and their clients. Among the responses received, there was virtually unanimous support for the AIPPI taking a position in support of the existence in the Member countries of a privilege for communications between patent and trademark attorneys and their clients that is equally protective as the privilege protecting communications between attorneys at law and their clients. However, a few of the Groups expressed the desire to leave some control over the implementation of an international rule to the individual countries. In particular, the Czech Republic, Argentine, Poland and the Philippines suggested that the AIPPI make a recommendation to its Member countries, but respect the authority of each country to implement their own internal laws.

With regard to the nature of such a privilege, there was universal support for a general rule that a privilege protecting communications between patent and trademark attorneys and their clients should have the following characteristics:

- The privilege should cover all communications between attorney and client arising out of their professional relationship.
- The privilege should cover both technical and legal matters.
- The privilege should cover responses to patent or trademark office actions, to the extent that such information is not publicly available.
- The privilege should extend to patent agents and attorneys alike, irrespective of whether they are permitted or qualified to appear before the court. No distinctions between these parties is necessary.

Some of the Groups went into further detail as to what they would like to see in a general rule or recognition of this type of privilege. The Ukrainian Group advocated for a privilege that would extend not only to the patent attorney and client, but also to the client's agents and experts. The Swiss Group noted that not only should the AIPPI support the existence in each Member country of such a patent attorney privilege, but should coordinate its efforts with some of the other professional organizations that are already engaged in this matter, such as EPI and FICPI.

The United Kingdom Group, supporting the implementation of a general privilege in the Member countries, also acknowledged that the variation of treatment of the privilege turns largely upon the various positions regarding discovery across the jurisdictions. The Group suggested the AIPPI assess the issue of discovery and disclosure across the jurisdiction and similarly pursue the adoption of a minimum requirement.

Only the Latvian Group articulated some doubt as to the necessity of such a general rule. Although the Latvian Group suggested that a recommendation by the AIPPI may be of some practical use, it saw this issue as possessing minor importance.

The Australian Group articulated a sentiment shared by the majority of responding Groups regarding the importance of implementing a general privilege, and is therefore reproduced here.

We consider the matter is beyond purely national concerns. In this era of harmonization, globalization and increasingly international issues of Intellectual Property infringement, it is unnecessarily expensive and complicated to deal with a situation where some communications with advisors in one jurisdiction are the subject of privilege, whereas deliberations with advisors in a second country are subject to disclosure in the client's own country on the basis that as the communications were not in a strict sense privileged in the second country, the privilege in any such communication has been waived.

This is a real and serious issue for clients with Intellectual Property in multiple jurisdictions…It is not apparent to us what alternative arrangements could be made to address the issue.

No response stated that this issue was wholly a national or domestic concern.

In view of the foregoing, the Committee presents the Draft Resolution for consideration to the AIPPI.