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SUMMARY OF DOCUMENT SCP/29/5: CONFIDENTIALITY OF COMMUNICATIONS BETWEEN CLIENTS AND THEIR PATENT ADVISORS: COMPILATION OF LAWS, PRACTICES AND OTHER INFORMATION

Document prepared by the Secretariat

1. The present document contains a summary of document SCP/29/5 "Confidentiality of Communications between Clients and Their Patent Advisors: Compilation of Laws, Practices and Other Information".

2. Pursuant to the decisions of the Standing Committee on the Law of Patents (SCP) at its twenty-eighth session, held in Geneva from July 9 to 12, 2018, document SCP/29/5 is an updated version of document SCP/20/9 (Confidentiality of Communications between Clients and Their Patent Advisors: Compilation of Laws, Practices and Other Information). The update is primarily based on the information collected from the activities of the Committee between its twentieth and twenty-ninth sessions. The compilation of information does not imply any recommendation or guide for Member States to adopt any particular mechanism contained in document SCP/29/5.

3. Background: It is often the case that an applicant mandates a local patent advisor in his country of origin to assist preparation and prosecution of a patent application according to the national rules and practices. In the course of protecting his/her invention at the international level, the applicant further files corresponding patent applications abroad by engaging foreign patent advisors in different overseas countries, and patents may be issued. In some of those overseas countries, when the applicant (or patentee) or a third party becomes a party to patent litigation, courts may order a party to disclose documents containing confidential communication between the party and his/her patent advisor, including that of his/her local patent advisor in his/her country of origin. This may happen, for example, in the course of "discovery"

proceedings during patent litigation in common law countries. While the party might be protected by the rules and practices on the confidentiality of communications with his/her patent advisor in his/her country of origin, such confidentiality relationship might not be recognized and protected in foreign countries where litigations take place.

4. In general, when a client seeks an opinion from a qualified lawyer, communications between the lawyer and his client are accorded the privilege of not being required to be disclosed in a court of law or those communications are protected from public disclosure by a secrecy obligation. The purpose of preserving the confidentiality of such communications is to encourage those who seek advice and those who provide advice to be fully transparent and honest in the process. Those who seek advice should provide the advisor with all the information that could be relevant to obtain the best advice, including the aspects which may run counter to his position. On the other hand, the advisor should be able to be completely frank. Therefore, in order to ensure a high quality of legal advice, the exchange of instructions and advice should not be restricted due to the fear of disclosure of their communications.

5. In general, patent attorneys are not only technical experts filing patent applications, but are also patent law experts providing legal advice related to patent prosecution and litigation. With the understanding that clients should be able to have frank and open communication with their patent attorneys, some countries also protect confidential advice of patent attorneys from forcible disclosure, regardless of whether they are qualified lawyers or not. However, some other countries do not provide for such a mechanism or do not have any specific rules on that issue. Even if the confidentiality of patent attorney's advice is preserved, the scope of communications covered as well as the extent to which an overseas patent attorney's advice is covered are different from one country to another. Consequently, although the confidentiality of communications between patent advisors and their clients may be maintained in their home country, there is a risk of forcible disclosure of such communications in another jurisdiction during the discovery or similar proceedings.

6. International framework: The preservation of confidentiality of communications between patent advisors and their clients is not expressly regulated by any international intellectual property (IP) treaty. However, the provisions of the Paris Convention for the Protection of Industrial Property (Paris Convention), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) have some relevance to the issue at stake. With regard to the Paris Convention, the issue appears to fall under the permissible exceptions to the general rule of the national treatment, although the Paris Convention does not prevent its Contracting Parties from according the same treatment between national and foreign patent advisors. The TRIPS Agreement, similar to the Paris Convention, does not directly refer to the issue, but contains both rules on the production of evidence which lies in the control of the opposing party, and on the protection of confidential information (see Article 43). The issues of preservation of confidentiality in connection with judicial proceedings appear to be outside the scope of GATS.

7. Different approaches at the national level: Annex III, of document SCP/29/5, provides a compilation of national laws and practices regarding the scope of client–attorney privilege and its applicability to patent advisors in 56 countries (including both common law countries and civil law countries) and three regional frameworks. On the national aspects of the preservation of confidentiality of communications with patent advisors, wherever possible, it reviews the national laws with respect to the following elements: (i) the origin of the privilege and/or secrecy obligation; (ii) professionals bound by the privilege and/or secrecy; (iii) the scope of the privilege/secrecy obligation; (iv) exceptions and limitations to the privilege/secrecy obligation; (v) penalties for breach of secrecy; and (vi) qualifications of patent advisors. Further, in connection with civil law countries, the information as to how professional secrecy obligation

interacts with a duty to testify or to produce evidential documents during court proceedings may be provided. On the cross-border aspects, information regarding the recognition of confidentiality of communications with foreign patent advisors is also gathered.

8. Most countries impose confidentiality obligations on patent advisors either under national legislations, under codes of conduct set by professional associations or pursuant to governmental regulations. In general, the duty of confidentiality requires patent advisors not to disclose any information in relation to their advice, obtained in the course of exercising their professional duties. However, there are a few countries where such obligation does not exist. For the issue of how and to what extent confidential communications with patent advisors are preserved from public disclosure, it is important to take into account the particularities of court proceedings in common law and civil law countries.

9. In common law countries, the issues at stake inherently relate to a specific privilege in court proceedings with regard to discovery.

(i) Some common law countries recognize privilege in respect of communications between non-lawyer patent advisors and their clients, similar to the client-attorney privilege.

(ii) However, in some other common law countries, communications between non-lawyer patent advisors and their clients are not privileged.

10. In civil law countries, the issue is addressed by a professional secrecy obligation. The breach of confidentiality may lead to criminal prosecution, and is generally subject to a severe sanction.

(i) In some civil law countries, the right to refuse to testify in court on a matter covered by the professional secrecy obligation and/or to produce documents that contain information covered by the professional secrecy obligation is not applicable to non-lawyer patent advisors.

(ii) However, in some civil law countries, civil and/or criminal procedure law provide that, in principle, communications with non-lawyer patent advisors are also protected from disclosure during court procedures.

11. In addition, there are also differences and uncertainty in national laws with respect to the confidentiality of advice given by overseas patent advisors and how to treat advice from in-house patent advisors. In some countries, communications with any eligible patent advisors acting within the authorized scope of their professional duties, whether domestic or foreign, are protected from disclosure in proceedings before an administrative tribunal/appeal board.

12. Approaches to cross-border aspects: Most countries do not provide specific laws and rules dealing with cross-border aspects of the confidentiality of communications between clients and foreign patent advisors.

(i) Among the countries where the confidentiality of communications with national patent advisors is granted at the national level, there are some where the confidentiality of communications with foreign patent advisors is not recognized due to the fact that, for example, they are not registered under the respective national law or are not admitted to the bar.

(ii) However, in a few countries, statutory law provides that communications with foreign patent advisors, even if they are non-lawyers, are also protected from forcible disclosure. In some other countries, courts may recognize the privileged nature of such communications under the choice of law rule.

(iii) In most civil law countries, there is very little practical experience with cross-border aspects of confidentiality of communications between clients and patent advisors, since there are no or very limited proceedings which might force disclosure of confidential advice. However, the patent advisors in those civil law countries could be subject to a cross-border discovery in some common law countries, even if the protection of confidentiality is provided by their home country. In some civil law countries, statutory law has been amended to provide that patent advisors (including non-lawyer patent advisors) are, in principle, entitled to refuse to testify on any matter falling under the professional secrecy obligation, and/or production of any document containing such matter can be refused, in court proceedings. Such amendment appears to be motivated by an expectation that it would facilitate the recognition of the privilege in the courts of certain common law countries.

13. Issues addressed at the national and international levels: Based on the information gathered in Annex III, of document SCP/29/5, and the discussions held at the SCP, the document contains further elaboration on a number of pertinent issues relating to the preservation of confidentiality of patent advisors' communications. It reviews the argument either in favor of or against preserving the confidentiality of advice by patent advisors: in particular, its effects on the administration of justice, the public and private interests behind the regulation and the issue of development.

14. In relation to the cross-border aspects, the following issues have been addressed: (i) loss of confidentiality in foreign countries due to non-recognition of confidentiality of communications with non-lawyer patent advisors; (ii) legal uncertainty as to the recognition of foreign privileges and secrecy obligations; and (iii) the lack of comprehensive legal and practical measures to avoid forcible disclosure of confidential communications in a cross-border context. While it is not realistic to seek a uniform rule involving fundamental changes in national judicial systems, the legal uncertainty surrounding the treatment of confidential communications between patent advisors and their clients could affect the quality of the patent system at the international level.

15. Possible remedies for cross-border aspects: One type of possible remedies for cross-border aspects might be recognizing, through national laws, the same effect for communications with national patent advisors and for those with certain foreign patent advisors, including patent advisors from both civil law and common law countries. This approach would allow countries to maintain their flexibilities in terms of substantive law on privilege or professional secrecy obligation, but the asymmetry of the cross-border protection of confidential IP advice would remain.

16. Another approach might be to seek a minimum standard or convergence of substantive national rules among countries. On the one hand, if a common set of substantive rules will be applied to both national and foreign patent advisors in all countries, the confidentiality of IP advice would be recognized beyond their national borders. On the other hand, considering the current differences with respect to national laws in this area, which might touch upon not only patent law but also general law such as procedure law, countries may need some flexibilities, should they implement an international standard.

17. Another mechanism might be to recognize the privileged nature of advice in other countries, as part of the choice of law rules, and grant the privilege for the purpose of court procedures in one's own country. In civil law countries, clarifying the secrecy obligation of patent advisors by their national legislations could facilitate the recognition of confidentiality through the application of the choice of law rule to a certain extent.

18. Another approach, proposed by one non-governmental organization, might be to establish an international framework that extends the recognition of privilege to foreign patent advisors who are designated by the respective foreign authorities.

19. In the absence of an international legal framework that effectively recognizes confidentiality of IP advice at the global level, a number of practical remedies, such as cooperation with lawyers and increased use of oral communications, have been sought by practitioners in order to avoid forcible disclosure of confidential IP advice at the national and international levels.

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