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Confidentiality of Communications Between Clients and their Patent Advisors
Sharing Session

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OVERVIEW

1. **The Goal**:

- Creating a harmonized international approach to protecting confidential client – patent advisor communications from forced disclosure.
  - E.g. during litigation
- Both domestically, and in cross-border situations

OVERVIEW

2. **The Problem**:

- Lack of coverage domestically in certain countries.
- Lack of coverage internationally in certain cross-border scenarios.

The Goal

The Purpose of Protected Communications

- The purpose of protecting confidential communications between patent owners and their patent advisors is to encourage **full and frank** communication between the two, and thereby promote the broader public interest in the observance and administration of the law.
- Protecting such communications recognizes that sound IP advice, based on full disclosure by the client, ultimately leads to **more appropriate use of domestic and international patent systems** and the rights that they provide, thus better serving the purpose and goals of those systems and the overall public good.

The Goal

The Purpose of Protected Communications

- This includes lessening the likelihood of a party seeking and/or obtaining overly broad, vague, or inappropriate patent rights.
- Leads to better quality of patents.
  - Fewer invalid or baseless patents
- It also assists in having patent owners make more appropriate enforcement decisions.

The Goal

The Scope of Protection Sought

- The protection sought would be similar to the type of protection that exists between lawyers and their clients.
  - "Privilege"
- It protects disclosure of the advice.
- **It does not protect** against disclosure of facts or documents in the public domain such as prior art.
- **It does not affect** the obligations of patentees to disclose relevant prior art to patent offices.

The Goal
The Scope of Protection Sought

- In this regard, it is worth noting that AIPPI, has canvassed its members, and is not aware of any “abuse” of the protection from forced disclosure afforded in the various jurisdictions identified above wherein a litigant or applicant has attempted to avoid disclosing relevant prior art.
- Also, in many jurisdictions, claims of privilege made during litigation can be challenged via a review by the relevant court.

The Problem

Non-lawyer Patent Advisors

- In many jurisdictions, patent advisors are often **not lawyers.**
- As a result, domestic and/or foreign communications between clients and non-lawyer patent advisors often **not protected** from forcible disclosure (for example, during the litigation process in some countries).
- This can result in the forced disclosure of those confidential communications and the confidential information of the patent owner to competitors.
- This in turn can lead to patent owners:
  - not seeking proper IP advice; or
  - not making full disclosure to their IP advisors.

Status
Common law jurisdictions

United Kingdom

- Communications between clients and U.K./European non-lawyer patent attorneys protected by statute.
- Not necessarily respected in other jurisdictions (e.g. earlier Canada/Australia *Lilly v. Pfizer* decisions).
- Uncertain whether protection in UK would be extended to “foreign” non-lawyer IP advisors.

Status
Common law jurisdictions

Australia

- Communications between clients and Australian non-lawyer patent agents were protected by statute.
- However, in *Eli Lilly & Co v Pfizer Ireland Pharmaceuticals* (2004), 137 FCR 573:
  - Privilege for communications with a “registered patent attorney” **confined to Australian patent attorneys**
    - Communications between Pfizer and U.K. patent attorneys **not privileged, ordered to be produced**

Status
Common law jurisdictions

Australia

- In 2013, Australia:
  - Modified the statutory based privilege that had applied to patent and trademark attorneys to accord privilege to the same extent as a communication between a lawyer and a client.
  - Extended privilege to **foreign practitioners** "*authorized to provide intellectual property advice*".

Status
Common law jurisdictions

New Zealand

- Communications between clients and non-lawyer New Zealand patent agents protected by statute.
- Extended in 2008 to **foreign practitioners** whose functions *"correspond"* to New Zealand agents.

Status
Common law jurisdictions

Canada

- Communications between clients and non-lawyer Canadian patent agents initially not protected.
- Lack of protection extended to foreign non-lawyer IP advisors.
- *Lilly Icos LLC v Pfizer Ireland Pharmaceuticals*, 2006 FC 1465:
  - Communications between Pfizer and U.K. patent attorneys **not privileged, ordered to be produced** in Canadian litigation – despite U.K. privilege provision.
- **Result**: practitioners would have to apply work-around solutions including greater use of lawyers

Status

Common law jurisdictions

Canada

- 2016 amendments to the *Patent Act* and *Trademarks Act* create protection from forced disclosure of communications with agents similar in scope to that with lawyers.

- Extends to communications between IP owners and their **foreign agents**.

- Statutory protection has in part led to plans for a **more robust regulation** of Patent and Trademark agents in Canada through the creation of a fully regulated College of Patent & Trademark Agents.

Status
Common law jurisdictions

United States – domestic protection

- U.S. courts have held that solicitor-client privilege applies to communications with **U.S.-registered non-lawyer IP advisors** [*e.g.*, *Mold Masters Ltd v Husky Injection Molding Systems Ltd*, 2001 US Dist LEXIS 20152 (QL) (ND Ill 2001)]
  - But issue still arises: In Re Silver (2017, S.C. Texas); In Re Queen's University (2016, CAFC)
- Uncertain whether/what foreign jurisdictions will respect this US privilege.
- Uncertain whether US courts will apply this privilege to foreign non-lawyer agents representing applicants before USPTO.

Status
Common law jurisdictions

United States – foreign communications

- U.S. courts have protected "privileged" communications between clients and foreign non-lawyer IP advisors, **if** court finds that a privilege from forced disclosure exists in the foreign jurisdiction, but subject to policy considerations.
  - But cases still arise:

    Knauf Insulation (SD Indiana 2019) – UK patent agent

Status
Common law jurisdictions

United States – USPTO Proceedings

- In 2017, the USPTO introduced a new rule (§ 42.57 of the Code of Federal Regulations) establishing that attorney-client privilege applied in proceedings before the Patent Trial and Appeal Board (PTAB).
- This rule applies to client communications with both U.S. and **foreign patent agents/attorneys**.

Status
Civil law jurisdictions

Japan

- In U.S. decision in *Alpex Computer Corp v Nintendo Co Ltd*, US Dist LEXIS 3129 (QL) (SD NY 1992), communications between client and Japanese patent agents [“ben rishi”] ordered produced.
- Japan changed its domestic legislation in 1998 pursuant to which Japanese patent agents may refuse to testify or produce “secret” documents.

Status
Civil law jurisdictions

Japan

- Since 1998, a number of U.S. courts have held that communications between Japanese patent agents and clients are **protected from forced disclosure** in U.S proceedings in view of change in Japanese legislation

  [*e.g.*, *Eisai Ltd v Dr Reddy's Laboratories*, 77 USPQ 2d 1854 (SD NY 2005)]

Status
Civil law jurisdictions

France

- In response to a U.S. decision [*Bristol-Myers Squibb Co v Rhone-Poulenc*, 52 USPQ 2d 1897 (SD NY 1999)], France changed its domestic legislation in 2004 pursuant to which **French patent agents [“*le conseil en propriété industrielle*”] “*shall observe professional secrecy*”**

Status
Civil law jurisdictions

France

- In a subsequent 2007 decision, a U.S. court held that communications between a French patent agent and a client are **protected from forced disclosure** [*Commissariat à l'énergie atomique v Samsung Electronics Co*, 245 FRD 177 at 182 (D Del 2007)]

Status
Civil law jurisdictions

The Netherlands, Belgium, Denmark, Spain, Switzerland: Also modified domestic law such that communications with patent attorneys privileged or something akin to privilege.

Sweden (2010): Extended privilege to communications with Swedish/European non-lawyer patent advisors.

European Unified Patent Court ("UPC"): Proposed rules state that advice of lawyer/non-lawyer patent attorneys are privileged and not subject to disclosure in any UPC Proceedings (**25 countries** agreed to this provision).

- Query whether it will apply to communications with non UPC countries.

The Solution
WIPO and the SCP

- Given the steps taken by many countries to address the issue domestically, the time is appropriate for developing a harmonized international approach.
- AIPPI encourages SCP to continue its good work on this issue and develop a simple, harmonized solution whereby nations recognize and uphold the protection that exists in another nation from the forced disclosure of confidential client/patent advisor communications.

Thank You

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