



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 SCP 17 meeting in Geneva, 4-9 December, 2011.

Further Submissions of the International Association for the Protection of Intellectual Property (AIPPI) on the need for the SCP process to deal with potential remedies for the problems of protecting clients' intellectual property professional advice from forcible disclosure (CAP)

1. Submissions

- 1.1 In relation to CAP, AIPPI urges the Member States including particularly the developing country Member States, to agree to mandate WIPO to study and report to the SCP on remedies and preferred courses to solve the problems of CAP.
- 1.2 The responses of the Member States and observers to WIPO's inquiries on cross-border protection of confidentiality and remedies are consistent with what was established by the AIPPI 2010 CAP Questionnaire, responses, and related materials supplied to WIPO in October 2010.
- 1.3 In short, they show that most countries have problems with such cross-border protection, no laws to deal with those problems and no remedies. Thus, the responses underline the fact that all Member States would likely benefit from WIPO further studying remedies to the identified CAP problems.

2. Commentary

- 2.1 If there is no consensus for WIPO to be involved in the implementation of any solution to the problems of CAP, then the Member States will need to solve the problems outside WIPO. While that may ultimately be the result, the study of CAP is still a long way short of implementation of any solution as remedies have not been studied. Even if WIPO is not involved in implementation of a solution, all of its Member States would still benefit from the continued study by WIPO of potential remedies.
- 2.2 The work on CAP started with the findings of the WIPO Conference on Privilege held at WIPO in Geneva in May 2008. In short, those findings were that serious problems had to be resolved. Pragmatically, nobody would start out on studying problems unless they were also aiming to see if the problems could be resolved. In turning to WIPO for assistance,

AIPPI has been interested in engaging WIPO, the Member States and other IP NGOs in how the problems can be resolved.

- 2.3 Developing country Member States in the SCP have indicated concern in respect of WIPO being involved in 'norm setting' on CAP. Whilst that is unfortunate, the study of remedies for the problems of CAP, including studying what the solutions may be and the positive and negative factors relating to those solutions, can still be done without involving WIPO in 'norm setting'.
- 2.4 Moreover, for those Member States who oppose any 'norm setting' outcome involving WIPO, there are nevertheless additional benefits in continuing to participate in the study of potential remedies as follows.
- (a) There are strong indications within and outside the SCP that Group B countries will agree to recognise the need for and support cross-border protection of confidentiality in IP professional advice.
 - (b) If the Group B countries reach such an agreement without input from the developing countries, the developing countries will lose an opportunity to contribute to the protection regime which will become established as the norm.
 - (c) In most countries, including developing ones, there is national protection from disclosure of confidential IP professional advice, and it would be of benefit to owners and users of IP rights in those countries if that national protection is supported when such advice goes overseas or is imported.
 - (d) It is true for most countries, including developing countries, that there are more business opportunities (including from IPR ownership) coming from outside their borders than from within them. A substantial factor in their development is the transfer of technology to them and investment in businesses in their countries.
 - (e) If certain countries adopt a solution to the problems of CAP, those countries which are not included in that solution may stand out to the owners and users of IP rights as negative to their interests, given that those owners depend upon IPR, need to obtain IP professional advice and need to be able to rely upon it being maintained in confidence.
 - (f) All Member States would benefit from a constructive and helpful outcome on the study of remedies using the expertise of WIPO, even without WIPO being involved in a 'norm setting' process as between countries.
 - (g) Finally, having completed analysis and evaluation of remedies, it will be a matter for each Member State to decide what it will do, or not do, subject to the circumstances which apply to it.

3. Achievements of the SCP on CAP

- 3.1 The SCP has made significant achievements to date in respect of its study of CAP and the identification of its problems both at the national and international levels. Of course, fundamental to the SCP's achievements are the three WIPO Reports (SCP/13/4, SCP/14/2

and SCP/16/4) and WIPO's guidance on the issues of CAP. The SCP's achievements are again acknowledged by AIPPI, as follows.

3.2 AIPPI refers to and repeats the sub-paragraphs in 2.1 of its Submissions dated 4 May 2011 for SCP16.

- (i) Nearly every country provides some level of protection in maintaining the confidentiality in communications between clients and their patent advisers from forcible disclosure. However, problems arise from a lack of harmonization in respect of cross-border recognition of this protection.
- (ii) The problems of the lack of cross-border recognition of national protection of the confidentiality of client/patent adviser communications can only be solved by international agreements.
- (iii) The two main forms of protection of the relevant communications between clients and their patent advisers are privilege (common law) and professional secrecy (civil law).
- (iv) The origin of common law privilege was in English jurisprudence from the 16th Century (1577). It has been applied in England and over time in common law countries generally since then. An origin of professional secrecy was in French jurisprudence from about the end of the first decade of the 19th Century (1810) and has been applied in France and over time in most civil law countries at least since then.
- (v) Both privilege and professional secrecy exist to enable full and frank communications between clients and their legal advisers. The objectives of such communications have been described by commentators differently, ie. for common law – enabling correct legal advice for obtaining public interests in the enforcement of the law and efficiency in the administration of justice, and for civil law – providing what is necessary for legal advisers to accomplish their professional tasks. It is obvious that these descriptions apply to both privilege and professional secrecy.
- (vi) An exception to the application of both privilege and professional secrecy is crime/fraud. In other words, the protection will not be applied to prohibit forced disclosure of communications where the subjects of the action and the communications sought to be disclosed, are related to crime or fraud.
- (vii) The protection from forcible disclosure is not in conflict with the disclosure requirements of the patent law.
- (viii) In relation to overcoming the cross-border problems of CAP, there are mechanisms which Member States could adopt which would supplement their national protection whilst allowing flexibility as to differences particularly in relation to exceptions and limitations.

3.3 Thus, the stage has been well set by the study in the SCP of the problems of CAP and the differences between countries, to know that, for example, common law and civil law are trying to achieve similar public purposes in relation to the protection. There is therefore a sound basis for remedies to be workable. A copy of the AIPPI Submissions to WIPO in which those referred to in paragraph 3.2 were made, is attached to these Submissions (**ATTACHMENT 1**). The way is clear of any effective legal issue for the SCP to mandate WIPO to study and report on remedies. AIPPI has dealt with all of the potential legal

issues raised by the Member States – see the AIPPI Submissions to WIPO of 28 February 2011 attached hereto (**ATTACHMENT 2**).

- 3.4 The work of the SCP has identified some subjects for study on remedies. This provides the starting point for further work on remedies.

4. Remedies – subjects for study

- 4.1 In the following, we adopt the language which is now used in the SCP rather than which was used in the past. That is, the subject is not just 'privilege' from disclosure: it is cross-border protection of the confidentiality of clients' IP professional advice. That protection embraces both privilege and professional secrecy. The primary resources recording potential subjects for study under this heading, are as follows.

WIPO Report SCP/13/4

- 4.2 In paragraph 61 of SCP/13/4, two main issues involved in the international dimension of protection of clients in relation to their IP professional advice were acknowledged. They were first, the application of privilege to the clients of IP advisors at the national level and secondly, the recognition of such client privilege in foreign countries.

- 4.3 In paragraphs 62 to 65, WIPO outlined various options as to how these issues could be addressed at the international level. In paragraph 62, WIPO referred to the **first** mechanism of extending the privilege under the national law to other countries subject to reciprocity. WIPO commented on aspects of this option as follows.

No international action is required for such a unilateral action. While countries may have some incentives to introduce privilege in their national law, such a unilateral process may take a long [time] to be generally applicable among countries, and the diversity of different national practices will remain. Privileged communications with IP advisors in one country may not be privileged in another country, and communications with IP advisors from countries without privilege will continue to be subject to potential disclosure.

- 4.4 In paragraph 63, WIPO referred to the **second** mechanism. This would be to recognise that privilege existing in other countries, and grant the same privilege for the purpose of the court proceeding in the procedures in one's own country. WIPO commented on this option as follows.

Thus, at least the client will not lose confidentiality of the privileged communication with his IP advisor in another country. However, the national differences with respect to the entitlement to privilege will remain.

- 4.5 In paragraph 64, WIPO referred to a **third** mechanism of applying the privilege under the national law to foreign IP advisors. On this mechanism, WIPO commented as follows.

The scope of privilege recognised in different countries may continue to be different in various jurisdictions, but in one particular jurisdiction, the scope of privilege would apply to communications with national IP advisors and with foreign IP advisors. In other words, this approach is similar to the national treatment provisions found in various IP treaties.

- 4.6 In paragraph 65, WIPO referred to a **fourth** mechanism. This could consist in exploring a minimum standard of privilege applicable to communications with IP advisors, which could be adopted by Member States. On this mechanism, WIPO commented as follows.

This option has the advantage that a certain convergence among national practices could be achieved. However, in view of the existing differences among national laws, further investigation as to the feasibility of such a minimum standard would be required.

- 4.7 In paragraph 66, WIPO made the following comments guiding the Member States as to matters for study (being the four mechanisms referred to above), as follows.

The above four mechanisms are not mutually exclusive when considering the issues relating to client attorney privilege. For example, one may set a minimum standard on the type of communications to be privileged and may agree that each country recognises the privilege of communications with IP advisers in other countries, without regulating, at the national level, the substantive requirements and qualifications for 'IP advisers' in each country. Or, as another example, a minimum standard could be defined as to the professional privilege for IP advisers in each country, and countries could then recognise the effect of privilege in other countries.

WIPO Report SCP/14/2

- 4.8 In SCP/14/2, WIPO provided further information which it suggested be read onto SCP/13/4. The Report included a 'Country Study' involving some common law countries (Australia, Malaysia, New Zealand, South Africa, United Kingdom and USA) and some civil law countries (Brazil, Germany, Japan, Russian Federation, Switzerland and Thailand).

- 4.9 On the subjects of 'Key Findings' and 'Further Work', the Report acknowledged the common public interest considerations underlying the concepts of protection from disclosure by privilege (common law) and professional secrecy (civil law). In paragraph 256, WIPO commented as follows.

It appears that similar public interest considerations underline the concept of 'client-attorney privilege' in common law countries and the concept of 'professional secrecy obligation' in civil law countries. Lawyers can provide, and clients can obtain, proper advice only where a guarantee of the professionals discretion is given. In both systems, confidentiality of such advice is indispensable for the administration of justice. Bearing in mind the different procedural laws and evidence rules, each system has developed different concepts which aim at a similar practical result, that is, non-disclosure of confidential information between lawyers and clients.

- 4.10 The Report further suggested looking more closely into the treatment of confidential information in relation to patent advisers without attempting to seek uniform 'norms'. At paragraph 263, WIPO said.

With this in mind, a possible next step would be to look more closely into the treatment of confidential information in various countries. With respect to patent advisors, without, of course, attempting to seek a uniform national evidence law, civil / criminal procedure law or requirements regarding the qualification of national IP advisors. Further discussions could look into questions as to how confidentiality of communications between patent advisors and their clients (in the form of professional secrecy obligation or privilege) in one country is recognised in different jurisdictions in which possible options allow a better recognition of the confidentiality of the communications between patent agents and their clients beyond national borders.

- 4.11 In the same Report at paragraph 264, WIPO raised and commented on the issue of differences between developed and developing countries, as follows.

The question may be raised as to whether and how recognition of confidentiality in foreign countries may affect the needs of developing countries. From the above Country Study, the privilege and/or professional secrecy obligation seems to be deeply rooted in the legal system and tradition of each country, regardless of the level of its technological or economic development. It appears that treating foreign patent advisors in the same manner as national patent advisors in terms of the confidentiality rule that binds patent advisors would not undermine the importance of national patent advisors in both developed and developing countries. In general, local patent advisors are specialists in the national patent law of the relevant country, with deeper knowledge about the respect national law and practice.

WIPO Report SCP/16/4

- 4.12 This Report was titled 'Confidentiality of Communications Between Clients and their Patent Advisors'. The Report focussed on recognition and protection cross-border of confidentiality in IP professional advice. This reflects the changing focus of the studies of the SCP from the subject of protection by Privilege to Confidentiality.
- 4.13 In Section 5 of this Report, WIPO guided the Member States on potential future work of the SCP in relation to client/patent advisor protection, by raising in some detail the need to study topics under the following headings.
- (A) Nature and scope of communications between patent advisors and their clients
 - (B) Extent of the preservation of the confidentiality of communications with patent advisors and their clients
 - (C) Types and qualifications of patent advisors
 - (D) Cross-border recognition

Conclusion in relation to the need to study Remedies

- 4.14 Thus, the established position in the SCP is that the topic of Remedies is one that needs to be studied. AIPPI considers that the study of remedies was a reasonable expectation for all involved in supporting the process of studying CAP in WIPO. This is especially so given that the study of the problems indicates that there are feasible remedies to be studied.

5. A further reason for DAG country involvement in the analysis of remedies

- 5.1 AIPPI points out that IP owners from all countries, including developing countries, when entering foreign markets, need well-founded legal advice locally and overseas in order to avoid collisions with the IPRs of other persons. For this, they need to inform their legal advisors in their home countries as well as the target countries, of their plans and intentions in relation to the creation and use of IPRs.
- 5.2 The information which those companies must share with their advisors is commercially sensitive and deserves protection from forcible disclosure in order for them to be able to fully and frankly instruct their IP advisors so that they can obtain the correct legal advice. Unless such companies are confident that their communications in obtaining advice locally and overseas are secure from forcible disclosure, they will be compromised in obtaining correct advice on IP issues.

5.3 AIPPI observes that the DAG countries include Brazil, India, Malaysia, the Philippines and Indonesia in each of which AIPPI has a National Group of its own. AIPPI is concerned that such countries should not exclude themselves from the process of studying remedies in the SCP.

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