



**Association Internationale pour la Protection de la Propriete
Intellectuelle (AIPPI)
41st World Intellectual Property Congress
Boston, USA
September 6-11, 2008**

**Workshop VI
Privilege Treaty**

**PRIVILEGED COMMUNICATIONS BETWEEN IP
ADVISORS AND CLIENTS: THE CANADIAN
PERSPECTIVE AND THE AIPPI TREATY PROPOSAL**

**Steven B. Garland
Andrea Kroetch
Smart & Biggar/Fetherstonhaugh
Ottawa, Canada
sbgarland@smart-biggars.ca**

Privileged Communications between IP Advisors and Clients

A. The Canadian Perspective

1. The Legal Doctrine of Privilege in Canada

In Canada, privilege is primarily a common law (non-statutory) principle, which, in some contexts, has also been held as both a substantive rule of law and a fundamental civil and legal right.¹ It is the legal doctrine pursuant to which certain communications or documents are prohibited from forced public disclosure during the course of litigation.

There are two generally recognized categories of privileged communications in Canada, namely communications that are protected by a “class privilege” (where there is a presumption that privilege attaches) and communications that are not protected by a class privilege but that may still be considered privileged depending on the particular circumstances (determined on a “case-by-case” basis).² For the purposes of this paper, two particular forms of privilege are discussed, namely solicitor-client privilege and litigation privilege.

(a) *Solicitor-client privilege*

In Canada, solicitor-client privilege is a “class privilege”, in that it is a blanket privilege that applies *prima facie*. That is to say, there is a *prima facie* presumption that confidential communications between a qualified legal advisor in Canada (sometimes referred to as a solicitor, barrister, or lawyer) and a client in respect of the provision of legal advice (including legal advice in respect of intellectual property rights) are protected.

Solicitor-client privilege has long been held as a fundamental element of the Canadian

¹ *R. v. McClure*, [2001] 1 SCR 445 (Supreme Court of Canada) at 24.

² *Ibid* at 27.

justice system. In *R. v. McClure*³, the Supreme Court of Canada discussed its role in the functioning of the Canadian legal system in terms of the following:

This privilege, by itself, commands a unique status within the legal system. The important relationship between a client and his or her lawyer stretches beyond the parties and is integral to the workings of the legal system itself. The solicitor-client relationship is a part of that system, not ancillary to it... The *prima facie* protection for solicitor-client communications is based on the fact that the relationship and the communications between solicitor and client are essential to the effective operation of the legal system. Such communications are inextricably linked with the very system which desires the disclosure of the communication...⁴

Solicitor-client privilege is near-absolute and yields to few exceptions. The rationale for holding it as such was recently discussed by the Supreme Court of Canada in *Privacy Commissioner of Canada v. Blood Tribe Department of Health, et al.*⁵:

[E]xperience shows that people who have a legal problem will often not make a clean breast of the facts to a lawyer without an assurance of confidentiality “as close to absolute as possible”...It is in the public interest that this free flow of legal advice be encouraged. Without this [assurance of confidentiality], access to justice and the quality of justice in this country would be severely compromised.⁶

Without the privilege, the concern is that clients will not feel free or unencumbered to disclose all material facts to their lawyers, thereby affecting the completeness and accuracy of legal advice, and thus negatively affecting the integrity of the administration of justice. Overall, the modern view is that the overriding public policy benefits of fostering a strong relationship of trust as between a lawyer and a client outweigh any possible downside of suppressing potentially

³ *Ibid.*

⁴ *Ibid.* at 31.

⁵ *Privacy Commissioner of Canada v. Blood Tribe Department of Health, et al.*, [2008] SCC 44 (S.C.C.).

⁶ *Ibid.* at 9.

relevant evidence at trial (especially given that there are often other means for obtaining such evidence).

(b) *Litigation privilege*

Litigation privilege can be asserted over communications made in respect of pending or contemplated litigation, and is not limited to communications between a lawyer and a client, but can extend to communications between the client or the lawyer and third parties. It is derived from solicitor-client privilege⁷ because the law treats the communication as if it were made directly between solicitor and client. The rationale for the privilege, however, differs:

... It had nothing to do with the client's freedom to consult privately and openly with their solicitors; rather, it was founded upon our adversary system of litigation by which counsel control fact-presentation before the court and decide for themselves which evidence and by what manner of proof they will adduce facts to establish their claim or defense, without any obligation to make prior disclosure of the material acquired in preparation of the case...⁸

In Canada, litigation privilege may be asserted over communications whose "dominant purpose" is for litigation⁹:

A document which was produced or brought into existence either with the dominant purpose of its author, or of the person or authority under whose direction, whether particular or general, it was produced or brought into existence, of using it or its contents in order to obtain legal advice or to conduct or aid in the conduct of litigation, at the time of its production in reasonable prospect, should be privileged and excluded from inspection.¹⁰

⁷ Manes, R. and M. Silver, *Solicitor-Client Privilege in Canadian Law*, (Toronto: Butterworths Canada, 1993) at 89.

⁸ Sopinka, J., Lederman, S.N. and A.W. Bryant, *The Law of Evidence in Canada*, 2nd ed. (Toronto: Butterworths, 1999) at 653.

⁹ See, for example, *General Accident Assurance Co. v. Chrusz* (1999), 45 O.R. (3d) 321 (Ontario Court of Appeal) at 333 and *Waugh v. British Railways Board*, [1979] 2 All E.R. 1169 (House of Lords) at 1181.

¹⁰ *Waugh, ibid*, at 1183.

Thus, litigation privilege can be asserted over communications between the client (or the client's agent) and third parties for the purpose of obtaining information to be given to the client's solicitors to obtain legal advice; between the solicitor and third parties to assist with the giving of legal advice; or documents created at their inception by the client for litigation¹¹. However, unlike solicitor-client privilege, litigation privilege lasts only for the duration of the litigation¹².

It is important to note that in respect of both solicitor-client and litigation privilege, it is the client's privilege, not the lawyer's, and the right to waive the privilege and permit disclosure belongs to the client.

2. The Scope of Privilege for Patent Agents/Trade-mark Agents in Canada

(a) Patent/Trade-mark Agents in Canada

In Canada, Patent and Trade-mark Agents are trained through an apprentice-like procedure in patent or trade-mark law (a minimum of 12 months for Patent Agents, and a minimum of twenty-four months for Trade-mark Agents). They are also required to pass a rigorous set of examinations that are overseen by the Canadian Intellectual Property Office (CIPO) and the Intellectual Property Institute of Canada (IPIC). While many qualified agents are also lawyers, they are not required to be, and there are many non-lawyer Patent and Trade-mark Agents in Canada.

Patent and Trade-mark Agents will, amongst other things, provide advice on intellectual property matters related to the drafting, prosecution, and enforcement of patents and trade-marks in Canada. Patent Agents may also appear on behalf of their clients before the Patent Appeal Board, which hears appeals from decisions of Patent Examiners. Trade-mark Agents may appear before the Trade-marks Opposition Board and also before Trade-marks Hearing Officers in

¹¹ Manes, *supra* note 7 at 90.

respect of certain expungement matters.

(b) Communications between Canadian IP owners and Patent and Trade-mark Agents

While privilege can attach to Patent or Trade-mark Agent communications in appropriate circumstances, most particularly by way of the litigation privilege¹³, the Federal Court of Canada has consistently held that communications between clients and agents are not, *per se*, protected by privilege¹⁴. One of the leading Canadian decisions on point is that of the Federal Court of Appeal in *Lumonics Research Ltd. v. Gould et al.*¹⁵, where the Court stated:

It is clear that, in this country, the professional legal privilege does not extend to patent agents. The sole reason for that, however, is that patent agents as such are not members of the legal profession. That is why communications between them and their clients are not privileged even if those communications are made for the purpose of or giving legal advice or assistance.¹⁶

While the Court's comments were directed to Patent Agents, the decision applies equally to Trade-mark Agents.¹⁷

A number of Canadian decisions have also held that privilege will not necessarily extend to communications between a client and a lawyer who is also a Patent or Trade-mark Agent where that person is acting in his or her capacity as an agent and not as a lawyer. The court will look at what "hat" the lawyer is wearing at the time the advice is provided. If in fact the lawyer is found by the Court to be acting in his or her capacity as a Patent Agent, or Trade-mark Agent,

¹² *Blank v. Canada (Department of Justice)* (2006), 51 C.P.R. (4th) 1 (Supreme Court of Canada) at 13.

¹³ See, for example, *ABC Extrusion Co. v. Signtech Inc.* (1990), 33 C.P.R. (3d) 474 (Federal Court, Trial Division).

¹⁴ For further examples see also *Sperry Corporation v. John Deere Ltd. et al.* (1984), 82 C.P.R. (2d) 1 (Federal Court, Trial Division); *Scientific Games, Inc. v. Pollard Banknote Ltd.* (1997), 76 C.P.R. (3d) 22 (Federal Court, Trial Division); and *Whirlpool Corp. v. Camco Inc.* (1997), 72 C.P.R. (3d) 444 (Federal Court, Trial Division).

¹⁵ *Lumonics Research Ltd. v. Gould et al.* (1983), 70 C.P.R. (2d) 11 (Federal Court of Appeal).

¹⁶ *Ibid* at 12.

¹⁷ In respect of cases pertaining to Trade-mark Agents, see, for example, *Rentokil Group Ltd. v. Barrigar & Oyen* (1983), 75 C.P.R. (2d) 10 (Federal Court, Trial Division) and *Visa International Service Assn. v. Visa Travel International Ltd.* (1983), 74 C.P.R. (2d) 243 (Federal Court, Trial Division).

and not as a lawyer, then the communications may not be considered privileged. Recently, in *Laboratoires Servier v. Apotex Inc.*, Madam Justice Snider of the Federal Court noted that: “[i]n particular, the courts have held, depending on the facts before them, that privilege might not arise where the lawyer who is also a patent agent acted in his or her capacity as a patent agent.”¹⁸

It is difficult to imagine a situation where a patent agent, who is also a lawyer, could provide advice as an agent that does not contain some component of legal advice such that solicitor-client privilege should attach. Nevertheless, this dichotomy in approach with respect to lawyers who are also agents does exist in Canada and has resulted in courts in the past concluding that certain communications between a lawyer and a client were required to be produced.

On a related point, the Canadian Federal Court of Appeal has also ruled that communications from an in-house counsel who is also a patent agent will be privileged only where the in-house counsel is acting in his capacity as a lawyer in *IBM Canada Ltd. v. Xerox of Canada Ltd. et al.*¹⁹:

... there may be occasions when the legal privileges inherent in solicitor-client relationships may not be claimed. As Lord Denning, M.R., said at pp. 376-7 of the Crompton case:

...It does sometimes happen that such a legal adviser does work for his employer in another capacity, perhaps of an executive nature. Their communications in that capacity would not be the subject of legal professional privilege...²⁰

The law on whether communications between clients and non-lawyer agents working in law firms are subject to privilege is also uncertain. In *Whirlpool Corp. v. Camco Inc.*²¹, Teitelbaum J. of the Federal Court noted:

¹⁸ *Laboratoires Servier v. Apotex Inc.* (2008), 2008 FC 321 (Federal Court) at para. 28.

¹⁹ *IBM Canada Ltd. v. Xerox of Canada Ltd. et al.* (1977), 32 C.P.R. (2d) 205 (Federal Court of Appeal).

²⁰ *Ibid* at 208.

²¹ *Whirlpool Corp. v. Camco Inc.* (1997), 72 C.P.R. (3d) 444 (Federal Court, Trial Division).

The fact that a patent agent was part of a firm that also carries on business as barristers and solicitors and as patent agents under the same name is not material. Just as Mr. Justice Mahoney determined at page 65 in *Calgon, supra*, the correspondence at issue in the case at bar is directed to and from one of the patent agents rather than one of the lawyers in the firm.²²

However, the approach of the courts on this point has varied. In *Groupe Tremca Inc. v. Techno-Bloc Inc.*²³, discussions between the client and a non-lawyer agent working in a law firm were “fully subject to privilege”²⁴, although “it is also hard to assess the discussions... since these discussions continued over three meetings that lasted several hours in total”²⁵. The Court apparently viewed the relationship with the patent agent as a relationship by extension with the firm of solicitors for whom the patent agent worked, thereby attracting privilege.

(c) *Communications Between IP Owners and Foreign Patent and Trade-mark Agents*

Confidential communications between an IP owner and a foreign IP advisor who is a lawyer will generally be considered privileged by a court in Canada provided that the communications were made in respect of the provision of legal advice, and on matters for which the lawyer was qualified to provide that advice.

However, the full extent of the Canadian law is uncertain in respect of communications between IP owners and foreign, non-lawyer IP advisors. In one recent case, *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals*²⁶, the Federal Court held that communications between the inventors and their U.K. Patent Attorneys (non-lawyer patent agents) were not privileged and

²² *Ibid* at 448.

²³ *Group Tremca Inc. v. Techno-Bloc Inc.* (1998), [1998] F.C.J. No. 1458 (Federal Court, Trial Division), affirmed by (1999), [1999] F.C.J. No. 1813 (Federal Court of Appeal) and leave to appeal refused by (2000), 2000 CarswellNat 1723 (Supreme Court of Canada).

²⁴ *Ibid* at para. 47.

²⁵ *Ibid* at para. 25.

²⁶ *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals* (2006), 55 C.P.R. (4th) 457 (Federal Court), reversed on other grounds (2006), 2006 FC 1501 (Federal Court) and (2006), 2006 FC 1500 (Federal Court).

were required to be produced in Canadian litigation, even though a statutory privilege existed in the U.K in respect of such communications. Thus confidential communications between an IP owner and a foreign, non-lawyer agent may not be considered privileged in Canada.

3. Pitfalls and Obstacles for IP Owners Operating in Multiple Jurisdictions

Different jurisdictions have different approaches to whether communications between a client and a domestic IP advisor are privileged. The same can be said in respect of how one jurisdiction treats a communication between a client and a foreign IP advisor, even if the communication is initially considered privileged in the home country of the IP owner.

Moreover, it is common that IP owners seek corresponding protection in multiple jurisdictions and as such one must look at intellectual property rights and their acquisition and protection as being global in scope. It is also common to have related litigation being conducted in multiple jurisdictions. As such, what happens in one jurisdiction (whether in the course of preparing an IP application, or prosecuting an IP application, or litigating an issued IP right) has the potential to have relevance in not only that jurisdiction, but potentially many others. This is especially so in the context of patent rights.

It is therefore imperative that an IP advisor be aware of the different national approaches to be best prepared for any downstream issues that may arise. For example, it has become common practice in patent infringement cases in Canada (and elsewhere) that a defendant seeks to obtain the domestic or foreign patent agent's file (the communications between the agent and the IP owner or inventor, opinions, notes, memos, etc.) in the hope of obtaining evidence to support certain invalidity attacks. The information found in the agent's file could be used to support any number of attacks, including lack of good faith (or duty of candor/fraud), anticipation (or lack of novelty), obviousness (or lack of inventive step), lack of utility, covetous claiming, lack of support in the disclosure, etc. Forced disclosure of client communications or an agent's file could seriously undermine the IP owner's interests in its patent rights, and certainly might discourage a full and frank disclosure by the IP owner to its patent agent.

Another example is the potential negative impact on the remedies that an IP owner may

seek to recover if successful in an infringement action. In Canada and elsewhere many of the remedies are subject to the discretion of the court as opposed to being available to a successful plaintiff as of right. These discretionary, or equitable remedies, include, amongst others, an accounting of the defendant's profits and an injunction²⁷. There are any number of reasons why a court may decide not to exercise its discretion in favour of the plaintiff in granting a remedy of this kind. One consideration is, for example, whether a plaintiff is coming into court with "clean hands". That is to say, a court may decide not to grant certain equitable relief, including an interim or permanent injunction, if the court is of the view that the plaintiff in some way has not acted in good faith. It is certainly feasible that a defendant might be able to rely upon confidential client communications between an IP advisor and an IP owner to support an allegation of bad faith on the part of the IP owner.

Additionally, under certain circumstances, a successful party in Canada may be entitled to something approaching complete or full indemnification of court costs, known as "solicitor and client" costs. An award of solicitor and client costs can be substantial in IP matters that go through to trial, and may total in the millions of dollars. Again, it is certainly possible that information obtained from an IP advisor's file could be used in support of an adverse order against the IP owner, or a defendant, on the issue of costs. Such was the result in the Canadian case of *Stamicarbon B.V. v. Urea Casale S.A.*²⁸, where the defendant patentee in an impeachment action was forced to disclose communications between the company and its non-lawyer Canadian patent agent. The plaintiff succeeded in obtaining summary judgment at the trial level and the patent agent's files were relied upon in obtaining a partial award of solicitor and client costs against the patentee. Although the defendant successfully appealed the order on the merits, *Stamicarbon* is an example of how IP remedies can be affected by a lack of privilege.

While typically in considering the issue of privilege one has a tendency to focus on the rights of IP owners, the potential downsides to a lack of privilege in respect of those against

²⁷ In respect of the discretionary nature of permanent injunctions, see *Merck & Co. v. Apotex Inc.* (2006), 53 C.P.R. (4th) 1 (Federal Court) at 65, additional reasons at (2006), 53 C.P.R. (4th) 69, reversed on other grounds at (2006), 55 C.P.R. (4th) 81 (Federal Court of Appeal). In this same regard, see also *eBay Inc. v. MercExchange, L.L.C.*, 54 U.S. 388 (U.S. Supreme Court, 2006) at 390 and 394.

²⁸ *Stamicarbon B.V. v. Urea Casale S.A.* (2002), 17 C.P.R. (4th) 377 (Federal Court of Appeal), leave to appeal refused by (2002), 2002 CarswellNat 2821 (Supreme Court of Canada).

whom IP rights may be asserted should also be considered. Indeed, it is to be recalled that often defendants in infringement matters are IP owners themselves. In the United States and in other jurisdictions, there are potentially serious consequences should a party be found to have, for example, willfully infringed a patent, including possible elevated damages (e.g. treble damages), or punitive damages. It is certainly possible that confidential communications between a defendant and its IP advisor could be used against that party's interests if those communications are forced to be disclosed. Such adverse communications might include a negative legal opinion, or if there are in the communications any admissions against interest in respect of validity or infringement.

The above comments highlight only a few examples of the possible adverse results that may flow from a forced disclosure of the client-IP advisor's confidential communications.

B. AIPPI's International Treaty Proposal on Privilege

Some of the uncertainties in respect of the scope of privilege discussed above are not unique to Canada. Many countries treat confidential communications between a lawyer and a client as being the subject of privilege. However, it is also the case that in many countries qualified IP advisors are not limited to lawyers, and may include non-lawyer IP advisors such as patent agents and trade-mark agents. In some jurisdictions the confidential communications between non-lawyer IP advisors and their clients will be considered privileged, while in others they will not be considered as such. Moreover, certain recent experiences in a number of jurisdictions have demonstrated a troubling lack of harmony as between the privilege that may attach to a communication in one country, and a court or tribunal's ability or willingness to uphold that privilege in another country, with the result that client-IP advisor communications that were considered privileged in one country at the time they were made have been forced to be publically disclosed in another.²⁹

Accordingly, the AIPPI has in the past conducted extensive studies dealing with the question of the extension of lawyer-client privilege to other IP advisors and, in particular, to non-lawyer patent and trademark professionals. In 2002 the AIPPI established a Special Committee to investigate the applicability of the lawyer-client privilege to communications between non-lawyer patent or trademark agents and their clients (Q163). The studies and surveys of the Committee led to a Resolution adopted at the ExCo meeting in Lucerne in 2003, pursuant to which the AIPPI resolved that the privilege should apply, with the same force and effect, to confidential communications between patent and trademark agents and their clients. It is of interest to note that the International Federation of Intellectual Property Attorneys (FICPI) passed a similar resolution in 2000.

²⁹ See, for example, *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals*, *supra*, and, *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals* (2004), 137 F.C.R. 573 (Federal Court of Australia). See also *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer Inc.*, 52 U.S.P.Q. 2d 1897, 188 F.R.D. 189 (U.S. District Court, Southern New York, 1999) where the U.S. District Court would not hold as privileged communications between a French, non-lawyer IP advisor and a client.

The development of a set of WIPO Recommendations on IP Advisor Privilege, which might set out for the benefit of Member States recommended provisions for minimum standards of privilege for patent and trade-mark agents, is perhaps one way to achieve global standards on privilege. Such guidelines might be similar to past Joint Recommendations issued by WIPO, such as the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.

However, it is the author's view that an international treaty amongst Member States, administered through WIPO, might be a better vehicle to achieve a common, global approach to ensuring that confidential communications between non-lawyer IP advisors and their clients enjoy the same or similar privilege as that which attaches to lawyer-client communications. Additionally, in view of the lack of uniformity amongst the various national laws and legal systems, it is envisioned that such a treaty might also seek to harmonize those national laws with the goal that the privilege that might attach to such communications in one member country, would be acknowledged and upheld in other member countries.

On July 26, 2005, AIPPI submitted to WIPO a paper suggesting a treaty which would provide for minimum standards for the recognition, observance, and protection of communications to and from IP advisers as confidential in relation to their advice. This paper was not intended to be a full treaty proposal. Such a proposal can only meaningfully be worked out by the Member States.

Following the 2005 submission to WIPO, the AIPPI set-up a Privilege Task Force Committee (Q199) to work on developing the framework for a possible treaty of this kind. Attached as Schedule A is the resulting Treaty Framework Document that has been prepared by the Q199 Committee. As with the 2005 submission, the Framework document is not intended to be a full treaty proposal, but rather is intended to identify the main goals and principles of a possible treaty and also the main issues which would need to be worked through by the Member States.

What follows is a brief overview of just a few of the more significant issues as identified by the Q199 committee.

(a) *The Form of the Treaty*

One basic issue that Member States will need to consider is the form of the Treaty. The Q199 Committee presently envisions a treaty that would require member states to adopt minimum standards of privilege in respect of confidential client-IP advisor communications. The Q199 Framework document presently defines those minimum standards as follows:

(i) Each Member State shall adopt laws giving effect to the due observance in that Member State of the following minimum standards for the protection of the confidentiality in IP Advice.

(ii) The level of protection for the confidentiality in IP Advice in a Member State should be no less than that accorded to the lawyer/solicitor-client privilege that may apply to such advice in that Member State

(iii) Without limiting the generality of paragraph (i), any IP Advice shall be treated as confidential and shall not be required to be disclosed by the IP Owner or IP Advisor to third parties unless it has been disclosed with the authority of the IP Owner, and they shall not be required to give evidence on the communication in legal or administrative proceedings involving the infringement, validity, use, or ownership of any intellectual property right that was the subject of any such IP Advice, whether or not such proceedings were contemplated at the time that the IP Advice was provided.

(iv) The protection from disclosure afforded to IP Advice as provided above is to apply to that advice given in a Member State regardless of the Member State in which the IP Advisor or IP Owner are domiciled at the time the IP advice is given, and irrespective of the Intellectual Property Rights that are the subject of that IP Advice.

(b) *The Scope of Protection*

A second fundamental question to be considered is the type of information that should be covered by privilege under any treaty. To define as privileged all communications given ‘in relation to IP matters’ is potentially too wide. It is wider, for example, than some of the common law requirements that require that the privilege only applies to communications made for the purpose of giving legal advice. The Q199 Committee has proposed the following definition of “privilege”:

For the purposes of this treaty, the term “privilege” is to have the same meaning, scope and effect as that term may be understood, used and applied in Member States in respect of communications between solicitors, lawyers, attorneys, or other legal advisors and clients pursuant to which such communications are considered confidential and are prohibited from disclosure to third parties except by or with the consent of the client.

A related question to be considered is the particular types of communications that should be protected. The Q199 Committee has proposed the following:

Intellectual Property Advice (IP Advice) of the kind to which this Treaty is to apply is any oral, written, or electronic communication between an IP Owner and an IP Advisor, or any person acting on behalf of the IP Owner or IP Advisor, that has not been made available to the public and which is in respect of any matters pertaining to intellectual property rights arising within the scope of services normally provided by the IP Advisor in that Member State, and includes any record or document made for the purposes of, or relating to, such communication.

(c) *The Definition of IP Advisor*

Another key issue that will need to be addressed is the criteria that will be used to identify those individuals who may legitimately be considered IP advisors for the purposes of the treaty. The Q199 Committee proposes that the following definition of “IP Advisor” be adopted for the purposes of the Committee:

A lawyer, patent attorney or patent agent, or trade mark attorney or patent agent, or other person legally qualified in the country where the IP Advice is provided to give that advice.

(d) *Reciprocity and Performance*

As noted above, one of the minimum standards that the Q199 Committee has proposed is that Member States provide protection from disclosure in relation to IP advice. This protection is to apply to advice given in a Member State, regardless of the Member State in which the IP Advisor or IP Owner are domiciled at the time the IP advice is given, and regardless of the Intellectual Property Rights that are the subject of that IP Advice.

One question that flows from this is what should happen if a Member State, having become a signatory of the treaty, does not in fact recognize the privilege that may attach to client- IP Advisor communications made in another Member State? Does the Treaty fail as between those member states at that point, or does the member state, which fails to give due recognition and force to the Treaty, suffer some penalty (as in TRIPS)? This of course is a question that Member States will need to consider and has not been specifically taken up by the Q199 Committee at this time.

C. Conclusions

If one accepts the public policy considerations in support of providing privilege to a communication between a lawyer IP advisor and an IP owner (namely, to encourage full and frank communication between clients and their IP advisors so as to promote the broader public interest in the observance of, and respect for, the law and the administration of justice), it is difficult to understand why those same public policy considerations would not apply when the same type of communication takes place between an IP owner and a non-lawyer IP advisor, or a foreign advisor. Indeed, the existence of such an artificial distinction can not only lead to unjust results as discussed herein, but also may raise more basic access to justice issues as a result of the potential limitation that such a distinction would place on IP owners when selecting their IP advisors, as well as adding further complexity and cost to global patent protection and litigation.

Recalling the valuable nature of IP legal rights and the fact that they are designed to, amongst other things, encourage investment in, and the public disclosure of, research and technology, the uncertainties that flow from this inconsistent approach can be significantly harmful. In addition to the potential loss of rights discussed above, it can also lead to an IP owner choosing not to engage in a full and frank discussion with its IP advisor of its potential IP rights (which would be contrary to the public interest given that these are potentially powerful commercial rights that are being granted). In the alternative, an IP owner may simply choose not to seek IP advice at all, or choose to forgo seeking IP protection (and the public thereby losing the advantage of having new technologies disclosed). Perhaps in a worst case scenario, a potential IP owner may choose not to invest in new technologies in the first place, with an overall negative result on research, development, and the economy.

In view of the above-noted difficulties and concerns, there are compelling reasons for countries to consider an international treaty, administered through WIPO, as an appropriate means to achieve a common, global approach to ensuring that confidential communications between all IP advisors and their clients are treated in a consistent, harmonious, and efficient manner.

SCHEDULE “A”

AIPPI Q199 (PTF) Drafting Subcommittee

Treaty on Client Privilege in Intellectual Property Professional Advice (CIPPA)

Treaty Framework Document

	Comments	Proposed language and/or statement of principles
Treaty Title		“Agreement on Client Privilege in Intellectual Property Professional Advice”
Treaty Preamble	These statements will need to be further refined during the drafting process to accord with standard treaty drafting style.	<p>“Recognising:</p> <ol style="list-style-type: none"> 1. Intellectual property rights (IPRs) exist globally and are supported by treaties and national laws. 2. Global trade requires and is supported by IPRs. 3. IPRs need to be enforceable in each country involved in trade in goods and services supported by those IPRs, first by law and secondly by courts or other judicial authorities. 4. IPR Owners need to be able to obtain advice in confidence on IPRs from IP Advisors nationally, and trans-nationally. Therefore the confidentiality of communications between IP Owners and their IP Advisors, and related documents, needs to be preserved, unless and until such communications or documents are voluntarily made publically available by the IP Owner. 5. The underlying rationale for the protection of the confidentiality of such communications and documents is to promote full and frank disclosure between IP Owners and their IP Advisors, and also third parties whom the IP Owner or IP Advisor may consult in relation to the IPR and related IP Advice.

		<p>6. Failure to support and protect the confidentiality in the said communications and related documents within or as between particular countries, and the failure in particular countries to extend privilege to IP Advice given by IP Advisors in other countries to IP Owners can cause or allow IP Advice by IP Advisors to be disclosed publically and against the wishes of the IP Owner, such that the privilege in that advice is lost everywhere.</p> <p>7. The adverse consequences of such loss of privilege can include, amongst other things, an IP Owner obtaining incomplete or incorrect legal advice and losing its rights, deciding not to enforce its IPRs, choosing not to seek IPRs in certain jurisdictions, or choosing not to seek IP Advice at all, with an overall negative result on research, development, and/or trade in goods or services such that the loss of privilege acts as a barrier to trade.</p> <p>8. Laws need to be adopted nationally applying minimum standards for the protection of privilege in communications between IP Owners and their IP Advisors, and related documents, in relation to advice on IPRs, and such laws should also give effect to privilege for communications relating to IPRs between IP Owners and their national and international IP Advisers.”</p>
Council		A Council should be established to oversee the implementation and administration of the treaty, comprised of representatives of WIPO Member States and/or officers of WIPO (for example, see Article 68 of TRIPS)
Compliance Obligations		Full compliance with no reservations is envisioned.
Definitions	<i>Intellectual Property Rights (IPRs)</i>	“For the purposes of the Treaty, the term “intellectual property rights” refers to all categories of intellectual property as defined and described in Article 1.2 of Part I (and by reference Sections 1 through 7 of Part II) of the <i>Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)</i> ”
	<i>Intellectual Property Advice</i>	“Intellectual Property Advice (IP Advice) of the

	(IP Advice)	kind to which this Treaty is to apply is any oral, written, or electronic communication between an IP Owner and an IP Advisor, or any person acting on behalf of the IP Owner or IP Advisor, that has not been made available to the public and which is in respect of any matters pertaining to intellectual property rights arising within the scope of services normally provided by the IP Advisor in that Member State, and includes any record or document made for the purposes of, or relating to, such communication.”
	<i>Intellectual Property Advisor</i> (IP Advisor)	A lawyer, patent attorney or patent agent, or trade mark attorney or patent agent, or other person legally qualified in the country where the IP Advice is provided to give that advice.
	<i>Privilege</i>	For the purposes of this treaty, the term “privilege” is to have the same meaning, scope and effect as that term may be understood, used and applied in Member States in respect of communications between solicitors, lawyers, attorneys, or other legal advisors and clients pursuant to which such communications are considered confidential and are prohibited from disclosure to third parties except by or with the consent of the client.
Minimum Standards of Protection for IP Advice		<p>“Each Member State shall adopt laws giving effect to the due observance in that Member State of the following minimum standards for the protection of the confidentiality in IP Advice.</p> <p>(i) The level of protection for the confidentiality in IP Advice in a Member State should be no less than that accorded to the lawyer/solicitor-client privilege that may apply to such advice in that Member State</p> <p>(ii) Without limiting the generality of paragraph (i), any IP Advice shall be treated as confidential and shall not be required to be disclosed by the IP Owner or IP Advisor to third parties unless it has been disclosed with the authority of the IP Owner, and they shall not be required to give evidence on the communication in legal or administrative proceedings involving</p>

		<p>the infringement, validity, use, or ownership of any intellectual property right that was the subject of any such IP Advice, whether or not such proceedings were contemplated at the time that the IP Advice was provided.</p> <p>(iii) The protection from disclosure afforded to IP Advice as provided above is to apply to that advice given in a Member State irrespective of the Member State in which the IP Advisor or IP Owner are domiciled at the time the IP advice is given, and irrespective of the Intellectual Property Rights that are the subject of that IP Advice.”</p>
General Obligations/Provisions	Mechanism for challenging protection from disclosure of IP Advice	It is envisioned that the Treaty will include a provision under which the Member State will be required to provide for a domestic judicial procedure whereby a party may challenge the protection from disclosure afforded by the Treaty.
	Duration of Protection from disclosure of IP Advice	It is not anticipated that the Treaty would include a provision dealing with this issue. This would be left to Member States’ domestic laws and practice.
	Exceptions to/Waiver of the protection from disclosure attaching to the IP Advice	It is not anticipated that the Treaty would include a provision dealing with this issue. This would be left to Member States’ domestic laws and practice.
	Duration of operation of the Treaty	The Treaty will expressly indicate that it will remain in force without limitation to time.
	Denunciation	It is not envisioned at this time that the Treaty would permit a Member State to denounce its obligations under the Treaty.
	Participation	All WIPO Member States will be entitled to be signatories to the Treaty.
	Depositary	It is presently envisioned that WIPO would be designated to act as the depositary.
	Transitional provisions	This subject will need to be worked through by the Member States. It seems likely that some allowances will need to be made to transition established local conditions.
Model Clauses		It is presently envisioned that the Treaty will include non-mandatory “best practices” types of model clauses.