

Questionnaire Q199

Remedies to protect the right of clients against forcible disclosure of their IP professional advice

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National Group: Chinese Group of AIPPI

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1. Q.199 - Questionnaire

The Groups are asked to reply to the following questions in the context of what applies or what they may consider ought to apply in their own country or by agreement between their country and others, as may be appropriate to the particular question. The responses of each Group need to be endorsed by that Group. It will be helpful and appreciated if the Groups follow the order of the questions in their reports and use the questions and numbers for their responses.

Answers in General:

We have considered and studied the questions listed in the "Questionnaire Q199" in view of the differences in the law concepts and practises between common law countries and civil law countries, and makes the following answers and comments:

1. In China there is not any law or regulation that particularly and specifically provides for protection of the client against forcible disclosure of communications between client and IP professionals.
2. The Constitution of the People's Republic of China does, however, provide for protection for correspondence among the citizens of China. Under Article 40 of the Constitution, "Freedom and privacy of correspondence of citizens of the People's Republic of China are protected by law. No organization or individual may, on any ground, infringe upon citizens freedom and privacy of correspondence, except in cases where, to meet the needs of state security or of criminal investigation, public security or procuratorial organs are permitted to censor correspondence in accordance with procedures prescribed by law."

As may be generally understood and in light of dictionaries, the term "communication" is a generic (upper level) term while "correspondence" is a specific (lower level) term. In such a

sense that communications between client and IP professionals may be comprehended to comprise of "correspondence", and the client and IP professionals fall within the term of "citizen", as termed in the Constitution, the communication between client and IP professionals is then regarded as protected by the Chinese law.

However, as may have been noted, such protection of communications between client and IP professionals is subject to some exceptions, i.e. "in cases where, to meet the needs of state security or of criminal investigation, public security or procuratorial organs are permitted to censor correspondence in accordance with procedures prescribed by law." Consequently, if the act "to censor correspondence" may be understood as "forcible disclosure" of communication as termed in the Q199, then there will not be protection of client against such a "forcible disclosure" in this connection.

3. Under the Chinese laws and practises, IP professionals are categorized into the following groups of people: lawyers, lawyers with patent agent licenses, patent agents, trademark agents, and those law professionals who provide services concerning recordation of copyright and computer software etc.. Such IP professionals of China shall, under the Chinese laws and regulations, work under a lawyer's firm or an agent office, exclusive of enterprises or companies. Ordinarily technical experts may not be deemed as IP professional in China.

For these categories of IP professionals, China enacted and issued some laws and regulations, requiring the IP professionals to keep secret the information that they obtained during their service for their clients, e.g. Article 38 of the Law of Lawyers, Article 19 of the Patent Law, Art. 23 of the Regulations on Patent Commissioning, Art. 10 of the "Rules of Career Ethics and Professional Discipline for Patent Agent, Articles 7 & 8 of the Disciplinary Rules for Patent Agency (tentative) and Article 11 of Regulations on Trademark Commissions. In the case when these professionals are required or "forced" to disclose the information that may be contained in the "communication" with their clients, they are literally bound by the above provisions in the laws and regulations. Though such an obligation of keeping secret on the part of IP professionals may not understandably be regarded as the protection of the client against forcible disclosure of communications with his IP professionals, but rather the content of information that may or may not be contained in the communications forced to be disclosed, in a sense, the protection of client against the forcible disclosure of communications may be achieved to some extent.

Nevertheless, while China has the above laws and regulations in place to bind the IP professionals, there is another law in China that grants authority to the courts of law in China to collect evidence and delegates to the parties in a lawsuit the obligation to provide evidence (Article 65 of the Civil Procedural Law). In the case where the evidence includes the "communications" and the client's submission of the communications to the court forms up the "forcible disclosure", there won't be any protection of client against forcible disclosure of the communications.

4. The above laws and rules and practises apply to the Chinese individuals and enterprises, and to the cases, circumstances and people including foreigners where the Chinese laws and rules shall apply in accordance with relevant international agreements, treaties or conventions.

Present position

Local position

- 1.2 What protection of clients against forcible disclosure of communications relating to IP professional advice applies in your country as to such communications between clients and IP professionals within your country?
- 1.3 What protection of clients against forcible disclosure of communications relating to IP professional advice applies in your country as to such communications between clients and

third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?

- 1.4 What protection of clients against forcible disclosure of communications relating to IP professional advice applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?

Overseas communications

- 1.5 What protection of clients applies in your country against forcible disclosure of communications applies to clients relating to IP professional advice where those communications are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between clients and overseas IP professionals?

Scope of protection – qualifications of IP professional advisers

- 1.6 As to each of the following sub-paragraphs (i) to (iv) inclusive, to what category or categories (eg lawyer, lawyer/patent attorney, non lawyer patent attorney, lawyer/trade marks attorney, non lawyer trade marks attorney etc) of IP professional adviser does the client protection described in your answer to previous questions denoted below, apply or not apply, including whether your answers apply only to external advisers, or also to in-house advisers?

- (i) as to 1.1. ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?
- (ii) as to 1.2 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?
- (iii) as to 1.3 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?
- (iv) as to 1.4 ie the protection (if any) of clients which applies in your country against forcible disclosure of communications relating to IP professional advice as to those communications which are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between the clients and overseas IP professionals?

Limitations and exceptions

- 1.7 What limitations (eg dominant purpose test, judges' discretion to do justice etc) and/or exceptions (eg crime/fraud etc) and/or waivers apply to the protection described in your answers to previous questions denoted below?

- (i) as to 1.1 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?
- (ii) as to 1.2 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?
- (iii) as to 1.3 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?
- (iv) as to 1.4 ie the protection (if any) of clients which applies in your country against forcible disclosure of communications relating to IP professional advice where those communications are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between the clients and overseas IP professionals?

Quality of protection

Local communications

1.8 Does your Group consider that the protection described in answer to questions denoted below is of appropriate quality, or not, and if not, why not – including what are the problems in practice?

- (i) as to 1.1 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?
- (ii) as to 1.2 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?
- (iii) as to 1.3 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?
- (iv) as to 1.4 ie the protection applies in your country against forcible disclosure of communications applies to clients relating to IP professional advice where those communications are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between clients and overseas IP professionals?

Communications with overseas IP advisers

1.9 Does your Group consider that the protection described in answer to question 1.4 above is of appropriate quality or not, and if not, why not – what are the problems in practice?

2. Remedies

The 'device' to be agreed and applied within and between countries

The Working Guidelines indicate that such a 'device' could be on a scale between unilateral changes and treaties. However, unilateral changes will not solve the problem that no country is immune from the potential that IP legal advice which is protected from disclosure within its own borders, will be required to be disclosed in another country or countries (see para 2.4 (viii)). The Groups are requested to focus on the standard or principle required to remedy problems nationally and internationally (see para 4.6).

Limitations

Tests such as the 'dominant purpose' test.

- 2.1 Does your Group agree that provision should be made in the agreed principle or standard that countries may limit the documents to which protection applies in their country to such standard or by such test as defines what relationship is required between the documents and the IP legal advice for which protection from disclosure is claimed?
- 2.2 As to your answer to 2.1 (bearing in mind that it would not be mandatory for any country to have such a limitation), why?

Judicial discretion to deny protection

- 2.3 Does your Group agree (as para 2.7 of the Working Guidelines suggests) that provision should be made in the agreed principle or standard, that countries may allow judicial discretion to deny protection from disclosure where that is found on reasonable grounds to be required in order to enable the court to do justice between the parties?
- 2.4 As to your answer to 2.3 (bearing in mind that it would not be mandatory for any country to have such a limitation), why?
- 2.5 If your Group considers that the limitation in relation to judicial discretion would be acceptable if expressed differently from 2.3, how would you express it?

Qualifications required of IP advisers

- 2.6 Does your Group agree (as para 4.14 of the Working Guidelines suggests) that the standard required by the principle agreed should be no more than requiring the IP adviser 'to be qualified to give the IP advice in relation to which the question arises, in the country in which the advice is given'?
- 2.7 If your answer to 2.6 is no, if your Group considers that the limitation would be acceptable if differently expressed, how would you express it?
- 2.8 If for some category of IP adviser in your country, no qualification is required –
- (i) What category is that?

- (ii) Do you think that protection from forcible disclosure of IP professional advice should apply to communications relating to the advice between clients and persons in that category?
- (iii) As to your answer to sub-para (ii), why?

Scope of protection against forcible disclosure – the differences between lawyer-client privilege and litigation privilege

- 2.9 Does your Group agree in principle (para 4.25 of the Working Guidelines raises this question) that the standard or principle agreed should allow countries to limit the protection they provide according to categories of privilege which are currently part of their law?
- 2.10 If no to 2.9 (bearing in mind that such a limitation would not import any effect on a country that does not already have such a limitation unless it voluntarily adopted such a limitation), why?
- 2.11 As to any country which applies a limitation referred to in para 2.9, do you agree that the agreed standard or principle should not deny such a country the right to vary or abolish such a limitation should it wish to do so in the future – in other words, there should be liberty to vary or abolish a presently applied limitation?
- 2.12 If yes to 2.11, what limitation (if any) should apply to the liberty to vary or abolish a previously applied limitation and how would you express it?

Exceptions and waivers

- 2.13 Does your Group agree in principle (para 4.30 of the Working Guidelines suggests this) that the standard or principle agreed should in any particular country be subject to any exception (such as the crime-fraud exception) and waivers which are already part of the law of that country.
- 2.14 Assuming that the maintenance of exceptions and waivers already part of the law of any country is accepted in AIPPI, does your Group agree that the allowance of existing exceptions and waivers should not deny any country the right to vary or to abolish any such an exception or waiver should it wish to do so in the future, in other words, that there should be liberty to vary or abolish a presently applied exception or waiver?
- 2.15 If yes to 2.14, what limitation (if any) should apply to the liberty to vary or abolish a previously applied exception or waiver and how would you express it?

The AIPPI proposal compared with the alternative described in Section 5 above

- 2.16 Leaving aside the potential need to provide for limitations and exceptions in relation to the AIPPI proposal, and assuming there are no other proposals, from the Groups as an alternative to the AIPPI proposal, which of these two proposals (the AIPPI and the alternative in Section 5 above), does your Group prefer and if so why?

Proposals from your Group

- 2.17 Assuming that your Group would prefer a proposal different from those proposed by AIPPI or in Section 5, please describe the preferred proposal of your Group.

2.18 The Groups are invited to submit any further comments they might have with regard to the principles of remedies in the context of this Questionnaire, which have not been dealt with or mentioned specifically in the Questionnaire.

Note:

It will be helpful and appreciated if Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.