

Questionnaire Q199

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

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National Group: Malaysia Group

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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.

Present position

Note: Please see attached paper – Malaysian Position on IP Adviser – Client Privilege which summarises the current legal position and answers to the questions below.

Local position

- 1.1 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? When was this protection introduced into your law?

There is client privilege between clients and IP professionals who are lawyers. This protection arose as part of the inception of the legal profession in Malaysia. Please see attached paper on actual wording of privilege.

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

No privilege is granted in this situation.

- 1.3 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?

Privilege is granted for this situation as part of the client- lawyer privilege.

Overseas communications

- 1.4 What protection of clients 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 clients and overseas IP professionals ?

There will be privilege in (a) and (b) provided the IP professionals (local and overseas) are lawyers.

Scope of protection – qualifications of IP professional advisers

- 1.5 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?

The privilege would apply to external and in-house legal advisors but not non-lawyer IP Professionals.

- (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?

No privilege in this situation

- (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?

The privilege would apply to external and in-house legal advisors but not non-lawyer IP Professionals.

- (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?

The privilege would apply in (a) and (b) to external and in-house legal advisors but not non-lawyer IP Professionals.

Limitations and exceptions

- 1.6 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?

The communication must not be for an illegal purpose.

- (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?

No privilege in this situation.

- (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?

Same as (i) above

- (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?

Same as (i) above

Quality of protection

Local communications

1.7 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?

Answer to all the above: the quality is sufficient but should also be granted to IP Professionals who are not lawyers but who have been registered with the appropriate IP Office of the relevant country (whether local or overseas).

Communications with overseas IP advisers

1.8 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?

Answer: the quality is sufficient but should also be granted to IP Professionals who are not lawyers but who have been registered with the appropriate IP Office of the relevant country (whether local or overseas).

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?

To achieve consistency and uniformity within the jurisdiction of Malaysia – the extent and quality of privilege should be the same as that granted to lawyers generally.

- 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?

Same answer as in 2.1 above

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?

For lawyers' privilege, there is no judicial discretion and this principle should be retained for IP Professionals for consistency within the jurisdiction

- 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?

Answer as in 2.3 above.

- 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?

Not applicable.

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'?

Do not agree.

- 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?

Privilege should only be granted to IP Professionals who are registered with the IP Office as such- please see attached paper for more clarification.

- 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?

Answered in 2.7 above.

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?

Yes

- 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?

Not applicable

- 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?

No

- 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?

Not applicable

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.

Yes

- 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?

No

- 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, in particular should e.g. the limitation for the “3-point-exception” as discussed in para 4.28 above also set limits in this case?

Not applicable

- 2.16 Since the introduction of protection against forcible disclosure of IP professional advice in your country, have you experienced any adverse effects including as reported in case law or known empirically, from that introduction - if so, what are the details?

None

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

- 2.17 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?

We would prefer the alternative in Section 5 as it leaves the individual jurisdictions' standard and extent of privilege intact (with some additions) while extending it to IP Professionals including who are non-lawyers. To push for a uniform international standard may require more extensive local legislative changes impacting the lawyers' general privilege as you can't have 2 standards - one for lawyers generally and one for IP Professionals. This will be a much harder exercise and perhaps practically unattainable.

Proposals from your Group

- 2.18 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

none.

- 2.19 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.

none

- 2.20 With the introduction of protection against forcible disclosure of IP professional advice or any other remedy as discussed above into your national law, do you expect any adverse effects on your national law, the patent system as such or any other? If so, what are the details?

none

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.

ATTACHMENT
Malaysian Position on IP Adviser – Client Privilege

1. Status of IP Advisers in Malaysia

- Following IP advisers are recognized by legislation:

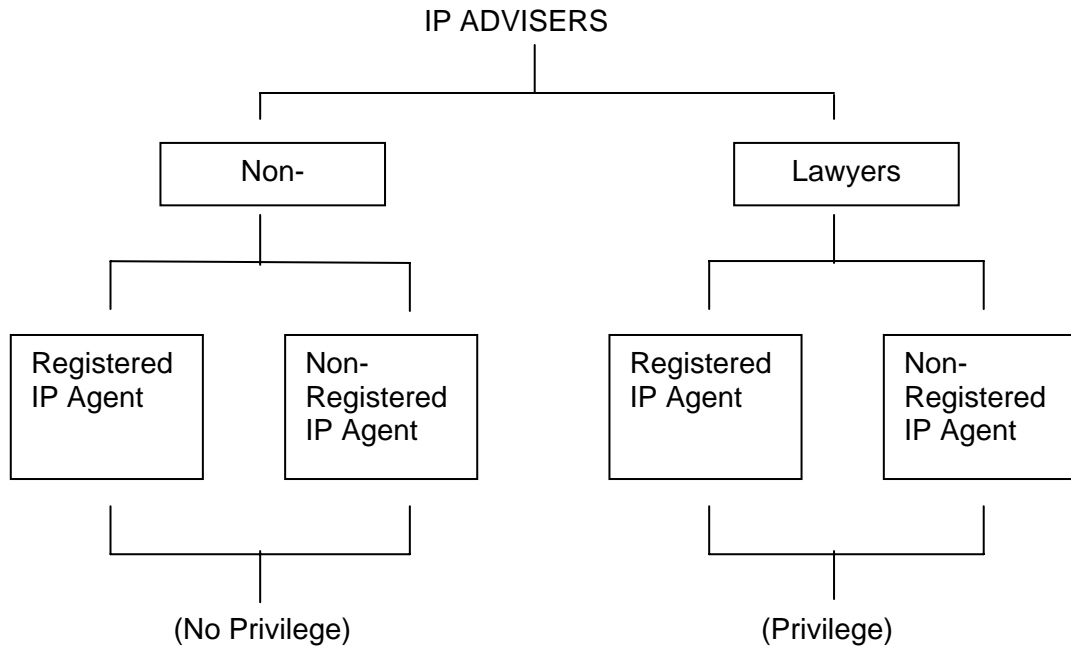
	<u>Legislation</u>
- Registered Patent Agent	Patents Act 1983
- Registered Trade Mark Agent	Trade Marks Act 1976
- Registered Industrial Design Agent	Industrial Designs Act 1996
- Registered Geographical Indications (GI) Agent	Geographical Indications Act 2000

- The above legislation provide that such registered IP Agents have the “exclusive” right to file for the Intellectual Property Rights (IPR) in the respective fields of IP on behalf of clients
- The exclusivity granted to such IP agents pertains to prosecution of IPR to obtain registrations – other areas of IP practice such as rendering of advice and administrative enforcement are not the exclusive domain of registered IP Agents.
- Also, such registered IP Agents do not *ipso facto* have *locus standi* to litigate IP cases in the civil courts. Only practising lawyers have such standing in Malaysia.
- One can become a registered IP Agent by meeting the minimum qualifications and where necessary undergoing the relevant examinations set by the Malaysian IP office. Many lawyers who practice IP law are also registered IP Agents.
- There is also a category of IP Advisers who are not practising lawyers and also not registered IP Agents. This is because the practice of some IP matters such as rendering advice on IP issues or the administrative (ie non-court) enforcement of IP rights are not by law prescribed to be the exclusive domain of practicing lawyers or registered IP Agents.

2. Privilege Position of IP Advisers

- In Malaysia, the law on privilege is generally a subject matter of legislation supplemented with common law principles where applicable. Generally the law of privilege in Malaysia only covers communication between a lawyer and his client.
- The above legislation which establish the registration of IP Agents do not provide privilege for registered IP Agents.
- The Malaysian law on privilege currently does not protect communication between registered IP Agents (who are not lawyers) with their clients.
- Similarly IP Advisers who are not registered IP Agents and who are not lawyers also do not enjoy privilege.

- However, lawyers are under relevant legislation and common law entitled to lawyer client privilege in respect of communication between the lawyer and his client. This privilege would also apply to all IP legal matters acted upon by the lawyer for his client, whether or not the lawyer is also a registered IP Agent.
- Summary of Privilege Position



3. Scope of Privilege

- As stated earlier, only IP Advisers who are practicing lawyers enjoy privilege due to the law governing lawyer-client privilege.
- The privilege is principally established by Section 126 of Evidence Act, 1950 which states as follows:

“(1) No [advocate] shall at any time be permitted, unless with his client’s express consent, to disclose any communication made to him in the course and for the purpose of his employment as such [advocate] by or on behalf of his client, or to state the contents or condition of any document with which he has become acquainted in the course and for the purpose of his professional employment, or to disclose any advice given by him to his client in the course and for the purpose of such employment:

Provided that nothing in this section shall protect from disclosure –

- (a) any such communication made in furtherance of any illegal purpose;*
- (b) any fact observed by any [advocate] in the course of his employment as such showing that any crime or fraud has been committed since the commencement of his employment.*

(2) It is immaterial whether the attention of the [advocate] was or was not directed to the fact by or on behalf of his client.”

- The term “advocate” is defined under the Interpretation Act to mean a lawyer qualified to practice law in any part of Malaysia ie a practicing Malaysian lawyer.
- The scope of privilege is wide and covers all communication in the course and for the purpose of his services as lawyer and continues even after cessation of his employment as lawyer of the client. The communication protected by privilege would also include communication between the lawyer and third parties (such as independent expert witnesses) during the course of his engagement as a lawyer.
- In addition to the above the client is also protected by privilege under the Evidence Act as provided in Section 129 which states as follows:

“No one shall be compelled to disclose to the court any confidential communication which has taken place between him and his legal professional adviser unless he offers himself as a witness, in which case he may be compelled to disclose any such communications as may appear to the court necessary to be known in order to explain any evidence which he has given, but no others.”

It should be noted that the privilege under Section 129 uses the wider term “legal professional adviser” and not “advocate” as provided in Section 126. This term it appears is wide enough to include in house lawyers and foreign lawyers but is unlikely to include registered IP Agents or other IP Advisers (who are not lawyers) whether local or foreign.

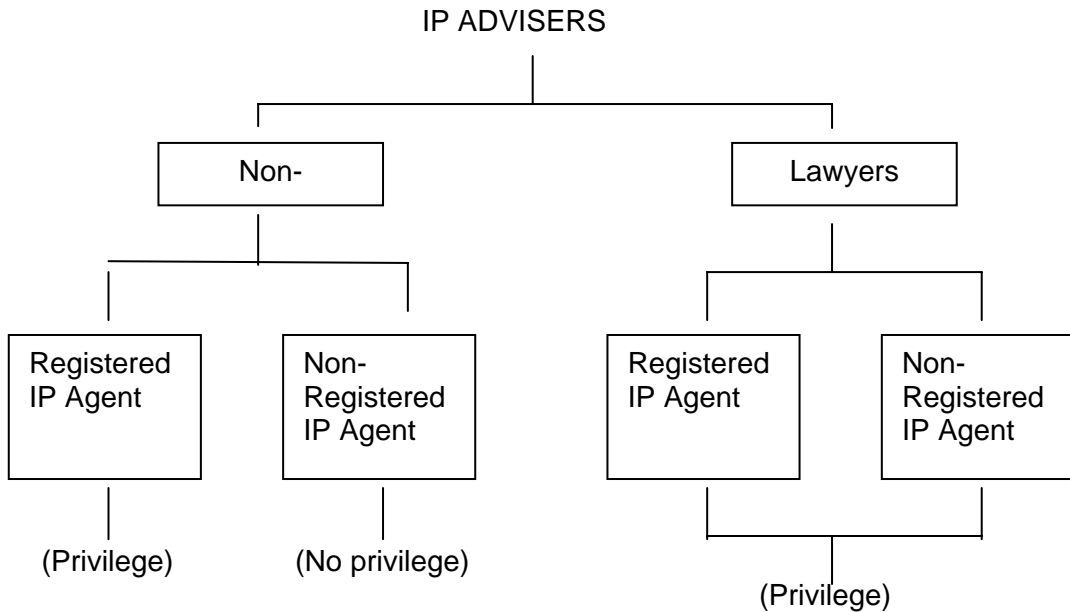
4. “Indirect” Privilege

- In view of the above to ensure privilege of advice given by local/foreign IP Advisers who are not Malaysian lawyers it will be necessary for the Malaysian client to instruct his Malaysian lawyer to procure the relevant advice. Since such advice would be part of communication between the client and his lawyer, it will be protected by lawyer-client privilege.
- Also it should be noted that advice previously obtained by a client from a non-lawyer foreign IP Adviser would ordinarily not be protected by privilege as it was obtained without the involvement of the client’s legal professional adviser or lawyer.

5. Assessing the Current Extent and Scope of Privilege

- Issue: Should privilege be extended to communication between client and:
 - (a) local IP advisers who are non-lawyers
 - (b) foreign IP advisers whether lawyers or non-lawyers?
- From a client’s perspective it is obvious that the extension of privilege to communication with
 - (i) Malaysian non-lawyer IP Advisers
 - (ii) Foreign IP Advisers
 would be advantageous to the client. Such extension of privilege would enable the client to obtain advice from parties which the client thinks is best able to provide such advice and such advice can be solicited free of concerns of discovery and confidentiality.

- On the issue of which type of IP Adviser should enjoy the client privilege it is arguable that such privilege should only extend to IP advisers who are “legally qualified” and recognized as such to provide such advice. Accordingly, a case could be made to say that such privilege if it is to be extended beyond lawyers to non-lawyers should only cover IP advisers who are registered IP agents since such persons are recognized as legally qualified under the respective IP legislation. The flow chart could therefore look like this:



- In respect of foreign IP Advisers the issue may be more complex
 - foreign lawyers advising on any legal subject matter in general already have the privilege accorded to communication between them and the Malaysian client as explained above.
 - one then has to argue from a policy perspective why foreign IP advisers (who are not lawyers) should also be granted privilege.
- The policy arguments here could be as follows:
 - multi-jurisdictional nature of IP
 - need for foreign expertise
 - cost factor

- Multi-Jurisdictional Nature of IP

Very often the client may wish to file for IPR in more than one jurisdiction and this will naturally entail the use of foreign IP advisers with direct communication between the client and the foreign IP adviser. The logic is that such communication should be protected by privilege.

- Need for Foreign Expertise

Particularly in the field of patents where the subject matter may require a high degree of technical skill and knowledge, it is to be expected that foreign expertise such as from specialized patent attorneys may be sought. Again the direct communication between client and foreign IP Adviser should be protected by privilege. Furthermore there is also a need to protect in the home country (Malaysia) the advice given by a Malaysian IP Adviser which is being considered by the same client's overseas IP Adviser.

- Cost Factor

From a cost perspective the local client would be put to greater expense if it has to pay 2 sets of fees (local lawyer and foreign IP Adviser) in order to ensure privilege for the IP advice from foreign IP Adviser.

In view of the above it is also submitted that communication between foreign IP Advisers and a local client should also be protected by privilege. However, the issue of the legal qualification of the foreign IP Adviser should also be taken into consideration. Accordingly privilege should only apply in respect of clients in their relationship with foreign IP Advisers where such privilege is recognized in their respective jurisdictions.

6. Scope of Privilege

It is submitted that the scope of lawyer-client privilege appear to be adequate and therefore it would suffice for amending legislation to merely state that the privilege to be extended to qualified IP Advisers should be of the same scope applicable to lawyers. This will also help streamline privilege laws and ensure the same standard for both lawyers and qualified IP Advisers.

7. Support for Proposed Treaty

Insofar as the proposed treaty would encompass (or is not inconsistent) with the above points, based on the arguments and issues raised it will be beneficial for Malaysia to enter into the proposed treaty which would allow for minimum standards for the recognition and application of privilege and the protection of clients' privilege in Malaysian legal advice when that advice is considered by the clients' IP Advisers overseas.