

15 January 2010

(extended 2 February 2010)

**Question Q199
Privilege Task Force**

Working Guidelines

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

by Michael Dowling, Steven Garland, Wouter Pors and Jochen Buehling

1. The context of these Guidelines

- 1.1 The National and Regional Groups (*the Groups*) are requested to consider the following Guidelines on the topic of 'privilege' and similar protection. The main issue is what remedy or remedies should apply to the problem of the lack and loss of protection against forcible disclosure of IP professional advice.
- 1.2 These Guidelines describe issues relating to remedies which the Groups need to consider along with their own thoughts as to what remedies it may be appropriate to adopt. The description refers mainly to patents IP advisers but the outcome is intended to be used as to client rights with advisers on IP generally. To obtain the views of the Groups so that a Resolution can be proposed for adoption at the AIPPI Congress in Paris in October 2010, there is a Questionnaire in this paper. The Groups' answers and views are requested in accordance with the Questionnaire, please.

2. Introduction to remedies – the problem to be overcome

- 2.1 The problem underlying the need for 'Remedies' has two parts – first the lack of adequate protection of clients in some countries against being forced to disclose their IP professional advice and secondly, where such protection does apply, the loss of that protection when that advice is communicated between countries.
- 2.2 Obviously enough, individual countries can legislate to provide adequate protection from forcible disclosure within their own borders. However, they cannot legislate to avoid the adverse effect of the loss of the protection which applies within their own borders when advice is communicated to other countries in which the protection is lost.

2.3 The threat of forced disclosure most often arises during litigation involving an IP right and typically in countries having some level of documentary or oral discovery.

Loss of protection – an acute problem for IP

2.4 There are particular effects subjective to IP which make the application of protection against forcible disclosure of advice in relation to IP matters, an acute problem. Those effects arise from the following.

- (i) IP tends to be owned in a number of countries by the same owner or legally related owners.
- (ii) IP owners and third parties who assess the ownership or validity of IP, need to obtain professional services and advice in relation to IP, from country to country.
- (iii) The professionals consulted by IP owners and third parties who assess IP rights are broadly speaking in two categories – lawyers and non-lawyers. Persons from both categories may need to be consulted in many countries where IP rights are in issue. This relates in particular to external professionals.
- (iv) For both IP owners and third parties who assess IP rights, there are frequently differences of substance between the advice so obtained in the one country and another, and the respective persons involved have to resolve those differences. To do that the advice obtained may need to be transmitted from one country to another.
- (v) Protection from disclosure applies most frequently in relation to their communications with lawyers but less so in relation to non-lawyer advisers.
- (vi) Lawyer and non-lawyer advisers frequently need to obtain advice from third parties (like independent technical experts). The communications between such advisers and such third parties are frequently not subject to protection from forcible disclosure in a particular country. Further if they are protected in one country, frequently they are not in another country which they may need to involve in the communications.
- (vii) There are differences in the provision and application of protection from disclosure of communications relating to IP professional advice as to common law countries on the one hand and civil law countries on the other.
- (viii) No country is immune from the potential that IP advice (including technical advice on which the legal advice may be based) which is protected from disclosure within its own borders, can be required to be disclosed in another country or countries. The reasons can be various but frequently the reasons include that the one country does not recognise the IP advisers in another country as having a relationship with the client which involves privilege.
- (ix) A client in a common law country can be forced to disclose its IP professional advice obtained in a civil law country because the civil law country does not provide privilege from disclosure. The disclosure in the common law country is required even though in the civil law country, disclosure will not occur. It will not

occur in the civil law country if there is no discovery there and professional secrecy applies.

The rationale for having protection from forcible disclosure

2.5 The rationale is that both for the benefit of the administration and enforcement of the law on the one hand and providing correct advice to the persons who seek advice on the other, circumstances must be created in which there can be full and frank sharing of all relevant information between clients and their respective IP professional advisers.

2.6 For the right 'circumstances' for sharing of information to apply, there must be reasonable certainty that protection from forcible disclosure will apply to the relevant communications. A judicial comment supporting the need for certainty was made by Rehnquist J. in *Upjohn Co v United States*, 449 US 383 (1981).

'If the purpose of the attorney-client privilege is to be served, the attorney and client must be able to predict with some degree of certainty whether particular discussions will be protected. An uncertain privilege, or one which purports to be certain but results in widely varying applications by the courts, is little better than no privilege at all.'

2.7 Such certainty may seem difficult to achieve because protection against forcible disclosure may not apply absolutely. In common law countries, there are established limitations and exceptions on the application of protection from disclosure, such as where an allegation of crime or fraud is involved. Further, in some common law countries there may be a discretion as to whether privilege should apply if it would prevent the court from doing justice between the parties. However, such a discretion would in its exercise in some common law countries, normally be limited to the established exceptions to the application of privilege. Thus, it is unreasonable to expect that a minimum standard or agreed principle of protection against forcible disclosure will be acceptable to as many countries as possible if it does not allow in a country which already provides privilege locally, for such limitations and reasonable exceptions as are already established there.

2.8 The difference between civil law and common law in relation to protection against forcible disclosure for the 'clients' of internal legal counsel also needs to be remedied. Such protection applies in common law but generally not in civil law countries. Both common law and most civil law systems would not apply protection from disclosure to communications between a lawyer and client of any category (be that an employer of the lawyer or not) unless the lawyer was independent of the client. But in most civil law countries, employment of a lawyer is generally regarded as in itself denying independence whereas common law does not. This difference adversely affects numerous multi-national and other companies which employ lawyers and whose businesses are conducted in both civil and common law countries, both as to the legal and related third party technical advices they obtain from or through internal (in-house employee) lawyers there.

3. Previous work of AIPPI – Q163

- 3.1 Special Committee Q163 was set up in about 2000 to investigate whether lawyer-client privilege applied to communications between patent and trade mark attorneys and their clients. As a result of the work of Q163, AIPPI passed a Resolution at the EXCO meeting in Lucerne in 2003 the centrepiece of which was as follows.

AIPPI supports the provision throughout all of the national jurisdictions of rules of professional practice and/or laws which recognise that the protections and obligations of the attorney client privilege should apply with the same force and effect to confidential communications between patent and trademark attorneys, whether or not qualified as attorneys at law (as well as agents admitted or licensed to practice before their local or regional patent and trademark offices), and their clients, regardless of whether the substance of the communication may involve legal or technical subject matter.

- 3.2 Thus the crux of the AIPPI Resolution was that the clients of patent and trademark attorneys should be afforded the same protection as communications between lawyers and their clients.

4. Remedies

- 4.1 The nature of the remedy required to meet the needs of clients using the IP systems is easy enough to state. There needs to be the one "device" agreed and applied within and between countries to achieve reasonable certainty of the application of protection against forcible disclosure of communications between clients and their IP advisers in relation to IP professional advice.
- 4.2 It seems to be generally accepted that the "reasonable certainty" factor is critical if protection against forcible disclosure is to be effective. That acceptance occurs because absent "reasonable certainty" the persons between whom full and frank disclosures should be made to achieve the public interests of enforcement of the law and correct advice, are not relieved of their inhibition against making full disclosure, particularly as to facts that may be negative to their positions.
- 4.3 At one end of the scale, potentially the "device" could involve each country applying a particular standard which deals with national and overseas issues irrespective of what any other country does in relation to the required protection. This is a unilateral approach. That is the direction in which Australia is now going and which for New Zealand is now a *fait accompli*. This 'solution' achieves recognition locally of privilege that applies to communications between overseas IP advisers and clients but not recognition overseas of

the protection against disclosure that applies in New Zealand and will apply in Australia. For that some form of international agreement is required.

- 4.4 At the other end of the scale, the particular 'device' could be a treaty by which the signatories would agree to recognise each others' protection against forcible disclosure in particular circumstances, whether it is actually 'privilege' as such or not.
- 4.5 In between the unilateral approach and a treaty, there could be a recommendation by WIPO of a standard or standards to be adopted by Member States. Further, there could be bilateral, multi or even pluri-lateral agreements on standards to be applied between the signatories to those agreements.
- 4.6 The main issue to be resolved in reaching a consensus on remedies is the standard or principle which will govern what is required to be achieved by national law and international agreements in order to remedy the problems both at the national and international levels. The AIPPI proposal to WIPO of July 2005 provides a convenient starting point. Whilst that proposal was suggested to WIPO as a working paper for study of a treaty, the proposal can as well serve the purpose of study of a potential WIPO recommendation or of any other instrument, such as an agreement between countries. The Groups are invited by the Questionnaire in this paper to comment on the application of the AIPPI 2005 proposal including in modified forms, or to propose potential alternative solutions.

AIPPI proposal to WIPO of 2005 (the AIPPI 2005 proposal)

- 4.7 The standard or principle which AIPPI proposed was as follows.

A communication to or from an intellectual property adviser which is made in relation to intellectual property advice, and any document or other record made in relation to intellectual property advice, shall be confidential to the person for whom the communication is made and shall be protected from disclosure to third parties, unless it has been disclosed with the authority of that person.

'intellectual property advice' is information provided by an intellectual property adviser in relation to intellectual property rights.

'intellectual property adviser' means a lawyer, patent attorney or patent agent, or trade mark attorney or trade mark agent, or other person qualified under the law of the country where the advice is given, to give that advice.

'intellectual property rights' includes any matters relating to such rights.

4.8 Three of the main issues considered in the AIPPI proposal, were as follows.

- The nature and meaning of the protection.
- The scope of the protection.
- The qualifications of 'IP advisers' in relation to whom the protection of the client from forcible disclosure would arise.

4.9 The AIPPI proposal avoided using the word 'privilege'. Instead the proposal refers to the elements of the remedy ie confidentiality of the communications related to the obtaining of IP advice and protection from disclosure of that advice to third parties. Communications to or from an IP adviser made in relation to IP advice, are in effect deemed to be confidential and not to be subject to disclosure to third parties.

Scope of protection – the 'dominant purpose' limitation

4.10 The scope of the protection so proposed is wider than would be accepted in many common law countries where privilege now applies. In such countries, for example, a communication between an IP adviser and the relevant client would be discoverable if it was material in the litigation (ie relates to a matter in issue) and relevant (ie affects the meaning of a material matter). However, if it was made for the 'dominant purpose' of obtaining or giving legal advice, it would not normally have to be produced to the court or the other party. The 'dominant purpose' test is narrower than the words used in the proposal ie "in relation to intellectual property advice". So an issue arises for the Groups whether the protection against disclosure of documents should be limited to those which answer the 'dominant purpose test'. On one view this does not make sense in relation to a country which does not now apply the dominant purpose test. For all countries the preferred approach may be to provide that they may limit the documents to which protection applies by the dominant purpose test or such other test as reasonably defines the relationship of the documents protected with the IP advice which is to be protected from disclosure.

Qualifications

4.11 The main issue here is caused by clients needing IP legal advice from lawyers and non-lawyer patent attorneys and patent agents, or non-lawyer trade marks attorneys and agents. Some countries have embraced the concept that such non-lawyer IP advisers have in their own field, similar learning, and duties and liabilities to their clients, as do the relevant lawyers. In the relationship between non-lawyer IP advisers and their clients, similar imbalances exist which are a principal factor in creating the relationship of trust that the client and the lawyer have between them. For example, the patent attorney knows the law within the scope of the patent attorney's training and can apply it to the client's situation. The client is relying on that. The imbalance on the client's side is that the client knows the facts. The patent attorney has to rely on the client to disclose all of the relevant facts known by the client to enable the patent attorney to give the best advice. It is similar for trade mark attorneys and agents and their clients, and other IP advisers and clients.

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- 4.12 Lawyers may have duties to the law and duties to the court which the patent attorney does not have. Such duties are important in common law countries. But should they or their absence be vital to the existence of protection of the client from forcible disclosure? They do not apply, at least not in any relevant way, in most civil law countries. To be practical, should not the issue of protection from forcible disclosure be looked at from the point of view of the client? The client has to and does rely upon the advice which is obtained from a non-lawyer patent attorney in the country in which the client happens to be doing business. That patent attorney has to rely upon the client for instructions. It is this relationship that creates the needs for full and frank sharing of information on both sides, and the reliance there has to be of the one upon the other for what they contribute to the outcome required. The relationship demands the need for confidentiality because of the needs, dependencies, and trust which apply as between the persons involved.
- 4.13 The content and even the existence of non-lawyer IP adviser qualifications are matters for the particular country where the client and the IP adviser happen to be. What can the client do about the IP adviser's qualifications including whether or not that IP adviser has the same layers of obligations to the law and the courts as does a lawyer?
- 4.14 Accordingly, the AIPPI proposal defines the 'intellectual property adviser' to whom the proposed standard would apply as requiring no more than to be qualified locally to give the advice in relation to which the question of disclosure arises (see the definition in paragraph 4.7 above). Other descriptions are possible. For example, the Australian IP authority has proposed – 'permitted to engage in intellectual property practice before the Intellectual Property Office in Australia or another jurisdiction'. The Groups may consider that a more specific reference to a qualification of some kind should be required. In the Australian proposal, "permitted" could be substituted by the word "qualified" to achieve that effect. A further and more fundamental reason for requiring a qualification would be that for privilege to be justified, the elements of mutual reliance between client and adviser, trust and the expectation of confidentiality must apply in the relationship. Thus the Groups may consider that merely being 'permitted to engage in intellectual property practice etc' (without any formal qualification) would not have each of these elements and thus would not give rise to 'advice' worthy of protection from disclosure. As well, AIPPI may need to be practical here. What prospect can there reasonably be of persuading the lawyers of Member States to accept the clients of unqualified agents as needing or being deserving of privilege?
- 4.15 The definition of 'intellectual property adviser' avoids the need for anyone to determine whether an IP adviser in a particular country has qualifications equivalent to those of an IP adviser in another country. That is irrelevant to the client.
- 4.16 Nonetheless, there are many potential issues in defining 'intellectual property adviser' such as the following. What if there are no qualifications that apply to a person who gives intellectual property advice in a particular country? What if the IP advisers are in no way regulated? What if by the local law, the IP adviser has no duty of care to the client? An

advantage of a duty of care in this context would be that the IP adviser would be bound by duty owed to the client to advise how the law will apply to the client's circumstances.

4.17 In a helpful critique of the AIPPI proposal, one commentator (Prof. John Cross of the University of Louisville Law School) included points in favour of the proposal in his paper delivered at the main INTA meeting in 2009 entitled '*Evidentiary Privileges in International Intellectual Property Practice*', along the following lines.

- (i) By making the governing standard established by the law of the forum, the local courts (and one might add, the parties) are relieved of having to ascertain the particulars of other nations' laws in working out whether protection from disclosure applies to overseas documents, locally.
- (ii) The proposal provides predictability of the protection applying to clients and their representatives. If the standard is widely adopted, the predictability of the application of the standard would encourage full candour between clients and their representatives.
- (iii) The broad scope of the proposal which covers all communications in relation to IP advice and third parties so consulted (including overseas representatives), is highly attractive to IP clients and their representatives.
- (iv) The protection of communications between IP professional advisers and their counterparts elsewhere thus provided reflects the realities of international IP practice involving in effect a team or teams of legal representatives in different countries.

4.18 However, Prof. Cross also raised two problems with the AIPPI proposal. **First**, the protection proposed is broader than that currently available in common law countries. In those countries, the protection currently available is privilege, but such privilege is in two forms which have different scope. One of those forms has various names like "attorney-client privilege" or "legal advice privilege". In these Guidelines, that category of privilege is called "lawyer-client privilege". The other form of privilege is reasonably universally known as "litigation privilege". Prof. Cross anticipates resistance to the AIPPI proposal because it does not preserve the differences and limitations of those two forms of privilege.

4.19 **Secondly**, Prof. Cross points out that the AIPPI proposal does not provide for any exceptions. These Guidelines have in effect raised the need for the Groups to consider and decide what provision should be made for existing law and practice which limit claims for protection from disclosure – the crime-fraud exception (para 2.7), judicial discretion to disallow claims for protection (para 2.7), and limitations on the scope of protection by requiring a particular relationship of the documents which are protected (the 'dominant purpose' test – para 4.10) with the IP advice sought to be protected. The foregoing does not purport to define what exclusions and limitations exist now. The 'solution' will have to take all existing limitations, exclusions and waivers into account.

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- 4.20 The Groups are invited to consider and answer the questions in the Questionnaire on the topics of "Scope of protection" and "Exceptions" taking into account the further background on those subjects stated below.

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

Lawyer-client privilege

- 4.21 Lawyer-client privilege applies to communications between a client and lawyer for the purposes of the latter advising the former. Subject to the client waiving the right to privilege, the term of privilege is forever, ie it applies following termination of the lawyer/client relationship and the death of the client. In most common law countries, lawyer-client privilege does not apply to communications between the lawyer and third parties (such as technical experts the lawyer may engage) even if such communications are required to enable the lawyer to advise the client. Australia and the United Kingdom are exceptions – privilege does apply to such communications subject of course to the 'dominant purpose' test.

Litigation privilege

- 4.22 Litigation privilege applies to communications between a client and lawyer for the purposes of the latter advising the former where litigation exists or is contemplated. It also applies to communications with third parties in relation to litigation where the lawyer needs information from a third party (for example, an independent technical expert) to enable the lawyer to advise the client.
- 4.23 In litigation, both forms of privilege (lawyer-client and litigation) can apply to particular communications.
- 4.24 These 'privileges' ie, against disclosure including to the court, the opponent in litigation or third parties, are subject in common law countries to the court denying protection from disclosure if the person seeking discovery can show the application of any of the matters described in para. 2.7 above. In civil law countries, this is not generally an issue because they do not have forcible disclosure or discovery. The word 'generally' in the previous sentence is deliberately cautious. In France for example, a Civil or Criminal judge may enjoin a party (or a third party) to disclose a specific document in any case including an IP case.
- 4.25 The Groups should consider, particularly those in civil law countries, whether there is for them any good purpose in requiring as a part of any remedy that the two forms of privilege be distinguished – is there any good reason for them to take on a standard of protection from forcible disclosure which requires the differences between lawyer-client privilege and litigation privilege to become part of their law? What would be achieved by that?

4.26 The Groups should weigh the following other factors in deciding what scope of protection should apply under the standard which is to be adopted.

- (i) The AIPPI proposal qualifies as good law under the Rehnquist J requirement of 'certainty'.
- (ii) The AIPPI proposal has the other virtues specified by Prof. Cross as stated in paragraph 4.17 above.
- (iii) The historic reasons for having differences between lawyer-client privilege and litigation privilege as to third parties do not seem justifiable where the lawyer needs third party advice to enable correct advice to be given to the client.
- (iv) No common law country has written the differences between lawyer-client privilege and litigation privilege out of its law as yet.
- (v) For both civil and common law countries, there is no point in AIPPI putting forward any proposal for reform where the reform is too far ahead of existing law.

The Groups may conclude that the existence of differences between lawyer-client privilege and litigation privilege will be provided for in any event by modifying the AIPPI proposal to allow for limitations and exceptions (see below).

Limitations on and exceptions to protection from forcible disclosure

4.27 As previously indicated in these Guidelines, many common law countries apply limitations on, exceptions to, and waiver of privilege from disclosure of IP legal advice. The Groups need to consider how to import into the AIPPI proposal allowance for those countries which require to have them, of appropriate limitations and exceptions. Prof. Cross suggests that AIPPI should look to current IP treaties for guidance, for example, the '3-point' exceptions in TRIPS.

4.28 The '3-point' exception provision in Article 30 of TRIPS states as follows.

"Exceptions to Rights Conferred

Members may provide limited exceptions to the exclusive rights conferred by a patent provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties"

4.29 The following wording is not intended to be anything but an indication of how AIPPI's proposal can allow for limitations, exceptions and waiver if the Groups answer the Questionnaire positively on the principle of allowing for them. Generally speaking, the Questionnaire aims to obtain views on the acceptability of principles. Debate on the suitability of particular wording will come later. The exception provisions in the AIPPI proposal might, for example, state as follows.

Any country may except from such protection in relation to legal advice or proceedings, any communication, document or other record on the basis of a limitation on, or exception to, or waiver of the application of protection from forcible disclosure of IP legal advice (including any technical advice on which it is based) which applied in its law as at the signing of this instrument.

Any country which did not apply in its law any such limitation on, exception, or waiver referred to in the previous paragraph, may hereafter adopt and apply in its law at any time any of the limitations or exceptions, or waivers to which the previous paragraph applies.

However, the Groups may decide that a broader formulation which allows not only for existing limitations, exceptions and waivers to continue in force but as well for the possibility of including new ones in the future provided that they do not erode the fundamental undertaking to provide the protection from forcible disclosure except as may be required by the particular circumstances of a particular case. It is important to create protection which if it is applicable will be accepted by other countries as a protection they must themselves recognise and support. Such recognition and support cannot reasonably be expected to apply if in the particular circumstances of the case, non disclosure could effect a substantial harm to doing justice. The Groups may sense that in the great majority of cases, the benefit of the protection against disclosure required by the standard will be clearly greater than that of the disclosure of otherwise protected communications. That would be the case where the subjects of the particular documents in dispute could be proven from another source. That is often the case because the protection from disclosure is essentially confined to communications relating to IP professional advice, not the facts of the case.

- 4.30 Other limitations and exceptions for which provision may need to be made should be considered in due course on the basis of the answers given to the Questionnaire in this paper.

5. An alternative proposal focussing particularly on the issue of in-house counsel in civil law countries

- 5.1 These Guidelines have acknowledged this issue as a serious one (see para. 2.8). A proposal has been made to WIPO as stated in paras. 5.2 and 5.3 following.

- (i) A WIPO Treaty should require each Contracting State to specify categories of adviser whose clients will have privilege before the State's Courts, intellectual property offices, tribunals, and investigators. These should be all such local general lawyers and local specialist IP advisers as the State considers to be

adequately regulated, plus (in the case of EPC members) locally-resident European Patent Attorneys (*EPAs*) (both in private practice and in-house).

- (ii) Within each Contracting State, the following communications from or to the specified categories of adviser should be privileged (together with documents, material, and information preparatory to or otherwise related to such communications).

'Communications as to any matter relating to any invention, design, technical information, trade secret, trade mark, geographical indication, domain name, literary or artistic work, performance, software, plant variety, database, or semiconductor topography, or relating to passing off or unfair competition'.

- (iii) Each Contracting State's Courts, intellectual property offices, tribunals, and investigators should respect the privilege of communications as defined in (ii) (plus preparatory/related documents, material, and information) from or to advisers specified under (i) by other States (both private practice and in-house), and in any case from or to EPAs resident in EPC States (both private practice and in-house).

5.2 The proposal made to WIPO comments as follows.

Special status is proposed for European Patent Attorneys (*EPAs*). [The cross-references in the following wording are to the sub-paragraphs in the previous paragraph 5.1]. A high and increasing proportion of IP advisers in the EPC states are *in practice* EPAs as well as possibly having local national qualifications. Therefore, even if the governments of EPC member states are uneasy about the sufficiency of regulation of certain *local* IP advisers, and therefore do not want to specify them under (i), much of the existing problem will be solved by the specification of locally-resident EPAs under (i) together with the requirement relating to EPAs under (iii).

5.3 The proposed instrument would

- (i)
- (a) require each country to specify those legal advisers whose clients would benefit from the treaty
- (it is expected for instance that USA would nominate, at least, all US attorneys; UK would nominate, at least, all UK solicitors, all UK barristers, all UK patent attorneys, all UK trade mark attorneys, and all UK-resident European Patent Attorneys; Japan would nominate, at least, all Japanese general lawyers and also all Japanese patent attorneys; and each EPC country other than UK would nominate, at least, all locally-resident European Patent Attorneys); and
- (b) (so far as intellectual property disputes are concerned) require each country, to the extent it has a doctrine of discovery and privilege, to apply its existing doctrine of privilege *equally* to the clients of legal advisers

nominated by itself and to the clients of legal advisers nominated by any other country and in any case to European patent attorneys resident in EPC countries.

(The instrument would require all countries to treat equally under (a) or (b) *all* European Patent Attorneys, regardless of whether they work in-house or in private practice. Also if one country chooses not to discriminate under (a) between *its locally-qualified* in-house and private practice legal advisers, then that non-discrimination has to be respected by all other countries under (b), regardless of whether those countries choose to discriminate among *their own* locally-qualified legal advisers.)

- (ii) The instrument summarised in the previous paragraph would have little or no effect on court actions in civil law countries where there is little or no discovery. However, it would have a major effect on court actions concerning intellectual property in common law countries, benefiting any party who has taken advice from a legal adviser nominated by a foreign country.

AIPPI commentary

- 5.4 The Groups will see that this proposal has particular features as follows. First, the proposal is in effect one which applies the doctrine of national treatment with additions. It does not (like the AIPPI proposal) require a particular standard to be applied by all countries. Thus the current imbalance within countries as to the application of privilege to clients of non-lawyer patent attorneys and as to communications with third parties to enable legal advice to be given, would continue. Therefore the risk of loss of protection when IP professional advice obtained in a particular country is transmitted internationally would continue.
- 5.5 Under this proposal, clients would still have the uncertainty of different standards applying country by country and the need to know what those different standards are in order to have the security needed to make full and frank disclosures to the IP professional advisers in any particular country.
- 5.6 The only non-lawyer patent attorneys for whom the instrument would require privilege are European Patent Attorneys. The Groups may consider that the clients of non-lawyer patent attorneys of a wider category should have privilege.
- 5.7 The proposal requires change in every country in relation to the requirements that privilege will apply equally to the clients of IP advisers nominated by any other country and in any case to European Patent Attorneys resident in EPC countries. The Groups may consider that if all countries are challenged by having to change their laws in this way, the opportunity should be taken to achieve a particular standard of protection from disclosure globally, and the benefits which that would achieve (see paras 5.4 and 5.5 above).

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- 5.8 On the issue of in-house counsel, the AIPPI proposal includes in-house counsel. The definition of '*intellectual property adviser*' is not limited to lawyers of any particular category. Of course, if the wording of the standard which is proposed allows for current limitations to be continued (as discussed in paras 4.27 to 4.31 above), the current European view that in-house lawyers are not independent, would continue to apply. That 'European' view referred to in the previous sentence does not necessarily reflect the law in particular European countries. In France, for example, when litigation is actual or contemplated, professional advice relating to that is protected against forcible disclosure under professional secrecy laws and that includes the client and those of its employees in charge of or involved in the litigation, including its in-house counsel. Such protection does not however have recognition overseas (where the local law for recognition of protection overseas requires reciprocity) as the equal of privilege.
- 5.9 The issue of in-house counsel is the subject of Q 206 and has not yet been studied by AIPPI. However, the problem of forcible disclosure which the current treatment of in-house counsel in most civil law countries (particularly in Europe) causes, is well known and seriously negative for the efficient operation of protection against forcible disclosure of IP professional advice. The Groups therefore may consider that if the AIPPI proposal makes provision for current limitations to be continued, it should specifically provide for the extension of the protection proposed as it relates to in-house counsel so that their 'clients' are treated in the same way as are those of external advisers. It could exclude any limitation on that extension which is to the effect that clients of in-house IP advisers do not have privilege from forcible disclosure of the advice of those advisers because they are employed by the client.

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

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?

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?

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?

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 ?

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?
- (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

- 1.6 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?
 - (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

- 1.7 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?

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?

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?

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- 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, 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?
- 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?

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?

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.
- 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.

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?

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.