

## Questionnaire Q199

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

January 19, 2010

**National Group:** South Africa  
**Contributors:** Russell Bagnall  
**Date:** 6 April 2010

#### 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?

Attorney-client privilege exists in South Africa and derives from the common law. It was adopted in South Africa from English law (*General Accident, Fire and Life Assurance Corporation Ltd v Goldberg 1912 TPD 494*). Privilege is a right which vests in the client and is, for example in the case of an attorney, viewed as part of the duties of the attorney towards his/her client. To understand legal professional privilege it is generally necessary to identify two different circumstances and the different rules that relate to them:

- The first is that all confidential communications passing between lawyer and client and between the client's lawyers in relation to seeking legal advice are privileged. This is known as the legal advice privilege.

- The second, known as the litigation privilege, protects from disclosure communications made between the client and lawyer and between the client or lawyer and third parties for the purposes of obtaining legal advice for actual or contemplated litigation. It protects from disclosure materials prepared for use in litigation.

The distinction is important. Litigation privilege may attach to communications with those categorised as third parties whereas legal advice privilege generally speaking does not.

The principle of legal advice privilege, has been (most notably) set out in the Appellate Division (as it then was) in the case of *The State v Safatsa 1988 (1) SA 868(A)*. In *Safatsa* the privileged nature of all communications between an attorney and a client made for the purposes of giving or receiving legal advice between attorney and client was confirmed. In *Mohammed v President of the Republic of South Africa and Others 2001 (2) SA 1145 (C)* it was made clear that the scope of legal advice privilege extends to in-house legal advisors when acting in their capacity as such.

As far as the contributors are aware, almost (but not) all IP professionals (patent attorneys, patent agents and trade mark practitioners) practising in South Africa today are attorneys. There are a few practising patent agents who are not qualified as attorneys. In addition to the common law, section 24(8) of the South African Patents Act, 1978 provides that any person who practices as a patent attorney shall be deemed, for the purposes of any law relating to attorneys, to be practicing as an attorney. Section 24(8) was introduced into the Act at the date of promulgation of the Act (1 January 1979). Section 24(9) provides that any communication by or to a patent agent (the definition of agent includes an attorney) in his or her capacity as such shall be privileged from disclosure in legal proceedings in the same manner as is any communication by or to an attorney in his or her capacity as such. It is understood that the intended effect of section 24(9) was to protect clients by extending the normal rules of privilege that apply to attorneys to their communications with patent agents who are not qualified as attorneys. The section was introduced by way of amendment to the Patents Act in the Patents Amendment Act of 1997. There are no similar provisions in relation to Trade Mark attorneys in the South African Trade Marks Act, 1993 although they of course fall under the rules of privilege in their capacity as attorneys. Therefore, in short, all of the principles that apply to lawyers generally apply to all IP professionals.

Thus, in South Africa, the law of privilege is reasonably well developed. Intellectual property rights holders are entitled to claim privilege in respect of all communications with their IP legal advisors (i.e. patent or trademark attorneys or patent agents), provided those communications are made for the purpose of giving or receiving legal advice. This would not only include the most commonly encountered relationship between a client and his legal advisor(s) in private practice but would also extend to

in-house legal advisor(s) communicating with his or her client (employer). This may extend to communications with third parties in circumstances in which litigation privilege applies.

- 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?

If the employee of the “client” who enters into the communication on behalf of the client is an attorney or an in-house legal advisor and the communications were made for the purposes of giving or receiving legal advice then the client would enjoy privilege. However, if the client is not so qualified then the only privilege which could, in principle, apply to these communications would be that of litigation privilege. Such communications are generally not privileged unless made (i) for the purposes of litigation existing or contemplated; (ii) in answer to enquiries made by the party as the agent for or at the request or suggestion of his or her legal advisor; and (iii) for the purposes of obtaining legal advice from the legal adviser or to enable him or her to conduct the action. Thus, if an “ordinary” client communicates with a third party outside of the ambit of the above (i.e. not in relation to particular litigation) such communications would usually not be privileged.

- 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?

This is not a communication between legal advisor and client. Thus, the legal advice privilege would ordinarily not extend to these communications and protection would, thus, usually be limited to situations in which litigation privilege applies. However, there may be certain factual situations in which such communications could arguably be held to be privileged to give proper effect to the principles underpinning the privilege rule i.e. in circumstances in which privileged information that passed between the client and the legal advisor was made available to a technical expert to enable the legal advisor to provide the client advice.

### **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?

In relation to (a), communications between a local IP professional, whether a trade mark attorney or a patent attorney or agent, and an overseas professional would be considered to be privileged if the communications were made for the purpose of giving or receiving legal advice to a particular client (i.e. the local attorney is acting as an

agent for obtaining the advice from the overseas attorney) for the reasons already given.

In relation to (b), if the employee of the client acting on the client's behalf is a legal advisor as discussed above and the communication was made for the purposes of obtaining legal advice from the overseas IP professional the communication would be considered to be privileged in South Africa.

If the representative of the client is not so qualified then the position is not entirely clear since as far as we are aware a clear principle has not emerged from judgments of our Courts as to the basis on which communications between local and foreign parties may enjoy privilege. Although it is undecided, in the context of intellectual property, in South Africa it has seemingly been accepted by the conduct of parties in SA litigation that the standard that should be applied is to consider whether or not such communications would have enjoyed privilege in the terms of the foreign law of the country concerned. In the case of *Bioclones (Pty) Ltd v Kirin-Amgen Inc.* 1993 BP 556, Eloff JP did not make a finding as to the extent to which it would be permissible to look at foreign legal systems to support the claim of privilege but accepted the submissions made that such communications were made for requesting or giving legal advice relating to patent applications and were privileged in the particular countries in finding that such documents were privileged in South Africa.

Thus, it may be possible to argue that these communications are privileged on the basis that they would enjoy privilege in the jurisdiction in which the overseas IP professional is situated, although this is not entirely clear.

### **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?

The position has been made clear above. IP advisors in South Africa are all attorneys or patent agents the latter enjoying the same (statutory) rights in respect of privilege that attorneys do. The status extends to in house lawyers. However, there is a distinction drawn between communications made in the capacity as legal advisor, which would enjoy the protection of privilege, and other communications not made in that capacity but in a commercial or managerial capacity, which would not be privileged (*Mahommed vs President of the Republic of South Africa and Others* 2001 (2) SA 1145 (C)).

### **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?

There are no specific limitations, exceptions or waivers that we are aware of that are applied in relation to IP advisor privilege. More generally, in *S vs Safatsa* 1988 (1) SA 868, Botha JA said (without deciding whether the rule of

privilege in the circumstances applicable in that case could ever be relaxed):

*“That any claim to a relaxation of the privilege .... must be approached with the greatest circumspection”.* (page 886)

Thus, South African courts have generally upheld the right to claim privilege and there are very few examples of exceptions being made to it. There are a handful of pre-Constitution cases wherein it was held that privileged documents could be seized by police in terms of the Criminal Procedure Act. The courts have also considered the fundamental right of legal advice privilege against the right under the Constitution that every person has access to any information held by the State. This has involved a balancing exercise of the competing rights.

In *Jeeva and Others vs Receiver of Revenue, Port Elizabeth, and Others* 1995 (2) SA 433 (SE) the High Court held that a claim to privilege constituted a reasonable and justifiable limitation of the right of access to information. It therefore upheld the claim of privilege. The Court concluded:

*“... the Courts should, in my judgment, be inclined to uphold a bona fide claim to legal professional privilege in answer to a claim for access to information”.* (page 455)

However, in *Van Niekerk vs Pretoria City Council* 1997 (3) SA 839 (T) however the Court held that the conclusion, as expressed in *Jeeva’s* case *“may be too generally stated”*; that *“claims to legal professional privilege differ greatly in their nature, and the ambit of the privilege may be very wide indeed”*. The Court stated:

*... recourse to legal professional privilege as a defence to a right under s23 should be carefully scrutinised”.* (page 849)

## **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?
  - (i) the standard of privilege as set out in 1.1 is very comprehensive and considered to be adequate;
  
- (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?
  - (ii) We consider the scope of the local privilege to be adequate. South African law only recognises privilege in relation to communications between a legal professional and a client. We see the practical benefits of allowing a non-qualified client to be in a position to communicate freely and openly with a third party such as a technical expert, before litigation is contemplated, without fear of later disclosure i.e. for patent prosecution purposes. However, it may be difficult to have such a principle incorporated into SA law which would amount to extending the principle of legal privilege generally to communications between non-professional persons. See also (iii) below.
  
- (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?
  - (iii) We consider the position to be not entirely clear as indicated in 1.3 and consider that it would be advantageous to have certainty concerning communications between advisor and third parties (outside the litigation privilege protection that already exists) to allow a legal advisor to best promote clients interests by communicating with such third parties, i.e. for patent prosecution purposes, safe in the knowledge that such communications are privileged.
  
- (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?

- (iv) We consider the scope of the privilege to be adequate in so far as (a) is concerned. However in light of our comments concerning (b) the position of the non-qualified local client communicating with a foreign legal advisor may not provide adequate protection, particularly if the foreign legal advisor does not enjoy privilege in his/her own country.

### **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?

No. The potential problems in practice are that a non-qualified client may chose to communicate with a foreign patent agent in relation to the prosecution of a patent application in that country only to find that the communication may not be privileged in SA since it did not pass between a legal advisor (as defined in SA) and the client and/or it does not enjoy privilege in the particular country concerned. However, the comments that privilege may still be claimed locally by applying the foreign standard set out in 1.4 should be kept in mind if such foreign privilege exists.

## **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?

Yes

- 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?

These matters should be within each country's discretion.

### **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?

No

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?

The purpose of privilege, which is to allow honest communications between attorney and client would be undermined by such a broad discretion.

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?

The only limitations allowed should be where the fundamental (Constitutional) rights of the other party would be undermined if access to the privileged documents was not granted to the other party or if it falls within a crime or fraud exception. .

#### **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'?

Yes.

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?

All "IP advisers" in South Africa (at least those in respect of whom communications are privileged) are attorneys and have qualifications in law or patent agent qualifications.

#### **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?

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?

Yes.

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?

Countries should be allowed to develop their law and, in so doing, should be entitled to vary or abolish previous limitations on privilege but to allow further limitations to privilege would seem contrary to the principles intended standards.

#### **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?

Yes.

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?

See the answer to 2.12 above.

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?

No.

## **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?

The AIPPI proposal because it is generally consistent with the legal position in South Africa and would require only minor changes to be made to the position in South Africa already. In addition the section 5 proposal does not seem to address the fundamental issue of international harmony to the extent that this achievable.

### **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?

No.

---

### **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.**