Questionnaire Q199

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

January 19, 2010

National Group: UK

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Date: 25 March 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?

Answer: The answer depends on the IP professional.

(a) Legal professional privilege gives a client the right to withhold from disclosure communications between the client and his lawyer. The lawyer can be a solicitor or barrister (or, in Scotland, advocate), or a foreign lawyer.

Legal professional privilege at common law is divided into two categories: legal advice privilege and litigation privilege.

Legal advice privilege applies to confidential communications between a client and his lawyer, made for the purpose of seeking or obtaining legal advice or assistance. Legal advice privilege can apply both in contentious and non-contentious situations, provided the communication is made in the appropriate legal context.

Litigation privilege applies in the context of actual or reasonably contemplated "litigation" (which, under s103 and s105 of the Patents Act 1977, is extended to include patent proceedings before the Patent Office, the EPO and WIPO), and attaches to confidential communications made between a client and his lawyer, or between a client or his lawyer and a third party, provided that the communication came into existence for the dominant purpose of obtaining information or advice in connection with litigation, or of conducting or aiding in the conduct of such litigation.

(b) Statutory legal professional privilege applies to such communications (insofar as they relate to defined areas of IP) between a client and a UK/EPO registered patent attorney (s280 Copyright Designs and Patents Act 1988) or a UK/OHIM registered trade mark attorney (s87 Trade Marks Act 1994).

(c) No protection applies to such communications with others, unless in the context of actual or contemplated litigation (see answer to (a) above).

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?

Answer: Outside the context of actual or contemplated litigation (see explanation of litigation privilege at 1.1(a) above), no protection is available at common law for such communications between clients or lawyers or UK/EPO registered patent attorneys or UK/OHIM registered trade mark attorneys and third parties: *Wheeler v Le Marchant* ((1881) LR 17 Ch D 675 CA). Following *Three Rivers (No. 5)* ([2003] EWCA Civ 474; [2003] QC 1556), the "client" within a company is narrowly defined as those persons within the organisation specifically tasked with requesting and obtaining legal advice. Thus, communications between the "client" within an organisation and other employees of the same organisation may be regarded as communications with third parties and may 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?

Answer: Outside the context of actual or contemplated litigation (see explanation of litigation privilege at 1.1(a) above), no protection is available at common law for such communications between IP professionals and third parties, and the statutes make no extension to that.

Overseas communications

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

Answer:

(a) Communications relating to advice sought by a client from a foreign IP professional via a local IP professional would be protected by legal professional privilege if:
(i) the foreign IP professional is a lawyer, and
(ii) the local IP professional is merely acting as an agent of communication: *McGregor* ([1978] FSR 353).
They would also be privileged if the foreign IP professional is a UK/European registered patent attorney or a UK/OHIM registered trade mark attorney.

(b) Communications relating to advice sought by a client from a foreign IP professional directly would likewise be protected if the foreign IP professional is a lawyer: *McGregor* (or a UK/European registered patent attorney or a UK/OHIM registered trade mark attorney).

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?

Answers: The protections above apply as follows to different classes of

advisors:

(a) Solicitors, barristers and Scottish advocates (and foreign lawyers) are protected by privilege at common law. Registered Foreign Lawyers and Registered EU lawyers (i.e. those resident in the UK) are treated in the same way.

(b) UK registered patent attorneys and UK registered trade mark attorneys, together with those European patent and trade mark attorneys registered at the EPO and OHIM respectively, are protected by a set of similar statutes.

These grant protection to communications relating to the following areas: any matter relating to the protection of any invention, design, technical information or trade mark or as to any matter involving passing off (for patent attorneys) and any matter relating to the protection of any design or trade mark or as to any matter involving passing off (for trade mark attorneys).

(c) Employed professionals in any of these categories are treated the same as those in free practice to the extent that they are acting as independent professional advisors (rather than, say business executives).

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?

Answers: The protections above are limited in the following respects:

(a) Crime/fraud exception. Communications relating to a criminal or fraudulent purpose cannot be shielded by legal professional privilege.

(b) Waiver. Communications which are read out in open court, or otherwise cease to be confidential, will generally cease to be protected as will those disclosed to the other side (unless the Court orders to the contrary).

(c) Capacity-as-such. Only advice sought from a professional acting "in role" as an independent legal advisor is protected.

(d) For litigation privilege to apply, the communication must satisfy the dominant purpose test set out in the answer 1.1(a) above.

(e) Following the House of Lords in *Re L* ([1997] AC 16), litigation privilege is confined to "adversarial proceedings", and not those which are investigative, inquisitorial or merely fact gathering. However, in *Three Rivers (No. 6)*([2004] UKHL 48; [2005] 1 AC 610), the House of Lords has said that legal professional privilege will apply to advice and assistance (including presentational advice) given to parties whose conduct, reputation or integrity may be the subject of criticism by an inquiry.

(f) As explained at 1.2 above, following *Three Rivers (No. 5)* the "client" for the purposes of assessing whether a communication is a privileged lawyer/client communication where the client is a corporation is narrowly defined and restricted to only those persons tasked with the seeking and obtaining of legal advice.

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?

(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?

Answers:

(i) Yes, satisfactory in practice - due partly to the restricted availability of disclosure/discovery in litigation - although a few loose ends (concerning the definition of protected matter) could be improved.

(ii) Yes.

(iii) Yes: s103 of the Patents Act 1977 extends litigation privilege to patent proceedings, and therefore, communications with third parties in this context are protected. We feel this gives a satisfactory level of protection to communications between clients and third parties.

(iv) No. An extension or clarification in this respect would be desirable, to deal with the case where the foreign IP professional is not a lawyer. Lawyers generally experience international comity, however other IP professionals do not.

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: No. Although the point has not recently been tested, it appears likely that the advice of non-lawyer foreign IP professionals is not privileged.
Thus, for example, communications in the international phase with the foreign patent attorney prosecuting a PCT application designating the UK in the international phase, or the foreign trade mark attorney prosecuting a Madrid application designating the UK, would lack privilege where those relating to the national phase, or an equivalent national application, would benefit from it.

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?

Answer: 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?

Answer: Countries should be able to limit the extent to which privilege applies in accordance with their established rules of privilege.

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?

Answer: 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?

Answer: The rationale for legal advice privilege is that honest advice will be sought and given where there is a well-placed confidence that the subject-matter of the communications will be kept confidential. Opening the possibility that this will not occur removes that confidence, for at the time of giving and seeking advice it will not be possible to anticipate the thinking of an unknown Court of an unknown country in an unknown case many years later.

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?

Answer: We believe that the crime/fraud exception adequately covers the case where the immediate interests of justice in the case prevail over the long term interests of justice in ensuring the provision of legal advice.

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'?

Answer: No.

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?

Answer: Pursuant to 2.4 and 2.5, we believe that the advisor should be licensed by the court, the patent or trade mark office or equivalent government body, so as to imply a control relationship justifying public trust in the advisor. Suitable advisors in the UK are under dual obligations of confidentiality/professional secrecy, and good faith towards the Office with which they are registered. The former is inherent in the rational for privilege and the latter is a safeguard ensuring its fair operation

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?

Answers:
(i) There is no reservation in the UK on provision of IP advice (or other legal advice), or on provision of IP services.
(ii) No. As outlined in 1.1 above, in the UK, privilege protection is limited to lawyers or registered IP advisors (UK/EPO registered patent attorneys and UK/OHIM registered trade mark attorneys).
(iii) See 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?

Answer: Yes. Whilst harmonization is to be encouraged, countries should be able to apply their distinct categories of privilege to IP cases as to other cases.

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?

Answer: 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?

Answer: 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?

Answer: Any treaty should include a protocol allowing a country to make a reservation varying or abolishing a previously applied limitation. The reservation must only allow a country to widen the privilege protection it affords, and must not allow a country to narrow any existing privilege protection as that would detract from the good faith expectations of parties seeking advice.

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.

Answer: 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?

Answer: 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?

Answer: As with 2.12, any treaty should include a protocol allowing a country to make a reservation varying or abolishing a previously applied exception or waiver. The reservation must only allow a country to widen the privilege protection it affords, and must not allow a country to narrow any existing privilege protection as that would detract from the good faith expectations of parties seeking advice.

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

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

Answer: Neither per se – elements of both.

Proposals from your Group

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

Answer: A country which applies legal professional privilege (whether attorney-client privilege or litigation privilege) in the field of intellectual property to its domestic non-lawyer intellectual property advisors, should extend the same privilege to equivalent intellectual property advisors specially qualified and licensed to act before regional, international or foreign national courts or intellectual property registration offices "Intellectual property" should be defined widely, with reference to WIPO treaties or as per the ICC proposal.

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

Answer: There are a number of separate problems to be addressed, with varying levels of importance, and varying likelihoods of success. It may be difficult to produce a complete definition of privilege in IP cases, and even if that is achieved, it may deter accession by countries who do not wish to adopt a special regime for privilege in IP cases different to that applicable in general. We doubt that it will be possible to persuade the UK to do so, for instance. The most pressing problem appears to be to persuade those common law countries which do have privilege laws to extend to foreign patent attorneys the equivalent protection that they grant their own – precisely as they generally do for lawyers. There seems much less need to persuade civil law countries to do the same, since (lacking a discovery system) they will not generally disclose the advice communications with foreign patent attorneys in any event. As common law countries have a largely common understanding of privilege a redefinition is unnecessary and as civil law countries will not be applying the concept in practice they too do not really need it defined in detail. To summarise: the aim should be not to define privilege but to extend what already exists in a country to a defined group of foreign advisors in just the same way as is done for lawyers, on the basis of comity.

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.