

## Questionnaire Q199

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

**National Group:** United States

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#### 1. Q.199 - Questionnaire

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##### 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?

**Answer:** The United States traces the origins of its privilege doctrines back to their earliest common law roots. The attorney-client privilege that protects clients against forcible disclosure of communications relating to IP professional advice is subject to the laws of the 50 individual states as well as federal law. As a result, the applied qualifications for, and extent of protection may vary depending on the jurisdiction in which the issue is raised.

Generally, confidential communications between a U.S. lawyer and her client, made for the dominant purpose of providing legal advice, are presumptively protected from forcible disclosure. A U.S. lawyer is distinct from other IP professionals such as U.S. patent agents. A U.S. lawyer is defined as one who is a member in good standing of a state bar.

There is no statutory privilege for communications between non-lawyer IP professionals and their clients. In some U.S. jurisdictions, however, courts have found such communications to be entitled to privilege.

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

**Answer:** Communications of clients with third parties are protected only to the extent that the third party is acting at the direction of a U.S. lawyer for the purpose of providing legal advice. Examples of protected communications between a client and third party might include those with a lawyer's office staff, or those of a U.S. patent agent acting under the direction of a U.S. lawyer.

- 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:** Communications of a U.S. lawyer with third parties are protected to the extent that a communication is for the dominant purpose of providing legal advice to a client.

### **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 ?

**Answer:** The communications of a U.S. lawyer with an overseas IP professional, made for the dominant purpose of providing legal advice to the U.S. lawyer's client are protected from forcible disclosure. No statutory protection exists in state or federal law for the communications of a U.S. non-lawyer IP professional and a third-party, making such protection a matter the common law in each jurisdiction. While some U.S. courts have accorded protection from forcible disclosure of communications between U.S. non-lawyer IP professionals and their clients, the courts have not considered protection for communications of a non-lawyer IP professional with an overseas IP professional.

U.S. courts apply a principle of international comity to attorney-client privilege issues, wherein courts often accord the same privilege to which a foreign IP professional would be entitled in his or her native jurisdiction. This principle then, conceivably covers a foreign IP professional's communications, both with U.S. clients, and with U.S. IP professionals, so long as the foreign IP professional is entitled to such protection in his or her native jurisdiction. However, the law of the 50 States varies such that the abstract application of international comity to any given circumstances is not productive.

### **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?

**Answer:** See 1.1-1.4 above.

### **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?

**Answer:** The protections described in response to questions 1.1-1.4 are subject to the following limitations:

- (a) Dominant purpose: Privilege applies only insofar as the communication is made for the dominant purpose of providing legal advice. Consequently, if the IP professional is not acting primarily as a U.S. lawyer, or under the direction of a U.S. lawyer, the communication will not be protected.
- (b) Waiver: The protection of a communication may be waived by a client, either explicitly, or by failing to take reasonable precautions to maintain the confidentiality of the communication (e.g. through intentional or careless disclosure of the communications to third-parties).
- (c) Crime-fraud exception: When communications between an IP professional and client are made for the purpose of committing a crime or fraud, the privilege is rendered moot. This is the case whether the client consults a lawyer for the purpose of obtaining assistance to engage in a crime or fraud, or later uses the lawyer's advice to engage in a crime or fraud.

## **Quality of protection**

### **Local communications**

- 1.7 Does your Group consider that the protection described in answer to questions denoted below is of appropriate quality, or not, and if not, why not – including what are the problems in practice?
- (i) as to 1.1 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?
  - (ii) as to 1.2 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?
  - (iii) as to 1.3 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?

**Answer:** Yes, with respect to U.S. lawyers. The protection for communications involving non-lawyer IP professionals, such as U.S. patent agents, is not yet well defined across the various jurisdictions of the United States. To the extent that this issue arises in U.S. courts, additional clarity and uniformity across jurisdictions is desirable.

### **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:** Yes, in principle. The general principle of international comity articulated by some U.S. courts is desirable and sufficient. As explained above, however, the application of this principle is not yet well defined or uniformly implemented across all U.S. jurisdictions. To the extent that this issue arises in U.S. courts, additional clarity and uniformity across jurisdictions is desirable.

## 2. Remedies

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### 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:** Protection should be limited to those documents, or those portions of a document, that constitute either communications requesting legal advice, or communications providing such legal advice. This is consistent with the purpose of the protection, which is to facilitate full and frank discussion between a client and legal advisors or the client related to the obtaining of legal advice. Documents, or portions of a document, that contain facts relevant to a legal dispute, but do not contain or constitute such communications, should not be subject to protection.

#### 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:** Yes.

- 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:** Questions as to which documents or communications are subject to protection are often difficult to resolve. Courts should have some discretion to deny protection when required in the interests of justice.

- 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:** No answer required.

### **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. At a minimum, the IP advisor should be registered with some recognized body within the foreign country to provide the IP advice in relation to which the question arises.

- 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:** See answer to 2.6, above.

- 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?

**Answer:** No answer required, since all categories of IP advisers require qualification.

### **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.

- 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:** No answer required.

- 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:** It is not clear at this time what limitation should apply to the right to vary or abolish a previously applied limitation. Further discussion and consideration is needed on this issue.

### **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, 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?

**Answer:** It is not yet clear what limitation should apply to the right to vary or abolish a previously applied exception or waiver. Further discussion and consideration of this issue is needed.

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?

**Answer:** Parties can potentially abuse the existence of the protection by attempting to withhold the production of documents or other evidence on the basis of the protection allowed by the law. Courts have dealt with this problem by such techniques as inspecting the documents on an *in camera* basis, where the court reviews the documents in question and decides whether they are subject to the protection.

### **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?

**Answer:** No consensus has been reached yet on this question.

### **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?

**Answer:** Introduction of such protection would likely have a positive effect on the willingness of clients to discuss their legal problems and needs for legal advice with IP professionals, in particular, with patent agents.

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