

**Protection from Forcible Disclosure of Intellectual
Property (IP) Professional Advice (the protection)**

**Perspective and history of development of the protection
conducted by and on behalf of the International
Association for the Protection of Intellectual Property
(AIPPI) and AIPPI-Australia (AIPPI-A) from 2003 to 2019
(the privilege project or the project).**

Attachment 101



Protection of Confidentiality in Intellectual Property (IP) Advice –
National and International Remedies

TRANSCRIPTION

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Welcome, Outline of Agenda and Introduction

Bastiaan Koster
President, FICPI

Jeffrey I D Lewis
President, AIPLA

John Bochnovic
President, AIPPI

Danny Huntington
President of Honour, FICPI

Bastiaan Koster

Good morning, everybody. My name is Bastiaan Koster. I am the President of FICPI. Being in Paris, the city of love, is always a privilege for all of us who do not live here. On behalf of FICPI, AIPLA and AIPPI, it is also a great privilege for me to welcome everybody to this colloquium, where, over the next two days, we will discuss in much detail the protection of confidentiality in IP advice, also referred to as 'attorney-client privilege', or just 'privilege', and a concept often misunderstood. For that reason, it was decided to rather use a more descriptive and accurate phrase for this colloquium: The Protection of Confidentiality in IP Advice.

We have representatives from 21 countries, and I want to particularly thank those who have travelled from afar to be here today. As indicated in the programme, the main goal for this colloquium is to assist governments of representative industrialised nations to develop a model framework for international solutions on the protection of confidentiality in IP advice, with a view to expanding the model they adopt to other industrialised and developing nations.

The word 'colloquium' finds its origin in the Latin word 'loquor', which means 'to talk'. We are certainly going to do a lot of talking over the next two days, but it is equally important to get input from you, the audience. After each session, there will be time for questions and also for observations. We have arranged for the proceedings to be recorded and for a transcript to be prepared, which will be made publicly available. It will, therefore, be possible to review everything that has been colloquialised, and nothing said will be privileged.

I now call on Jeff Lewis, President of AIPLA and AIPPI US, John Bochnovic, President of AIPPI, and Danny Huntington, President of Honour of FICPI, to each make a few remarks about the colloquium and the programme for the two days ahead. Thank you.

Jeff Lewis

Good morning, and thank you, Bastiaan. My name is Jeff Lewis and, for the last year and a half, I have been getting up at six in the morning so that we can have conference calls amongst the organising group, because that works out to be the best time, when you are on the east coast of the US, to join with our colleagues from Australia, Europe and around the world – people staying up late. There has been a tremendous amount of work and effort put in for the last year. I would be remiss if I tried to thank each individual personally. As a group, we are building on the work of Michael Dowling, who you will hear from and who has put in a huge amount of effort. We are building on work from a whole host of people, and I want to thank my colleagues from FICPI and from AIPPI.

In preparing for this conference, one of the things I did was I went to my law firm's library and wanted to pull out the very old books that talked about the concepts of privilege. The first thing I learned as a partner in a law firm who does not often go to the library is that law firms no longer really have libraries. All of our

old books have been thrown away, but I did consult with some of our newer reprints and I learned a little about the history of privilege and of keeping client confidences. I wanted to share with you, in one brief moment, two thoughts.

The history of privilege, in many ways, dates back to the Romans. It dates back to when Cicero wanted to prosecute the governor of Sicily, and discovered that he could not rely upon the governor's advocate as a witness, because it was simply inappropriate to try to discover what the advocate knew from his client. Modern concepts of privilege, they say, date to the Elizabethan time, when trial procedures did not allow one to enquire of the advocate what the advocate knew. It was simply inappropriate. It went beyond the bounds of reasonableness to try to invade the advocate's province.

What we are talking about today and tomorrow is really protecting that professionalism of the advocate, whatever that title is. You could call the advocate an attorney, an attorney-at-law, a patent attorney or a patent agent; you could give them lots of names, and those are just the ones in English. I thank you all for being here. We need to remember the professionalism of the advocate, the role of the advocate, the relationship of the advocate to the client, and how we, as a group, can achieve a fine result for protecting that relationship. Thank you.

John Bochnovic

Good morning. I am John Bochnovic, here on behalf of AIPPI, along with others. I will start by thanking all of you for being here. It is an important time in the evolution of this issue, and I think this session today and tomorrow is really going to be pivotal in allowing us to carry forward with a framework that, we hope, can help us to go further in those countries around the world – whether my own in Canada or others – to advance this issue to, ultimately – and I am optimistic – some kind of global solution.

To get there may still take years and years, which I know is daunting, but you cannot come to Europe, in our field of practice, without encountering all of the excitement, questions and discussion of the Unified Patent Court (UPC) and the unitary patent. I had the occasion yesterday to attend a seminar of the French group of AIPPI, and at least a couple in the audience were there, I am sure. Margot Fröhlinger was there at the end of the day. It reminded me that, there, we have something that has been decades in reaching the stage where it is today, and there has been lots of frustration, gloom and pessimism over the years.

We have a much simpler, more focused kind of issue, but privilege is not a straightforward issue. Those of us who practise in the common-law countries know that it has been the subject of multiple cases and court decisions where issues have been argued. It is, therefore, not going to be straightforward for lawmakers and legislators, and we have to remind ourselves of that and continue to exercise patience, while, at the same time, keep taking this issue forward and not be daunted or discouraged. Years may not do it and, even if we are 10 years away from getting to where we want to be, we have already spent 10 years or more getting to this stage and we simply must carry on. I think the building, as Jeff said, is really part of the process that we have to embrace and engage in.

I would like to thank those who have organised this two-day colloquium from all three organisations, including the AIPPI. I do want to single out – and we will have a chance to hear from him – Michael Dowling. I have had the privilege of being with Michael in Geneva, for example, in the past. I speak of Michael as one of my AIPPI colleagues, but all of you know him. We would not be where we are today with this issue without the tenacity, guidance and leadership that Michael has provided. I am looking forward to the next day and a half. Thank you.

Danny Huntington

Good morning, everyone. I also want to thank everyone for coming. Just to echo something that Bastiaan said, 'colloquium' is, indeed, defined as an 'informal meeting for an exchange of views', so what we are looking for is a free exchange of views. We are going to start with a presentation by Michael Dowling that is based on an AIPPI study. We are then going to have comments by speakers from AIPLA and FICPI talking about that. We will follow that with speakers from several governments and countries about issues in their jurisdictions and thoughts about the way forward.

We will hopefully come to a consensus on some possible ways forward, and we have mechanisms in place to try to do that. However, that will work only if everyone contributes, speaks up, and explains what they see as the problems in particular countries, and offers possible thoughts about how to resolve things. Going forward, after this colloquium is over, the three organisations intend to go back, on a country-by-country basis, to lobby individual countries to adopt, or at least use the information here to adopt, what makes sense in their particular country, as Australia already has.

There are several people who I want to thank. As the others have said, you cannot thank them all. The first is Malcolm Royal, who, of course, is no longer with us, but he is the one who first came up with the concept of a colloquium. I did not attend the first one that was organised; I have either attended or organised all of the ones since then, where we have worked with AIPLA and now AIPPI to put together these programmes. I want to thank Joan Van Zant for, basically, attacking me at a forum in Munich several years ago about why we were not doing something about privilege, and I promised that I would do something eventually, so this is it, Joan. Jeff Lewis, my very good friend, is the reason why I met my wife, because he encouraged her to into patent law and we ended up getting married after we had worked together for a while.

Jeff Lewis

He married Sharon, not me – not that I do not dislike you, Danny.

Danny Huntington

In the US, that would now be possible. Other than that, Jeff and I decided that, while he was President of AIPLA, it would be a good time for us to choose a topic for the colloquium, and we both separately arrived at privilege as being that topic. I cannot thank Michael Dowling enough for all of his work on putting this programme together. He and I have had several conversations, separate and apart from the organising committee. I certainly thank all of the people on the organising committee. Even though we are still talking about this topic, I do want to tell you that, if you have thoughts for topics for future colloquia, we would be pleased to hear them, because we think this is a very valuable way of looking at particular issues. We have, of course, talked about backlog and about quality in the past, and I am sure there are other topics that we have not yet thought of.

[Housekeeping remarks]

Bastiaan Koster

Our first speaker this morning, as you heard, is Michael Dowling. I am not going to go through the speakers' bios in detail; they are in the programme manual and you can read them. As you have heard, however, Michael has been very much involved in this issue. He is the Co-chairman of the AIPPI's Q199 and has driven a lot of the planning for this colloquium. He is an Australian lawyer and a specialist in IP litigation. Michael, we really look forward to your opening introductions. Thank you.

Primer and Proposed AIPPI Solution

Michael Dowling
Co-chairman, AIPPI's Q199 (PCIPA)
Australian Lawyer, Specialist in IP Litigation

I. Preamble

Good morning to you all, and I add my welcome to those that you have had from the podium thus far.

[Housekeeping remarks]

Our subject is protection of confidentiality in IP advice, which I refer to as 'PCIPA' or 'the protection.' The subject arises from the global malfunction of the protection; in other words, IP legal advice is not always protected from forcible disclosure. The bad news is that this malfunction has been going on for very many years, but the project to fix the problem has been going on for 13 years now. The good news is that there is a viable remedy within reach, which is what we are going to be looking at. I hope the information that I provide you will help you with problem-solving.

There are three parts to this presentation:

- First, comments on the protection and our objectives, and the people who are here to help us with this process.
- The other parts deal with the Primer itself.

II. Part One

1. Objectives of the Colloquium

The main objective of the colloquium, as others have said, is to come up with a framework for a minimum standard for enforceable disclosure of national and overseas IP professional advice. Another objective – and a very important one – is the development of relationships through which the achievement of that objective can be made to happen. The problems are:

- The lack of protection in some nations.
- Where the protection does exist, the loss of that protection; for example, where one nation does not recognise the protection that exists in another.

I will come back to the problems in a little more detail later.

2. Meaning of 'the Protection'

I think we have to understand what the protection is, taking civil and common law into account. In the common law, the protection refers to a right called 'privilege'. In common-law litigation, the parties normally have to deliver up to the court, and each other, all records they have that relate to the matters in dispute. The process of disclosing the records is called 'discovery.' The protection we are dealing with is the privilege or benefit of not having to deliver up the records that relate to legal advice. Privilege is the right of the client. What stops the professional from being forced to disclose? The common law recognises that each client-professional relationship is one of trust and confidence, which the professional cannot breach. The reasons for the existence of this relationship were referred to by Jeff Lewis before, even going back to Cicero. Respect for that confidentiality is basic.

A secondary factor, which often but not always applies, is enforceable codes of conduct, which, among other things, support the maintenance of confidentiality. In relation to the professionals being prohibited from disclosing their communications, the combination in the common law of enforceable confidentiality and penalties for breach of professional conduct gets very close to the civil-law concept of professional secrecy.

Now let us look at the civil law. In civil law, part of the protection is the obligation of professional secrecy. This obligation is imposed on the professional and is supported by penalties for breach. The other part is no discovery. Client privilege against discovery, which applies in the common law, simply has no reason to exist in civil law, including in cases on IP, because there is no obligation of discovery. What we should notice, however, is that there is no practical difference between treating professional advice as confidential in the common law, and treating it as secret in the civil law. In both cases, the outcome is the same. The communications are not allowed to be forcibly disclosed, and they are not subject to disclosure, except by the client.

The take-home message for us, then, is that there is common ground here, perhaps sufficient as a basis for us to agree on, recognising and applying a minimum standard of protection. I should mention that, in some civil-law countries, there is privilege which applies to the professional. That is support for professional secrecy and not to be confused with the concept of client privilege which applies in the common law.

3. Contributors

I would now like to talk a little about our contributors, who I am delighted to have here with us. We have brought together people with different skills and connections: IP litigation lawyers, both civil and common-law; non-lawyer patent and trademarks attorneys, to whom I will refer as NLPAs to avoid that long name; and representatives of the IP administration functions, of leading Group B governments – Australia, Germany, Japan, Switzerland and the USA. For Canada, the UK, France and the Netherlands, we are grateful for the assistance of industry or professional representatives.

As well, we have the very welcome assistance of Kevin Mooney and Pierre Véron, who are leading litigation lawyers in IP in the UK and France respectively. They are, or have been, chairman and member respectively of the drafting committee of the rules of procedure for the proposed EU Unified Court. As part of their remit, they had to consider and draft the rules for that court relating to privilege. It is very timely that they are here, because there have been developments even this week, and Kevin is the person to advise us of those matters.

We also needed the involvement of the judiciary and academia. We are grateful to have Judge Susan G Braden, Judge of the US Court of Federal Claims. On the academic side, we are grateful to have the assistance of Professor John Cross, Professor of Law at the University of Louisville in the US. Judge Braden and Professor Cross are both from the common-law side of legal tradition. Their involvement, and that of our US colleagues generally, is vital to us achieving a positive practical outcome. The US courts have played a significant part in showing up the problems of the protection.

Another issue for us on which Judge Braden may be able to assist us is that the protection in the US is a matter of state, not federal, law. That, then, raises the issue of how we get a deal with the US. If required to agree with every one of the 50-plus states, the obtaining of a remedy would be rather awkward.

John Cross published a critique on an earlier version of the remedy proposed by AIPPI. The present version is in Appendix 5 of the Primer document. His paper entitled *Evidentiary privileges in international intellectual property practice* was published at the INTA meeting in 2009. He made positive and helpful comments on the AIPPI proposal as it was then. His observations on the need in any solution to allow for common-law limitations and exceptions were most helpful. As the Standing Committee on Patents in WIPO found, there are also variations between common-law nations as to how they apply privilege, and I should acknowledge that Philippe Baechtold is here from WIPO. If you like, the work that we are now embarking upon is solidly based upon a mighty effort that was made in the Standing Committee on Patents over about six or seven meetings.

Each of the qualifications on the application of privilege in common law – that is, variations, limitations and exceptions – needs to be considered in the remedy. As the law on such qualifications is not codified in the common law, future judicial decisions could change the law to meet different circumstances. This is a positive feature of the common law, which common-law lawyers would not want to change. We look forward to Professor Cross's comments in general, and his comments on Appendix 5 in particular.

III. The Primer (Recitals)

1. Beginnings of the Project on Solving the Problems

AIPPI began the international drive to solve the problems in about 2000. Resolution 163 was passed in Luzern in 2003. That said, in effect, that clients of NLPAs should be protected by privilege from forcible disclosure of their IP advice, just as they would be as clients of patent and trademarks lawyers. Interestingly, the chairman of that committee was a US lawyer.

2. AIPPI Resolution 163

The AIPPI Resolution 163 was one thing to spur us along; there are, however, other factors. The inefficiency and unfortunate expense in sorting out documents in litigation was one major factor. Then it was decided, in *Eli Lilly v Pfizer* in Australia, that client privilege in Australia applies only to those NLPAs who are registered there; thus, if the same client was advised by an NLPA on the same patent in another nation, that advice was then subject to disclosure in Australia, even though it was protected from disclosure in the country where the advice was given. A similar outcome would apply in any common-law nation where the protection is limited to that nation's NLPAs. Decisions in the US courts to require discovery of NLPA advice in France and Japan were based on there being no professional secrecy for NLPA advice there. Those decisions are understandable. If the IP adviser is not subject to professional secrecy, there is no protection from disclosure by the professional person there.

3. Decision of US Courts on Civil-law Circumstances

The US decisions along those lines have had France and Japan scrambling to change their laws by imposing professional secrecy on NLPAs to provide a basis for US recognition of the protection in their countries. I think that the present situation seems to be that France is reasonably well satisfied with where we have got to, but Japan not so. We will be hearing from the Japanese later as to their situation. From what we know as to how the protection works, we can deduce that we do not need civil-law countries to adopt client privilege, as in the common law. The protection provided by professional secrecy and no discovery means that the relevant communications cannot be forcibly disclosed in those countries.

How, then, do we come to be here in 2004? AIPPI met with Francis Gurry in Melbourne, who was then the DDG. Consequently, AIPPI submitted a paper to WIPO on the problems, and it proposed a minimum standard. That was a working draft. In 2008, there was a WIPO/AIPPI conference on client-attorney privilege in Geneva. I have mentioned before the effort in studying the problems that came through in the SCP.

4. Common Public Interests

Now we move to the Primer. Our technical guide is called the Primer on the Protection. It explains the background and proposes a remedy. Nobody is saying to you that Appendix 5 remedy is the only possibility. It is a work in progress. It is a focus for our discussions and debate on the framework of a solution. The application of confidentiality in IP advice, at home and overseas, is the centrepiece or pivot of the proposed Appendix 5. The Primer describes the facts that underlie the remedy which AIPPI proposes, and I will just run through a few points.

- The longevity of the protection has already been mentioned, and there is no call for it to be called back.
- The common public interest that exists between civil and common-law concepts: both privilege and professional secrecy have the purpose of encouraging those seeking legal advice and those giving it to be fully frank with each other about the facts.

The principal public interests which apply to both privilege and privilege secrecy are the obtaining of correct legal advice – it gets that low – and compliance with the law. It is pretty obvious that these are public interests. They are also private interests, particularly in relation to getting correct legal advice.

- I have already mentioned the common element of confidentiality and secrecy.

5. Development of NLPAs

What has caused the problems to arise? The law has not kept pace with the qualifications of persons involved in giving IP advice. Advances in technology have brought on increasing technical specialisation. These changes led to the creation of a new category of IP professional advisers since around 1900. Instead of generally trained lawyers working together with persons with technical qualifications to give client the advice they need, we now have, in many but not all nations, NLPAs who have technical qualifications and then special training in relation to IP rights. Their work is essentially the same work which was previously done and protected by lawyers – protected from disclosure as to the communications. Of course, there are also IP attorneys who are lawyers with technical qualifications, and we are not concerned about those because they are lawyers; however, if, in their nation, there is another category, such as an NLPA, issues similar to those that I have been describing will arise.

Then you have to ask these really poignant questions: why should the introduction of NLPAs who give IP legal advice make any difference to the protection which applies to client-IP professional adviser communications? Those seeking the IP advice still need to communicate with their advisers in confidence. The same public interests apply; i.e. the clients need to obtain correct legal advice. We want the right advice and the right aspect of the law to be enforced. To deny the protection to clients of NLPAs imposes a severe penalty on the clients for using other professionals to give them legal advice and whose substitution for generalist lawyers has been authorised by governments. As well, the imbalance between lawyers and NLPAs in relation to privilege imperils the client-lawyer privilege if the lawyer-client communications are shared with the NLPAs.

You then have to ask: what is the point of supporting the development of the NLPA category of professional adviser to advise clients on the law but not supporting them to have frank exchanges of information so that they can give correct legal advice? I do not think that that proposition is answerable.

6. Other Factors to Take into Account

a. *Limitations and exceptions*

I have mentioned limitations and exceptions, for which we have to make allowance. Some countries confine the documents that have to be disclosed to those that are produced for the dominant purpose of giving advice or obtaining the advice. There are exceptions that exist in relation to crime and fraud. Privilege has never been a barrier to disclosure when it is related to such subjects which have a paramount interest.

b. *Categories of the privilege*

There are categories of the privilege that apply in the common law which are very puzzling to my civil-law colleagues. In terms of client-lawyer privilege and litigation privilege, we do not have to go into that with the remedy that we propose, but you have to allow for that to continue to exist.

c. *The requirement of certainty*

Certainty is a vital element of any remedy. The reason is one of common sense. Let us take, first of all, what Rehnquist J, as he then was, said about it in *Upjohn*: ‘An uncertain privilege, or one which purports to be certain that results in widely varying applications by the courts, is little better than no privilege at all.’ This is a commonsense point. If a client is uncertain whether he will be forced to disclose in public the information he gives to the adviser and the advice he gets, he may not be frank in what he tells the adviser. The professional’s advice can only be as good as the quality of the information which he obtains. In our pursuit of remedies, only a formula which, in the words of Rehnquist, will produce some degree of certainty is a potentially viable one.

7. The Problems

I said that I would go back to the problems. There are many nations that do not have the protection for client communications involving NLPAs:

- Canada – common law.
- China – civil law.

- India – common law.
- Malaysia – common law.

This means that NLPA advice in those countries, including the advice of lawyers there or from overseas which is caught up in the local NLPA advice, is subject to discovery in every common-law nation. That does not apply in New Zealand or Australia, which have extended the local protection to clients of overseas IP professionals equivalent to their own. The Canadian position was confirmed in the *Lilly* case, where it was decided that there is no protection in Canada for the advice of an in-house NLPA in the UK.

There are many nations which have the protection of their national NLPAs but not for client communications with NLPAs overseas. That applies in the UK. Many professional representatives of both common-law and civil-law backgrounds who attended the WIPO/AIPPI conference in 2008 – and some of the people in the audience were there – said it is uncertain what would happen in their courts if a party sought disclosure of IP professional advice given to a party overseas. They further stated that it is desirable to have that made certain that it would not be discloseable in their proceedings. That, then, is a gap to be filled.

We have to deal with two problems: the lack of the protection, and the loss of the protection. An international agreement which sets a minimum standard is required. It can pivot on confidentiality and professional secrecy. The formula of the agreement needs to allow for qualifications which now apply in common and civil-law countries to continue to exist; we do not want to invade this space too much. The formula needs to provide a predictable degree of certainty.

8. Definitions

I will now talk about the proposed remedy. We have already dealt with what Appendix 5 recites. Certain things had to be defined, such as ‘IP adviser’, ‘IP rights’ and ‘communication’, but I will briefly just with IP adviser. Australia has been through the process of defining such a person in relation to changes that, as I just mentioned, have been made in the law in Australia, to which Fatima Beattie, the Australian Commissioner of Patents, who is here with us, will no doubt refer later on. Qualifications and authorisations will vary from nation to nation, but assuming that there are such qualifications or authorisations for the right to practise.

What has to be recognised is that the client going to any country has to deal with whoever is there, available to give them the advice that they need. I draw the line, I think, when you get to a situation where there are no qualifications, because the fundamental basis of civil-law and common-law protection is that there is a relationship which is special, and I do not see how you can have a special relationship without any qualifications upon which to rely.

Accordingly, the proposal for the definition of IP adviser means ‘a lawyer, patent attorney or patent agent, or trademark attorney or trademark agent, or other person qualified or authorised.’ ‘Qualified or authorised’ are the words we used, but you do not have to limit it to that. I notice from the UPC Rules of Procedure that they put in ‘recognised as eligible to give the advice in that nation’, which is just another way of saying it; perhaps it is better. That is a matter which needs to be worked on.

9. Main Operative Provision

The main operative provision has the critical words in it that the communications to which it relates are going to ‘be confidential to the client and [...] protected from disclosure to third parties’, though I also notice, Kevin, that you have picked up the third-party point in the latest version of your draft Rules of Procedure of the UPC.

10. Limitations and Exceptions

Professor Cross’s commentary led to an amendment allowing for limitations and exceptions to continue to exist, subject to a proviso, which I think he also suggested, that the ‘limitations and exceptions, individually and in overall effect, do not negate or substantially reduce the objective effect of [the operative provision], Clause 2.’

IV. Conclusion

I would like to close now and I suggest to you that what I have given you are building blocks for an outcome which might be worked on. AIPPI's remedy does not require civil-law nations to adopt common-law privilege. However, it does provide that confidentiality in IP professional advice be adopted. That may be acceptable, first because the combination of professional secrecy and no discovery in civil law means, in effect, that IP professional advice is secret and, thus, confidential. Second, common- and civil-law nations represented at the WIPO/AIPPI conference stated that they wanted certainty about this. Certainty will be obtained by adopting a provision that there is confidentiality in IP professional advice.

If you want to avoid civil-law nations having to legislate to apply confidentiality in IP professional advice – that is, taking up confidentiality in addition to having professional secrecy that normally applies – there is this option: after the word 'confidential' in the main operative provision of the AIPPI proposal, add the words 'or subject to professional secrecy.' That would mean that the minimum standard could be achieved by applying either confidentiality or professional secrecy to the communication.

I thank you earnestly and I urge you to solve the problems which I have referred to in support of your recognition of the public interests in supporting the giving and obtaining of correct legal advice and in having the law correctly enforced. Our position now is that our laws do not yet achieve full support of the public interests that have been accepted by us for centuries. Thank you.

Bastiaan Koster

Thank you, Michael, for providing that very clear helicopter view of the landscape and the building blocks, so that we can start putting them together.

The next two speakers will look at the remedies and goals of the colloquium. First, we will hear from David Hill, a past President of AIPLA and an experienced litigator from the US; second, we will hear from Bill Schuurman of FICPI, also a patent litigator from the US.

Remedies and Goals for the Colloquium

David Hill

Past President, AIPLA, and Chair AIPPI US Division

Bill Schuurman

Member of CET Litigation Group, FICPI US

I. Preamble

David Hill

Thank you very much, Bastiaan, and I add my welcome to everyone. Michael has done a great job of laying out where we hope to go in this next day and a half. I am going to try to put a little more on the bones from a common-law perspective; that is, the US.

II. Where Are We in the US?

As all of us already know, protection of communications between IP professionals and their clients varies greatly from country to country. We have heard that already from several people this morning. In the US, historically, the attorney-client privilege has applied to protect those communications that are made between a client and his or her adviser for securing legal advice. This privilege in the US has been extended by most US courts to apply to communications with US patent agents, not just with US attorneys. We did have a period in our history in the US when that was not the case. We had some cases where the courts said that information communicated to a patent agent was really just technical information and was intended to be supplied to the Patent Office and that, therefore, there was nothing privileged about it. Fortunately, those decisions are no longer controlling in the US.

III. Where Are We as to Non-US IP Professionals?

When it comes to non-US IP professionals, it is a little more difficult. Protection for communications of a client with non-US IP professionals depends on a lot of different factors, and there is no real consistency in the way those factors are applied from one court to another in the US. It gets even more complicated when we get to the point of an in-house, employed IP professional, and the advice of that person to his or her client, which is their employer. That is not consistently applied in the US.

IV. Overview of Attorney-Client Privilege in the US

Privilege in the US, as Jeff alluded to earlier, is really the oldest common-law privilege that protects client confidentiality. What is the purpose of it? We have already talked about this. It promotes full communication between the attorneys and their clients. We want the client to feel free to tell their adviser – a lawyer, a patent agent or whoever – everything they know or need to know about the particular problem on which they need advice; otherwise, the adviser cannot do his job. It is important to remember that the privilege is narrowly construed. It does not apply to facts. Facts are discoverable in countries where discovery is permitted. We can always try to discover facts; what we cannot discover are the specifics of a communication from a client to the attorney for the purpose of getting legal advice. Why is it necessary to have a privilege? Certainly in the US, it is very necessary where we have a very broad scope of discovery. In other common-law countries that have discovery, it is clearly necessary. Rule 26 of the Fed Rule of Civil Procedure states: ‘Parties may obtain discovery regarding any non-privileged matter that is relevant to any party’s claim or defence.’ Therefore, wide-open discovery of non-privileged material is available, so it is very important to have a privilege.

V. Remedies and Goals for the Colloquium

Where do we hope to go in this colloquium? Certainly, we want to carry forward the prior work of AIPPI towards finding an international consensus on the need for this type of protection. I have been fortunate to be involved with AIPPI's effort for a number of years, going back to before the 2008 presentations at WIPO.

We would like to see a recognition of common goals for protection of communications with attorneys, patent and trademark agents, attorneys and agents of other countries outside of your own country, and attorneys and other IP professionals who happen to be employed by companies.

Certainly, as Michael has clearly pointed out, we want to work towards drafting a broadly stated international standard for protection.

VI. How are Changes Made in US Law?

You might ask the question – and Michael has raised it: how are changes made in US law, where we have so many different jurisdictions and judges? Of course, in common-law countries, the law is based on precedent from prior cases. In the US, we have both federal and state court systems, with:

- Over 650 different Federal District Judges in 94 different districts.
- Over 170 Federal Appeals Court Judges.
- Separate court systems in each of the 50 states and in some territories.

Therefore, common-law changes come very slowly in the US and are based on court decisions, scholarly writings, public-policy issues and, frankly, good lawyering. Statutory changes in this area would be very difficult.

VII. Other Mechanisms to Influence US Legal Change

I will touch on a couple of areas related to how we try to make statutory changes in the US that might be of interest to us in the future. There is a National Conference of Commissioners on Uniform State Laws in the US. This is a non-governmental body that promotes uniformity in state laws, where it is desirable and practical. This might be an area where we could focus some of our efforts in the future.

Lawyers are chosen by each state to draft proposed laws, and those laws are then considered and sometimes adopted by different states. They are not usually uniform. The uniform law is proposed, but each state can change it when they adopt it, if they do, but at least there is some commonality that is achieved in that process.

We also have the American Law Institute, which some of you may be familiar with. It prepares what we call Model Acts based on the common reading of cases and the law. From time to time, they issue restatements of the law in an effort to help codify and bring consistency to the law. The ALI, then, is another place we might look at in the future to try to find some consensus in establishing a more uniform law in the US.

VIII. Educating the Profession and the Public

- What we really hope to do in this colloquium is raise the visibility of this issue in appropriate legal circles, law schools and elsewhere, so that we can highlight the proposed international standard to courts and other agencies concerned with IP protection and enforcement.
- We need to gain support from important governmental and non-governmental bodies for adopting these changes.
- Most importantly, we have to provide real-life examples of damages that are caused by the lack of protection to businesses and national economies.

If we can show that there is a real need for this protection because it is adversely affecting local businesses and multinational corporations, that will go a long way to helping us achieve more consistency.

IX. Potential Benefits of Consensus

What are the benefits of achieving a consensus?

- Certainly, a more unified law and practice as to confidentiality would be one of our main goals.
- A consistent approach to applying the law to non-national IP professionals, and IP professionals who are employed in companies, as I have mentioned.
- We hope to enhance the ability of clients and companies in the global environment to analyse and communicate concerning IP problems and issues. It is a multinational, global economy now. Companies are not just in one country; they need to be able to communicate with their IP advisers regardless of where they are and not worry about whether those communications are going to be somehow forcibly disclosed.
- Overall, we want to try to improve the situation for all IP professionals, so that we can better advise our clients. Thank you very much.

X. Increasing Importance of Protection

Bill Schuurman

As previous speakers have indicated, it has become more and more important to encourage the effect of protection of communications relating to IP advice in more and more countries. This is important to give certainty that there will be protection of such communications in all relevant countries, thereby encouraging those people who need IP advice to seek advice in the appropriate country where the advice is required. They need to be sure that that advice is going to be kept confidential, and thereby that there is certainty that the advice will be complete and appropriate, in accordance with the law.

XI. Continuing Expansion of Global Marketplace

This has become more and more important because of the continuing expansion of the global marketplace, which has led to more and more products being manufactured in more and more countries, and more and more products being distributed between more and more countries. This has led to the need to secure and enforce IP rights in more and more countries. This has led to litigations being pursued, sometimes simultaneously, sometimes serially, in different countries, which is what has really heightened the demand for this certainty in the protection of advice.

Clients need to be absolutely certain in advance that, when they seek IP advice from an IP adviser in any country, that advice will be protected, so that they do not have reservations about asking questions or seeking advice. The IP advisers, in the same way, need to be able to give full advice to their clients.

XII. Residents Can Be Seriously Disadvantaged

There are countries that do not provide for protection of communications relating to IP advice, and often they say, 'It is really not necessary because we do not have discovery in our country, so why do we need to protect it?' What those countries that are unaware of the problems do not realise, however, is that their own residents are put at a serious disadvantage, because, if their own residents are sued in a country that recognises privilege and allows discovery, their opponents' advice will be kept confidential and will be protected, but, where they do not recognise advice, the communications of their own residents will be disclosed, putting them at a serious disadvantage. That is why it is important to extend it throughout.

XIII. Recognition of All Authorised IP Advisers

Because of the advances that we have had in complex technologies over many years and at an increasing pace, there has been a need for IP advisers who are more and more highly specialised in technical areas. This has led to more and more IP advisers entering the profession who have highly qualified technical backgrounds and are very experienced but are not lawyers; therefore, those people are very critical to the

advice that is given about the scope of the patents and of the accused products, and how to distinguish over prior art. Those are also communications that need to be protected.

XIV. FICPI

What, then, has FICPI done on this project? FICPI is committed to ensuring the protection of the confidentiality of communications relating to IP advice in all countries, and between clients in any country and IP advisers in any other country. That is critical, so that you can ensure that clients can get proper and complete advice.

FICPI has national FICPI groups in over 40 countries, and we have members from over 85 countries. FICPI members include IP advisers who are lawyers, patent or trademark lawyers, NLPAs, and IP advisers who have technical degrees but no special qualifications in the area of giving IP advice, but who are recognised in those countries as IP advisers. It is FICPI's position that all communications with all of those IP advisers need to be protected worldwide, if possible.

FICPI has contacted the representatives from many of its member countries to find out what their attitudes, views and qualifications are, and whether they have any protection for communications in their own countries. The majority of them favour us establishing a framework for providing effective protection.

FICPI has approved a resolution that the protection of the confidentiality of communications between clients and IP advisers relating to IP advice should be reinforced and extended to as many countries as possible and to relevant communications between clients in one country and IP advisers in any other country, so that you can get the appropriate advice from the appropriate advisers, where it is critical and relevant to you.

XV. Main Goal of Colloquium

In FICPI's view, the main goal of the colloquium is to assist the governments of a group of key industrialised nations to develop this model framework that Michael spoke about, so that there is a model framework that other countries can adopt. Without offending their positions or their laws, they can simply adopt that framework and secure cross-border protection for IP advice, as that applies to the issues relating to IP.

XVI. Residents of Individual Nations Can Be Severely Prejudiced

As I said earlier, some nations need to be made to realise that they have to adopt this model framework in order to protect their own residents and companies. They must be made to realise that their own residents will be at a serious disadvantage if there is litigation in another country which recognises privilege, because the opponent will be absolutely protected and their own residents will have to disclose everything.

XVII. Civil- and Common-law Countries

We also believe that, based on a long history of recognition of professional confidentiality in civil- and common-law countries, going back hundreds of years, the same model framework can easily apply to civil- and common-law countries without offending their positions in any way.

XVIII. In-house Counsel

The obligation of confidentiality needs to be extended to in-house counsel when they are giving IP advice. Some courts have said that in-house counsels are sometimes involved in businesses, giving business advice, but that is not what we are talking about here. We are talking about IP advice. They have to be sure that their IP advice will be treated as confidential so that they can get a frank disclosure from their client and give a complete disclosure. There is no dispute about that.

XIX. Confidentiality Applies to the Communications, Not to the Facts

The final issue that I would like to address, which previous speakers have alluded to, is that some FICPI countries have expressed concerns that somehow facts can be hidden because of the confidentiality of communications. What we need to make them understand is that facts can never be hidden. Facts are

disclosed. It is only what the client says to the IP adviser about their concerns about the facts and what advice the IP adviser gives about the facts. The facts themselves cannot be concealed and will have to be disclosed. The simplest example is prior art: if the client asks the IP adviser about prior art, the prior art is going to be disclosed. The only thing that is confidential is what the client asks the adviser about the prior art, and what the IP adviser says to the client about the prior art – that is all. We feel that this is a very important issue and we need to do whatever we can to extend it to as many countries as possible. Thank you.

Bastiaan Koster

Thank you, David and Bill, for that overview. Our next speaker is Professor John Cross from the University of Louisville. Professor Cross has published widely and has looked at the issue of privilege. In 2009, his paper on this issue was published by the International Trademark Association. Professor Cross, we are really privileged to have you here today and we look forward to you providing a reaction to and comments on the AIPPI proposed solution.

Comments on the 2012 AIPPI Confidentiality Proposal

Professor Dr John Cross

Grosscurth Professor of Intellectual Property Law, University of Louisville

I. Preamble

I would say the privilege is all mine but that might be interpreted as a bad pun, so I will try to keep the comments more serious. I do, in all seriousness, want to thank the organisers for inviting me. The interaction between the academy and the practice is far too little, especially in the US, and any chance we have to have a dialogue in a situation such as this is immensely valuable. Hopefully, my comments will give some food for thought on the underlying problem and the proposal to deal with that problem.

II. Complicating Factors

1. Overview

I certainly do not need to lay out the basic problem. Everyone in this room is well aware of the core situation that exists: the problem, especially when one crosses borders, in dealing with the attorney-client privilege and related privileges. I do want to point out some factors that make this an especially interesting issue and one that, in many ways, is unique.

2. Two Types of Nations

First, of course, as has been alluded to by other speakers, we have two basic categories of nations, although the lines between them are not always that clear. We have nations that allow for some form of discovery, and nations that do not. Quite often, the communication between the two is lost, because, in nations that do not have discovery, there is really no need to think in terms of privileges. Any analysis of the question that we have before us, then, needs to think not in terms of labels but in terms of function. If a nation will not force disclosure of information relayed to an attorney, it may not have a privilege in name but it has the functional equivalent of a privilege, and that functional equivalent ought to be recognised as such. That is a problem not only in IP but one that exists throughout the attorney-client privilege in various contexts.

3. Parallel Protections for the Same Invention or Mark

In IP, we have a couple of other related considerations. First, the international system is a very unusual one. When you think in terms of ordinary property, we do not think in terms of a protection in Nation A and a protection in Nation B. In IP, however, we have just that. We do not have a single worldwide patent – at least not yet, and probably never will – but we have instead parallel patents that exist nation to nation, yet they are patents in either exactly the same or a very similar invention. Facts that went into obtaining the patent in one nation may be the same facts involved in obtaining that patent in another nation, so, at least at the surface, it may seem that, with that parallel protection, you have the same basic issue perhaps arising in multiple jurisdictions.

4. Fully-fledged Attorneys and NLPAs May Be Involved in Seeking Protection

Third, we have ordinary, fully licensed attorneys and NLPAs involved in the patent process and, in some places, in the trademark process also. Privileges historically applied only to fully-licensed attorneys, and we did not really have this concept of a legal representative, at least in the common-law nations, who was something other than a fully licensed attorney.

Those problems interact, then, to create a toxic brew that creates the problem that this colloquium is designed to address.

III. Ways to Deal with the Problem

Here, I am going to give an outsider's view of how one might approach this problem of privilege:

- First, you could do nothing. If you think about it, a number of nations have devised responses to the problem. The UK and now the Australian approach is a fairly workable one in those nations. The US approach, albeit different and confusing, is another way to deal with the problem.
- Second, you could do what I call a ‘choice-of-law’ solution, which is what I think the US is trying to do. It is trying to look to the law governing the relationship between the client and the representative. If that law recognises a privilege, I think what the US courts want to say is, ‘We will recognise that privilege in US litigation. We will let the law that governs the relationship govern whether the communication is protected.’
- Finally, you can have what the proposal deals with: uniform substantive standards. Whereas a choice-of-law approach might look to a uniform methodology to choose a law, the proposal we have before us in this colloquium is one that would establish an almost uniform substantive standard for protection.

The last two are best effected by a treaty. If you want to have uniformity, doing nothing is simply not an option; you need to have an agreement among nations to deal with the question.

IV. Factors for Evaluating Proposals

In evaluating any type of proposal, there are certain considerations to keep in mind:

- Certainty, predictability and reliability cannot be emphasised enough. They have already been mentioned in our discussion today. The client needs to be confident that the communication will be protected. If the client does not have that confidence, there is perhaps a lack of candour between the client and the attorney. You need, then, to have uniformity and reliability.
- Second, you need to be able to avoid what I call the ‘floodgate’ problem or the ‘let the cat out of the bag’ problem – there are all sorts of metaphors in English that we could use. The problem is that, once the communication is revealed anywhere, there is a temptation for nations that might protect it otherwise to say, ‘It has been revealed. It is no longer confidential. We will not protect it from forced disclosure.’ Indeed, because we have this parallel protection system in IP, a revelation or disclosure anywhere in the world might open the floodgates and lead to discovery in a number of different nations.
- Finally, as is well emphasised in the materials we have with us today, any system should try to intrude as little as possible on current domestic practice. Any treaty is more palatable if you, as a nation, can say, when you sign it, ‘We already comply.’ The extent to which you can minimise forced change in national systems is a positive factor in evaluating any proposal.

V. Critiques of ‘Alternate’ Methods

1. Doing Nothing

I have mentioned three alternatives and now want to critique the first two: the do-nothing alternative and the choice-of-law solution. Doing nothing is not a long-term solution. Certain nations have devised means to deal with this question; others could follow suit and adopt similar means. It leads, however, to an unacceptable degree of uncertainty: you simply do not know. If the goal is to encourage full disclosure, any situation in which we rely on nations to match their laws will not work in the long term.

There is also a sub-issue here, which may be me coming at it from a US perspective. As mentioned earlier, US discovery allows disclosure of any information that is not privileged but is also relevant. I think an argument could be made that what is disclosed to an attorney in Nation A may really not be relevant to litigation in Nation B. That is an interesting issue but I do not think judges have been willing to take a hard look at that question. There is this view of ‘When in doubt, allow disclosure’, so doing nothing and relying on concepts like relevance will not solve the problem.

2. Choice-of-law Approach

When I first dealt with this question, the choice-of-law approach seemed to be the best answer. Ideologically, it is the best approach to the question. I do not think it ultimately works, for reasons I hope to point out briefly. First, the choice-of-law approach has one benefit of minimal intrusion on national

practice. A nation has to agree on a methodology but, by and large, it will be free to treat domestic communications as it sees fit. If there is a communication between a client in Nation A and an NLPA in Nation A, it can do what it wants with that communication. It is only with respect to foreign communications that it will need to look to the law of that place. Again, it has minimum intrusion on national systems.

If it is applied correctly – and, I should add, consistently – it would certainly enhance certainty. You would be able to, hopefully at least, predict what law governs your relationship and, based on that, you would have some idea of whether the communication could be forced to be disclosed. It is important, in a choice-of-law approach, to adopt a functional view. If you are asking, for example, whether a particular civil-law nation has a privilege, you might find the answer to be no; the more salient question is whether the nation forces disclosure. Again, a choice-of-law approach, to be feasible, would have to be functional rather than formal.

There are a couple of problems that ultimately spell the demise of any choice-of-law solution:

- First is a problem that the US courts have wrestled with: how you determine what law governs the communication.

It is fairly simple when a client in Nation A has a communication with an attorney in Nation A concerning a patent in Nation A. In the modern world, however, that is not always true. The client is often in one nation, the attorney or NLPA in a different nation and, even in today's modern world, that communication may involve a patent in a third nation. Attorneys travel, and this room is evidence of that. Adopting a means of choosing a law that governs the relationship could prove to be difficult. My own recommendation would be to have it be governed by the law of the nation whose IP right is in question, but that is not really a solution that fits well in modern choice-of-law methodology.

- A second problem, I think, that could arise in a choice-of-law solution is the floodgate problem. Again, once the information is revealed anywhere, it could be that a nation says, 'We are simply not going to recognise any confidentiality from this point forward.'

VI. The AIPPI Proposal

1. Overview

Let me focus the remainder of my discussion on the proposal we have before us. Although my prior paper dealt with the earlier version, I am going to focus my comments today on the current version. The proposal is a substantive, simple, comprehensive standard that would be applied by all signatories to the treaties. In litigation in that nation, all communication that is made to or even relates to an IP advice would be protected from disclosure. It does not matter whether the recipient of the information is a fully licensed attorney, where the disclosure took place or which nation's IP protection was in question at the time the disclosure took place.

What I particularly like about the proposal is that it is a functional approach: it does not care whether a nation gives a privilege; it simply focuses on the signatory nation – that in which the litigation occurs. That nation agrees to treat all such communication as privileged, as long as it fits within the requirements of the treaty.

It really applies to any communication. It is not limited to the classic communication in connection with litigation. It would apply to any communication, including those involved in obtaining IP rights. It applies with equal force to attorneys and NLPAs. Any communication again relating to IP advice – a very broadly defined term – would be treated as confidential.

I particularly like, as Michael pointed out earlier, the final provision, which I think was a glaring flaw in the prior proposal. The notion of an absolute privilege simply would not be acceptable to most nations. Even nations with a very strong privilege recognise exceptions. The final provision in section 3 allows nations to make exceptions. Again, you cannot lose sight of the fact that there is a core purpose for the treaty. As long as the core protection remains, nations have considerable flexibility to make minor limitations, exceptions and variations.

As is true in most nations with privileges – I think all – clients can waive the privilege by disclosing to the world what they told their attorney or NLPA. It is not, then, an absolute, perpetual privilege, but one that can be waived.

2. Advantages to the AIPPI Proposal

There are certainly some advantages to the current proposal:

- It is vastly improved, both in terms of substance but also in terms of wording, from the earlier proposal. There were some issues of clarity in the earlier proposal that were troubling. Those have largely been resolved.
- It is very simple to apply. It is a rule that applies really domestically. The nation simply needs to ask itself: was this a communication to, or in relation to, an IP adviser? If so, in that nation, it is protected from disclosure. The only difference from nation-to-nation is likely to involve the exceptions, which, again, are probably going to be differences on the margin as opposed to the core of protection.
- It leads to wonderful predictability. You know what nations have adopted the treaty. You know those nations have obligated themselves, should you, as a client, find yourself in litigation, that the information that you disclosed anywhere would not be discoverable in that nation.
- It is a very broad protection for communications, and I will come back to that later.
- The exceptions provision does give, as I mentioned, nations some flexibility to deal with various questions of social need.

3. Critique of the Proposal

It is not perfect, however, and I am going to lay out a couple of critiques of the proposal. I do want to emphasise that I do not think that these are fatal; I think what we are largely talking about here are matters of fine-tuning.

- There are some minor drafting issues, which I will point out quickly.
- It is probably too broad currently for nations like Canada, which have a reluctance to extend any sort of protection to an NLPA, even domestically. As I understand it, however – and the Canadians in the room can correct me – there has been some discussion to try to generate some movement away from that absolutist position.
- Perhaps the most serious problem with the proposal is that it focuses not only on attorney-client privilege but also the broader litigation privilege.

Although using the litigation privilege is not technically accurate, what I mean is we have been talking so far about conversations between clients and legal representatives, but it is written not in terms of people but in terms of communications. It applies to any communication to an IP adviser or in relation to IP advice. I read that as extending to conversations between attorneys, nation to nation, and conversations between attorneys and/or NLPAs and technical experts. It is, then, a much broader privilege than the historic attorney-client privilege. I do not suggest that it is a bad thing but that it may only make the proposal more difficult to swallow for some nations.

4. Drafting Issues

a. Coverage

The definition of IP rights does not include trade secrets. At first, I thought that that was a significant oversight. I am comforted somewhat because, typically, in a trade-secrets case, you are not talking to an NLPA but to a fully licensed attorney. If so, that tempers the effect somewhat. It is more likely that the privilege will be recognised if a fully licensed attorney is involved.

b. *'Qualified or authorised in the nation where the advice is given'*

In order to be an IP adviser under the proposal, one must be qualified or authorised in the nation where the advice is given. That focus on the situs of the advice seems to me a bit curious. It might make more sense,

as I alluded to earlier, to think in terms not of where the advice is given – an almost metaphysical question in the days of email – but instead the nation whose IP is at issue. If a Canadian attorney in this room or in the US gives advice concerning a Canadian patent, it would seem that that is the law we ought to be looking at to determine whether that person is qualified.

c. Inclusion of a right to sue a representative who discloses

The proposal deals with forced disclosure but does not necessarily deal directly, although it alludes to, what happens if the attorney does disclose. Is a nation now obligated to create liability – either malpractice liability or sanctions – against an attorney who engages in an unauthorised disclosure? Again, that is not the intent of the proposal, but at least the operative language, as written, could be read that broadly.

d. Disclosures mandated by the Patent Office

This is a minor issue. It was alluded to earlier that, in the US, we had the conduit theory, where information was never protected, the idea being it would be disclosed to the Patent Office. Patent offices require significant disclosure, although not normally disclosure of information given to an attorney or an NLPA; nevertheless, they require significant disclosures. Disclosures made in the context of applying for a patent could create some potential difficulties – probably not, but it is something to look out for.

5. Breadth of the Proposal

The final set of quibbles – and again these are minor points – that I have with the proposal is with its breadth. One intermediate approach might be that taken in the Berne Convention, which deals with copyright. It has all these minimum standards, but they do not apply to domestically produced works. You could, then, have a proposal with slightly less intrusion on domestic policy, that says, ‘If it is a communication to a foreign IP adviser, these minimum standards apply, but you can do whatever you want with domestic advisers.’ That might make the proposal more palatable to some nations. It does present the problem of the floodgate problem again: as long as it is not protected anywhere and you can force disclosure in one place, it could create the problem that other nations might now choose not to protect it.

The other breadth issue, which I think is the most serious problem with the proposal – but not necessarily fatal – is that it extends to all legal communications in connection with obtaining a patent. That brings in notions of what we call the litigation privilege or, in the US, the work-product privilege. It is broader because it applies to all communications concerning IP advice, whereas the historic litigation or work-product privilege applied only to communications with respect to litigation – certainly ongoing litigation and perhaps pending litigation. It is, then, broader than the historic litigation privilege but, like the litigation privilege, it extends protection to conversations that do not even involve the client.

That may be a good thing, but why I think that may prove troubling to some nations is because the litigation privilege has many more limitations and exceptions than does the attorney-client privilege. Under the US work-product privilege, for example, communications between an attorney or any representative and third parties – the information-gathering function – is protected, unless the party seeking the information can show need. If an attorney has talked to a witness, and the witness has now fled the jurisdiction, the other side can get the information from the attorney. It is not, then, nearly as absolute a privilege as the attorney-client privilege. To the extent that the proposal is going to deal with conversations between the legal representative and people other than the client, I am not sure whether a need exception would fit within section 3. That seems to fly in the face of the meat of section 2.

With that, I can say that I came in under time, which almost never happens with an academic. You were all so daunting. Thank you for your time and I look forward to any questions.

Bastiaan Koster

Thank you, Professor Cross, for starting to move the building blocks into position and gathering the loose ends together. We now have some time for questions and observations.

Questions and Answers

Michael Jewess

That was a very interesting session. I am inclined to agree with Professor Cross's first worry about trade secrets, because I do not think it is true that NLPAs do not deal with trade secrets. For instance, a client might come to an NLPA with some half-generated technology, and it might be that the NLPA will draft a confidentiality agreement so that that person could talk to someone else. Confidentiality agreements are very common. Even after the patent application is filed, the client might wish to talk to a third party and there would be a confidentiality agreement relating to that, so I do not think that excluding trade secrets is safe, if they are excluded by the wording.

Professor John Cross

I can comment briefly: that is my own ignorance. My understanding – and I am on very thin ice here – of US law at least is that even drafting a confidentiality agreement would be unauthorised practice for someone who is not a fully licensed attorney.

Michael Jewess

What I can say is that a UK patent attorney, even in private practice, can draft a confidentiality agreement. It is perfectly normal.

Professor John Cross

I did not realise that. It was my own narrow focus. Thank you, though.

Bill Schuurman

I think Mike's point is good: the more comprehensive the definition so that it applies, the better.

James Tumbridge

I have a question specifically for Michael on the last point. I think the comment would be an issue for the UK government, for whom, to a limited extent, I am authorised to speak for here. Patent attorneys are not meant to be doing the drafting of confidential information-type agreements; it is not something that is covered by their qualification and regulation.

Michael Jewess

The salient act does say that there is privilege in relation to the protection of technical information. It does not refer to patents.

James Tumbridge

My point is more about the drafting of confidential-information agreements. That is not something that is covered by their qualification.

It is the qualification part that I wanted to ask Michael about, because of the experience of New Zealand and Australia of what is proposed. If you are able to give us any guidance, how might Australia deal with working out who is a qualified or authorised person in that other nation? It seems to me that how your domestic court will look at that issue in another country could present particular issues. It came up recently in the UK Supreme Court, and I am talking about it later, so I will not talk about it now, but I would be interested to know what you think Australia is going to do.

Michael Dowling

I am not sure what sort of trap I am creating for myself, given that you are going to talk about it later. I do not think that the thinking in Australia in relation to the words that we have used has gone beyond the fact that, in most cases, it would be very clear indeed whether the person is authorised or qualified in some way. Therefore, it is a practical wording, from our point of view, that most of the people who we deal with are clearly qualified to do what they are doing. It would only be if an objection was raised in a case saying that this person is not truly qualified, and then it would be dealt with on evidence.

Jeffrey Astle

Just to expand on the points that were discussed, I think predicating privilege on an advisor's "authority" or "qualifications" to practise is dangerous. From the client's perspective, I am coming to my adviser and trying to determine whether protecting by patenting or by a trade secret might be the appropriate means to protect my innovation. For example, if it turns out that I choose trade secret and thereby lose my privilege, since it is not covered by the proposal, it would be a dangerous situation. For the client, it is important that there is some predictability and reliability relative to obtaining the advice and not falling into a trap simply because I choose to protect my innovation as a trade-secret versus patenting.

Michael Dowling

I can fully understand your point of view. It goes back to the issue of certainty.

Brigitte Böhm

I am also a bit concerned about the formulation and how it will be worded. I think both 'authorised' and 'qualified' are necessary. As far as I understand, there are countries where everyone is allowed to represent in front of patent offices, and I think we should stick to qualified professional representatives in order to make it acceptable to most countries. In our view, we would like some wording that makes it clear that there should be some sort of qualification that is necessary.

Michael Dowling

Thank you for your comment. You get down to drafting things and, as between nations, the patent offices or whoever is concerned in the drafting have an input into this and give it a focus far greater than the focus that has been given to it up to this point. The principle has been established of requiring some sort of rubric or standard. That is where we have landed at the moment but we may well go beyond that.

Professor John Cross

I wonder if a better language might be 'qualified and authorised.' If one needs any licensure to practise, you are automatically authorised, but the key point, as you raise, is whether there would be a problem with 'qualified and authorised.'

Michael Dowling

In some countries, there may be an authority to do it without having any formal qualification as such. It is a problem that I do not think we can resolve here.

Greg Chambers

I have a question for Professor Cross. I was involved with Michael in choosing some of the words for the proposals, so I find the critique interesting and challenge at the same time. I find the particular issue that you raise concerning litigation privilege interesting. It centres on the words 'or relating to IP.' I tend to agree that, as currently formulated, it perhaps extends beyond the current notions of litigation privilege in some countries. If we introduced words such as 'or relating to the enforcement of IP', do you believe that, in your country, that that would confine it to litigation privilege? I would also be interested to know whether you think, in any event, it is a bridge too far or whether we should be looking simply at advice.

Professor John Cross

Turning to the first question first, I think that, even with the addition you suggest, it would go beyond the litigation privilege. Litigation privilege applies when it is ongoing litigation. It applies when you have a high probability of litigation in most jurisdictions. I am not sure that a demand letter simply saying, 'Stop making, using or selling our invention' would qualify for the litigation privilege.

In terms of the second provision about going too far, I rather like the idea of extending the proposal beyond simply attorney-client or NLPA-client communications. I think that that is a good idea. I wonder if it ought to be as a second step, because I think the question is not one of desirability but of palatability. Will national governments be willing to sign on to a privilege this broad, which applies to any communication and which does not necessarily even have to involve or the attorney, because of the 'in relation to' language. Although it would feel, at this juncture, like only a half-victory, perhaps a proposal limited to client-legal representative communications would be a desirable first step. I think it is, however, a political issue, not a substantive issue.

Michael Dowling

I agree with those comments. The drift of the law in Australia is reflected in this. The drift of the law in Australia is to break down all of these limitations and exceptions. If it is a communication that relates to getting legal advice, either before or during litigation, it ought to be protected. We have such a complex scene at the moment about this. The client needs to get the advice, particularly the adviser saying, as lawyers often do, 'I really need some technical help on this and I know somebody who might be able to help us. May I have your instructions to get hold of this person? I will, of course, copy you in on the communications that I have.' This is the way business is done, and it is very unfortunate that communications with third parties were ever excluded in the common law.

We have got to the point in Australia where they are now included, though it is not a decision of the High Court of Australia, which I would be much happier to have. It has gone to the full court of the Federal Court, and I really think that this is the drift. Interestingly, I asked Kevin Mooney – and I alluded to this when I was speaking – 'Why do your rules not deal with the position of communications with third parties, which is what your position was?' Now I see a rule in there that deals with third parties in this way. I fully acknowledge that the US may not yet have embraced this concept, but I hope that this is the trend in the world.

Tum Thach

First, in terms of confidentiality, you defined the attorney and the different concepts such as patent agent and trademark agent. How could we define clients? You touched on that a little by mentioning third parties, but if the client communicates this confidential information to another client or affiliate of the group, does that work?

I am qualified in both the US and Europe. If I were to consolidate my legal opinion on patent infringement in one single document that I would transmit to my client in-house, such as a director of a technical unit, and if were to give legal advice on patent infringement in the US and in Europe, how would the US and European courts deal with that kind of confidentiality in one single document?

Michael Dowling

The way in which it is done in Australia, which is really all I can talk about, is you would redact those parts of it that were privileged and leave in those parts that were not privileged, which happens all the time with discovery. The trouble, of course, is that, if you have different jurisdictions where, in the one jurisdiction, more may be privileged than in the other, you are going to get yourself into the situation where whatever is disclosed in the other country, you are not going to be able to keep in the country that is broader. It is a conundrum.

Tum Thach

Your suggestion is to separate.

Michael Dowling

I think so. It is terribly important not to have an omelette made up of a lot of different elements, some of which are in or out, and then broadcast that. It will be the lowest common denominator that applies to what is remaining as confidential.

Professor John Cross

Michael is exactly right. Because of this odd parallel protection, the same information will have been disclosed relating to both of the patents. As long as it falls into either of the cracks, it is going to be lost for both.

Luiz Henrique O. do Amaral, Brazil

Thank you very much for the presentations and discussion, which are very enlightening for someone who comes from Brazil. I represent the Brazilian group of AIPPI and I have an ideological or philosophical question which is posed by the Brazilian authorities every time we discuss this issue. Although we have the protection in Brazil, the position presented by the authorities is that it is in the public interest that all information that may lead to the validity or invalidity of a patent should be available. How, then, do you propose we answer this kind of criticism?

Professor John Cross

The question is ‘should be available to whom?’ Should it be available to opposing sides in litigation or to the patent office?

Lui z Henrique O. do Amaral, Brazil

Both.

Professor John Cross

If it is the former – to other parties in litigation – and if that is the public policy, I do not see how, in good conscience, you can sign on to the proposal as is. If it is widely available litigation to other sides, you could not create an exception that did not devour the whole.

Michael Dowling

I think that the problem you are referring to is really dealt with in the common law by what was described by early speakers as ‘What is it that is really being protected?’ What is protected is only the communication so far as it relates to the obtaining of legal advice, and the legal advice itself. You have to ask your authorities why they are interested in having that when it is very subjective to the client. It might be the reason why the client reacted the way the client did, but it is the right of the client to do that. It does not, however, affect anything in relation to the existence of valid or invalid protection for an IP subject. I do not think they should be too concerned that this is going to block something which is truly important to be known in the public.

Bastiaan Koster

This is a very important question and something we must look at, because I know other countries are having a similar argument.

Jeff Lewis

To me, that question from Brazil comes back to – and Michael touched on this a little – the difference between fact and opinion, or between objective and subjective. Frankly, we are criticised sometimes in the US for looking subjectively in terms of patent validity. You may have heard the phrase ‘inequitable conduct.’ The reality, however, is that, when you have the conversations, most everything that people wish to say there ought to be access to is information that goes to the validity. It is the prior art or the fact itself.

The fact itself is rarely, if ever – I would go so far as to say never, although they say ‘never say never’ – the confidential point of the communication. The confidential point of the communication is the subjective characterisation that it is communicated between client and professional on an issue of patent invalidity or whether this is prior art or whether it creates a problem for them. It is not the fact itself. When there is a concern expressed that confidentiality protections will ‘hide’ something, it really does not go to the factual issue underlying it. That is the concern that I hear from many countries. If we break out subjective versus objective, I think those concerns go away.

Jeff Lewis

I have a question for Michael Dowling. You were referring to confidentiality from third-party information. From the US perspective, I would like to understand that slightly better than I do at the moment. Let me set out my question more clearly: in the US, we have the concept of joint-interest privilege, which would extend an attorney-client communication to a third party when there is a reason for that confidence and you can show a commonality of interest. I am curious as to whether, when you refer to third-party privilege, you are extending something beyond that concept, or whether it is meant to embrace that concept.

Michael Dowling

From my point of view, it is certainly beyond that. We have the same concept of joint-interest privilege. The situation is that often it is like a fishing expedition, and people are after information which is, on any view, rather irrelevant to the outcome. They cast the net widely, however, and say that they want all of these communications with third parties. What I want to protect is the process by which the lawyer got to the position of being able to advise the client.

If the lawyer did not have a degree in nuclear physics and needed to get that sort of information, he wrote a brief to somebody who was a nuclear physicist, the nuclear physicist came back and, if the nuclear physicist has to give evidence in the case, everything is open. That is what happens with us. If you discard that nuclear physicist and prefer a different point of view, and that person is then put up, why should the first one’s information to you be subject to discovery? It is rather irrelevant, but unless you protect third-party advice per se, it is then open to discovery. It should not really matter.

Bastiaan Koster

Thank you, everybody, for your contributions. We will now have a coffee break and return at 11.30. I want to thank the speakers for their input and for keeping to time, and you, the audience, for your participation. I think this morning has been very successful and has certainly laid a solid foundation for some productive discussions. Thank you.

[Break]

Bastiaan Koster

In the session, we are going to look at the protection and issues arising from discovery in common-law nations. Comments will be made by governments and other representatives from the US, the UK, Canada and Australia. We have four speakers and, at the end, we plan to have sufficient time for questions. Again, without reading people’s bios, I will give them each a short introduction. Our first speaker is Bernard Knight, General Counsel at the United States Patent and Trademark Office (USPTO). He is the principal legal adviser to the Under Secretary. Thank you for joining us and we would look forward to your address.

The Protection and Issues Arising from Discovery in Common-law Nations

Bernard Knight
General Counsel, USPTO

James Tumbridge
Counsel, Gowlings

Jeffrey Astle
IP Counsel, Pratt & Whitney Canada Corp.

Fatima Beattie
Deputy Director General of IP Australia,
and Commissioner of Patents and Registrar of Trademarks

I. US

1. The Law in the US

Bernard Knight

Thank you very much. It is wonderful to be here this morning. We heard a little this morning from David Hill and Professor Cross about the US system but I was asked to elaborate on that further with you this morning before talking about the road forward.

With respect to the law in the US with respect to privilege, as people already alluded to this morning, it is really the law of the individual states that controls. One of the problems in the US, as I set this up, is that we have to make certain that the 50 states recognise the privileges consistently. There is a rule in the Federal Rule of Evidence, but it is with respect to waiver of the privilege when disclosing documents or communications in a federal court, but there is no rule in the Federal Rules of Civil Procedures, and we have to look at each of the states. When we look at the law in the US, I divide it into three components:

- The attorney-client privilege.
- Any privilege that would relate to patent or trademark agents.
- The law as it applies in the US to a foreign communication, and whether that would be protected in a US court proceeding.

2. Attorney-client Privilege

The attorney-client privilege is well settled in the US. Every court recognises an attorney-client privilege and, if there is a confidential communication between an attorney and the client, that is privileged and not subject to discovery or disclosure in a court proceeding, so that is not a problem at all.

3. Patent and Trademark Agents

The second issue is when you are dealing with a patent agent or a trademark agent, where the law is a bit muddled. The courts have recently taken the approach that there is a patent agent-client privilege, provided that the agent is engaging in the practice of law in a manner which is authorised under our legal system. In the US legal system, for example, patent agents are allowed to represent people with respect to patent prosecution before the PTO, but they are not allowed to engage in litigation in the federal court system or to provide legal advice with respect to non-prosecution matters.

For example, a patent agent could not provide legal advice with respect to enforcing a patent or with respect to licensing agreements. The courts in the US would generally hold that communications with a patent

agent would be protected, provided the agent is providing advice with respect to patent-prosecution issues before the USPTO. If it is not a patent-prosecution issue, the communication generally is not privileged. The reason for that is that the attorney-client privilege applies in the US only with respect to providing legal advice, and agents are allowed to provide legal advice only with respect to patent-prosecution activities before the USPTO. That is the rationale for the distinction.

4. Protection for Foreign Communications

The third prong is whether or not communications between a foreign attorney or agent and the patent-owner or client would be protected in US litigation. This is really a matter of choice of laws, which Professor Cross spoke about this morning. Although there is no uniform law in the US, what the US courts generally do is provide for a choice-of-laws approach. They use a formal approach. Professor Cross was advocating this morning a more functional approach, which I think would be great, but the courts generally use a formal approach, which I will describe to you now.

The courts apply a two-part test. The first part of the test is whether or not US or foreign law should apply. When you determine whether or not US or foreign law should apply, the issue boils down to whether or not the communication took place completely within foreign soil and with respect to a foreign activity, or whether or not the communication took place in the US or was related to some US transaction.

If the communication touches the US, generally US courts are going to apply US privilege law. If the communication was wholly with respect to, for example, a filing before the European Patent Office, the US would then apply foreign law.

The second part of the test that US courts generally apply is going to be whether it is a foreign transaction or a completely foreign transaction, so that foreign law should apply, and that is our choice of law. You then look to the law of foreign country and determine whether or not there is a privilege. The courts will then apply the privilege of the foreign country.

As some speakers alluded to this morning, if a foreign country does not have an attorney-client privilege or litigation privilege, the residents of that country or the parties who engage in transactions in those countries are going to be at a disadvantage in the US if foreign law does not protect that communication.

5. Harmonising Structures

Moving on, then, to the next topic, how are we going to harmonise all these countries' different laws and those of the US in order to have a more harmonised structure for the litigation privilege and the attorney-client privilege? I agree with one of the speakers this morning – I think it was Professor Cross again – who said that the best way to do this is via a treaty. A treaty in the US would have to be ratified by Congress. If it is ratified by Congress, the law would be applied in all of the federal courts within the US.

However, when we look at issues like this and whether or not a treaty would be an effective to harmonise the laws, whether or not the US would be able to sign on to such a treaty, and whether or not our Senate would ratify our treaty, it really is a difficult task. We always take on tasks that are difficult to achieve but, in all honesty, it is probably not the easiest thing to accomplish within the US framework. The other possible way to do it would be to try to get all the US courts and judge to agree with our new approach, but it is very difficult and would, basically, be an impossible task. We are left, then, with trying to get a new treaty and have that ratified by Congress, which I think would be a worthy goal but it is going to be difficult to achieve.

Thank you very much. That is an overview of the law in the US. I really appreciate your time.

Bastiaan Koster

Thank you, Mr Knight, for that very clear summary of the situation in the US. Our next speaker is James Tumbridge, Counsel at Gowlings in London. He has wide experience in IP law, and has practised in England, Wales, the US and Canada.

II. UK

1. Overview

James Tumbridge

Thank you very much. You will no doubt find the bio information on me buried somewhere. I wanted to start by trying to give you some information of the unusual way in which I have been asked to speak today. I am reminded of a famous English barrister who once said to the court, 'I have three points: one is good, one is bad, and one is middling.' The judge said, 'Give us your best point.' He said, 'No, it is for you to decide which is which.'

I have the privilege, in a very limited capacity, to speak for the UK Government today. I have been authorised by Her Majesty's Ministry of Intellectual Property, which then authorised various civil servants to talk to me to give me some idea of what the British Government would do if you brought this to them, which I hope will make it a more useful contribution. I also have the pleasure and privilege to be a part of Q199 with AIPPI, looking at this on a global basis. Of course, I also have my own views, so you will have to work out, to a degree, who is saying what at what point. If it is anything controversial, it was not me speaking for the Government.

In relation to what I was asked to do in terms of the four sub-topics in the programme, quite frankly I have 20 pages of legal notes just on the first point, so I will not bore you with that. I did think, however, that I would canter through some of the points that have been coming up. Issues of privilege in IP have come up in a couple of cases in the last two years, which is of some note. I can then wrap the other three into what I hope will be my overview of what we could do.

2. Status of the Protection Provided

Privilege and the patent attorney profession in the UK grew up in the 19th century. Since 1968, there has been at least some statutory protection for IP-related privilege, which has gone a long way, to the point where, now both trade mark attorneys and patent attorneys have statutorily recognised privilege in a number of places. There is a particular case that got a lot of attention recently, having not been thought of for some time, which was a patent-attorney case about the extent of their privilege in the 1980s. In November, the UK Supreme Court was asked to look at privilege, because accountants want to join the club. They say they are advisers, just like patent attorneys and trade mark attorneys. As a result, I was involved in that case for AIPPI and we looked, at some length and in some depth, at what is going on in the privilege world.

Briefly, we have had a number of big steps forward. The present position is that, if you are a qualified patent attorney or trade mark attorney under the British law, or you are registered in a European capacity, we will automatically recognise the advice you are giving, within the areas that you are qualified to give it for. You do start to get into interesting grey areas if you start to talk about contractual related advice, which may concern an IP right but is not the focus of what you are talking about.

3. What Is Yet to Be Achieved

As a result of that, where we find ourselves today, as I skip past the hundreds of cases that I will not bore you with, is that the UK supposedly has a harmonised position, which I have just outlined in very brief terms, but we have one or two anomalies of our own. When Scotland enacted the 1977 Patent Act, which is the principal source of patent attorney privilege, it introduced a Scots law expression – and I have yet to find a Scottish lawyer who can explain it to me – which means that communication made by 'whomsoever' is privileged. This was an enormous concern and problem, which was not dealt with by the Supreme Court when it gave judgment in January this year. It links to the proposal and the question that I asked Michael earlier about the concept of 'authorised.'

Effectively, what our statutes and our Supreme Court have recently said is that they are much more comfortable when they know that there is a qualification that they can look at. There was a very strong argument put forward in the case before the Supreme Court about the problems – obviously focused at accountants but the principle is the same – that the word 'accountant' is considerably less regulated than the expression 'patent attorney.' There are about eight bodies that can give that out, and we estimated 2.5

million people can claim to be an accountant, as a result of which privilege could be blown open to a very wide area.

Therefore, the British attitude, at both a governmental and judicial level, to saying that people can give privileged advice when you are not sure where you go looking to confirm their qualification is a concern, because the argument that went forth was that this created a risk that a judge, on a case-by-case basis, might be asked to look at the basis on which an individual claims to be an authorised person, and that, little by little, judges would be deciding whether or not you are, based on your qualifications, examinations and so on. They just thought that that sounded a bit too complicated, a bit too messy and not really what they wanted our courts being used for; otherwise, IP litigation is covered.

One area I wanted to touch on is a case of the English High Court, which was an appeal decision, in 2011, where the matter began with two patent attorneys advising both sides. They got into a debate about whether or not there was a difference between the litigation privilege and the legal-advice privilege, which, in English law at least, there is. Everything can be privileged but there are limits. If you are involved in litigation, the privilege is always wider. There are two sources of law that relate to the patent attorneys in this regard. The Copyright, Designs and Patents Act 1988 talks about IP litigation being covered; and the Chartered Institute of Patent Attorneys, in its Higher Courts Qualification Regulations, has a slightly different definition.

The result of that is that the judge in that case said that there is a difference under the various statutes for patent attorneys and, depending on what they are doing, their privilege varies, so we do not have a completely uniform position. The difference is unclear – it was very unhelpful for the judge to simply say it was unclear, because he has given us no guidance on how we decide where to put the marker down, but he has simply confirmed that, when you start talking about ancillary rights, where a patent attorney or trade mark attorney may be talking about something that has an IP aspect, that the focus is perhaps contractual or the economic relations, for example, they cannot be certain that the privilege definitely covers it. That case raised a lot of questions and did not answer many, other than to have our High Court a chance at least to express that there are limits and differences.

4. Harmonisation of PCIPA

I wanted to touch on the fact that we have also been looking at what the rest of the world has been doing. Since we have speakers from around the world, I do not intend to comment on what, in our recent case law, we have claimed the New Zealand, Australian and Canadian position to be, but we are aware that we are not completely as one. When it comes to the recognition of foreign qualification, we have recognised foreign-qualified lawyers giving privilege since at least 1859. The last case to really look at it in any depth was in 1981. Although, in the Supreme Court in November, we did look at it, because it was not at the heart of the decision, there is nothing really very helpful in the judgment that was delivered. What we do know, however, is that there is a very unsatisfactory randomness to how the British accepted it.

It is a simple, unspecified common point. It began when a client was taking US advice from a US attorney, and they inadvertently disclosed it, and the judge in England just said, 'That is fine – they are a lawyer.' As a result, the position that could be adopted in relation to patent attorneys, at least from outside Europe, is not 100% certain. We automatically recognise you if you happen to be a registered European patent attorney, so that covers quite a lot of people.

You will not find many applications because the general attitude of UK litigators is that, in patent attorney advice, there is a common principle. You would be asking questions such as, 'Does the home jurisdiction treat their attorneys in the way that we treat ours in England? Does that other jurisdiction also respect our patent attorney advisers?' That is where the policy advice is. We are aware that other countries have asked for disclosure of UK patent attorney advice. I am involved in a case at the moment where it is going on in Canada, and I do not think that the British judges are particularly likely to suddenly say, 'Tit for tat, we want to let everything come out from a Canadian patent attorney.'

5. Implementation of an Agreed Framework

Where I lead off to, very promptly, from observing that is that – and again, I have to be cautious because I am going to say that this is, at least broadly, what the British Government is prepared to do – the British

Government would be interested in seeing clarity of recognition around the world. The British Government recognises IP as a valuable asset and would like to see matters improved for the broadest sense of the economy and for us all. As a result, tabling the sort of suggestion which we find in the supplemental papers, on page 11, which Michael took us through this morning, is likely to be quite palatable to the UK. The UK's position is entirely reserved, however, and it all depends on whether or not everybody else signs up to the same thing. If you are all up for it, we are probably up for it.

The one issue I do think we will be uncomfortable about is the ending of the definition of IP adviser. You have listed some obvious ones, such as 'lawyer.' We have about six types of lawyer in the UK, so that is fine and we feel quite comfortable about that. You have mentioned patent attorneys and trade mark attorneys, and you have also used the 'agent' expression, and we are quite comfortable about that. I start to say this is more my opinion than not but, if I was asked my opinion to hand off to the Minister, I would say I would be quite comfortable about 'qualified person', because the way we interpret that in our present law is we look at whether there is a register in a home jurisdiction, whether there are some examinations, whether there is an insurance system to protect the public, and whether these people know what they are doing. If we can see those things, we will be quite comfortable about that.

'Authorised person' starts to become a bit woolly and unclear. 'Authorised person' is where I suspect we will be more uncomfortable without greater clarity. There could be some riders and explanatory notes, but the British would probably prefer to have it in the heart of the text rather than in some kind of recital. Again, a lot will come out in the negotiation that might take place on that.

I would also like to comment briefly that I thought Professor Cross's comments about where the advice is given were quite interesting. I suspect that the drafts of this were focused, at the time, on where that authorised person was. The suggestion that was offered was that you have a Canadian patent and a Canadian patent attorney going to a meeting in St Louis, talking about that and, therefore, not being in the jurisdiction, with a focus perhaps on the IP right and the laws that govern that right.

Of course, that also links to something that came up a little in discourse this morning about things like trade secrets and confidential information. At least as far as the British are concerned, they are not rights in the same way. The whole point is that you are choosing to keep that stuff secret; you are not putting it out there and making it public. You are not putting it under a design, a trade mark or a patent. As a result, the trade-secret side might be, again, thought of rather differently.

6. Conclusion

I have gone on a bit of a canter and kept it fairly simple. I would merely say that one of the most encouraging aspects and one of the reasons why AIPPI intervened in the Supreme Court was that we have been engaged for a couple of years now with Ministers of the previous and present UK Governments, trying to raise this up the agenda and to say that this is something that they should be prepared to be interested in, and they are. We petitioned, effectively, the Supreme Court to tell our Parliament to get involved in a treaty, and they did, but that does not translate to the British Government having this very high on their agenda with other governments, particularly because there is this thing that people keep talking about, to do with the economic situation in Europe. It is very dull, but they spend a lot more time on that.

As a result, what we all in this room have to understand is that there is a lot of lip service paid to IP in the importance of the economy, but it is not understood by many of our politicians at the highest level. While they know it matters, they are a bit uncomfortable about words like 'patent': 'Let us not be talking about that unless we really have to.' If we can come forward with a proposal, however, I have at least this much authorisation to say that the British Government would be very pleased to look at that. If it is a sensible one, with enough participation, and I do not know what the level of participation is, but if the eight jurisdictions that are largely represented here were to get together and say; 'This makes sense', I think you will find that the British will be very open and very willing to signing up to something. I hope that is helpful.

Bastiaan Koster

Thank you, James. That is certainly very encouraging. Our next speaker is Jeffrey Astle, IP Counsel for Pratt & Whitney Canada. Pratt & Whitney is a world leader in the design and manufacture of gas-turbine engines for aerospace applications. Thank you for travelling here and we look forward to your address.

III. Canada

1. Overview

Jeffrey Astle

First of all, please note that my comments are my own, and not those of my employer. Thanks to the organisations for having given me the opportunity to speak. I am here in the capacity as Vice President of the Intellectual Property Institute of Canada (“IPIC”), but I am also a bit of an “odd man out” at this conference as I am a paying client. I have some perspectives that perhaps do not necessarily align with those we have heard on the qualifications/authority of legal advisers. They align in some way but I see things from a different perspective. If I need to worry about whether my advisers were qualified or authorised, I am going to have difficulties. If I am trying to seek legal advice, I am doing at least the best I can to comply with the law. If my adviser, who was authorised to practise before the Patent Office in Canada or elsewhere, is not entitled to confidentiality or privilege in our discussions, this becomes a trap for me later.

[Housekeeping remarks]

2. Status of Protection Provided in Canada

First of all, there have been no recent developments in Canada’s law relative to the state of confidentiality of communications in IP advice, although there have been some recent developments on the political side that I will mention in a moment.

Solicitor-client privilege may protect confidentiality in IP advice. I say ‘may’ in that it has been tempered by our courts. First of all, it does not extend to non-lawyer arrangements – that is quite clear. If you are not a lawyer, you are not going to have any privilege in your communications. This also extends to communications between clients and their IP advisers in foreign jurisdictions; for example, where, in the UK, there may be privilege attaching to communications with IP advisers there, that privilege will be ignored in Canada if those IP advisers are non-lawyers.

Also for lawyers, the availability of the protection depends on the hat being worn at the time the advice is being given, which is quite a dangerous prospect, in that you may be a lawyer and you may have lulled yourself into believing that your communications will be privileged, but the client may not, ultimately, enjoy that privilege if the lawyer was wearing the hat of an agent as opposed to that of a lawyer at the time the advice was given. Whether privilege attaches is, therefore, subject to argument and uncertain.

Another fine point: there is no privilege for IP advice from a lawyer who is not qualified to provide it. For example, a US attorney giving advice relative to Canadian law. I think that is obvious but it is worthwhile stating. I believe part of the colloquium is discussing how we cast a global network of rules that would deal with all IP advice.

We talked about litigation privilege. I do not think it is really worth much discussion here, although it is strong where it does apply. When I am seeking advice relative to protecting my innovations, I am more than likely not involved in an associated litigation, so it is unlikely that that privilege will apply as a result.

In summary, in Canada, there is no reliable protection for the confidentiality in IP advice. Non-lawyer IP advice is not protected. The protection will extend only to legal advice which a lawyer is qualified to provide.

3. Why the Protection Matters to Business

This is where I get to talk a little about why I care. The protection of these communications is important to me as a client. First of all, to give you some context, Pratt & Whitney Canada designs, develops, manufactures and sells gas-turbine engines for business, general aviation and regional aircraft and

helicopters. We invest \$300-400 million a year in research-and-development on technologies that will be used in our engines. It is important for us that, when making our investment decisions, we are ultimately able to recoup our investment. It is important that associated IP rights are reliable and that we can protect the confidentiality of legal advice.

Lack of privilege or other such means which are used to invalidate patent rights are not appropriate. Whether one was, for example, ill advised or had a certain strategy in mind when seeking patent advice is probably irrelevant to determinations of infringement or invalidity.

When I seeking legal advice, for example, on my patent rights, or those of others, I must be able to express myself fully to my legal advisers. I should be able to tell them everything. This is important for me to be able to get proper advice from my attorneys.

4. Shortfalls in the Canadian Approach

It is particularly troubling that a UK attorney's privilege can be stripped in Canada. The title of my chart 'Here, There and Everywhere' was meant to suggest that communications from advisers anywhere may be subject to discovery in Canadian litigation. Certainly, communications with Canadian advisers may be subject to discovery in litigation. The lack of protection in Canada has global consequences, and disproportionately so for Canadians who turn to Canadian advisers for advice.

5. On What Basis Can PCIPA Proceed?

If we are going to proceed with protection for these communications in Canada, legislation will be required. Currently, the statute and regulations do not give the Commissioner of Patents, or the courts, the ability to recognise a privilege.

The solutions in New Zealand and Australia have been recommended by IPIC. The AIPPI proposal would be acceptable, at least from my perspective and a Canadian one too, in that it protects not only the domestic communications but those of foreign advisers.

Although relatively uncontroversial, any such legislation will require politicians to push them through Parliament for enactment, so we are still a little way away. There is, however, some light at the end of the tunnel: on 18 June this year, the Canadian Minister of Industry responded to a Report of a Standing Committee of Parliament investigating at Canada's IP regime. Of the six items that were identified for study, one was the merit and means of protecting the confidentiality of communications between IP advisers and their clients, so we do have some hope that we will have an opportunity to convince our Government to make some changes to the Canadian legislature.

We have a representative here from Industry Canada. We had some wonderful discussions at the dinner last night and I hope that those will continue. It is very positive that we have somebody here who has come to listen to these proceedings and, hopefully, help us to make some changes. Thank you for your time.

Bastiaan Koster

Thank you, Jeffrey. I am really pleased that you mentioned, in your opening comment, focusing on what is good for the client and not letting it become an argument over the label of the adviser. We do recognise, however, that issues like qualification and authorisation are important. Our last speaker for this session is Fatima Beattie, Deputy Director General of IP Australia, and Commissioner of Patents and Registrar of Trademarks. Thank you for travelling to Paris, and we look forward to your address.

IV. Australia

1. Overview

Fatima Beattie

Thank you for the opportunity to speak to you today about the protection of confidentiality in IP advice. While my talk today focuses on privilege, I would like to highlight the fact that the recent IP laws that commenced on 15 April include a package of three items that relate to attorneys:

- Privilege.
- Incorporation.
- The Code of Conduct, which has now been made a legislative instrument.

If we have time at the end of the session, I might highlight one section of that Code, which is currently under consultation, and it might give you some comfort in relation to some of the debate around potential for fraud in relation to privilege with attorneys.

I would like to set the scene for the session by giving a historical overview of client-attorney privilege in our country, followed by the drivers for change in the recent legislative amendments to strengthen privilege measures. I will then touch on our aspiration in an international context.

2. History of Client-Attorney Privilege in Australia – Statutory Basis

Client-attorney privilege in Australia has a statutory basis. From the establishment of the Commonwealth in 1901, successive Governments have, in principle, supported privilege for enforceable disclosure of IP professional advice for clients of NLPAs, just as privilege would apply to clients of lawyers. It is important to note that, even from these early days, while many patent attorneys in Australia were also solicitors, generally patent attorneys were not required to possess legal qualifications. Even today, it is not a requirement for attorneys registered in Australia to be lawyers.

Client privilege in communications with patent attorneys was provided in the first Commonwealth patent legislation, the Patents Act 1903. Section 102 of the Act provided that ‘Every attorney should have such privilege as are prescribed’, which included that ‘Communications between patent attorneys and their clients shall be privileged to the same extent as communications between solicitors and client.’

There seems to have been a bit of a hiccup in the 1952 Act: while there was provision for attorney privilege, it was not enabled. This hiccup seemed to have lasted until 1960, where the privilege elements were reintroduced under subsection 134(1)(a). The current Patents Act commenced in 1991 and introduced section 200(2), a provision for privilege in similar terms to subsection 134(1) of the 1960 Act, but expanded to include privilege in any record or document made for the purpose of a privileged communication.

The Australian Government’s consideration of the decision of Gummow J in the Federal Court of Australia’s case of *Pfizer v Warner Lambert* led to amendments to section 200(2) in 1998. The amendment insured that privilege applied to communications between registered patent attorneys and their clients in IP matters, where IP matters was defined to include ‘matters relating to patents, trademarks, designs or related matters.’ Section 229 of the Trademarks Act 1995 provided similar provisions with respect to trademark attorneys.

3. Initiative for Change

In 2004, Heery J, in the Federal Court Case of *Eli Lilly v Pfizer Ireland Pharmaceuticals*, found that the client privilege was confined to communications with patent attorneys registered as such in Australia, and did not extend to communications between any patent attorney or agent anywhere else in the world. Following this decision, the Australian Institute of Patent and Trademark Attorneys – in fact, Malcolm Royal was the then-president – and the Law Council of Australia sought support from our organisation for changes to remedy the situation.

The Australian Government recognised that changes to the legislation were needed to afford a client of a NLPA certainty in relation to confidentiality of IP advice, both in Australia and overseas. This was based on the view that in patent litigation proceedings courts should focus on the key merits of a right, for example, whether the invention is novel or involves an inventive step, rather than on what should be discoverable.

4. Recent Statutory Amendments

The changes were recently effected through the Intellectual Property Laws Amendment (Raising the Bar) Act 2012, and the provisions relating to privilege came into effect on 15 April this year. Of key note, amendments to the Patents Act and the Trademarks Act extend privilege to overseas attorneys who are

authorised to provide IP advice, and better align patent- and trademark-attorney privilege with that attaching to communications to and from lawyers.

In terms of specific provisions, subsection 200(2) of the Patents Act now includes: ‘A communication, record or document made for the dominant purpose of a registered attorney providing IP advice to a client is privileged in the same way and to the same extent as communication, record or document made for the dominant purpose of a legal practitioner providing legal advice to a client.’

Client-lawyer privilege has traditionally been defined in terms of both advice privilege and litigation privilege. As NLPAs in Australia do not have the same rights as lawyers to initiate proceedings and represent parties in court, it was deemed inappropriate to extend client-attorney privilege to include litigation privilege, as this should be the sole preserve of lawyers.

It is also important to note that the communication, record or document is for the dominant purpose as opposed to the sole purpose of a patent attorney providing IP advice in order for the communication, record or document to attract the privilege. This ensures that the test for client-attorney privilege is consistent with the test for client-lawyer advice privilege in Australia.

As noted in subsection 2(b), the new provisions in the Act expand the definition of ‘patent attorney’ to include, in addition to Australian registered patent attorneys, an individual authorised to do patents work under the law of another country or region. Importantly, the scope of the privilege is limited to the scope of a person’s authority to perform the work in their home country or region. If a person is only authorised to do patents but not trademarks work in their home country, they will receive privilege only in Australia for their patents work. These changes recognise that it is not always desirable or practical for applicants to limit their requests for advice to Australian patent attorneys, especially when one looks at the patent filings; for example, Australian residents file 58% more overseas than they do in Australia, and 90% of patent filings in Australia are from non-residents.

In summary, Parliament intends that privilege now extends to client communications with foreign attorneys and to communications made by a third party for the dominant purpose of a registered patent attorney providing IP advice to the client.

5. Aspirations

What is left to be achieved after the recent amendments to our Patents and Trademarks Acts is to increase certainty that confidentiality will be maintained in advice given to clients by Australian NLPAs, by ensuring that such advice is not subject to forcible disclosure overseas. One means of achieving this objective is for each country to unilaterally introduce equivalent legislation to extend privilege to overseas attorneys who are authorised to provide IP advice, and to align NLPA privilege with that of communications to and from lawyers. By promulgating the provisions of the Raising the Bar Act as a solution to the issue, I hope that other countries will be inspired to unilaterally enact equivalent legislation or further investigate how this is operating in Australia and the resulting benefits to the rights-holders and the advisers.

6. Mechanism for Change

As I mentioned earlier, I believe that the unilateral introduction of privilege into each country’s national law would provide a suitable mechanism to globally strengthen confidentiality in IP advice. Implementing this mechanism would require no collective international action. However, without domestic changes in each country, communications with IP advisers from countries not having such provision would continue to be subject to potential disclosure.

As an alternative, a minimum standard of privilege applicable to communications with IP advisers could also be explored. This standard could take the form of model guidelines or a treaty. As with the unilateral introduction of privilege into each country’s national law, this option has the advantage that a certain convergence among national practices could be achieved. However, issues of time, complexity, ease of implementation and resistance due to existing differences among national laws will have to be addressed. We all know that treaty processes are slow and difficult, and I note that we started discussing even our own laws back in 2005, which have now commenced in 2013. You should not lose hope: it is a long row to hoe, but I think persistence wins the day in the end.

7. Treaty Process in Australia

For Australia to adopt a treaty, a multi-step process must be followed. This includes:

- Seeking a mandate to negotiate.
- Developing a Regulation Impact Statement.
- Involvement of our States and Territories.
- Consultations.
- Negotiations and clearance of final text.
- Government approval.
- Scrutiny by Parliament.
- Implementation of supporting legislation.

It is not an easy process and it does take a lot of time and effort. Whichever option for change is developed at the international level and this is implemented will ultimately have to be decided at a national level by each country. However, I hope that other countries will be inspired to explore Australia's privilege provisions and to pursue a two-pronged approach: unilaterally enacting equivalent legislation, as we have done in Australia, and continuing to work in WIPO for a treaty or treaty-type instrument.

8. Provisions in the Code of Conduct

If I may, I just want to highlight the provisions in the Code of Conduct that is the subject of current consultation and which will become a legislative instrument. Section 17 talks about the role of the IP adviser in relation to regulatory authorities. Regulatory authorities include, for example, the Patents Office, the Customs department and the Consumer Affairs department – any regulatory authority. The obligations on the attorney profession are that they:

- Will be open and frank in dealing with a regulatory authority.
- Must not knowingly make a false or misleading statement.
- Must not prepare, or assist in the preparation of, a document if they know, or ought reasonably to know, that the document contains a false or misleading statement.
- Must not file, or assist in the filing of, a document if they know, or ought reasonably to know, that the document contains a false or misleading statement.
- Must not wilfully misrepresent the facts.
- Must recognise that acting on instructions is not an automatic defence.

On that note, I thank you all.

Bastiaan Koster

Thank you, Ms Beattie, for that informative overview of the Australian situation. We now have half an hour for questions.

Questions and Answers

Bill Schuurman

I wanted to respond to something that Jeff Astle raised. He asked how the client can determine whether somebody in a foreign country giving you IP advice is qualified or authorised in that country. It seems to me that the logical thing is that, if you seek advice from a foreign IP adviser, and that person represents to you that they are qualified in that country, you should get the benefit of that. What do you think, Jeff?

Jeffrey Astle

I agree.

James Tumbridge

That very scenario has occurred in the UK, and the UK solution was that, despite the person who gave the advice not being qualified, the court was prepared to recognise it. The consequence, however, goes into one of negligence and where the damages lie, assuming that the confidential information has already got out. In the case that came before the UK courts, where they were prepared to allow the individual to allow on what they expected to be privileged, it had not yet got completely into the public domain. I was thinking when Jeff was speaking that every client, as far as an English court would be concerned, would need to show that they had showed a certain level of diligence in who they asked. Much of the answer to the issue that was raised comes down to the professional-conduct duty of the individual asked. Certainly, within my jurisdiction, if you ask a lawyer or a patent attorney something that is not within their competence, they are meant to say that they cannot give you the answer. If they do not, you get into a difficult world.

Detlef van Ahsen

I am here with two hats: I am a member of the board of the German Chamber of Patent Attorneys, and I also work on Q199. I have two observations. You just asked how you find a qualified IP adviser. It is very simple: look at the FICPI membership list. My other observation has been addressed here several times: the extent to which the legal advice of an adviser should be privileged. I am not quite of the same opinion as you, Michael. We should not have external experts like university professors, unless they support the attorney in the background. We should really limit it to qualified advisers being supported by professional conduct.

David Hill

I have a question for Bernie Knight. You indicated that a treaty in the US is a dream that would be very difficult, and that convincing all the judges to follow some common rule would also be difficult. Do you have any other ideas around how we could attempt to implement some sort of consensus position to change the law or make it more uniform?

Bernard Knight

One thing that we could do in the US which would be much easier for our judicial system would be to use Professor Cross's approach. We already have a choice-of-laws approach with respect to foreign representation, so it is a much easier step for us to probably change that from our current formalistic approach, where we just look at the law of the foreign country and apply it. We would have to then use a more functional approach to see whether or not the party was providing a confidential communication to the client that should be protected. If we used a much more functional approach, we could get where we, in the US, need to go much more quickly and easily.

David Hill

Is there any room, given the new jurisdiction of the USPTO under the America Invents Act (AIA), for evaluating patents; for example, the Patent Trial and Appeal Board? Is there any room for something by way of regulation that could be implemented in the USPTO rules that relates to the issue of privilege and which would help this effort?

Bernard Knight

You raise a very good point, David, and it is something that Jeff Lewis discussed with me yesterday. Within the USPTO, we do have an Office of Enrollment and Discipline. As many of you know, in order to practise before the Office, whether you are a patent practitioner who is an attorney or an agent, or whether you are a trademark attorney prosecuting trademark applications, you must follow the USPTO's ethics rules. We just issued new ethics rules that everyone who practises before the Office must comply with. If you fail to comply with the ethics rules, you can be excluded from practising before the USPTO. The Office does, then, have a really significant tool to regulate patent and trademark practitioners.

When we wrote those ethics rules, we did a get comment from the AIPPLA, which asked whether we could recognise an agent-client privilege. We did not do that because, at the time, we did not think that we had the authority. As I stated, privilege law is really the law of the individual states. The way we handled it, however – and it probably was not satisfactory to Jeff, but I will talk to him a bit more about it – is that we say any communication which is privileged under the law of the jurisdiction that controls the state or federal law is respected at the USPTO under our new AIA procedures. It is respected in the inter partes review procedure, in the post grant review procedure, and in our new covered business method procedure. That is how we handled it.

After this conference, I am going to take away what everyone has said today and everyone's comments to see if we might be able to put something a little more strongly in our ethics rules moving forward. Thank you very much, David, for the comment.

Greg Chambers

My question is also for Bernie and follows on from David's. Working a little by analogy – and I know the dangers and pitfalls in doing so – I believe that our countries have a common heritage in our Commonwealth systems. Before 1903 in Australia, privilege laws in Australia relating to IP communications were each of the laws of the six states. Under our federal legislation and constitution, there is legislative power for the Federal Government to make laws relating to patents, trademarks and other related rights. Under that constitutional power, the law relating to the privilege in communications between patent attorneys and their clients was introduced into our Patent Acts, and that prevails if there is conflict with state laws. I wondered whether, in the US, there is similarly Congressional power to make a federal law – perhaps in the Patents Act in the US – that would confer these broad privileges and, in effect, deal with the 50-state problem.

Bernard Knight

You raise very good points, and I think that might be a possible remedy with respect to changing US law. Where it is limited, however, is going to be with respect to reciprocity. When dealing with communications in a foreign country and having those communications respected in a US court, the US Congress would want to see some sort of reciprocity between protecting US communications in a foreign court's system, if the US was to recognise the same privilege. The only way to make certain that we have that reciprocity would be through a treaty mechanism that would be ratified by Congress, because other countries would, of course, be signing on to the agreement, providing the same sort of protections in US litigation.

Greg Chambers

That is a political issue as opposed to a jurisdictional one.

Bernard Knight

Exactly – thank you.

Participant

There was an interesting difference between the Australian legislation and the AIPPI proposal in relation especially to trademark attorneys. If someone approached a trademark attorney raising a patent matter, there would be no privilege, unless one could argue, on the basis of the old case that James referred to – I think it was one where a solicitor had ceased to be on the solicitors' roll and someone went to him thinking he was still an admitted solicitor. If you ask someone who deals regularly with trademark attorneys, and a patent-type issue comes up, it is only natural for you to go to the trademark attorney as a first port of call. If what you send in to the trademark attorney is not privileged, even though the trademark attorney would immediately, following his ethical rules, refer the client to a patent attorney, that could be a problem.

I think the broader approach of AIPPI is better than the Australian approach and, incidentally, better than the UK approach, where the phrase 'privileged relating to the protection of technical information' applies only to patent attorneys and not to trademark attorneys. I can see no problem with extending that privilege to trademark attorneys, because, as James says, ethically, they would say that they would have to refer it. The idea, then, that there is an unprivileged discussion about which you would have argue in court using this old case does not strike me as a good idea.

James Tumbridge

You are absolutely right: the case in question that I was referring to is quite an old one, and it concerns somebody who went to a solicitor they had used for many years. I cannot recall whether he had retired and not renewed his certificate or whether it was an accident, but he did not have a current practising certificate. The problem is that what has just been described would not come under that case anyway. It was dealt with in argument before the Supreme Court; you will not find it in the judgment that the judges, in their commentary, were in line with this. In that case, the client went to somebody who had been properly qualified but were not properly qualified at the moment they gave the advice. If you went to a trademark attorney on something that is not within a trademark attorney's remit, they have never been qualified at any point.

One of the interesting things that happened in the UK is that we have been broadening privilege and the provision of legal services way beyond anything we are discussing at the present time. We have something called the Legal Services Board, which has been authorised to hear applications from all sorts of qualified individuals, from accountants to conveyancers and to people who specialise in wills and immigration. We are allowing all sorts of people to have focused rights that can then attract privilege, which is where you get into difficulty from a public-policy perspective, at least for the UK.

Why we are obsessed with the qualification is because the UK Government is open to recognising the concerns of industry that you have individual things you want to take advice on, but we want to be sure, because of the huge implication of allowing that to be a privileged communication, that you can do it only with qualified people, in a focused manner. As soon as you start talking to the wrong qualified person, either advertently or inadvertently, I think the British attitude would be, 'Sorry, bad luck – unless you have a damn good reason, it is not privileged.'

Stephan Freischem

I would also like to comment on this aspect. I can understand the theoretical legal reservations around a broad approach. From the client's perspective, in terms of everyday IP advice, it just does not match what is happening. My clients come to me and ask if they can get a patent in Europe, where I am authorised and qualified, and in the US and Canada. I can tell them that they have to use a Canadian patent attorney for the Canadian question and a US patent attorney with respect to US patents, but this does not happen. In practice, the adviser is forced to comment on those questions, and a broad approach better matches what is happening in reality. From a common-law perspective, my advice on US and Canadian patents is covered

by my professional secrecy, so I will be in a mess if a court in another country tries to extract this information from my files.

Leo Jessen

I want to comment on what Jeffrey said. Since privilege is a right awarded to the client, the client should have the certainty of knowing that their communications will be privileged. Saying, ‘You went to the wrong person so you lose your privilege’ seems a bit strange, since it is a privilege awarded to the client. Of course, the client should look at the adviser’s qualifications to check whether or not they will give good advice, but I do not really see why it would matter whether they are properly qualified under the law where they are giving advice.

James Tumbridge

I hope to be able to answer that by referring to what the UK Supreme Court told us in January. That was one of the arguments advanced by the accountants. It is recognised in English law that it is the client’s privilege, not the lawyer’s privilege, so the lawyer cannot decide to give it up, but the client can. The public-policy balance, however, in allowing this very strong right had to be drawn somewhere, so the British have been very open to extending it to a wide variety of types of advisers and doing as much as they can to give a fair economic balance to the clients who want the privilege. They do not want you, however, to be able to simply say, ‘I spent to my friend and it is my privilege. It is confidential. It does not matter who I talk to. You cannot touch it’, because that is perceived an imbalance that goes too far.

This, then, is the methodology that we have adopted and, so far as we have got there, that seems to be the fairest that we can come up with so far. There is some obligation on the individual to be diligent in whom they speak to, because various examples were put forward. In fact, there is another case where somebody had spoken to a retired judge: was that privileged? There are a lot of scenarios. Where the UK is sympathetic is, if you speak to somebody who, at at least one point, was properly qualified, provided it has not gone public, they might do something to assist you, but they do expect you, as the client, to make some effort to speak to the right person.

Michael Dowling

It has been terribly valuable, Jeff, having you here. Bringing the client perspective to what we are talking about is most important for us to try to make the law relevant. To go on with what we have been talking about, I should ask you: if you went to a patent attorney in Australia who was also a lawyer, and the issue was about something which was to be done in the Office, would you regard it as very strange that you were told that the privilege which would apply to the advice that you were given is limited to that that arises under the Patents Act?

Jeffrey Astle

I would now need advice on what the Patents Act covers.

Michael Dowling

I think it goes further than that, if I may say so, in your support. The person who you are receiving advice from, short of some amazing brain surgery, cannot get out of their advice to you what they have been trained to advise you about. An Office issue will get the benefit of the additional training that the person has as a lawyer, whether or not you like it. At the present time, however, we have the conundrum that there is an attempt to do this brain surgery and prevent the client from having the benefit of the advice coming from a lawyer and patent attorney in Australia. It seems to me that this is one of the problems we have to fix, because you are the client and you are mightily affected by relationship, trust and the qualifications of the person with whom you are dealing. Would you agree?

Jeffrey Astle

I would.

Todd Baker

Where privilege is applicable, it is applicable to more than just IP communications. Is there any concern about carving out a special IP jurisprudence regarding privilege, which might be different than privilege applied to other areas in your various countries?

James Tumbridge

I know the answer for the UK at least. There is a genuine public-policy concern that absolutely everybody who thinks they are specialist in anything would like to be able to give privileged advice, and we have seen that coming forward. The UK has taken quite an open attitude to it. We have created a system and a new legislative framework whereby people specialised in something – be it wills and probate, conveyancing or immigration law – can now make applications to have their body or qualifications recognised, to give our courts that police this certainty and enable them to know, ‘That is fine. You are in the parameters. We will respect it. Outside of that, however, we will not’, because of the arguments that we have had, at considerable length, in the last couple of years, where, if you just allow anybody, when they are subject to some form of litigation or state inquiry, which was the case with the accountants – it was a tax inquiry – there needs to be certainty as to whether or not it comes within that public policy.

We have quite an open attitude to it and there is a mechanism for saying there is a good reason but, if you cannot present a good economic reason, the UK state will not extend the privilege to anybody not already covered. That has affected what our Supreme Court said: ‘Parliament looks at this periodically. If you want it, ask them.’

Danny Huntington

Bernie, this is a question that is prompted by what you said in terms of a treaty. I guess the problem is that, in the US, patent law is a federal question; trademark is both; trade secrets is state etc. In terms even of a treaty, would you be able to affect all areas of IP? Would it not be impinging upon states’ rights to use the term? Second, treaties are implemented through laws in the US, so why does it need to be a treaty? Could it not simply be a law in the US similar to some of the discussions that happened whereby we were going to give a grace period to other jurisdictions when they enacted it themselves, so that they would not be entitled to it until it happened at a later time?

In other words, legislation that simply said, ‘This is the protection you get in the US. If you enact this in another country, it will similarly apply.’ James talked about the UK saying, ‘We will do it when other people do it’, but what is a significant number of countries? By putting that kind of encouragement in it, that kind of legislation might allow it to go forward and grow. I realise that that makes it more complicated, so Michael might say it is a bad idea, but at least it is a thought.

Bernard Knight

Thanks for the question. Let me start out by saying that, in the US, unlike Australia and the UK, you can go to an incompetent, unqualified attorney, and the attorney-client privilege will still apply, so it is a little different in the US, whether that is good or bad. With respect to utilising a treaty, your question is very similar to that from the Australian gentleman’s earlier one. Yes, you could affect all types of IP in a treaty with respect to the attorney-client privilege, litigation or work product doctrine privilege. You could write it such that it also applied to trade secrets. I do not see any problem there at all.

With respect to the second part of your question around whether we could do this under federal law through an act of Congress signed by the President, I think we could with respect to federal litigation, but the problem with any sort of legislation or treaty really boils down to a political question, in my mind. You have to somehow incentivise Congress to enact the law. If were to enact a law to protect foreign communications without any reciprocity for US citizens, it would be difficult to incentivise our Congress to enact such a law. What they are going to be interested in is also protecting US industry and IP rights vis-à-vis foreign communications. Yes, legally, it could be done, but practically, in terms of whether Congress would go along with it, it is a very hard sell, unless there is reciprocity.

James Tumbridge

Bizarre as it may seem, in another time and place, I took part in similar matters in relation to maritime law. The solution there was very much what you have just said. Although the US was very important to the global settlement, it was widely accepted that there was just no way that you could draft a treaty that you had any certainty Congress would enact. What you did, then, was you consulted the US, you spoke to the US, you tried to ensure what you wrote did not sound like it was too offensive to the US, and you went ahead and did it on your own. What then happened was that, because most of the rest of the world were doing it and it is important to have harmony on maritime matters, Congress eventually got round to writing your own domestic law that very much mirrors what everybody else did.

I say that because I take your point, throwing it to me in part, when I said the UK will do it if you will do it. It is not quite a case of a standoff in our position. We have been very open to making a lot of advances in this area and we get into bed with almost anybody on the point if it is reasonable.

One of the other solutions – and possibly the easiest way – when you are dealing with the fact that politics is at its heart here is that we like this subject area. Politicians do not tend to get elected based on anything they do in this subject area. If we could start doing tweaks to our domestic legislation that says something as simple as, ‘If the foreign jurisdiction protects this and recognises our people, we will recognise their people’, that is open-ended. Little by little, then, you start to get there and, once you have a dozen or so countries doing it, perhaps you can revisit it on a more formal scale. In a sense, part of what we are doing in AIPPI’s Q199 and the conversation about the so-called Group B countries and so on was finding the countries willing to do something now, so that the snowball can begin to turn.

Professor John Cross

Just one more point about the US and the power to enact legislation versus a treaty: the political issues that you point out are exactly correct, but there is also a legal advantage to a treaty. In the US, we have this curious power called the treaty power. Once we ratify a treaty, Congress has powers vis-à-vis the state to augment it. Whereas Congress might not independently be able to tell especially State courts to have such a privilege, it might be able to do so if we had a treaty that obligated the US to do so.

Bastiaan Koster

Thank you for your participation. We had a very productive discussion. We will now break for lunch. Listening to the discussions, I thought about something that we all heard when we started in the profession and that we so often tell our trainees: while there may be issues like limitations, qualifications and public policy, the client is king. That is something that we have heard. Thank you to the speakers and to the audience for a very productive morning.

[Break]

Todd Dickinson

To quote an old United States television programme, ‘And now for something completely different’ – maybe not so different, but a little bit different. We have four speakers this afternoon from civil law countries, as opposed to common law countries we heard from this morning. We will hear from the civil law countries not only about the issues that arise in their own country, but also how discovery in the common law countries can actually and potentially affect the civil law countries as well, on this issue of privilege.

I think we are starting with the neutral first, with our friends from Switzerland. Pascal Fehlbaum is the Head of Legal Services, patents and designs at the Swiss Federal Institute of IP, in the Swiss Ministry of Justice, which is the agency, which has responsibility for all IP matters in Switzerland. He was responsible for bringing into force the Patent Attorney Act 2011, which is obviously important in this area, as well as the Patent Court Act, and represents Switzerland at the WIPO.

The Protection and Issues Arising from Discovery in Civil-law Nations

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Pascal Fehlbaum

I. Switzerland

1. Preamble

Thank you very much for inviting me for this very interesting conference. It is a pleasure for me to speak to you on this issue. As we have already seen this morning, the protection of confidentiality in IP advice assumes that professional rules are upheld in the field concerned. Therefore, we will start with a reminder of the professional regulation in Switzerland and their possible recognition in foreign countries.

As we will see – and as we have talked about this morning – the status quo is sub-optimal. This leads us to the question: why is that so? In order to solve the issue, we will analyse the different possible options we already talked about – we also talked about those this morning – and of course, the advantages and disadvantages.

Before we conclude, we will reflect on the basis for harmonising the protection of confidentiality in IP advice, in order to gain protection for national advisors overseas.

2. The Different Professions and Privilege

In Switzerland, the profession of trademark consultant is not regulated, which is very important to note. Trademark consultants are listed on a website of our Institute if they request to appear on this list. However, according to a disclaimer on our website, this list is for information purposes only, and the Institute cannot make any statements regarding the quality of the service, nor the completeness of the list. In consequence, unless the consultant is also an attorney-at-law, information exchanged between the trademark consultant and the client will not be privileged.

Since July 2011, the professional titles ‘Patent Attorney’ and ‘European Patent Attorney’ are protected in Switzerland. Those who meet the requirements may call themselves ‘Patent Attorney’ and are entered in the Patent Attorney Register, which is maintained by our institute. The register does not distinguish between independent patent attorneys and those who are employed in industry. Patent attorneys must have a recognised higher education qualification in natural science or engineering, which basically means that lawyers are not admitted if they are only lawyers. They also have to have a correspondence address and – this is new – they have to pass a patent attorney examination. The admittance for this examination requires a minimum of three years’ full time, practical experience in patent matters or, if it is part-time, over a longer period. This shall guarantee that the standard of service is high.

As mentioned earlier, those who fulfil the stipulated requirements have the privilege to call themselves, ‘Patent Attorney’. The act of advising and representing clients in patent matters, however, continues to be open for everyone.

Another privilege to be mentioned includes the new Federal Patent Court, which was established in Switzerland and took up its duties on 1 January 2012. This new court is responsible for resolving validity and infringement disputes regarding Swiss and European patents. As a lower court of the Federal Supreme Court, it ensures the necessary specialist knowledge and effective legal protection for invention. Very interesting is that the court is comprised of both legal judges and technically-trained judges. The seat of this new court is in St Gallen. However, where it is justified by the circumstances, the Federal Patent Court may sit at another location, and the cantons have, of course, to provide their infrastructure free of charge.

To be noticed, as well – and this may interest you – English may be used as a language of proceedings before this court.

3. Patent Attorneys

But let us come back to our patent attorneys. In proceedings concerning the validity of the patent only, patent attorneys entered in the patent attorney register are entitled to represent parties before the Federal Patent Court, provided they engage in independent practice. At the same time – this is what interests us here – under the Patent Attorney Act, patent attorneys are also subject to professional confidentiality.

According to Swiss Law, patent attorneys have a duty to maintain confidentiality for all secrets that are entrusted to them in their professional capacity, or which come to their knowledge in the course of their professional activities, and this for an unlimited period of time. In Switzerland, patent attorneys basically have the same rights as attorneys-at-law. In regards to professional secrecy, Swiss Law does not distinguish between independent patent attorneys and those who are employed in industry.

In order to grant patent attorneys in Switzerland an equal status than attorneys-at-law, we had a recent revision of the Swiss Civil Procedure Code. According to the revised Code, the parties involved and third-parties are not obliged to turn over documents to the Court which derive from correspondence between themselves and the patent attorney. This revision has completed the client-attorney privilege for patent attorneys in civil proceedings. In Switzerland, we had a referendum; the deadline expired on 17 January 2013, and it was not used, which means that this revision is in force since 1 May 2013. Therefore, as long as the communication between the client and the patent attorney concerns only Switzerland, the issue of client-attorney privilege is solved.

Issues arise as soon as the communication between the client and the patent attorney implies cross-border aspects. For example, it is unclear if the communication between a client in Switzerland with a foreign patent attorney, which is not registered in the Patent Attorney Act in Switzerland, may be protected under professional secrecy, according to Article 10 of the Patent Attorney Act.

The new Swiss Federal Patent Court has not yet had the opportunity to answer this question. It is also unclear if the communication between a client with a patent attorney in Switzerland may be preserved in a foreign country, especially in the case of the discovery procedures we spoke about this morning.

4. Possible Solutions to Cross-Border Differences

In order to solve this issue, which is not only a problem in Switzerland, there are basically, in my opinion, four options.

The first option is the unilateral solution, which we have seen this morning is adopted by Australia but there is also the same solution in New Zealand, which means that if in another country, the profession of patent attorney and the client attorney privilege is regulated, it may be recognised. The solution, as we have seen, is simple and quickly implemented, which is a big advantage. It does not require negotiation with another country, of course. However the main disadvantage in my opinion is that there is no guarantee that any other country will grant the reciprocity.

The second option is, of course, the bilateral solution, which is possible, also, in a relatively short period of time. It implies negotiation only with one country, but it also solves the problem only with one country. Moreover, if several bilateral agreements are negotiated, the solutions might be different, which might be a problem if the patent strategy covers several countries.

The further option is the multilateral agreement. It is obvious that this approach solves the issue, only in some countries, but it also may serve as an example of how to solve the problem in general, and therefore become a standard which might be later adapted by other countries. The disadvantage is that there might be still important countries which do not participate.

Finally, the fourth and last option would be the solution with the Standing Committee on the Law of Patents; basically, it would be the best solution for finding an international standard to solve this important issue. The problem is that the probability of success, finding an agreement in the SCP in a reasonable period of time seems less than likely. However, if a solution would be possible within the SCP, it would be very welcome. Switzerland always supported such a solution in the SCP.

A possible basis for harmonisation of cross-border aspects of the protection of confidentiality in IP advice could be found also in international guidelines; as it is soft law, it can provide examples of provisions which might be adapted by interested countries. It could also show which countries have equivalent protection and therefore identify countries which might mutually recognise their client-attorney privilege. Of course, the more ambitious proposal would be the international agreements, which we have seen, and which would solve the issue between countries in different systems which is common law and civil law. I think the proposal this morning would be one of these options. In Switzerland, we have to say, 'It is probably a bit ambitious to solve the problem not only for patent attorneys, but also trademark agents', but of course, it is a possible solution.

At this stage, we have more questions than answers to this issue, as we have seen this morning. The most important question is, 'Are there any other options?' Maybe you can tell me one. If yes, what are these options, their advantages and disadvantages.

Finally, which of all these options would be best pursued. Thank you.

Todd Dickinson

My understanding is we will take questions at the end, is that right? Thank you very much Mr Fehlbaum.

Now, we will turn to Mr Schacht. I made the classic mistake of not introducing myself, I apologise. I am Todd Dickinson, I am the Executive Director of the AIPLA, and we are pleased to be one of the sponsoring organisations, and I want to thank the Board for letting me be here today. If you would like to become a member, please see one of us, or go to the website. End of advertisement.

Mr Schacht is the Ministerial Councillor at the Federal Ministry of Justice in Germany. He is a Department III BIV, which is the Patent and Utility Model Law Section. He has a lot of experience in government as well as in the private sector, and we are pleased to have him here to talk about Germany and this issue.

Hubertus Schacht

II. Germany

1. Preamble

Ladies and gentlemen, thank you very much for inviting me to Paris, to your colloquium on the protection of confidentiality in IP advice. As already mentioned, I am here on behalf of the Federal Ministry of Justice in Berlin, to elaborate to you the legal situation of confidentiality in IP advice in Germany.

First of all, I would like to give you a short overview on what I intend to present to you over the following 10-15 minutes. My presentation consists of five parts. In the first two parts, I will explain the rights as well as the obligations of national attorneys and patent attorneys as regards confidentiality. After that, I will tell you the reasons why the German attorneys and patent attorneys do have the said rights and obligations. The next part, my aim is to provide you with information on how confidentiality of foreign attorneys and patent attorneys is protected in Germany. Finally, I will provide a conclusion and give a suggestion for one possible solution of the issue of this colloquium; this will be the establishment of a common code of professional conduct as its basis, and the reason for a minimum protection standard of IP advice.

2. Obligations of Confidentiality

Let us start with the rights of German attorneys and patent attorneys. Basically, they have two rights: they have the right to refuse disclosure of any information received while executing their profession. This right exists in both civil and criminal proceedings. It is also still relevant when the business relation between the client and the attorney has already ended. The rights are also conferred to in-house lawyers if they have an education as an attorney or patent attorney and if they are admitted to the bar. Other advisors on IP matters cannot rely on them. So, when a client reveals any information to its German attorney or its patent attorney, this information is untouchable for others.

The further right is the right to withhold documents processed by the attorney or patent attorney, and containing communication between him and the client. This is provided by Section 97 of the Code of Criminal Procedure. Now, you may ask whether we have such a provision also in civil proceedings. In fact, we do not have such a provision. There is no need for such a provision in German civil law suits, since in Germany neither the judge nor the opponent has the possibility to search the offices of an attorney and to seize files. So there is no discovery or disclosure process that obliges the parties to disclose all relevant information in their possession.

Having examined the rights of German attorneys and patent attorneys, I will now turn to their obligations. German attorney and patent attorneys have both. They have a professional secrecy obligation as well as an obligation to refuse disclosure of information imposed by criminal law. If they provide information without the prior consent of the client, they commit a crime – breach of secrecy – as well as the content of the Code of Professional Conduct. The professional secrecy obligation is provided by the civil law in Germany; there is the Federal Code for Attorneys and the Federal Code for Patent Attorneys, which were last decreed by the Federal Government in order to regulate the professions of attorneys and patent attorneys.

There is a further code, and this is that attorneys and patent attorneys have given themselves a code on how to execute their profession. This is called the Code of Professional Conduct, and there the obligation to withhold client information to others is also additionally stipulated.

The professional secrecy obligation applies to attorneys and patent attorneys only; other advisors and IP matters are not covered.

Now, I will come to the reasons for the just-explained legal status in Germany. There are countries which impose the same obligations and confer the same rights to attorneys and patent attorneys, but for different reasons. Some stipulate an absolute obligation derived from public order; others rely on the status of the client as a custodian of the information. As shown above, in Germany the obligation derives from Federal law, as well as from the Code of Professional Conduct, enacted by the attorneys' professional association – the bar association. The reason for the obligation in the Federal codes is that attorneys and patent attorneys are regarded as an independent part of justice. To fulfil this purpose, it is necessary – it is regarded to be

necessary – that the communication between them and the client remains protected and untouchable to others, especially the government.

The reason why attorneys and patent attorneys are also obliged by the Code of Professional Conduct is in my view the awareness that an attorney is only reliable in exercising his professional adequately if he commits himself to certain standards of professional behaviour. One of them is to be regarded as professional secrecy. Therefore, the respective professional associations have enacted a Code of Professional Conduct, and membership in these associations is mandatory and it contains the professional secrecy obligation.

3. Foreign Attorneys in Germany

So, let us now see how the confidentiality of foreign attorneys is protected in Germany. Foreign attorneys have the right to refuse testimony in civil proceedings as well, as far as there exists an obligation of secrecy in the place where the foreign attorney has his business. It is Article 383 of the Germany Code of Civil Proceedings, which provides the right to refuse testimony as far as he or she is obliged to do so by his profession. So there, I have to add this comment: I do not have a court decision; this is just an interpretation from the provision from the law. We have not had any case like this in Germany, so I cannot refer to any court decision. But this means that if a foreign attorney has the right to refuse disclosure of information under the jurisdiction of his place of business, he has the same right in Germany. The German Code of Civil Procedure hence recognises the obligation to secrecy of a foreign jurisdiction.

Finally, I will come to the end. I may make a summary and tell you that there is protection of confidentiality for German patent attorneys; there is a protection for foreign patent attorneys and attorneys in IP advice as well, in Germany. It is, I would say, to a high standard.

4. A Common Code?

What I would like to suggest for the solution of the problem we discuss here is the establishment of a common code of professional conduct, as the German attorneys and patent attorneys have enacted. So this common code should reflect the common values and opinions of the professional exercise in IP advice. Therefore, it should contain also, of course, an obligation to professional secrecy. Now this is a further question: this code should, in my view, include all types of IP advisors. In Germany now, the Code of Professional Conduct only applies to attorneys and patent attorneys; we could consider having the Code of Professional Conduct also applicable to other IP advisors.

Thank you very much for your attention.

Todd Dickinson

Now, we turn to France. François Pochart is a practising patent attorney here in Paris, I am assuming, at August & Debouzy and leads a team of lawyers with some colleagues who specialise in patents at that firm, and as you see by his biography has a long history of acting in a number of important matters.

François Pochart

III. France

1. Preamble

Thank you. I am very pleased to be here, because it is my home. My primary remark is that we have three types of practitioners in France: attorneys-at-law, as always; IP attorneys, called *conseils en propriété intellectuelle* – I see many of them here; and we have in-house practitioners, the last being the clients of the first two. Privilege must address all three persons.

2. Different IP Professionals

I have just one remark with respect to how we will qualify these IP professionals. For attorneys-at-law, there is of course a bar registration. For IP attorneys, I would say it is a yes/no: there is a kind of bar registration, because there is an application to become a member and become a patent attorney, a registered

patent attorney, but at the same time, patent attorneys do not have representation in front of courts. For in-house practitioners, there is no bar registration.

As you already see, there is a kind of division between these professionals. What about the source for the privilege? Here you see a division, a very drastic division, between the attorneys-at-law and IP attorneys on the one side; and the in-house practitioners on the other side.

3. In-house Practitioners

Let us start with the in-house practitioners. The only legal source I could find for the in-house practitioners is the new Rule 153 of the EPC, which governs some opinions with respect to valid scope, protection of infringement of an IP patent, but it is very limited to that very specific scope. On the other hand, for both attorneys-at-law and IP attorneys, there are two basic sources for them: one is a very old law, 1971 for attorneys-at-law; and another quite recent law for IP attorneys, not even 10 years old, from February 2004. This law will cover, basically, anything that goes out or in an office of an attorney-at-law or IP attorney: advice sent to clients; correspondence exchanges with clients or colleague, national or overseas; attorney meeting notes. A very general statement is, all elements are covered by professional secrecy.

What does that mean? If I receive from a German colleague an element which is not considered as confidential in Germany, as soon as it enters my firm, it will be covered by secrecy and privilege under French law. So I will not be able to release the documents even though the document can be discovered and released in Germany. There is a very strong privilege in France for private practice and a very poor privilege for the in-house practitioners.

4. IP Attorneys

Just some case law that we had in France – of course, there is EU case law and national case law. EU case law has set the rules for being named an independent IP attorney, and our French Supreme Court had the occasion to deal with what happens with our law when you change. It happened for IP attorneys, it changed in 2004. So the French Supreme Court said in 2000 that Article 66-5 which sets the rules for privilege will apply to anything, whether the situation occurs before. That, by this decision of the French Supreme Court, held that legal privilege in France is public order. That public order, *l'ordre public*, was also applied to IP attorneys. There is one case that I mentioned – I love this case – which is dated March 2005. In that situation, an IP attorney was summoned; actually the IP attorney was sued by a US company. The US company wanted to have the IP attorney to disclose his files, and the request was received just after the new law in France. The question was whether the law would apply, as from 2004, or whether the law would also apply to the file, before 2004. So, the IP attorney defended; he defended very well and eventually the Court of Paris decided that public order should also apply to patent attorneys. Nowadays, IP attorneys are fully protected for the entire content of the file, whether it originates before or after 2004. The IP attorney who was sued back in March 2005 is me. That is a reason why I love this case.

5. The Need for Change?

What should be done? For attorneys-at-law or IP attorneys – nothing. I would say my law is very good; I see no reason to change my law. The problem lies with in-house practitioners because they are our clients. A lot of information circulates within the company and the issue is whether that is discoverable or not. The problem is, it is discoverable. So, there is one practice to take: avoid this type of this situation in your company, but it is very difficult. One possibility would be to have a law that would apply to both private practice and in-house practitioners. There has been some ideas in France as to having the bar association apply to in-house practitioners, but unfortunately we are far, far from reaching this solution which would be, in my view, a very good solution to protect privilege and any kind of information during a trial or any IP matter. Thank you.

Todd Dickinson

Thank you very much. We turn to The Netherlands now. Wouter Pors is the head of the IP department at the major firm, Bird & Bird, and he works in The Hague. He is involved in many, many aspects of IP, but he is also the Secretary of the Dutch National Group of AIPPI and a member of the AIPPI special committee

on enforcement, and co-chairman of the special committee on client-attorney privilege. So we are right in your back yard. Thank you, Mr Pors.

Wouter Pors

IV. The Netherlands

1. Preamble

I will tell you exactly what was in the programme, so I will start with the current situation, then describe what needs to be improved. I will describe what the challenges are, and what we should do.

2. The Meaning of Privilege

To start with the current situation, it is a little bit peculiar because, as was pointed out this morning, since we are a civil law country we used not to have disclosure or discovery, meaning that there is nothing about that in the law. The law focuses on whether an IP practitioner can be forced to testify in court. So we have two provisions, one in the code of civil procedure, and one in the code of criminal procedure that simply says that someone who has a legal obligation of secrecy cannot be forced to testify in court.

Now, those are very short provisions and what they mean needs to be derived from case law. So, traditionally, for centuries the common understanding was that lawyers who are admitted to the bar are covered by this, and in addition, doctors, priests and civil law notaries.

I think this also includes the right to refuse disclosure because on those occasions where, for instance, regulators do a dawn raid, you can simply refuse to hand over documents if these are covered by what we call 'client-attorney privilege' or secrecy. However, it is not in the law. It is an important issue, because since we have the Enforcement Directive, dawn raids can be done in IP cases, meaning that we are coming quite close to something like disclosure. Also, courts can order the handover of documents, which also comes close to some kind of disclosure, but privilege has not been adapted to that.

However, we have some rules of thumb in a case from the Supreme Court from 1989, which says that somebody who has a legal obligation of confidentiality has privilege, provided that it was clear to the legislator that this would be the consequence of the obligation of secrecy. So, it is a bit of a strange test, because it means that if the legislator has not made it clear that he intended to include privilege with the obligation of confidentiality, then it would not work.

How does that work in practice? Well, tax advisors have tried to get privilege and this was denied by the Supreme Court because the Court says, 'Well, you do not really need for a tax advisor to handle your matters differently from when you go to court for litigation, then you have to involve a lawyer who is admitted to the bar. That is not the case with tax advisors and therefore we think their status is not enough to award privilege.' So that is basically how it works.

3. In-house lawyers

Now, there is a very recent development because as you all know, there is case law from the European Court of Justice in the *Akzo Nobel* case, which related to a lawyer admitted to the bar who was working in-house, because we have that in The Netherlands for a number of years. We have the option of in-house lawyers to also become lawyers admitted to the bar. The European Court of Justice in a competition law case said, 'In that case, the independence of the lawyer is not guaranteed, so he does not have privilege'. Now, the Supreme Court had the opportunity to rule on that this year; this was a corporate law case, which went wrong; it was declared inadmissible by the Supreme Court due to a procedural error, but the Court took the opportunity to say that, if they had handled the case, they would have ruled the following. The Supreme Court then said that the ECJ case law only relates to European competition law and has to be limited to that.

Under Dutch national law, there are provisions in the bar rules that are intended to guarantee the independence of in-house lawyers who are admitted to the bar. The Court quoted all these rules and then it ended with one sentence, saying, 'The mere fact that a lawyer who is admitted to the bar is employed in-house does not mean that he cannot invoke privilege'. So they did not say he can. They certainly did not

say that he can under all circumstances. They just said, the mere fact that he is employed in-house does not preclude it.

I think the Supreme Court did that to have some room to evaluate in a concrete case whether an in-house lawyer is really allowed to work independently, according to the bar rules or not. But this is the current situation for lawyers in The Netherlands.

4. Patent Attorneys

Then, for patent attorneys, it is quite clear, because the obligation of secrecy is in the Patent Act. Actually, in the explanatory note which the government sent to Parliament when they presented the Act, the government said, 'This is similar to the privilege awarded to lawyers and notaries.' It is also common in the international context – and they made a specific reference to the EPO and to the United States – and they also said, 'Foreign patent attorneys already enjoy privilege under their laws, and so should Dutch patent attorneys'. So although there is no case law in The Netherlands on whether foreign patent attorneys are protected by privilege in The Netherlands, I think this text is a clear indication from our government that this is the intention of the already-existing law for patent attorneys.

5. Trademark Attorneys

For trademark attorneys, we have a problem. The problem lies in the qualification, because as you may know, The Netherlands, Belgium and Luxembourg have a joint trademark law and design right law, in the Benelux Convention on Intellectual Property, and the Convention contains a number of provisions on the register of trademark attorneys. However, there is no such register, because the Benelux Bureau for Intellectual Property said that they do not want to invest into that because they do not see the advantage of having such a register, meaning that the profession of trademark attorneys is not regulated at all in the Benelux countries. There is a professional association, there is a professional education and there are exams, but it is not recognised by the government. So we do not have qualified trademark attorneys, meaning, I think, for the time being, that they do not enjoy privilege, which I think is a problem.

Now, what needs to be achieved and what is standing in the way? What we need to achieve, of course, is within the national context, legal privilege for trademark attorneys, design right attorneys and other IP advisors, because we do not have it right now.

6. International Matters

In the international context, we would like to have more clarity about the protection and the recognition of legal privilege of foreign IP advisors. What is standing in the way? At the moment – which is also why there is no government representative in this room – the government does not want to award new legal privilege. They understand our initiative as an effort to grant new privileges which they think should not happen. Also, the misunderstanding is, the assumption is, that protection is also sufficient in The Netherlands, but as I pointed out it is not, because not all IP advisors enjoy it. Also, they have said they would prefer to do this within an EU framework, for instance a Directive or a Regulation. As far as I know, there is no current initiative by the European Commission to do that. Also, I think there is a misunderstanding that what we are trying to achieve is not as much expanding privilege to all kinds of people that should not have it, but what we try to achieve, predominantly, is international recognition of privilege. The Dutch Ministry of Justice just does not understand that at the moment.

Of course, we have the issue that although I can say to them that, 'No, we are more about the international recognition, there is one thing we want to add which is the privilege for trademark attorneys, which we currently do not have', the problem at the moment is, how do we get this issue on the political agenda with the Dutch Ministry of Justice?

What would be the basis for progress? For trademark and design right attorneys, I think actually we would need to do something about the Benelux level, because the law is one, uniformed law for the three countries, and that might be a protocol to the Benelux Treaty on Intellectual Property. But of course, we have to get things moving with the government to try to get there.

At a European level, which our government would prefer, well, then there should be a Regulation or a Directive. But I do not think that is at the top of the political agenda at the moment. At the international

level, of course, we could do what we have set out to do here, which is conclude an international, multilateral agreement, for which the AIPPI framework would be a good solution.

How would that be implemented? If an international agreement is intended to provide concrete protection with direct effect, it can. So it simply means that the agreement needs to be there; The Netherlands then needs to sign it, which they will probably do if other countries sign first; and then of course needs to be ratified. But ratification is never a problem in The Netherlands; the problem is how do you get them to sign it? Ratification will then follow. There is no further implementation in national law required because the provision that we have on the table in Annex 5 is sufficiently concrete under Dutch Constitutional Law to have a direct effect in the country itself. So of course, the alternative – but it is not on the political agenda – would also work if there were EU instruments. If it were a Regulation, it would have direct effect within the country, within all EU countries. If it were a Directive, of course, it would have to be implemented in national law. But I think that is harder to achieve than actually achieving this multilateral agreement and then have The Netherlands join it. So I think that should be the way forward.

Todd Dickinson

We turn away from Europe, but obviously to a very important jurisdiction as well, and that is Japan. We are pleased to have Kosuke Minami here today, to speak on behalf of this issue. He is the Director of the Regional Policy Office of the International Affairs Division of the JPO, in that role since January of this year, and works on a number of issues including planning cooperation with Asian countries, and with the WIPO.

Kosuke Minami

V. Japan

1. Introduction

Thank you, it is my pleasure to be here to make a presentation at this Colloquium. I would like to thank all the members and staff of AIPLA, AIPPI and FICPI who have organised this conference.

In my presentation, I would like to share with you the Japanese law, in terms of protection of confidentiality in IP advice, and some US cases on the protection of confidentiality, with regard to Japanese patent attorneys. Finally, I would like to touch on the stakeholders' views in Japan on this issue.

2. Privilege in Japanese Law

This slide shows the scope of Japanese patent attorneys' work. The main function of patent attorneys is, of course, representation before the Japan Patent Office, in intellectual property rights. The activities in courts of law in some specified procedures, are also included within the scope of their work.

This slide explains the professional duty of confidentiality of the patent attorney. Article 30 of the Patent Attorneys Act states that the patent attorney may not divulge any secrets which they come to know in the course of their work. If they violate this duty, they could be subject to administrative sanctions or criminal prosecution.

Article 197 of the Code of Civil Procedure stipulates some of the cases in which one could refuse to testify. As patent attorneys work under the professional obligation of confidentiality, they are entitled to refuse to testify if they are questioned about any facts they have come to know in the course of their duties and which should be kept secret. The same goes for attorney-at-law or doctors.

This is also an Article of the Code of Civil Procedure; the old provision on the obligation to submit documents that have existed before the 1996 amendment articulated the three circumstances in which the holder of documents was obliged to submit them to the court. This law underwent a major amendment in 1996. The Article was renumbered as 220. The new section 4 introduced a general obligation to submit documents, and some exceptions to that obligation. The exceptions include a document stating the fact prescribed in Article 197. This means that the holder of the documents can refuse its production if it includes any facts that have been learned in the course of their duties.

With respect to Article 220, the Ministry of Justice in Japan commented that, in order for the obligation to be exempt in this Article, it is sufficient if the documents contain facts that patent attorneys learned in the course of their duties, regardless of who the document holder is. When it comes to whether this applies to the foreign patent attorneys, some professors believe that they should be treated the same as Japanese professionals in the civil courts in Japan, if certain conditions are met. For example, the law in their own respective country provides the same kind of obligation of confidentiality.

3. Some US Case Law

I would like to introduce some US cases in which Japanese patent attorneys were involved. In this *Alpex* case, decided in 1992, the court declined to grant the privilege. In the US, the burden of proof falls on the party claiming the privilege. The court found that nothing in the Japanese statutory language extends the privilege to the patent agent's client or to the documents prepared in connection to the patent agent's advice. The defendant could not convince the judge that this ruling was erroneous.

Meanwhile, this is a case in which the US District Court admitted the privilege to the documents exchanged between a client and a Japanese patent attorney. In the first paragraph, the Court understood that before the 1996 amendment, documents were not generally subject to mandatory production in the Japanese civil procedure. In the second paragraph, it found that the new article, Article 220, provides a general obligation of production, and that the documents reflecting communications between clients and patent attorneys are exempt from production.

This case involves the Code of Civil Procedure in the Republic of Korea. I cite this case because the article in the Korean Code at issue was identical to the former article in the Japanese Code. This case took place in the same court that handled the *Alpex* case I explained. In the first paragraph, the Court admitted that the assumption that parties might be ordered to testify or produce documents because of the lack of statutory privilege was erroneous. The Court continued, in the second paragraph, stating that under the Korean Code, a court might compel the production only in limited circumstances, specified by the statute. In the third paragraph, it found that these limitations to the production of documents existed under the Korean Code, considered in the *Alpex* case.

This is also a case in which the US District Court found in favour of the Japanese patent attorney. In the first paragraph, the Court stated that it is undisputed that Japanese law provides a privilege to documents created by Japanese patent attorneys. In the second paragraph, it also found, correctly, that under Article 197, Japanese patent attorneys may refuse to testify about the facts that they learned in carrying out their professional duties. Under Article 220, any holder is entitled to refuse the production of documents that contains matters exempt from disclosure under Article 197.

4. Stakeholder Views

I would like to share a few of the stakeholders' views expressed on this issue. In the survey we conducted last year, which targeted Japanese industry, despite these recent US cases, some of the companies expressed their concern that documents which are exchanged with Japanese patent attorneys might not be privileged. On the other hand, the Ministry of Justice stated that the client privilege for the attorney-at-law had already been provided for under current Japanese laws.

5. Conclusion

In conclusion, at least after the 1996 amendment of the Japanese Code of Civil Procedure, there have been no US cases in which communications with Japanese patent attorneys were denied the privilege. However, Japan Patent Attorneys Association expresses their concern that it is still uncertain whether confidentiality of such communications could be protected in all the other US Federal Courts. In order to address these concerns, we will set up a committee this year to deliberate on this issue, including whether it is necessary or not to take the domestic measures. In addition, there is a risk that confidential communication between client and Japanese patent attorneys may be forcefully discovered in the civil procedure of other countries. This issue cannot be addressed by one country alone, as it depends on, we understand, the decision on the choice of law in any given forum. Therefore, to secure the legal stability, international rule making based on constructive discussion among the governments is necessary. We will also actively participate in such a discussion and cooperate with other countries. Thank you very much.

Todd Dickinson

Okay. Thank you to all the panellists for being very prompt and timely. Because of that, we have a fairly good amount of time to invoke some discussion. At this point, I would invite questions from the audience.

Questions and Answers

David Hill

Thank you. My question is for Minami-San. In particular, you indicated that the way the statute is worded – and maybe it is just a translation – but it sounded like what is protected are facts that were learned by the attorney during his professional activity. We talked earlier today about the situation where most of the privilege systems that I am aware of do not protect facts *per se* – the facts can be discovered – but the communications between clients and attorneys or IP advisors are what is privileged, or what is protected. I guess I am just wondering what the distinction would be under Japanese law, whether you can hide a fact that was disclosed, for example, by a client to his attorney in that kind of situation?

Kosuke Minami

Thank you very much for the question. I also think that is a very important and interesting question. My understanding is that Japanese law does not articulate that kind of distinction between the opinions and the facts – whether the subjected opinion is only protected or it includes the objective facts is not articulated. And, in my book, there is no Japanese case about this issue, I am afraid I am not in a position to answer correctly about this issue but we have many experts on this issue from Japan in this audience.

Shoichi Oyukama

Yes, as a civil law country, Japan does not have any discovery and there is no obligation for a party to disclose whatever, facts or communications, with the attorney. The responsibility of proof is on the side of the party who wants to prove that fact. So it is entirely different from the common law countries. That is why we do not make any distinction between the attorney-client communications or facts or any of those kinds of things.

Michael Jewess

One thing I have noticed, when we discussed the EPC states, is that none of them did what the UK did, in a very internationalist moment in 1988, and automatically extended the same rights of privilege of clients of European patent attorneys as UK patent attorneys. Now, presumably, the governments we were discussing there all knew the UK had taken that view. So for instance, a French patent attorney in France, his communications with his client would be privileged in litigation in the UK. But none of you mentioned any extension from the national attorneys to the EPAs. In Switzerland, that is a real problem, because it has only just introduced the exam; most practitioners in Switzerland are actually European patent attorneys.

Wouter Pors

I think the Dutch government overlooked that, because the obligation of confidentiality for attorneys is in the provisions that deal with the register for patent attorneys. I think that the Dutch government thought that, for European patent attorneys, this would already be covered by the European Patent Convention, which of course, is not true, because that does cover it, but for oppositions and prosecution in the European Patent Office. So it is, indeed, missing.

François Pochart

One remark with respect to France, because France has an example: in France, both attorneys-at-law and IP attorneys, patent attorneys, are protected by the privilege, whatever their practice, so it can be national patent, or a European patent, or a Japanese patent or whichever. By law, any correspondence or anything that is in their file would be protected by privilege.

To the contrary, any practitioner in the industry is not protected, save to the extent under the EPC, which in my view is very limited, and the French government is not going to do anything, since indeed, I believe like the Dutch government, they believe that Rule 153 of the European Patent Convention was enough to get rid

of any problem France may have had in the past, such as the Bristol Meyers Squibb. That is one case, the *Rhône-Poulenc* case. The *Rhône-Poulenc* case was decided by – I think it was the Southern District of New York, if my recollection was correct. It was debated, but the issue was a guy working for a company, an in-house practitioner, and the question was whether his work product was privileged or not. It was decided not, but it was decided not after having studied what is the privilege for IP attorneys, which I believe was completely wrong. The outcome was correct, because there is no privilege for in-house practitioners, but the reasoning to get to that point was, in my view, incorrect.

Yuzuru Okabe

An in-house EPA in France, his communications will be privileged in UK litigation.

François Pochart

Because it is UK litigation which says it is privileged.

Yuzuru Okabe

The UK Act says that a European patent attorney, without any limit on residence, is in the same position as a UK patent attorney.

François Pochart

Yes, that may be one case where a French citizen would have more rights in the UK than he has in France.

Todd Dickinson

Anything from the Germans or Swiss on that topic? Any other questions? Any questions, our friend from Japan?

Yuzuru Okabe

It is not a question. In addition to Mr Okuyama, I wish to explain the situation of Japan. Now we are proposing to amend the Patent Attorney Act in Japan. A part of the proposed amendment is to reinforce the situation of privilege. In our proposal, we require to introduce a new clause which says that the requirement of client about the evolution, the legal revolution of the professional advisor, and advise itself about required legal analysis. That is both covered by civil proceedings, in Article 197. That makes clear that not only fact, but also evaluation or estimation of the patent attorney will be covered by the privilege of Japan. Thank you.

Todd Dickinson

Thank you for that.

James Tumbridge

Yes, I have just one question, Mr Pochart and other speakers as well. You were talking about privilege. Is the privilege on the attorneys or that it is the party that has that privilege to protect their communication?

François Pochart

You are correct that the ultimate beneficiary is the client. So, this privilege is to the benefit of the client. But the privilege is attached to the person, so the attorney, you can claim privilege. As I mentioned before, you can refuse to testify. I refused to testify a couple of years ago, based on the privilege in our law, where the privilege benefits the client. I could just simply say, 'I refuse to testify simply because I am bound by privilege. It is public order'. So, my client cannot even release me from that privilege.

Wouter Pors

In the Dutch bar rules, it is quite clear that privilege is for the client, but an explanatory note also says that if the client decides to waive it, the attorney still has a responsibility to check whether this has been done correctly and whether he agrees to that. It is a right for the client, but it is also an obligation for the attorney.

Todd Dickinson

What does the attorney do if he thinks he did it correctly?

Wouter Pors

Then he should not accept the waiver.

Hubertus Schacht

For Germany, I would say it is the same, like in Holland. The client has the right to permit the attorney to expose the information he gained from him to others or to the court.

Pascal Fehlbaum

In Switzerland, it is the same. As I said, for the patent attorneys, we have managed to have the same right for attorneys-at-law.

Kosuke Minami

In the case of Japan, as you know well, Japanese patent attorneys are also included as a person who is privileged. I would like to add one comment about the last observation from the Japanese colleague, Mr Okabe. The current status of the Patent Attorneys Act is that the idea of amendment is now proposed by the Japanese Patent Attorneys Association to the Japanese Patent Office. In order to address it, we will set up the meeting at the JPO. I just would like to clarify that, it is not a proposition to the Parliament but it will be discussed at the JPO firstly.

Steve Adkins

I just wanted to follow up on a comment from Mr Pochart about having the right to refuse to testify to protect the privilege of the client. It is interesting, from a common law perspective, however, if the client is called to testify, is the client able to refuse to answer based on privilege that exists in communication?

François Pochart

No, the privilege is something that a lawyer, whether attorney-at-law or IP attorney, can invoke, not the client. So, as I said, I cannot disclose anything even if my client tells me to do so, but my client is free to disclose anything, and that privilege is only to my notes. So, in France, we have seizures; we can do seizure, and it has been long in force in France. You can seize documents in the company, where the documents will be about the case. That is possible. The only thing you cannot seize is the element that is between the client and his lawyer, which you cannot seize. But otherwise, anything that is with the client can be seized or discovered, and a client can be forced to testify. I cannot be forced to testify, but the client, yes. So far, I am not aware of any specific case where there has been an obligation to testify, apart from of course, this *Rhone-Poulenc* situation.

Wouter Pors

This may relate to the same difference we discussed earlier, namely does it relate to facts or to communications? Because although it is not in the statutory law, it is quite clear that in The Netherlands, the communications between a lawyer and his client cannot be seized. If it is marked 'attorney-client privilege', or in any other way, it is clear that this is a communication between a lawyer and a client, it cannot be seized; also not by the authorities in a dawn raid. But the facts, of course, that is different.

James Tumbridge

I am very interested in the way the conversation has gone about the difference between the rights of the lawyer, the rights of the client, and the ability of the lawyer to maintain that privilege. I am not sure whether I properly followed the discourse that just occurred, so I just want to rephrase the question from Steve. If the client is in the witness stand in the court room, and the French lawyer asks, 'What did your patent attorney tell you about this?' can the client say, 'What my patent attorney told me is privileged.'

François Pochart

Well, first of all, I doubt that will ever happen in France, because we do not have examination or cross-examination in France. So I doubt that will ever happen. But, the client would not be forced to release the communication between him and his lawyer, so it is right. For me it is an obligation not to disclose.

Hubertus Schacht

No, I would say the same. In Germany, it would be like in France. But if a judge asked me whether I should tell him what my attorney has said to me, I would say, 'Oh sorry, I just cannot remember', and then we would see.

Todd Dickinson

One hopes that is a truthful statement!

Tom[?]

My question would be for Mr Pochart. Let us assume it is an area in which you have a French patent attorney and a UK patent attorney practising in-house in the UK. The litigation happened to be in France. So, you have in-house, as I mentioned to you. The French patent attorney is qualified in France and at the same time, he is qualified in the UK Patent Office, and the British, same thing. They are giving legal advice based on the French law, for the French attorney; and for the British attorney on British law. What happens before the French court? Which one has the privilege, which one does not?

François Pochart

First of all, a French patent attorney is only practising as private. So, there are in-house practitioners who are European patent attorneys, and when I am talking about patent attorney, I am talking IP attorneys, so private practice only. So, attorneys-at-law and patent attorneys are basically the same; they have the same rights and the same obligations. So, a French patent attorney will typically not be in-house. He has to be an independent lawyer.

Tom

So let us say that patent attorney is just a French in-house agent, if you want.

François Pochart

Yes, to the French in-house agent, he basically cannot enjoy any privilege. So, the only limited privilege he has is with respect to Rule 153 of the European Patent Convention, which basically says what you do about prosecution – [Manthen's opinion infringement?]; I cannot remember the exact wording – will be subject to confidentiality and evidentiary privilege. That is the European Patent Convention which says so. So if it is a European Patent, I do not believe that it would be much of a difference between a UK and a French professional.

Now, of course, if the French professional is sitting in the UK, I doubt French law will ever apply to the French guy practising in the UK.

Todd Dickinson

Is that a problem for the in-house agent?

François Pochart

Well, French law has the merit to be applicable to the French territory, and only to the French territory.

Tom

That is what my question is about. It is the French agent who is practising in the UK in the same office as the British patent attorney, practising in the UK. But the litigation happened to be in France. So, my question is, who has the privilege? The French guy or the British guy?

François Pochart

Well, I would say for the British guy, ask a British lawyer and he will answer. For the French guy, I do not see why he would enjoy any privilege. Why would he? The French law is typically not applicable to him. Besides, practising as an attorney, be it as an attorney-at-law or IP attorney, requires that you practise in the French territory. So, it is difficult to be an independent French patent attorney in the UK.

Dave Hill

I find the discussion of in-house practising patent attorneys or attorneys very interesting. I did not hear anything from Minami-San about in-house people in Japan, and whether they have any rights to claim privilege.

Secondly, I am interested, particularly, in France or in Germany where the feeling is that there is no independence of an in-house attorney. How do we address that as a group, where you are facing that kind of barrier to privilege for an in-house attorney who gives advice to his own company? Of course, he is bound ethically by his own obligations as an attorney to give proper legal advice, but as you say, he is not in some cases; he is not a member of the bar, so he does not have those obligations. Two questions.

Kosuke Minami

Thank you for your interest in Japanese practice about in-house attorneys. From the perspective of the literal interpretation of the Japanese Code, there is no distinction between in-house and non in-house attorneys. My understanding is that it includes the in-house lawyers practically, but I think there are not any cases before the court on this issue.

Shoichi Okuyama

We do not have privilege. Our Code of Civil Procedure says, 'We can refuse to testify in a court in special circumstances and we can refuse to submit documents, even if a court orders an attorney to do so.' That is equally applicable for the outside attorneys and the in-house attorneys. But, I do not call it privilege. This is a totally different concept.

François Pochart

On the second part of the question, with respect to in-house lawyers, let me read you a case that I think was also mentioned by my Dutch colleague. It is a case which is the *Akzo-Nobel Chemical* case, decided September 2010. In this case, C550-07, it reads, 'The requirement of independence means the absence of any employment relationship between the lawyer and his client.' So that legal, professional privilege does not cover exchanges within the company or group with in-house lawyers. That is reason 44 of that decision.

Wouter Pors

As I said, the Dutch Supreme Court said – well, they did not say the ECJ is wrong, but I think they thought so. But they said it only applies to European Union competition law.

Stephan Freischem

A short question to Wouter: you mentioned that the Dutch law does not provide for privilege for trademark attorneys. Are there any trademark advisors who are not lawyers or patent attorneys in your country?

Wouter Pors

Yes, I think that almost all the trademark attorneys or trademark agents are not lawyers. So some of the trademark agencies also have some legal advisors, but they are generally not admitted to the bar. But in general, the trademark attorneys are not lawyers.

Michael Jewess

Working in-house for many years, I refused to act on instructions on three occasions, for ethical reasons. In no case did I suffer any adverse consequence at all; indeed, one of the people who was involved in trying to get me to do that disappeared instead.

In fact, if you are in-house, you are sort of licensed, as it were, because they know you have these professional obligations to stand up to the employer, and if the employer were foolish enough to dismiss you, of course, you would then sue for wrongful dismissal, and all the things he is trying to hide would then emerge.

Todd Dickinson

Briefly, I am going to get in trouble, probably, for jumping the gun a bit, but we have Kevin Mooney tomorrow talking about the European Patent Court. Anybody want to do a little preview of that? Anything you want to tell him before he gets here to speak tomorrow?

Wouter Pors

One remark, maybe. I had a short email discussion with Paul van Beukering who is the Chairman of the Preparatory Committee, after they published the Rules of Procedure on Tuesday evening, because I had hoped he would say he agrees with the Rules of Procedure, as they are now published, but he very politically said that they were not decided by the Preparatory Committee; they were not even yet studied by the Preparatory Committee and they are the sole responsibility of the Drafting Committee, which we will hear about tomorrow.

Todd Dickinson

On that note, we will give the Drafting Committee the last word.

Kevin Mooney

I think you are all in for some shocks.

Todd Dickinson

Stay tuned. Thank you very much, that is a good way to get everybody back tomorrow. I hope you will join me in thanking the panel. I thought it was great and we appreciate it.

[Break]

Todd Dickinson

We have been pretty good about time today, so why not get started? Now, we move into the next phase. The attempt here is to try to put it all together and, also, to comment on some of the positive things we have heard, some of the limitations we have heard about that need to be overcome, how perhaps, to get past them – and to see if we can come to some kind of consensus.

Obviously, we have three very senior leaders of our respective organisations and the bar who are here today. We are going to start off with Steven B Garland, from Smart & Biggar in Canada. Like lots of us, he has 20 years' experience, but, for our purposes, he is the immediate past President of the AIPPI Canada chapter and a past President of IPIC. I am most impressed that you got 'one-click' past the Supreme Court of Canada; is that right?

Steven B Garland

It was not the Supreme Court; it was the Federal Court of Appeal.

Todd Dickinson

For all of you who think 'one-click' is not patentable, here is living proof that it is.

Session XIV: Resume of and Discussion on National Positions; The Way Forward

Steven B Garland
Chairman, Q199 Committee, AIPPI

David W Hill
AIPLA Past President, Chair, AIPPI-US Division

Eric Le Forestier
FICPI – President of CET

Steven B Garland

Thank you, Todd. So that everyone knows where we are going in the next hour and a half – if we want to take up all of the time — this is an opportunity to have a further discussion on what we have heard today and how to go forward. What we are going to do is I am going to try to summarise what we have heard today. It will be quite a task, given the excellent speakers we have had so far. David will then give us some examples of how things can go wrong, if and when they go wrong, and Eric is going to deal with some practical considerations in terms of the presence or lack of privilege. Frankly, we are then going to open up the floor to all of you to invite you to engage us in a further discussion. With that short preamble, I will jump into summarising what we have heard today – hopefully more or less accurately.

I will start with the common law countries. First, we are again talking about attorney-client privilege between clients and lawyers. It was mentioned a few times, but it is worth repeating: privilege does not apply to the facts – for example, the prior art. It is with respect to the communications between the lawyer and the client in terms of the opinions being provided. This is something we may want to keep in mind for when, at the end of my presentation, we come back to the AIPPI proposal. I think it may have some relevance to some of the definitions we are looking at.

In common-law countries, you also have the benefit of litigation privilege. Again, it is important to realise that, while what is covered under the privilege may be broader than the solicitor-client privilege, including discussions with third parties or experts, it is actually narrower in some senses. You have to show that the communication took place for the dominant purpose of the litigation or the contemplated litigation. It is also time-limited, which is often overlooked. When the litigation ends, so does the privilege. That is important to appreciate. Again, it is important to understand how the privilege works in common-law countries, because we do have the right of discovery. That changes depending on the common-law country you are in, but you can have very robust processes like we see in the United States, so the privilege protection is important.

In terms of some of the issues and uncertainties, the starting point is that there is no common-law protection for communications with non lawyer IP professionals. That is the starting point. It is also important to understand that there is no protection for lawyers acting in non-legal advisor capacity. You may be wondering how that can be; I will give you an example. As hard as it may be to believe, we had a case in Canada from a few years ago – it was a drug case, which may not come as any surprise – where a very senior lawyer was found to have been giving his advice in his capacity as a patent agent. He had the misfortune of also being qualified as a patent agent and the court determined that he was giving his advice in the capacity of a patent agent and not as a lawyer. I think Michael Dowling called it brain surgery. I am not sure how the judge did the brain surgery, but he performed it and the opinion had to be produced. For all the lawyers in the room that are thinking they are secure, if you are also qualified as a patent agent or you are acting in some other capacity than your legal-advisory capacity, there is a concern there as well.

How have some jurisdictions dealt with the inherent limitation on privilege in common-law systems? You have heard a few examples today where there have been special statutory provisions put in place. I think the

high-water mark is Australia and New Zealand, where not only does the provision protect the privileged communication between the domestic attorney and the client, but it also extends to foreign agents and their communication with clients, which leads to what I would say is the rather strange situation where, in Canada, if you are a patent agent your communication with client is protected in Australia, but it is not protected in Canada, which is a bit of an odd result.

The United Kingdom is perhaps not quite as forward-thinking in terms of the fact that they have a statutory provision that only applies to domestic non-lawyer patent and trademark agents. I put the abbreviation for trademark as TM; once you get a Canadian, American and UK lawyer in the room, they cannot decide how to spell it – so we will just go with TM. Something you did not hear about today, though it comes out of a fairly comprehensive research investigation that the Q199 Committee of AIPPI did, is that there are also other common-law jurisdictions where there are statutory provisions that provide some form of privilege in the cases of Singapore and South Africa, but I understand there is actually a privilege for domestically registered patent agents.

In terms of the problems and uncertainties, where are they? I am using Canada as an example, as a Canadian, but this is not to pick on Canada. We do not have protection for domestic non-lawyer patent agents. We also have a case involving Pfizer and Lilly. It is a similar or the same case that was of issue in Australia as well, where the UK attorney's communications with his client that took place in the UK – and, as I understand it, would have been privileged under UK statute – were ordered to be produced in Canada, because we do not have privilege for non-lawyer agents. Therefore, the court was not prepared to extend that privilege to foreign agents, since domestic agents did not have that. We have also heard, I think, that in the United States there is greater certainty, but there is still some uncertainty, as I understand it. There is no single approach to both domestic and foreign non-lawyer agent/attorney communication. It can vary depending on, as I understand it, what particular court you might find yourself in. In terms of other common-law jurisdictions, putting Australia and New Zealand aside, I think there is still a great deal of uncertainty as to how those particular common-law jurisdictions will handle foreign communications and foreign privilege and whether or not that privilege would be respected.

That is a very brief overview of what I think we have heard today on common-law countries. I will quickly step out of my element and try to summarise what I heard in respect of civil-law countries – so my apologies if I do not get it all correct. As we have heard, it is really looking at professional secrecy obligations that are imposed on lawyers – and patent attorneys, in some cases – that prevent the disclosure of information to third parties. Typically, there is no attorney-client privilege, but, if I was hearing Wouter correctly, it sounds like, at least in some civil-law jurisdictions, you are getting pretty close to what I might call a common-law-type privilege existing, which is very interesting. It is important to keep in mind, however, that, unlike in common-law countries, most civil-law countries do not have a discovery process. If you combine the lack of discovery with the secrecy obligations, in essence you have a privilege in form, which, I think, is way Professor John T. Cross described this morning.

Nevertheless, we have seen a number of jurisdictions where there are still special statutory professional secrecy obligations. I have put Germany and Switzerland in there very recently; the same applies to France and Japan. I would just make the quick aside that both France and Japan changed their national laws as a result of some decisions that took place in United States courts. We heard about the *Rhône-Poulenc* decision in the case of France. It was after those decisions that they tightened up their law to try to create something that would be akin to a privilege. In both cases, now, as I understand it, there have been post-amendment cases in the United States where the courts involved have said, 'Yes, what you have now is akin to a privilege' and that privilege was respected. In some cases – as we have seen, for example, in Switzerland, Germany and, I think, Japan as well, if I heard that correctly this afternoon – you can have the professional secrecy obligation tied to a right to refuse to actually disclose information or documentation. Again, that is getting very close to what I might call a common-law-type privilege.

However, there are still problems and uncertainties that remain in civil-law countries, certainly in terms of foreign communications and how they will be treated in a particular civil law jurisdiction. There is some uncertainty in that and, certainly, clarity is required. Listening to Wouter, I was left with the impression that, perhaps, in the Netherlands, a communication that was subject to a foreign privilege or a foreign secrecy obligation would be respected, but I did not hear if that is in fact consistent among all civil-law

countries. I suspect that it may not be. Also, in relation to trademark attorneys, we have heard it from a few jurisdictions – the Netherlands and, also, Switzerland – that trademark attorneys are not regulated. Of course, that then leads into difficulties, because, as I understand, they do not have secrecy obligations that are perhaps imposed upon them – by way of statute at least. Of course, if that ever then becomes an issue in front of a common-law court, I suspect that any communications between a non-regulated trademark attorney and a client are probably going to have to be produced. The overriding concern coming out of all of this is not so much, perhaps, how civil-law countries treat the civil-law requirements in terms of secrecy, but how are common-law countries going to treat the obligations of secrecy that are imposed upon practitioners and the actual benefit the client gets from that. As we have seen, in the United States – Professor Cross was describing this – what it really comes down to, at least in the way that they look at it, is going back and looking at, in some cases, the foreign jurisdiction and whether or not there is a privilege of sorts. If there is, you may be okay; if there is not, you may find yourself in trouble. Of course, that would be concerning, for example, to Canadians.

We also heard very briefly about Rule 153. In the European Patent Convention, there is a privilege of sorts. I think a number of European practitioners were quite right to point out that it is very narrow in scope and only applies to proceedings before the European Patent Office. There was quite a bit of discussion about in-house counsel. Again, as I understand it, here is where there is still a fair bit of uncertainty. In most common-law jurisdictions, if an in-house counsel is acting in the capacity of a lawyer or legal advisor, privilege would attach. I was talking to Greg about this. As I understand it, in Australia it is perhaps not as black and white as that. You might have to actually establish that the in-house counsel is acting independent of his or her employer. In many civil-law countries, there is generally no privilege – again, subject to the discussion that we had on the *Akzo Nobel* decision. I understand that, perhaps, it is a maybe – at least in the Netherlands – that in-house counsel would benefit from a privilege – again, depending on the circumstances. Again, for the most part I think that does not apply in civil-law countries.

Then we come to European Unified Patent Court, the UPC. I will not say anything about that. I have a little note here saying, ‘Teaser: make sure you show up for tomorrow.’ Sure enough, before I even had a chance to say that, we have been told that we should be ready to be shocked – so let us all show up tomorrow and hear what that is about.

We have touched upon this already, but to summarise it, the extent that foreign privilege will or will not be respected really depends on the jurisdiction. I think there are a number of different approaches. In some jurisdictions, it may depend on the qualifications of the foreign IP professional. To give you an example, in Canada, it would a) have to be a foreign lawyer; and b) that lawyer would have to be giving advice on matters that he or she is qualified to give advice on. If a US lawyer is giving advice on Canadian patent law, it may not be privileged. That is part of the analysis; it would certainly happen in Canada.

It may depend on the nature of the advice, as I mentioned. It may be protected in some civil-law countries based simply on the respect for the foreign professional secrecy obligations that exist in the other jurisdiction. It may depend on the doctrine of comity. If I understood James correctly, that seems to be, at least in part, what may come into play in the UK, if I am not mistaken. It also may depend on the status of the communication itself. Again, that goes back to Professor Cross and the US approach and the choice of law when it is appropriate.

That was a very quick overview of the common law and civil law. Hopefully I got it more or less correct. The question, however, then becomes this: where do we go from there? In terms of moving forward, obviously, one of the proposals we have heard today right at the outset, from Michael Dowling, is the AIPPI proposal. We had the benefits of Professor Cross’s views on that. It is in your materials, but, to summarise it, it is a functional approach. I think Professor Cross was quite correct in that regard. It is not based on explicit privilege being created, so it is hopefully harmonious, in the sense that it can apply and be applied in both the civil law and common law contexts equally. It is also relatively simple in nature. If you have seen the proposal, it does not go on for very long – it is about a page long – but it does lay out the protection, which is perhaps broad. It does define which communications are covered. I think whether or not the scope is right is probably open to some discussion. It also defines whom, in terms of the definition of the IP advisor. We have already had a little bit of a discussion on that, including whether or not they are qualified

or authorised; we may want to have another chat about that in a moment. It also permits certain exemptions, so that the individual jurisdictions can tailor it to their individual experiences.

A few things have come out of the proposal itself. We have had a very helpful discussion today. Certainly, as one of the individuals from AIPPI who is involved in the proposal, I think one issue that came up is the definition of intellectual property rights. Should we include trade secrets? In my view, it is a no-brainer: the answer is yes. We should probably get that in there in a hurry. Regarding the definition of an intellectual property advisor, at least two issues came up. One was the question of qualified or authorised; I would like to hear more from the audience on that, because it is still not clear to me the concern that may be out there in respect of the term authorised, so I would like to hear that. There is also the issue about where the advisor is located. Again, I think Professor Cross made the very good observation that it should not really matter. I suspect that we could probably deal with that point simply by, in the definition of the IP advisor, deleting the phrase ‘in the nation where the advice is given.’ If you deleted that phrase, I think you would address that one concern. It should not matter where that IP advisor is located, provided that he or she is giving advice on things that he or she is qualified or authorised to give advice on.

Another issue that came up in terms of the actual protection itself was the concern about whether or not it encompasses facts. I think it is perhaps worth having a discussion if the definition of protection can be defined to make it clear that it does not cover facts, including prior art. I know our friends in Brazil have a concern in that regard – or, at least, the Government does. I suspect that might be able to be dealt with directly in the definition of what the protection is. Finally, I know there was some discussion about refining or defining the actual scope of protection. Is it too broad? Does it encompass, for example, litigation privilege? Perhaps it should not. That is, obviously, still open for discussion. Shortly we will open the floor to you and you can engage us on those issues.

Very quickly, as a quick plug for AIPPI – I will then move on and stop talking – if you do have further interest in the issue of privilege and what the situation is in different parts of the world, the Q199 Committee did a thorough global investigation a few years ago. If you go to the website – the address is there – you will see the responses from 48 different countries and a summary of that. It does give a very good view of civil law, common law and how the actual process and policies differ or are similar between civil-law and common-law countries from right around the world.

That is it from me. Thank you for your attention.

Todd Dickinson

Thank you, Steven. I think I erred in forgetting to mention that you are the chair of that committee, are you not?

Steven B Garland

We always joke about this. I am the chair; I look at that as being that I wear the conductor’s hat. However, there is no doubt as to who is driving the bus – and that is Michael Dowling.

Todd Dickinson

Thank you. Let me now, in turn, re-introduce a very good friend, Dave Hill. Dave Hill joined Finnegan in 1977, a firm that, I think, most of us know. He has had an extensive practice across all aspects of intellectual property. He graduated from the United States Military Academy at West Point and George Washington University, which is a great pair of institutions to be from, and practised from Japan for many years, as I think you know as well.

More importantly, for our purposes, he is a past President of the AIPLA. I was pleased to serve alongside him during his presidency. When AIPPI US merged into AIPLA, he was, in large part, responsible for that occurring – and occurring smoothly. In recognition of that, all of his colleagues elected him the founding Chair of the AIPPI-US Division.

David W Hill

Thanks, Todd. I am going to be fairly brief. We have been discussing a lot of different issues, but some people still ask the question: what is the problem? I am surprised to hear that, but I think, if we reduce this to its very simplest form, let us think of a company like Siemens in Germany, for example. It does not have to be them, however. They go to their IP advisor and get help with respect to IP advice; four, five or six years later, they get sued – perhaps in the United States. It is unusual, but it might be there. Their opponent requests production of documents and depositions to determine what their IP advisor said to them and what they said to their IP advisor. The US court may or may not order that the information be produced. It depends on all of the issues we have talked about today. That is the simple reduction of what happens. It may be that this advice is critical. It may be critical to their defence in the case, as Steve pointed out in the Canadian example. This is what we are talking about, in the simplest terms.

A little earlier, we heard about the Bristol-Myers Squibb case against Rhône-Poulenc. This was a 1998 case and the question there was this: are the client's communications with a French patent agent subject to forcible disclosure? Are they privileged? In that case, the US court held that, unless the French patent agents were acting under the authority of a US attorney, the communications prepared by the French patent agents had to be produced. French law provided for a duty of the patent agents to preserve professional secrecy in that case. Nevertheless, the court ordered production of those documents. I think the amendment of French law subsequent to that has addressed, in large part, the problem. However, this is an example of what can happen.

The 2011 AstraZeneca case is another example, which points out how the US courts deal with foreign patent agents. The court, in that case, applied what we call the touch-base test, which you heard being discussed earlier. The purpose of that test is to see whether the communications with the foreign patent agent should be subject to US law or foreign law. In this particular case, the communications related to a PCT application that, later on, became a US patent. Basically, the court in that case held that the PCT application was not enough to touch base with the United States just because it became a US patent at some time in the future. The US court determined that the foreign country's law governing the patent agent's communication should control whether or not they had to be produced. It is not reported in the decision whether or not those documents had to be produced or not, but that is the kind of danger that you face in these kinds of cases.

That is my quick summary of at least a couple of examples. There are many more examples – in the United States and elsewhere – of scenarios you would want to avoid, if you were a client. Thank you.

Todd Dickinson

Finally, for his introduction, let me turn to Eric Le Forestier, who is a French patent attorney here in Paris – I am assuming. I think he is.

Eric Le Forestier

Yes, precisely.

Todd Dickinson

He is an attorney at the Cabinet Regimbeau. Like all of our panellists, he has extensive experience in practice across the board with the EPO and other places. He is a member of FICPI and AIPPI, but, perhaps most importantly, in FICPI he is currently the President of the CET, the Study and Work Commission. This is interesting: he is also a past member of the examination board for French patent-attorney qualifications, which makes him uniquely positioned to speak on some issues today.

Eric Le Forestier

Thank you, Todd. First of all, I would like to say a few more words about the French situation. Dave mentioned the Bristol-Myers Squibb case and, earlier, François Pochart mentioned the change of law in 2004. Actually, what happened in that case was that the reasoning of the French court was not exact, as, basically, this was an in-house advisor. The US court said, 'In-house and private practitioners are all the

same, so let us have a look at the code of conduct for private practitioners.’ First of all, this was a regulation, not a law, which governed the profession at that time. First of all, the regulation said, ‘Yes, there is some professional secrecy for these professionals,’ but there was a provision that the secrecy could not be opposed to jurisdictions. That was basically the reason why the US court said, ‘Okay, a French professional, whether they are in-house or a private practitioner, could not oppose a request by a judge to produce information or communications or whatever.’ From there, they decided there was no privilege.

From there, there was an initiative in France to change the law, first of all, to take this from the regulation level to the law level. That was the first step. Secondly, the initiative was to remove the clause of that secrecy not being opposable to jurisdictions – much like lawyers, actually. Later, case law in the US confirmed, in different contexts and complex contexts, when practitioners – at least in private practice in France – were giving advice, their clients would enjoy privilege. This is the way a civil-law country addresses the situation.

On the other side, we see how common-law countries like Australia address the situation. The civil-law countries see it domestically and hope that it will be recognised abroad. The common-law countries say, ‘It is not enough to have it recognised domestically; I want to govern the law between the professionals abroad and the people involved in the litigation in Australia,’ for example. It is interesting to see these different attitudes, depending on whether you are a civil-law country or a common-law country.

Another thing I would like to mention is that we seem to have a clean split between common-law and civil-law countries. We now have the prospect of a new unified patent court in Europe, with countries of common-law tradition mixing with countries in the civil-law tradition. We will see how this will evolve, but, probably, the border between the two worlds will not be so precise in the future. Actually, with the directive on enforcement in Europe, there is now the possibility of forced disclosure of I would not say advice, but, at least, facts. There is a trend nowadays for courts to try to get information from the parties. From there, we would be very interested in civil-countries in being able to face this kind of request and say, ‘This is advice covered by privilege.’ We will see how it goes with that. However, we have another problem. In civil-law countries, you just produce the evidence as you want, but in many jurisdictions, the judges have the capacity to order to a party to communicate a document. This is hardly done. Maybe the French lawyers in the room can confirm it, but it is a possibility that is hardly used. However, privilege could then be used to oppose communications between clients and their advisors, including, probably, patent attorneys in France.

Another question I have is about the Australian and New Zealand approach, where they govern the relationship between foreign attorneys and users of the system in Australia, for example. I wonder whether there is a conflict of the laws there, because, of course, the local rules, code of conduct, law or whatever could be conflicting with that Australian or New Zealand provisions. I do not know if this problem arose already or is expected to arise or not. That could be an issue. I do not know if it is projected as being an issue, but, in quite a different manner from a treaty or some kind of bilateral agreement, such unilateral provisions could give rise to such a problem.

Another thing that we did not address much in these discussions is this: who is the client? You get to an advisor, but another party might be involved in the litigation. It is another party that will bring the suit at the end. Will the initial communication with a client, which is not party in the litigation, be covered? Another typical situation when you are dealing with preparing litigation is you have emails going all around, with 20 people receiving and sending emails. This is a real situation. From what point will that communication be covered by privilege? Is it enough that one IP attorney or lawyer or whatever enjoys privilege, according to his code of conduct or law or whatever in that group? Does that mean the discussions do enjoy the privilege or not? This is a true question; I have no clear answer. I know that during the pharmaceutical inquiry by the European Commission a few years ago, there was this question of who was on the mailing list. It was a very important criterion for saying, ‘I retain this,’ or, ‘I do not retain this.’ This is real life.

Another issue we have is that we have multiple titles. In some jurisdictions, you can be both a patent attorney and a lawyer. In Europe, typically you can be a patent attorney nationally and a European patent attorney. Of course, we have the case of in-house people in Europe who also have some kind of privilege in proceedings before the EPO. What is the applicable rule in this case when people have different titles?

Should we take the strongest or weakest? This is also another kind of question. Another question that comes up is waiving privilege. I think François Pochart mentioned earlier that professional secrecy in France is absolute. To what extent does a client waiving privilege need the authorisation of his advisor to waive privilege or can he do it freely? This is not completely clear to me. It is probably different depending on the jurisdictions.

A final point, which is a bit provocative, is that we all want to have privilege multinationally recognised, so that we can frankly talk to our clients and give advice to them, but, in countries where this privilege is supposed to be recognised, why do we still have so much the bad news given on the phone and not in writing? Even locally, we still have this difficulty with potential weaknesses in privilege. We have to be careful when trying to broaden that to an international dimension. We have to take this into account, because, of course, nationally it should be strong and internationally it should, ideally, be strong, too.

Those are the kinds of issues I see; perhaps they can guide further discussion with the audience.

Questions and Answers

Todd Dickinson

The idea, as I understand it, is to have a discussion at this point to see if we can work towards consensus or a communiqué tomorrow, after all that we have heard today. We have the three folks here as correspondents, I guess you would say. Are there any questions or comments that folks in the audience would like to start off with today?

Michael Jewess

The issue of prior art is obviously a sensitive one. The worry from, for instance, Brazil – that somehow privilege would be used to cover up prior art – obviously needs to be addressed. However, the United States, of course, has quite a rigorous regime for requiring you to disclose prior art. My suggestion is that, if we adapted this proposal so that the US could sign it with a clear conscience, e.g. by expanding paragraph 3 to say, ‘For the avoidance of doubt, this shall not prevent any state from insisting on seeing the prior art’, that would then satisfy the United States, and probably a US official might be concerned by that, and it ought, in theory, to satisfy Brazil as well. Each state could then put in whatever rules it liked on the disclosure of prior art.

Steven B Garland

I think it is a very good idea. In fact, during the break we were discussing whether, in fact, you amend paragraph 2 of the AIPPI proposal which, if you are looking for, by the way, is in the additional papers at page 11. I take your point, Michael: you could certainly put in something specific in paragraph 3, which is the provision which permits countries or jurisdictions to make exceptions to paragraph 2 – paragraph 2 being the primary protection, if we can call it that. I think it is a very good idea – we were discussing this during the break – because we probably want to put something of that kind in somewhere to address, in fact, the issue that our friends from Brazil raised.

Danny Huntington

In paragraph 1, where it says communication you are defining what the communication is. I wonder whether it might make more sense to make it clear the communication is advice – as opposed to facts.

James Tumbridge

Listening to the debate this morning and from my own interpretation, I think there are three areas in the definition of 1 that might benefit from some amendment, which, then, slightly leads to 3 as well. The first, which I alluded to this morning, is that I can see the addition of ‘other person qualified or authorised’ is perhaps intended to cover the situation we heard about in Benelux, where there is no register of trademark attorneys. I perceive that it would be a concern to many countries. I perceive it would be a concern to the British, because they do not have a problem with the principle of recognising foreign-registered something – or, rather, foreign advisors something – but they want certainty they can go and check that this person is the properly qualified or registered person, which is why what we have been doing in the expansion in the UK and other areas is to require someone both qualified and registered. This is to cover the scenario that you could be a qualified – for argument’s sake – patent attorney and you could allow your qualification to lapse and you do not pay your annual fees or do your annual continuing professional development. I perceive this as something that might benefit from some tweaking, if possible. It may not suit other countries, but ‘qualified and registered’ would be better than ‘qualified or authorised’ – at least for the United Kingdom.

Immediately following that, we then see ‘in the nation’. A nation – not only in the United Kingdom, but in other spheres – has a very different meaning to jurisdiction. I have concerns there. There are the First Nations in Canada; the Kurdish nation covers three international boundaries. Within the United Kingdom, the Welsh count as a nation; they are not a jurisdiction – at least for the purposes of this issue. Again, my

observation was it may be more palatable to many people to have jurisdiction, which covers both the US Federal Government and the US states. I do not know how they would deem the word nation, but I am concerned that it might have interpretation issues.

The third point was raised by Professor Cross. I have come to think that his comment about where the advice is given is not, perhaps, best way to express it. There was a theoretical discussion in the UK under the Scottish legislation. If you happened to be a Mongolian or you were giving your advice in Mongolia, because they have an expression of 'whomsoever', it became a very torturous issue if you started to worry about where the person was the day they gave the advice, as opposed to 'qualified in which the jurisdiction in which the right exists'.

Steven B Garland

On the last point, it is well taken that we need to clean up the definition of intellectual property advisor to remove that kind of geographical reference. We do not need to get into the actual drafting exercise, but, I suspect, if you just deleted 'in the nation where the advice was given', it would probably be satisfactory. It is just simply saying somebody is giving the advice who is qualified to give that advice. There is probably an easy fix and it is probably worth doing, so that we get rid of that geographical component to the definition.

Danny Huntington

I agree with James that 'in the nation' is not right, but I think somehow you have to have 'jurisdiction' or something like that, because otherwise it becomes ambiguous. Just because you are authorised or registered or whatever somewhere, does not mean you would be everywhere.

Within the Committee of FICPI that I am currently the chair, which is Professional Excellence, one of our things that we look at is the question of – for want of a better word – privilege. The point is about creating a register for people to look at and say, 'I see that name on this for this jurisdiction, which means I can talk to them about these things.' I realise this that may be a more difficult or expensive thing, I suppose, for smaller countries, but there may be other ways around it. At lunch, I was having a conversation with a colleague from Norway, who said that in Norway you must be a member of FICPI. That could be the register. It could be various different things, but, without a register or some way to define this, I think it really gets into a problem of how you can know.

Jeffrey W Astle's problem was, 'How do I know whether this person is qualified? How can I know whether or not I can trust this advice?' I wonder whether registration or a register within the jurisdiction might not be a better way. There could be something like that.

Jeff Lewis

I also want to respond to my friend James. I agree with the concept that we need to tweak the language on locale – be it nation or jurisdiction – but I am concerned about two things. One is that I also disagree with my friend Danny Huntington about whether or not there is an appropriate registration list or appropriately posted list. To me, it has the same evil as the first problem I have with what James said, which is that I am concerned about the 'qualified or authorised' phrase. To me, this sets up too many avenues to nitpick and attack somebody registered but not qualified. Are they qualified but not authorised? Are they authorised but not qualified?

As, I think, Bernie Knight aptly said, 'You get privilege in the United States even if you hire a bad lawyer.' I am just concerned that, if we start to set too many specifics here, we will end up creating more confusion and not less. My suggestion would be that we go with a phrase that says that someone is recognised by a governing body, whether that be a country, whether it be a larger European entity; that we not look at whether they are separately qualified and authorised or not separately qualified or authorised, but that we just establish some sort of simpler boundary language.

Willem G Schuurman

I have one additional comment. Someone suggested this concept of reciprocity: that we will recognise privilege in another country if that country gives us reciprocity. I think that would be very important for the US, because that is how the courts look at this issue already, whether there is reciprocity. It should be easy to put in.

Michael Dowling

I am a little troubled about the issue of reciprocity. In the context of a treaty, you do not sign it unless you want to be in the same club as the people who are already in it. Once you do sign it, there is reciprocity, as between you and all other persons who have signed it. In a way, that answers itself from the nature of the instrument that it is.

Stephan Freischem

I do not think this necessarily has to be the case. If you harmonise on the level of New Zealand or Australia, then everybody signing the agreement or treaty – or whatever you want to call it – would privilege any IP advisor around the world, whether or not his country has signed the treaty. If you want to limit it to parties of the treaty, you have to limit it in a clause.

Eric Le Forestier

I have a comment on reciprocity. Between a common-law country and a civil-law country, there is no need for reciprocity. French judges, for instance, do not care about the release of information by US lawyers or patent attorneys. It is completely asymmetrical in that case.

Stephan Freischem

I have another comment on the reciprocity issue. I agree; there is the same thing in Germany. We first have to decide whether we want reciprocity or not. I do think there would be a benefit. Pascal Fehlbaum mentioned it in his presentation. If you have the New Zealand approach, you cannot push other states to give the same benefit to your profession as you give to their profession, but, first of all, we need to decide whether we want it or not. I think it would then be easy to do.

Although you are right, Eric, that, for civil-law countries where there is no discovery, it does not make a lot of difference, it will make the difference for the countries outside of the agreement, because their profession is protected in common-law countries only if their countries join the agreement. I think it is of importance not so much from our jurisdiction, but from our intention to have a harmonised environment in the world.

Steven B Garland

I was going to ask a question. Going back to the issue of qualified and authorised, there were a few civil-law jurisdictions – the Netherlands being one and Switzerland being the other – where the speakers mentioned that trademark attorneys are not regulated. I assume – correct me if I am wrong – there would not be a register of trademark attorneys in either of those countries. If that is the case, I think we still have to come back to this issue of the assumption that a country is not going to off and develop a register. Is there not some way that we can still have language that is going to capture that person?

Taking Jeff's point, maybe they are not qualified and maybe they are not registered, but, if they are authorised, somebody should be able to rely upon that. Even if you get bad advice, the privilege should still apply, I would think. Wouter, perhaps you can educate me on that.

Wouter Pors

The question is what approach we want to take. The Benelux treaty on intellectual property does contain provisions on a register for trademark attorneys. It is just that the Benelux office never implemented the register, because they did not see the advantage of doing that and thought it would be a financial burden. You can either, now, change our proposal or you can push the office to introducing the register, because

there is now an additional reason to do it. I think I would prefer the latter, but I think I should also discuss that with the Benelux Association of Trademark and Design Law.

Pascal Fehlbaum

As I mentioned, we do not protect trademark attorneys with the current proposal. As you mentioned, trademark attorneys would have problems with this, because there is no proposal in Switzerland to protect them specifically. That is why I suggested going step by step, starting with the patent attorneys.

James Tumbridge

I think I possibly set the wrong rabbit running when I – probably badly – used Benelux as my example as to what I assumed was covered under ‘persons qualified or authorised’, because you have given a list before you get to that point. I would have thought that if somebody can call themselves a trademark attorney or a trademark agent, there is some differentiation there between there and the fact you then get ‘or person qualified’. I cannot really think what comes within it.

Maybe in some jurisdictions notaries give IP advice; perhaps they come under this catch. I was unsure what you were trying to catch, but I presume it had to be some qualification that was not in that foregoing list. That was my one observation in terms of the discussion that has just gone on.

Leo Jessen, FICPI Netherlands

Wouter said that there could be a register, but there is no body that does the exams or keeps a register. The issue in the Netherlands or Benelux is that trademark attorney is not a protected title, so anybody can call themselves a trademark attorney or agent, which means that, even if you are not on the list, you are still authorised to be a trademark agent, which is different from a patent attorney.

Jeffrey W Astle

I am trying to determine the purpose of qualification, authorisation and recognition. Should it not be an objective standard? Should it not be someone who is apparently qualified to provide that advice, whether it be by register or whether it be by convention or simply by their title? Why are we dwelling on whether they are actually competent to provide the advice or not? The point is that one is seeking advice from what appears to be an IP advisor.

We come back to the question. I go to a trademark attorney and ask for patent advice. They will direct me to the right person, but I will have had initial discussions where we determined that I did not need trademark advice; I needed patent advice. Why would that not have been protected, if, in that jurisdiction, that person is able to practise in that area and is apparently competent to provide that type of advice? To me, where this all ends up, as a mess, is in the court. My opponent is going to be arguing whether or not the person was qualified to provide the advice or authorised to provide the advice. To me, that seems to be a waste of money.

Steven B Garland

You can retain me and it is not waste of money.

Jeffrey W Astle

I know you have low rates, Steve.

Eric Le Forestier

Historically, I think privilege has been given, I would say, to people who have special expertise, like priests, doctors or lawyers. I think there is an intimate relationship between the privilege and the special qualification of these people. It is difficult to say that anyone could give advice in that field and then the person would enjoy that privilege. That is historical; I do not know the true reason and history behind it, but there is probably some logic there.

There should be at least some indication to the public that if they go to a person who is supposed to be qualified – whether that is on a list or having passed an exam or whatever – they can be sure that privilege will be enjoyed.

Michael Jewess

There is a link between the definition of intellectual-property advisor and the prior-art issue, which I started the session off with, in the sense that, if you were to take the nervous attitude of the Brazilians – and, really, of the US, for that matters – they would want to be assured that the intellectual-property advisors not so much were competent, but at least were regulated so that they did not lie.

For instance, as a UK patent attorney, if I do not tell my US patent attorney about prior art so that he misleads the US Patent Office, I have actually committed an ethical breach within the United Kingdom, for which I could be struck off. You can imagine the Brazilian-type issue might focus not so much on the competence of the advisor, but on his honesty.

Steven B Garland

My comment is tied into that, if we are talking about qualified or authorised. If I have heard you correctly, it is introducing the concept that it should be someone who is actually regulated then, because they will be subject to some kind of code of ethics, code of conduct or disciplinary procedure. There is some kind of penalty that can be imposed, if they do go astray.

Michael Jewess

That is what I would argue if I were a Brazilian or an American.

Professor John T. Cross

It seems like the problem we are having with the phrase ‘qualified and authorised’ is we are giving it two different meanings. One is a positive meaning and one is a normative meaning. To use a silly example, a good athlete may be qualified in one sense to participate in the Olympics, but she still has to qualify. We are using that term in two different ways, I think, here. I am not sure which the proposal intends. Do we want this to be some sort of positive qualification or authorisation or do we simply – and I personally hope we do not – start looking into competence of the advisor, the normative calculation?

Steven B Garland

To be fair, it was not to look at the competence of the individual. That goes back to Jeff’s point. It has to be regarded as irrelevant. Michael Dowling can correct me, but I think the language was drafted to try to encompass the variety of different situations that we run into in different jurisdictions. We have some that are actually on a register; we have some that are regulated; we have some that are not regulated; we have some that are not on a register.

There is also the option, as Wouter points out, of pushing the different governments towards adopting and creating a register in those situations and jurisdictions where there is not one, but, certainly based on the Canadian experience, sometimes there is a difficulty in getting the government to react in any kind of timely way. Knowing that, is there still some language we can agree on? We may not like everything about it and we may not like all of its potential scope, but is there something we can agree on that, hopefully, captures everybody’s individual experience?

I think that is what the language we decided upon was meant to try to capture. I appreciate our Swiss friend says that perhaps we might want to look at patent agents for the moment and that is a fair comment. However, it was meant to cover those situations where we do not have a register and we do not have a regulated individual, but presumably we still want to protect the client, the Jeffrey W Astles of the world, who are phoning up this person who still is authorised to give advice and to whom privilege should attach. I think that is the rationale for the language we use.

Wouter Pors

This is also a political issue, because I think it will be harder to convince governments to extend legal privilege or professional secrecy if there is no register. Then they would be afraid that anybody could enjoy that. I think that, if we want governments to sign up for this, we may be forced to introduce a requirement of a register.

Jeff Lewis

It all seems to come back to some way of saying something to the effect of ‘individuals recognised by a certifying bar or similar authority’. It seems to me that if we say ‘listed on some register’ or ‘is admitted to an authority’, how do we want to handle an attorney who does trademarks versus someone who can just call themselves a trademark agent in a jurisdiction that has no certifying authority over trademark agents?

I really think that we just need to put in the concept of some certifying authority. To me, I am using that as a synonym for admission to a bar, without wanting to require, necessarily, that there be a bar authority for certain jurisdictions. Joining FICPI is tantamount to joining a bar; by the way, I would love to have that in the United States for AIPLA, but I do not know about the Netherlands or wherever else. I am struggling with the language, but I am not suggesting that today degenerate into a drafting session.

I would, however, like to have some concept that a person has to be certified by a bar or regulatory authority. Maybe certified is the wrong word; maybe recognised is the right word. Perhaps ‘admitted to’ is the correct phrase, but that is the concept I would like to see. I do agree with the Professor. That was my problem with the word “qualified”: I did not know what it meant and it is an ambiguous word.

Todd Dickinson

Before I move on, Jeff, I heard earlier that some said that in France you can basically go to work as an attorney in-house without becoming a member of the French bar, without taking the exam. If that is the case, how do you account for that?

Jeff Lewis

Is there not some kind of certifying registration?

Eric Le Forestier

No, I think it is similar for lawyers and patent attorneys: if they work in-house, they just have to have been to university or whatever. They do not need to be a member of the bar or whatever. There is a project of the jurists d'entreprise in France; it is, I guess, still a project, but it does not yet exist. For IP attorneys, some have passed the French qualification examinations and some did not, but they still practise in this area.

Todd Dickinson

That would be a difference, because in the United States almost every state is going to require you to be a member of some bar to be an in-house counsel.

Shoichi Okuyama

Maybe I will disturb your discussion, but this is a question for Mr Hill. Mr Hill mentioned about what is fact and what is advice or judgment made by an advisor. Maybe the fact, the word you used, seems different from Japanese usage in the law. Please explain what is and is not fact.

David W Hill

The simplest example I can think of would be the existence of a prior-art reference. The client gives the attorney a prior art reference and asks for advice about that reference. ‘Do I infringe this patent?’ The existence of that patent is a fact. The advice is the opinion or the communication of an attorney. In the US, at least, we cannot hide the existence of the patent from the opposing party. If we are asked the question,

‘What patents are you aware of that may be relevant to this question of infringement or validity of this patent?’, you have to disclose those patents; you cannot hide the existence of those patents.

Todd Dickinson

If they then say, ‘Did you offer an opinion on those patents?’, you would then say, ‘It is privileged.’

David W Hill

You would say, ‘It is privileged.’ That is exactly it.

James Tumbridge

It is interesting that the concentration of concern here seems to be everything after the word ‘trademark agent’ and, commenting for a moment on what actually happens when you go and you talk to your governments and you try to get them to agree to something, in some ways, if there was nothing after trademark agent I think that would be a huge step forward from the present situation globally.

In my side conversation with Michael, we both love to cover every eventuality, but neither of us can actually think of somebody who would not come under those names. In some ways, if the aim is to step forward and you get a 99% improvement, but there is some expression used in Mozambique that means trademark attorney that none of us has ever heard of and so we are not quite covering it, I actually think that would be a great step forward.

You are, however, going to have huge headaches with a number of these jurisdictions over qualified authorised registered and not, because I know – at least in my country, which has been looking at it for a number of other professionals and a number of other bodies – that is where we always get into difficulty. When you name something, if all the countries looking at it are comfortable about what they think the words mean, that is how the treaty gets done.

Jeff Lewis

When I first put my hand up, I was where you were, James, which is to end the sentence there. However, in the interim between putting my hand up and speaking, I heard that in some venues you can hang out a shingle calling yourself a trademark agent with no authorisation. This was why I did not say what you just said, although it was my initial thought. I think we do need to be a little bit protective against those people who can give themselves titles without – what was the phrase? – certifying to their honesty or some honesty requirement. I am concerned about a trademark agent who does not have the external honesty requirement.

Margot Fröhlinger

Certainly, the Australian IPO said this morning that they put in the regulations that an Australian patent attorney may not make a false or misleading statement. For European patent attorneys, that is Article 1.1 of the Administrative Council regulations. Some test on integrity or honesty, perhaps, is the crucial thing.

Brigitte Böhm

I completely agree with Jeff. We should have something about a certain authorisation that needs to be there. I think a possible solution is we say ‘qualified and authorised in the nation’, because then the national law would apply to who is actually authorised. I think we also want to stick with some qualifications, so I would end the sentence there.

Margot Fröhlinger

I might just share some of the thinking within our office in relation to these provisions that we introduced. We need to remember who is authorised to practise before the office. In the patent case, there are two people authorised to act before the office: the investor can file their own application and prosecute their own application and therefore they are authorised to represent themselves before the office; and a registered patent attorney can do that on behalf of patent investors. They are authorised to represent before the office.

In the case of trademarks, the people who are authorised to practise before the office include a registered trademark attorney. If they are registered, they can then call themselves a trademark attorney. However, we also have the provision whereby people can represent themselves before the office in terms of trademarks. There are also people who are trademark agents, who do not need to have registration, but they cannot call themselves trademark attorneys.

Hence we use the word authorised and that is why we applied it to other jurisdictions, because there are numerous ways and requirements for people to represent themselves or others before the various offices.

Michael Dowling

Having listened to everybody for quite a while, it seems to me that, if we stop at trademark agent, what we are really now concerned about is whether any one of the persons before and including trademark agent actually is qualified or authorised to do what they are doing. I have taken that point on board. I think it is something to which we should give some consideration.

Eric Le Forestier

I have a final question comment. From what I have heard, I think the main criterion is that this should be people covered by some ethical rules. I think whether it is qualified or authorised or not, there should be some kind of rules – providing honesty and things like that.

Steven B Garland

If there are no other comments on the qualified or authorised point – it has all been very helpful, by the way – I thank people for giving us your views. Obviously, we have some homework ahead of us on that point.

Walking through the remainder of the AIPPI proposal, I will go next to the definition of intellectual-property rights. If were to amend that to add in trade secrets, one, does anybody have a difficulty with that? Secondly, if we do amend it to add in trade secrets, are there any other comments about the definition of intellectual-property rights that anybody has a concern with?

Leo Jessen

There is no know-how in either one of these two categories.

Steven B Garland

That is a good question; I am not sure what the answer is. Certainly, it says ‘any matters relating to such rights’. Presumably, that might refer to and capture know-how.

Wouter Pors

There is currently a discussion on trade secrets taking place in the European Commission. I think if you discuss know-how, the common position, as it develops now, is that know-how can be protected if it qualifies as a trade secret in the meaning of Article 39 of the TRIPS agreement, and I think you should stick to that, because otherwise you are introducing all kinds of information that do not qualify as that, which is opening a can of worms.

James Tumbridge

Personally, I have no objection to the aim that you are trying to cover, but I perceive you will have difficulty with a number of governments in implementing it. I suspect the attitude of my own government will be that the discomfort, when one is talking about know-how, trade secrets and confidential information, you are talking about something that we, as practitioners, lump in within the general remit of intellectual property, but they are not actual declared rights, because the whole purpose is you are keeping certain information confidential. The attitude of the British has typically been that lawyers in their general privilege and advice deal with that in all manner of aspects – not just in intellectual property, but for businesses all of the time. They are comfortable in that arena, having privilege. I think they are less comfortable extending it to this

category of what are – in my country, at least – referred to as non-lawyers, where there is not a clear right you are protecting. It is an observation, but I suspect that adding that may make it harder to get agreement. I am not saying that your aim is not laudable

Michael Jewess

I hear what James says, having spoken to the UK government, but truth is that at the moment the CDPA privileges communications of patent attorneys in relation to the protection of technical information, but it does not mention patents and everyone assumes that, as a result, it does cover advising the client on the use of confidentiality to protect technical information as well as patents.

James Tumbridge

I disagree with the interpretation of that, because those I speak to feel it is there for a very good purpose: it is to keep it confidential. However, it is confidential as an ancillary aspect of going to speak to your patent attorney about whether or not you can get a patent over *x*. It is not designed to cover confidential information in the much broader sense that takes place between businesses.

My point is, it is a grey area and I am merely observing that this might make it a bit harder – not that the aim is not laudable.

Greg Chambers

I think it is imperative that we include trade secrets, because the practical situation is that clients come to patent attorneys wanting to know whether their invention is patentable. It may not end up being patented; it may not end up being an intellectual-property right which is a copyright, trademark, industrial design or whatever else is articulated in the list. The necessary protection here is for the client seeking advice in relation to what they hope will become one of these statutory rights, but, in the end, they are coming to the intellectual-property advisor, the patent attorney, to find out whether or not the non-protected right is protectable.

Steven B Garland

I agree with you, Greg. We have not heard from a lot of IP owners today, but the one IP owner we did hear from specifically identified trade secrets as an issue. I also think it is imperative that it come within the definition.

Jeff Lewis

I am less worried about this for the simple reason that in the fine art of claim drafting I am looking at the transitional phrase, 'Intellectual-property rights includes'. This is not meant to be an exhaustive list. It does not include a whole host of things and I think that if we all went around the room and made an exhaustive list we could easily quadruple the length of this paragraph. I am comfortable leaving it out, because I think it is within – you will pardon the word – the penumbra.

Todd Dickinson

Here I thought you were going to urge boat-hull designs be put in the list.

Stephan Freischem

I had a look at paragraph 2 to find the relevance of the definition of intellectual-property rights. It actually says, 'IP advisors providing advice on or relating to intellectual-property rights to clients.' I wonder if it would be an option – this probably cannot be answered within five minutes – to rephrase this to 'IP advisors providing professional advice to clients.'

Todd Dickinson

We could leave that with the compilers. Would that be alright for the moment?

Stephan Freischem

Yes.

Todd Dickinson

Are there any final must-say comments on this issue? My colleagues know that, faced with the cocktail hour, I get very, very urgent. We will move along.

Steven B Garland

I am just going to open it up to the floor, in the sense of if there are any other comments or observations on any of the other provisions. Obviously, we are running short of time, but if there are some in particular that people or individuals are finding particularly troublesome, I invite them to speak up and let us have their thoughts. Now that Todd has thrown out the idea of having a drink, everyone's arms have become tired all of a sudden.

Todd Dickinson

I forgot that I should not have reminded you of the hour. We are happy to take questions or comments of things to think about. In terms of process, Steven, what are you going to do with this information we have all just given you?

Steven B Garland

We will probably retire, chat about this and see where this leaves us in terms of tomorrow as well. Obviously, all the comments have been very helpful; we are going to want to retire and throw this around a bit more.

Todd Dickinson

If people have additional comments, they should see you tonight or by email.

Steven B Garland

They should feel free to see me.

Todd Dickinson

Perhaps they should buy you a drink.

Steven B Garland

Yes – or maybe Michael Dowling.

Todd Dickinson

Danny, is it alright if we wrap up early? Are there any remarks for the good of the order before we take off or last comments? You are all welcome; I do not mean to cut people off.

Participant

When is the breakfast buffet tomorrow?

Todd Dickinson

I will invite Danny to come on up and walk us through the logistics for the next day or so.

[Housekeeping remarks]

Todd Dickinson

Let me thank our panellists today both for being panellists and for the work yet to come. We really appreciate it. We will see you at the buses.

[End of day one]

Stephan Freischem

Good morning, ladies and gentlemen. It is a pleasure to see so many of you here again. I think this colloquium is really fascinating. The early morning participation is as high as I ever seen it. The level of attentiveness of the audience is just flabbergasting. I am very glad to have just as interesting a panel and discussion items today as we had yesterday, and I am confident that the discussions will continue on the exciting and very instructive level that we saw yesterday.

I do not want to take up much of your time because the presentations this morning will add new aspects to our privilege and confidentiality issues. In particular, from the point of view of a new court that does not even exist yet, I think it is of major importance to most people here in the audience. With that, I will turn to the first speaker this morning.

Mr Kevin Mooney, as was done yesterday, I will not reiterate what is in your documentation on the bio. I will only say there is more information on the internet. What I found on Kevin Mooney was very interesting; he was called the doyen of patent litigation in the UK. He is probably one of the reasons that the biotech and pharmaceutical section of the Central Chamber of the UPC will be in London, and he is the reason that we have such a finely drafted version of the rules of procedure for the UPC on the web since Monday, for public consultation. It also contains rules on client attorney privilege, and Kevin will introduce the UPC framework to us this morning. Thank you very much.

EU Patent Court Proposals: **The Treatment of PCIPA which is Proposed**

Kevin Mooney

**Chairman of the Drafting Committee of the Rules of Procedure of the EU Unitary Court, UK
Lawyer and specialist in IP litigation**

I. Preamble

Thank you, Stephan. Doyen, of course, means old and past it; I have been trying to get that word eradicated for a long time. It is a great pleasure to be here. I am here with a degree of trepidation because I am by no means an expert in privilege. I suggested to Michael that I might spend a little time explaining the structure of the UPC before we actually got down to looking at how we are going to deal with privilege. I apologise to the European members of the audience because this will all be very familiar, but I think it would be useful for the non-Europeans to see what the new court is all about, and a few basics.

II. Problems

1. Variations in Procedure

We start with the problem. The problem in Europe is a well-known one. If you want to get a patent in Europe, most people will go to Munich, and they will get the European bundle. However, when the patents are granted they are national rights, which means they have to be enforced nationally in each country; we have no common appeal court in Europe. There are very significant variations in procedure. The ones usually quoted are bifurcation, which exists in Germany, Austria and Hungary, widely varying approaches to the effect of EPO oppositions. For example, in Germany if there is an EPO opposition, that would cause infringement proceedings to be stayed; in Holland it never will be; in the United Kingdom it may be or it may not be, depending upon the circumstances.

Document production is of course very relevant to a discussion on privilege. In the UK we have disclosure. We do not have as much as in the US, but we do have disclosure, compulsory disclosure. In most civil law countries that does not exist.

The most significant difference is the approach towards a trial. If you are a UK common lawyer and a US attorney as well, when faced with a patent action the most important thing is you get your expert, and hopefully the expert will support your case. You prepare him for trial; you do not tell him what to say, they are his views, of course, and you prepare him for cross-examination. That is the key to a patent action in the UK and US. If you would explain that to a German lawyer, he would not understand what you are talking about at all. Oral evidence from an expert, cross-examination; it is all more-or-less irrelevant.

2. Variations in Speed

In addition, we have variations in speed because of the different procedures around the various jurisdictions. I am not being critical of France, Pierre, but France happens to be the slowest currently. However, in Germany, of course, because you have bifurcation, you can have an infringement action in a year, but the validity part of the action may take two or three years to decide. The result of all this, with cross-border litigation, is significant differences in outcomes. As those of us who litigate in Europe know, there are many tens of cases in recent years where there have been different outcomes at different levels in different courts in different countries.

That does not mean that any particular national court is better than another. Even if everything was the same, reasonable judges can differ; reasonable people can differ. If you have these vast variations in procedure and the evidence that goes to the court, it is very unsurprising that we have this degree of inconsistency. Industry does not want that, so what is the solution?

III. Single Patent Proposal

This is the solution in terms of objectives. The objective that we have been working towards for about 30 years now is to have one single patent, effective throughout the EU: enforcement in a single court system, with the same procedure, experienced judges, one common appeal court to ensure harmonisation, and minimal – I cannot say no – but minimal forum shopping.

You will see here a list of adjectives: “quality, cost-effectiveness, efficiency, legal certainty and reliability”. Those are not mine; those are the words of Business Europe when they wrote to the Polish Presidency at the end of 2011. This is what we have to achieve.

In many ways we are seeking a structure that is very similar to the US in the sense that we want one patent covering a large economic area. We want one common appeal court, and we want experienced, distributed courts of first instance. The things we do not want, though, which possibly exist in the US, are the procedural overkill, the cost, we certainly do not want juries and large damages awards, and we do not want the Eastern District of Texas. So we do not want local rules which lead to blatant forum shopping.

Those are the objectives; what is the solution in reality? We now have a proposal for a unitary patent, and two regulations to bring that in effect, which were passed in 2012. Unfortunately, it is not going to cover the whole of the EU. Italy and Spain refuse to co-operate, and therefore they were not part of the enhanced co-operation procedure, and will not be part of the unitary patent system. Also, there may be other countries who will, in effect, not be part of the unitary patent if they choose not to ratify the unified court agreement, so that part of the objective has not been achieved.

I will not bother about languages for the unitary patent. It is a relatively simple and straightforward regime.

IV. The Court

1. Treaty

Let us now have a look at the court. We have an agreement, signed 19 February 2013, to create the unified patent court. The thing for you people who are not in Europe to bear in mind is that this is a treaty of member states. It is not a piece of EU legislation; it is a treaty amongst states. So when you are talking about a treaty to implement new rules on privilege, we are also talking about a treaty.

2. Divisions

The court will have a central division, which will be in Paris, and it will have national and regional divisions. Every member state is entitled to have a national division. It can choose whether it wishes to have a national division, or whether it wants to join with other states to have a regional division, and I will come back to that later.

3. Jurisdiction

This court will have exclusive jurisdiction over the unitary patent from day one; from the date of the first unitary patent, this court will have exclusive jurisdiction. There is a complicated transitional regime for European patents, which I will not have time to explain in detail, but patentees will be entitled to opt out of the jurisdiction for a period of time for European patents, so that there will be parallel jurisdiction. If the patentees do opt out then they have to enforce the European patents in the national courts, as at present.

4. Procedure

There will be a standard procedure for all courts in the UPC system, and that has been my job for the last two years. You can imagine trying to shuffle together the different concepts, the history, the prejudices of common lawyers and civil lawyers: an interesting role, but not an easy one. The procedure will be different for everybody. It is going to be uncomfortable for everybody. Nobody could describe themselves as a winner in this process. Everybody is going to have to adapt.

The procedure will be front-loaded, much more in writing and upfront than anything that exists in the UK or any other common law country. However, there will be all the measures that you would find in common law litigation. There will be the opportunity for disclosure, as we shall see. There will be opportunity for

expert witnesses, oral witnesses as well as cross-examination. Interestingly, there will be technical judges as well as legal judges.

5. Structure

At the bottom is the court of first instance; local divisions, regional divisions and central divisions. At the moment the member states are deciding what they want. We know, or are pretty certain, which countries will go for a local division. We know that the Dutch, the UK and France will. Germany will have four local divisions. Belgium will probably have one and Italy will probably have one. There is less news yet on regional divisions, but I understand that the Scandinavians and the Baltic States will club together to have a Baltic regional division, which interestingly will work only in English. The Dutch will work in English alongside Dutch. The Germans I think will work in English, alongside the German language. And then, Margot, correct me if I am wrong, there is an interesting one emerging, is it Bulgaria, Romania, Cyprus and Greece as a regional division.

Margot Fröhlinger

Plus Slovenia.

Kevin Mooney

Slovenia. And the language is going to be...

Margot Fröhlinger

All of their languages plus English and French.

Kevin Mooney

Okay, there we are. What is emerging is that, in order to compete, many of the local and regional divisions will be prepared to work in English.

6. Timetable

I have been responsible for the rules of procedure. We have reached the 15th draft; that is the 15th visible draft. In fact, it is probably the 220th invisible draft. As you have heard, that went out to public consultation on the internet this week. There will be public consultation from June to the end of September.

V. Next Steps

When Michael Dowling saw me he said, 'Ah, *functus officio*, your job is over.' Well, many people have described Kevin Mooney as *functus* for a long time, and they are probably right, but I am pleased to say that the committee itself will remain in place. We have been asked to advise the Preparatory Committee, which is now responsible for taking this forward. We will advise them probably after the public consultation, possibly even during it. My own position is a little less clear. I do not know whether I will be staying on yet; that remains to be seen.

The rules and procedure will not be finalised by December 2013. This is out of date. It will probably be some time in 2014. We hope to have ratification of the agreement creating the court in early 2015, when it will enter into force. There will be transitional arrangements; the opt-out arrangements for seven years initially. Hopefully that will not ever be extended because the sooner we can have one court having exclusive jurisdiction the better. Of course the grant of the first patent with unitary effect will be timed to coincide with when the agreement comes into effect.

That is the background. There is a timeline here of an infringement action, which I am not going to talk to, but you will see that it is divided into various stages, and in accordance with the rules of procedure, hopefully it leads to judgment within 12 months.

VI. UPC Agreement

Onto more relevant matters; the UPC agreement, as I indicated earlier in Article 53, provides that the means of giving evidence will include some compulsory measures. The court can order information to be delivered by one party to another on request. It can order production of documents and inspection. All of this will be under the strict control and case management of the court. However, if a party can justify it, he will be entitled to compel disclosure of information, production of documents and the inspection of premises. In Article 60 there is provision for a *saisie*. All of this will be subject to the possibility of preserving confidentiality. We are not talking about privilege here, but sensible measures to ensure that confidential information is not disclosed more widely than is necessary. In addition, there will of course be oral evidence, expert witnesses of fact, and the opportunity for cross-examination, all of which will be under the strict control of the Judge Rapporteur.

VII. Representatives

Who will be representing the parties in this court? Lawyers authorised to practise in a contracting member state, but also European patent attorneys will be entitled to represent clients on their own in this court, provided they have a European patent litigation certificate. We do not know what that will look like yet or where the course will be run; that is one of the unfortunate unknowns, or if they possess another ‘appropriate qualification’. We do not know what that means either, so there is a great deal of uncertainty for patent attorneys at the moment, which I think is unfortunate.

There is the requirement that patent attorneys who are entitled to represent clients in this court will be entered onto a list maintained by the Administrative Committee, so at least there will be a list of people who you will know are qualified or not. A patent attorney who does not have those qualifications, in other words one who is not a European patent attorney and/or does not have a litigation certificate, can still be involved. He can assist either a lawyer or a patent attorney with that qualification, but subject to the control of the court.

VIII. Privilege

Now we get to the interesting bit. Article 48 of the UPC agreement: ‘Representatives shall enjoy privilege from disclosure in proceedings before the court under the conditions laid down in the rules of procedure.’ I, as chairman, and Pierre as a member, have literally been given *carte blanche*: ‘Here is a piece of blank paper, write your own rules of privilege.’ This is like being a little boy with a big bucket, and pointed to the sweetie store.

I have to say that if I, or any member of the committee, had attended this colloquium before we started on privilege, I doubt if we would have had the courage to write anything. I am not an expert in this subject. Certainly I, and I think the other members of the committee approached it with more than a degree of naivety. I did have some assistance though, because down the corridor from me in my firm is somebody called Colin Passmore, who has two triumphs in life. One, he is my senior partner, and secondly, he is the author of the standard English textbook on privilege.

With the consent of the committee, I talked to Colin. As a matter of principle we decided to go for the widest scope of privilege that could be sensibly defended. Critically, we did not limit ourselves to privilege for representatives, because if we were to do that we would have all the problems that you people have discussed yesterday about overseas lawyers, and so on. We have therefore laid down rules for privilege which are not limited to representatives before the court.

What did we decide to do? As Colin, an English lawyer, and I know something about English law, we decided to base the rules on the English common law rules of privilege, which are acknowledged to be fairly wide. We decided they should be absolute. We are not getting into the role of drafting exceptions and modifications; we would be around forever if we tried to do that. We are not in the role of allowing for national opt-outs. How can you have national opt-outs on rules of privilege if you have one unified patent court?

Structurally we have gone for legal advice privilege, and in addition, litigation privilege, which extends the privileges, as Michael Dowling has said, to third party communications. We have adopted the widest definition of independent lawyers and the widest definition of patent attorneys that we can. The privilege applies to lawyers and patent attorneys whether in house or not, and it applies to all of the above, irrespective of the country where the advice was given, and irrespective of how the country where that advice was given treats that advice.

The only major limitation, the self-evident limitation, is that our rules of privilege apply only to this court, the UPC court. We are not seeking to alter or modify national rules of privilege, if they exist, or the national rules of confidentiality in civil law countries. We are not seeking to overrule the *Akzo* decision or interfere with any limitations on privilege in competition matters. We are limited to this court, and this court's jurisdiction.

There they are. I hope Professor Cross has not had a chance to look at them yet. I am timing this speech so that there is no time for questions or criticisms. We deal first with attorney/client privilege. Rule 287.1 sets out the substance of the privilege. Rule 287.2 extends that privilege to lawyers employed by the client, and patent attorneys, who are instructed in their professional capacity to advise on patent matters. There may be some criticism of that, but I am not here to protect patent attorneys who are advising on anything else. The privilege extends to the work product obviously. Privilege may be waived by the client. Now we get into a tricky area, defining lawyers and patent attorneys. "Lawyer" is fairly straightforward: a lawyer should mean a person qualified to practise, to give legal advice under the law of the state where he practises, and who is professionally instructed to give such advice, so not limited to contracting member states; any state anywhere.

A patent attorney, as Michael Dowling said yesterday, is one who is recognised as eligible to give advice under the law of the state where he practices in relation to patent matters. It is fairly wide, and I am sure that we can find alternatives to "recognition". We can have "authorises" and so on; that is where we have gone.

The problem I have had in Europe is that there are some very strange creatures in Scandinavia, and I am not talking about trolls – a patent or otherwise. In Scandinavia there appears to be a person who is not strictly speaking a lawyer, in the sense that he is not a member of the Bar, but possesses some legal qualification, a law degree, and who is entitled to represent clients as a fully-fledged lawyer in the court system. We have had enormous problems dealing with those people. They should not be excluded from representation because they are experienced practitioners. They should not be excluded from privilege either. So this definition is out of date because as a result of a massive amount of representation from Sweden in particular, we have included some additional words which frankly worry me a little.

After the word 'instructed to give such advice' we have inserted the words 'this shall include persons possessing a law degree and who are authorised by the Swedish Patent Attorney's Board, or equivalent body in a contracting member state to give such advice'. I am not terribly happy with that. I am told that there are other such persons in other Scandinavian countries who operate in the same way, but that is something that we are going to have to run to ground because persons possessing a law degree and authorised by an equivalent body in a contracting member state may be just too wide.

Litigation privilege, as Michael has indicated, is limited to litigation, but it seeks to protect communications between a client, a lawyer or patent attorney with a third party for the purposes of obtaining information or evidence of any nature for the purpose or use in any proceedings. I think that is eminently sensible. If it does not exist in your country I simply do not know why.

IX. Summary

That is it, apart from the summary. The rules follow the common law classification: confidentiality is key; privileges apply to employed patent attorneys, not limited to nationals. A patent attorney is widely defined, not limited to representatives, and Michael, there are no exceptions or limitations. Thank you very much.

Stephan Freischem

Thank you very much, Kevin. I am very tempted to open up the session for questions and answers at this point, but that would probably completely derail our time schedules, so instead I have decided to just have Kevin stay with us. There will be a question and answer as an interactive part of this morning's presentation before the coffee break. Everybody who has a question with respect to the UPC rules should make a note and save it up for that part.

I would now like to move on to a part of our considerations that is probably the driver for most of our participants here to consider privilege. At least speaking of civil law countries, that is the jurisdiction where we have most of the problems. We will hear about the way the problems in the USA may possibly be solved, and how harmony can be defined that will solve the problems that we heard about yesterday. I am very glad to announce Judge Susan Braden from the US Court of Federal Claims. For our purposes it is the best US court that can be represented here because they have to deal with claims arising in all 51 states. They have to deal with the cases in first instance when evidence and privilege is a major factor of the proceedings.

Judge Braden has litigated a lot of conflicts, cases and in particular IP cases. She joined the court of federal claims about 10 years ago. She is continuously active in the field that includes the privilege question. She is a member of the standing committee on ethics and professional responsibility, and on top of that she is the chair of the ABA section of the intellectual property law task force on the creation of a small patent claim court, and what is needed for effective privilege rules more than a small claims court. So, Judge Braden.

Outcome and Review on Harmonisation and Implementation

Judge Susan Braden
US Court of Federal Claims

Pierre Véron
Member of the Drafting Committee of the Rules of Procedure of the EU Unitary Court,
French lawyer and specialist in IP litigation

Professor John Cross
University of Louisville

Judge Braden

Thank you. Good morning, all. We had such a lovely evening last night, I am very happy to see everybody is awake in here this morning. My time is up basically, according to the schedule, so I will just tell you a little about what I do on a daily basis. Then when we come back, if it is all right with you, I would like to make some observations about structurally how to look at how privilege occurs in the actual functioning of a case, at least in terms of our docket, and some suggestions.

I have two suggestions for the drafters who are going to be working on this after the session to consider in terms of what I consider to be tightening up the language. I am trial judge. My court is one of only two federal trial courts in the United States that has specialised jurisdiction. Like the trade court in New York, our court hears only specialised claims against the Federal Government.

With our patent cases, it is a party suing the United States Government. Let me give you an example of how that works. Not too long ago I had a case where Honeywell brought a law suit against the United States for infringing night vision goggle technology. The United States was sued. In turn, the United States brought into the case Lockheed Martin, which made the aeroplanes, and Lockheed Martin brought in L-3, which made the components of the aeroplane that was using their technology. I did find that there was infringement, and assessed damages against the United States. Eventually, at the conclusion of the case, the United States will turn to Lockheed Martin and say, 'We have an indemnification agreement. You pay me back.' Lockheed Martin turns to L-3 and says, 'You pay me back.' So although the Government is the first defender, it goes downstream from there.

Our cases are very complicated, and many of them arise out of the military context. I have a case now pending to look at. Boeing is essentially the defendant. United States is the defendant, but they brought in Boeing on the stealth bomber technology. I have been told it is a \$3 billion to \$30 billion dollar case, so I am assuming the CIA will put a chip in my head and shoot me if I determine the number of drones that are really in existence.

In any event, that is what we do on a day-to-day basis. It is important for you to understand two things about our court. One is we have national jurisdictions. I go to other states in the United States, and try a lawsuit in the federal district court there. You can come to me if you want in Washington, but we come to you. And so for that reason we are familiar with the jurisdiction of a number of the other states, which obviously every district court does not.

We are in the same building as the Federal Circuit, so if you come to visit the Federal Circuit, my office is in the same building. I can see the White House from my office, and keep my eye on Obama, whatever he is up to. But we are very attentive to the Federal Circuit probably more than any other court. We listen to their arguments once a month. Our clerks regularly go – I go to many of their arguments myself just to listen. We have TV cameras so we can watch all the arguments inside of chambers if we do not want to go physically and listen to them in court.

We are very much attuned to the movement of what is going on in the Federal Circuit. I will say in respect to the issue of attorney client privilege about when this becomes relevant. I think you will see this eventually becoming a shrinking area. It is important, but it is a shrinking area of litigation issues before the Circuit, and I will tell you why.

I will close with one statistic, which may be interesting to you. Todd knows these statistics like the back of his hand. A little over 5,000 cases are currently pending in the United States, District Court Judges around the country in patent infringement cases alone. That number has almost doubled in the last year, I believe, or pretty close to that. In any event, out of that amount, only 2.4% of those cases ever go to trial before a judge or a jury. Of that group, only 1% to 2% eventually wind up in a judgment where wilfulness or inequitable conduct arises, and this is the area where you are looking at privilege.

If you look from the big picture, it is a really small number of cases where these – and they are important cases – but where some of these issues really become relevant. One of the jobs of a good litigant is ‘We will talk about this later,’ is litigating in boxes. There should be very few cases, frankly, where you are going to have to get into that narrow area where client privilege will become relevant. It is your job to be sure the judge does allow the opponent to do discovery in that area before it is necessary. We will come back to that.

Enough?

Stephan Freischem

Okay, that was quick, so right on schedule. Thank you very much, Judge Braden.

Judge Braden

I am a trial judge, so I try to be on time.

Stephan Freischem

From here we are moving to the next part of the morning’s session, which is the outcome and review on harmonisation and implementation. Judge Braden will stay with us. We will also have Professor Cross to represent the academia, and help us with the fundamental analysis and theoretical analysis of what we are doing here; and Pierre Véron, who is I would say the equivalent of Kevin Mooney at the other terminal station of the Eurostar.

Judge Braden

That is impossible.

Kevin Mooney

He is far too good-looking, is he not?

Stephan Freischem

As I said earlier, Kevin, can you stay with us for the discussion and the question and answer part of the morning session? I would like to invite the three speakers for this second part of this morning’s presentation to give us their impression, their personal thoughts and analysis or our discussion so far. If you do not mind, we will start at the right end, and move up to the middle.

Pierre Véron

I do not want to compete with Kevin’s slides; I do not want to compete with a doyen. I am just here to be the voice of civil law, and am proud of being this voice. The question I have to deal with is how harmonisation can be achieved in civil law nations. I think it is not so difficult from a technical standpoint, but there can be some political issues.

From a technical standpoint, it is necessary that civil law nations incorporate in their legislation provisions covering two aspects. Firstly, professional secrecy, which is relatively easy because all civil law nations

have something in this respect, which is the basis of the relationship with doctors, priests and lawyers. Second, there is legal privilege, which is more difficult because in many countries there is no way to force a party to disclose documents. Privilege is a sort of shield against the obligation to disclose, so in those countries where there is no obligation to disclose or where the obligation is seldom used, the shield is not felt to be necessary. It will be therefore be necessary to convince legislators that it is useful.

Technically speaking, it is rather simple. What political problems will be on the road for such a solution? I do not expect any serious problem for the Governments to help their companies in the framework of US litigation; notably in Europe, if you say, 'We are going to help our company against a US company,' there is a wide consensus. There was a case in France where the legislative provisions were changed just after the *Rhône-Poulenc v BMS* case years ago, as Rhone-Poulenc, one of the major French companies, was forced to disclose documents in litigation pending before the Southern District of New York. Then the French Government took steps to change the French law, with a view to adding a specific provision for legal privilege for a patent attorney.

In these directions there is usually no problem with a Government helping the companies. There may be a problem, however, because this creates a precedential situation, because we are dealing here with protection of confidentiality or privilege in IP advice. The situation is similar in other areas, and Governments do not want to create a general privilege, which could be applied in criminal and tax enforcement prosecution, or antitrust and competition enforcement. Many Governments are therefore very cautious when they are requested to create or expand a privilege for IP advice because they fear that the same solution could be extended, and that would undermine the enforcement of law in other areas. In my view, this is a very serious problem, to convince the Governments that it is not necessary to transpose to other areas what is decided for protection of confidentiality in IP advice.

Finally, there will be a specific problem with the advice given by employees. As you have heard, in Europe and in many civil law countries, it is not easy to obtain protection for advice given by employees because of the assumption that the employee has a duty of obeying whatever the employer says. Some companies have the feeling that it is good to have employees enjoying privilege, but not all. I have heard many business organisation representatives saying that they are not so keen to have employees enjoying the privilege that they can oppose to the boss saying, 'This paper is for my eyes only and I do not want to show it to you because I enjoy a specific privilege.' In some countries, in some organisations, the bosses want to see everything and cannot accept that there is a specific privilege for a certain employee. Maybe it is something dating back to another century, but it is still a vivid situation.

These three series of problems therefore will need to be resolved. I will end up with advice about the political level to address in order to reach a solution.

Of course, it is much easier to address the original level, and in Europe the level of European Union, than the level of member states. As we have seen, we have legislative provisions that are very close to what is needed in France, Germany, the UK and the Netherlands, but these are only four countries. There are more than 20 other countries where the situation is not so clear, so it would be extremely difficult to obtain the change of legislation in all the individual countries by efforts with their Governments. Keep in mind also, as Kevin Mooney has explained, what we have done for UPC is strictly limited to UPC, and is in no way a set of provisions that may encompass the situation in all courts for the whole European Union.

A good idea, in my view, would be to obtain that the European Union Commission with the Parliament adopts a directive recommending the member states to incorporate in their legislation the kind of provision that could ensure proper protection of privilege. As all European Union members know, a directive is binding for the member states, and if they do not specific provisions to implement the directive, the directive is self-enforceable after a specific period. That is the advice a civil law representative could give. Thank you.

Stephan Freischem

Pierre, thank you very much for this European perspective; it is quite a complex situation. Now John, please, the academic analysis.

Professor John Cross

Stephan indicated I represent the academics. First, I think that is impossible. It is impossible to represent a group of cats, much less a group of academics. Second, I need to point out this is an issue that is entirely beneath the academic radar. It is not something that there has been much attention to at all, at least in the academic environment in North America, so any views I represent – I sound like a Government official – are only my own, and certainly I cannot speak for anyone else in the Academy.

I am going to set out what probably will come across as just some random thoughts, my own impressions of the discussion we have had over the past 26 or so hours, so I apologise upfront from the randomness.

The first issue that strikes me is there was some talk yesterday about, ‘Do we need a treaty? Should we be taking a more cautious approach? Should we try to go nation by nation to encourage nations to emulate what Australia and New Zealand have done?’ That has an appeal, but I think it also has some problems. I think a treaty ultimately is a far superior way to go.

First, you have what I will call a reverse first-mover problem. Who wants to be the first nation to do this when you are agreeing to grant this very broad privilege to those from other nations when they have not agreed to afford a similar privilege to communications that take place with your attorneys and agents? The second you have some problems, and we talked about this yesterday, in federal states, in states where the primary regulation of privilege is at the state or provincial level, I think you have some difficulties getting all 50 US states to agree to a uniform rule, much less a rule like that mirroring Australia and New Zealand.

It is easier in the US if it is done by way of a treaty. In Canada it is still problematic even with a treaty. Canada does not have a treaty power in Parliament as we do in the US, but nonetheless at least it sets a tone as to how the law should proceed.

Second, the more I reflect on this the less I am convinced we need to bring the civil law nations in right at the outset. Realise that what we are primarily talking about here is a rule that deals with litigation in a particular jurisdiction. In the civil law nations, for litigation in the civil law nations where there is no discovery – some civil law nations have discovery, but at least in those in which there is no discovery – there is not as pressing a need for a treaty at the outset. Waiting to push this forward until you have a wide array of civil law nations on board may not therefore be necessary. It may be worthwhile to have a core of nations with discovery sign the treaty, and then to bring the civil law nations into the treaty system over time.

Third, getting now into the particulars of the proposal, on this notion of qualified and authorised, there was a big push in the discussion late yesterday about some form of positive pre-authorisation. You are going to look to see if this person has been given an affirmative grant of authority by the Government to represent the person in this matter. I would urge you to let go of that notion. I rather like the proposal that Kevin set out at the outset, that what you are talking about here really is much more along the lines of a person legally entitled or – I do not know the word – legally permitted to provide that advice.

Whether there is a list, a pre-authorisation or a grant of authority I am not sure is necessary. After all, we are talking about protecting the client here; that is the purpose. As long as the client approaches someone who is legally permitted to provide advice and provides information to that representative, whether that person is pre-authorised to do so seems to be an unnecessary step. Although I do think, as I pointed out yesterday, the particular language tied to a nation does not work, we do need some sort of national reference.

In a particular nation, if anyone under the sun is authorised to give advice, that does not mean you should be able to talk to anyone in the world. Again, I commend what Kevin talks about, this notion of tying the communication to the nation state. I realise the problems with that term, the nation or jurisdiction in which that person has his principal practice. If a person primarily practises in Canada, where that person actually provides the advice is not that important.

Finally, I have a couple of brief comments on the breadth of the proposal. On reflection – and this may turn more to the palatability, whether nations will be willing to sign on – I do think we need to be careful to distinguish the classic attorney client privilege from this broader freewheeling privilege that applies to communications between attorneys and third parties. I like the fact that the proposal would include both. I think it may be wise simply to separate them into different provisions, much like the UPC proposal. In that

way, if you find a reluctance among nations to grant the broader proposal, it is easy to redact that second section and limit it, at least at first, to a classic attorney/client privilege.

One final point; it may be wise, at least in the discussion, to consider whether there ought to be a difference between disclosures mandated by the patent office, to the extent to which a patent office either in an initial application, or in a cancellation proceeding can ask for information, and the extent to which private parties in litigation can ask for that same information.

Remember at the broadest, we are not only talking about infringement litigation here. Issues concerning conversations that occurred in connection with intellectual property advice can certainly arise in the context of infringement litigation, but they can also arise in a wide array of suits involving confidentiality agreements; suits for breaches of licences. When you consider the breadth that this privilege would have, and at least the more justifiable concerns about the tendency of parties to dis-inform a patent office, it might be worthwhile considering whether we ought to treat those situations, perhaps not differently, but perhaps giving a nation more flexibility with respect to communications in connection with proceedings before a patent office.

And with that, I will defer to someone who knows much more about this, Judge Braden.

Judge Braden (moving to easel)

I think you are trying to harmonise something that I think no longer exists in the United States, and let me show you why. This is not complicated. Here is what happens. First, there is claim construction. What type of privileged information do we need to have here? None; zero. So we get this far. Usually you will have a settlement. Not always, but usually. At the second step, we have a trial for infringement for a judge or a jury. What type of privileged information do you need to show that the accused devices infringes on one of the claims in the patent? Zero.

There is no privilege in these two boxes yet. The Federal Circuit two weeks ago had an impact decision where they said, 'When you reach this point you do not need to get to defences or damages, you can come in and appeal this to us here.' We do not need privilege here, here or here. The Court of Appeals may decide to end the case at that point. Of course, the parties do not have to appeal, but they can, and I think you will see that happening much more in the United States.

If they do appeal and it comes back and they say, 'Yes, there is infringement,' then, and only then do you get potentially to the issue where there may be even an issue for attorney/client privilege. That goes to inequitable conduct primarily, and the wilfulness, which I just explained to you, which is a very small number of cases that are actually litigated. So, you want to be on your feet when your opponent wants to get your privileged documents here, here and potentially even here.

In my Boeing case, the first thing the parties wanted to do was negotiate e-discovery, or for a discovery. I said, 'What discovery do you intend to take? We are doing claim construction first. If and when we get over here, when you will want to have some discovery on some issues that relate to privilege, you come to see me, and you tell me why you need to have that information, because until I check that box, you do not have the right to discovery. Even then you can send a subpoena, but the other side could get it and say no.' You cannot come and look inside of my underwear drawer where my secrets are unless you have a real need to do that. My job as a judge is to say no.

I think we may be coming to you at least as fast as you want to come to us. Is that a good way of putting it? This part is new in the law. I did not bring the case with me, but I will get it to you and your folks so you can put it on your email distribution list. I also have several *Law Review* articles in this regard that I think might be of interest.

You need to scream and holler at a trial judge, and you only get a chance to get that information. Finally, one other thing, which I know is on the mind of our Chief Judge Rader, is the real abuse in the use of the attorney/client privilege area. In the United States you can bring a patent law suit, you can go through all these claims, you can go through all this procedure. You can go to a jury trial or a judgment trial; at the very last minute you can then say, as the plaintiff, 'Never mind, I have changed my mind. Now that I have read your privileged documents I have changed my mind.'

Oh, that is the case, thank you very much, it is *Robert Bosch v Pylon*, decided on the 14th of this month. It said that the Circuit has the authority to have interlocutory appeals on patent infringement cases. I think that is going to make a great deal of difference in some of this. We may not get to the privilege issues quite so soon.

The point I was getting at before my colleague handed to me is the fact that there is no penalty in our system for doing discovery, so you need to be sure that your trial judge really does his or her work by saying, 'Only if we get the last boxes, and only if the person can show her compellingly why they have to have her secret documents.'

I will talk later on about some specifics I have your draft proposal. I can do it now or later.

Stephan Freischem

I think it would be very helpful to hear it now.

Judge Braden

Okay, I approach this from two perspectives. You have all put a tremendous amount of work into this, but as a judge it is too complicated. If you can simplify what you are doing, I would get rid of all the preamble which is basically hyperbole and does not make any difference one way or the other why you are doing what you are doing. You want to begin with your Clause number 2. You can have your definitions if you want, although I can come back to that.

What is the purpose of this? I tried to think about how I would draft something in one sentence. I do not have it down right yet, but let us just start this way. Notwithstanding the national laws of the undersigned countries – which is what you do in your country is your own business – if the owner of a patent issued by one of the undersigned countries elects to sue, or must defend a suit for infringement, in the country that did not issue the patent, so as not to be put in a discriminatory position, the patent owner will be afforded all the rights and protections, and so on, from disclosure, like the rest of the language you have in it, which is to say what the facts are.

In other words, if our people have to go someplace else to enforce that patent, either in another country or they have to defend, then they are entitled to the maximum amount of protection that is recognised in the other systems. You preserve what is yours, and you are saying because I am basically forced to go someplace else, then I should have the benefit of the most protection so I am not discriminated against. That is the general theme.

I started thinking about this last night after the dinner discussion that we had. I think the more simple you can make it, and the more direct about what the real problem is, the more effective it will be. I do not have to have a treaty necessarily as a US judge. We have a federal rule of evidence that allows me to take judicial notice of certain facts, and the rule is, I think, 20.1(b). I might be able to look at some type of protocol under that.

The weight to be given is a different issue, and would require a lot more discussion, but that may be one way we could approach it without doing a treaty. The other is a much more complicated process, but the American Law Institute, which was mentioned yesterday, does the Restatements of Law in the United States. When I get back I need to call and find out what projects they have going right now, but the Supreme Court basically has said to us that the Restatements of Law are essentially afforded status as if it were law. The Supreme Court has said that, so if the ALI comes out with some type of restatement, that could be very helpful to the US Judges.

It is worth some additional discussion. Now that is a lot longer process probably than you want to take. It may be faster for you all to approach things through the European Unified Court process, and get a rule there that you like first. It is just a thought, but I would try to simplify what you are doing rather than making it so it is too complicated to function and work with. I would keep it narrow and really simple if you can. Easy for me to say. Thank you.

Stephan Freischem

Thank you very much. That was very, valuable. After all, what did we come here for in the first place? To improve the way our clients and IP cases are handled in the courts around the world to protect the interests of those seeking legal advice.

We have a good quarter of an hour now for questions with respect to the presentations this morning, and also for your thoughts and proposals on the outcome of our discussions on ways to harmonise and implement international cross-border privilege.

Questions and Answers

Wouter Pors

I have two remarks; one in response to Professor Cross. I think it would be a pity if we left out the civil law countries at the start. In the Netherlands, we have orders for disclosure. There is currently a case called [*Rolia v New Materials?*], where we have been litigating the order for disclosure for over a year, both in first day courts and the court of appeal in various instances, and it is a real problem.

Also, in Rule 190 of the Unified Patent Court, there is an order for disclosure, so we will have disclosure in Europe, not only in the common law countries, but also in the civil law countries, which means that we need to take care of that.

My second remark goes to whether we should limit the efforts made here to being sued abroad. I do not think so because if I have a client who has patents all over the world, I should be able to discuss that with IP advisors all over the world. If I have to discuss that with an IP advisor in a country where there is an insufficient level of confidence in the idea of privilege, I cannot do that.

For instance, if this case was relevant in Canada, I could not discuss it with a Canadian patent attorney because he would not enjoy legal privilege, and I would lose my confidentiality worldwide if I discussed it with a Canadian patent attorney. Therefore we do not only need to have cross-border effect, we need to have a minimum level of protection at a national level in all involved countries too.

Professor Cross

A couple of brief comments; first, I fully agree it would be a pity to leave out civil law nations. I must not have been clear. I think it is essential to bring in those civil law nations with any form of disclosure, so if I suggested to the contrary, I apologise. Any civil law nation that has forced disclosure practically needs to be in this treaty from the outset.

My only point involves civil law nations that lack disclosure. Do not put off the treaty until they can bring all of them on board as a practical matter.

To your other point, my only point was that the real impact of the treaty is felt in the nation where the litigation occurs. If you fear litigation in Canada, if Canada does not sign the treaty, then it does not really matter, because if litigation happens to occur there, then disclosures could be lost regardless.

Wouter Pors

But if a Canadian patent attorney was called as a witness in for example litigation in Germany, he would not have privilege either.

Professor Cross

No, but if Germany signs the treaty he would. You are right, but if neither Canada nor Germany signs the treaty, we are where we are today.

Detlef van Ahsen

I working from the very beginning on Q199 in the APPI. In Germany, the privilege is linked to the obligation to keep secrecy, so whoever has to face a criminal action against him because he breached secrecy, no matter where in the world, is privileged in Germany. That may even apply to German taxi drivers, who have an obligation to keep secrecy. As far as I understand, you may oppose.

I have some other comments to make on the intended privilege in the UPC. I do not like waivers. I would appreciate if the client could not waive, because I have talked to many, many judges, and Judge Braden may oppose or agree: they all admitted if the client does not waive the privilege, then mentally for them it is very hard to not deem the allegation of the other party as admitted. If he does not waive the privilege of the client

then he has to hide something. They try hard, but they all admit that they never really can 100% ensure that they do not use it against the client mentally when they make the decision. I would therefore say we should disregard the waiver. Thank you.

Kevin Mooney

We are not sure that we understand the question, but I think what you are saying is if the client refuses to waive privilege, the judge will draw an adverse inference from that.

Detlef van Ahsen

Yes, exactly.

Kevin Mooney

I personally do not believe that is the case, but I am not a Judge.

Detlef van Ahsen

100% of all Judges I have talked to so far, from the 11 states, from the Federal Court of Justice in Germany from this report, have all admitted that they are not free of any inference if the client does not waive. Thank you.

Mike Jewess

I was very interested by what M. Véron said, that some companies were worried about having fully blown attorneys within their companies using a privilege against their client. Of course, I know that in France there are some privileges that lawyers have against clients. I know *avocats* in France have said there were things they will not tell their client. The general rule in the common law countries is, with very few exceptions, you tell your client everything. The privilege we are talking about here is a privilege that belongs to the client and is not in any way the property of the lawyer. The only disadvantage therefore in the United Kingdom of having a patent attorney or a solicitor who is on the list working for you is not that he will ever conceal anything from you, but that he may very occasionally refuse to act on instructions on ethical grounds.

That is the only consequence for the company if the company asks a solicitor or a patent attorney to lie for him, he must say no, and that is an end of the matter. However, he would never conceal anything except in the most exceptional circumstances.

Jeff Lewis

This is a comment, not a question. One of the reasons AIPLA was so excited to have Judge Braden available was because she is on the cutting edge. Judge Braden is one of our more progressive judges. I just want to clarify one thing from the United States' perspective. Let us just say not all our judges are as progressive as Judge Braden, so we often have –

Judge Braden

I thought I was conservative. That is what I told the Senate.

Jeff Lewis

I was avoiding the words 'liberal' and 'conservative'. Judge Braden apparently has a structure that has no discovery prior to claim construction. Many judges in the United States, however, do require full discovery before they do claim construction.

Judge Braden

And they are wrong.

Jeff Lewis

I am not saying they are right, but I just do not want people to contact attorneys and say, 'Well, I heard from an American judge we do not have discovery; you do not need documents.' I just want them to understand...

Judge Braden

The lawyers need to get out there and tell the judge no.

Jeff Lewis

I have told the judge no, and I have been told to bring my chequebook for contempt if I say it again. The reality is that there is discovery very often in American courts prior to claim construction. I have a case right now; it is four years old. We are going to have claim construction arguments in two weeks, and trial in four months. Do not therefore assume that all judges are as progressive as Judge Braden. You may be faced in many instances with discovery prior to actually seeing your judge.

It is wrong, but they do it.

Judge Braden

Well, it really violates Mark-man. The whole concept of that violates Mark-man. Call them on it.

Participant

Get your chequebook out, then.

Judge Braden

Just because a judge says so does not make it right, and you might point out that they may be making a reversal error which will cause them to have to go through this wonderful exercise all over again after the Federal Circuit takes a look at it, and you might get their attention.

Patrick Blonar

I just wanted to clarify one thing about Canada's regime. It is not that we have no privilege; we have no client IP advisor privilege, but we do still have a litigation privilege. Concerns about disclosure during litigation are therefore not envisaged.

Steve Adkins

I would just like to echo what Jeff Lewis has said. Certainly at the International Trade Commission, in these fast-paced Section 337 investigations that I do, you often do not even have a mark man until the trial, so this is very much an issue at the ITC, and it has never been thought to be a reversible error or found to be a reversible error. As Zhou ENlai said about Mao, his ideas are very advanced. I do not think most of our courts in the United States are where Judge Braden is yet.

Stephan Freischem

Thank you very much.

James Tumbridge

I wanted to go in a slightly different direction and ask Kevin and Pierre a question. Helpfully in Kevin's slides on page 104 of the main materials, you have part of Rule 287, attorney/client privilege. It caught the attention of some of us in this row that Section 6 defines lawyers and patent attorneys quite differently, not simply because they are lawyers and patent attorneys, but you have a definition that a lawyer is someone who is qualified, and you have a patent attorney who is someone who is recognised and eligible. I wondered

if you could elucidate on why patent attorneys need only be recognised as eligible, but the lawyers must be qualified.

Kevin Mooney

To be honest, James, I cannot remember.

James Tumbridge

Honest answer.

Kevin Mooney

That went through a number of iterations. I am sure there is a good reason, but I cannot remember what it is. I will think about it and I will let you know.

Greg Chambers

Professor Cross, I share your views about the desirability of the treaty. I have one question in terms of progress on this issue. It does seem to me that if various countries do move unilaterally there is a greater prospect for a treaty. Given the long road mapped out in previous sessions regarding the treaty, what are your thoughts about at least pursuing some unilateral work, or multilateral work prior to concluding efforts towards a treaty?

Professor Cross

If the unilateral efforts were all along the same lines, I think it could easily pave the way to a broad, multilateral treaty. My fear is if we leave it to unilateral, Australia and New Zealand will do this substantive approach, and the US will continue to refine its choice of law approach, and never the twain shall meet.

Stephan Freischem

Okay, thank you very much. Are there any further questions or comments? Now, I do not envy Jeff, Steve and Greg, who will have to come up on the Panel half an hour from now after the coffee break. I hope you noted down all the comments and proposals, and you are able to merge them into one draft that everybody agrees with. You have an hour for that; however, you do not have to present it at the beginning of the session. The only thing I can promise is that Mike will not be far away, so you will have all the knowledge of our past experience very close by.

With that, I thank the Panel very much for their support and presentations. I thank you for your co-operation, and we will see you here again in half an hour after the coffee break. Thank you.

[Break]

Stephan Freischem

Welcome back. To all of you who are not regularly attending AIPPI congresses, this reminds me very much of the setup of our plenary sessions to discuss AIPPI working questions. Michael just said that unfortunately we did not go through the very comprehensive evaluation process in preparation for such a session, but I think our evaluation process was much more comprehensive. We did not only ask all 60 groups of AIPPI a couple of years ago, we then fed the work results to the Standing Committee of Patents where it was thoroughly discussed by the WIPO member states and then we synchronised the outcome with two other major IP associations. Therefore, I think the preparation of what we will be discussing here is even more thorough, if that is possible, than the preparation of the AIPPI working questions.

I do not have to introduce the three panellists today, Jeff Lewis, Steven B Garland and Greg Chambers and I will mainly leave the process of how to work on the recommendations and communiqué to them. Michael Dowling is here to give the support of his vast experience on this issue.

Recommendations and Communiqué

Greg Chambers
Member of CET Litigation Group – FICPI International

Jeffrey I D Lewis
President, AIPLA, and President, AIPPI US

Steven B Garland
Chairman, Q199 Committee, AIPPI

Greg Chambers

Thank you, Stephan. First of all, as a member of the organising committee for this Colloquium I would like to thank everybody for their active participation in the event thus far. For me, it has been educational, illuminating, stimulating and so thanks to all.

In this last session we are looking to see whether we can bring together some of the thoughts and ideas that have been expressed in this morning's session and yesterday. We have the draft of a proposed communiqué. This communiqué is intended to be a summary of the views of the three NGOs here. Just to ensure that people do not feel as though they are being pushed in one direction or another and there is no misunderstanding or discomfort about the intention of the communiqué, it is not intended to be a document that binds any of us here, nor necessarily reflect the views of everyone in the room. I will turn to Jeff in a moment with the text of a proposed communiqué that we can go through and hope to achieve some agreement on what we say were the major issues that we identified here today and the manner in which we best think that they are addressed.

If there is sufficient time after that process, we would like to go back to the text of the AIPPI proposal. We have had some very valuable contributions yesterday and this morning about the manner in which that might be modified. Whilst it is fresh in everybody's minds we are looking for ideas and, I suppose, more than that, some indications of how you in the room see where we best progress the text of that document.

Without anything further for me to add and, Jeff, if you are ready we might turn to the text of the draft communiqué.

Jeff Lewis

The way we have broken up the work here is that Greg and Steve were sure that I would talk less if I had to type, so I am the scrivener here. There are a number of copies around the room and I am going to hand this off to Steve so I can scroll through and you will all witness just how poor a typist I am. The text is around the room and we will run through it on the screen as well and see where the text takes us.

Steven B Garland

Would you like me to read through the text?

Jeff Lewis

Sure, why not?

Steven B Garland

I will read through it once and then obviously we will open the floor up to any comments or contributions from anyone else here. Again to make it clear and I know Greg has already touched upon this, but this is meant to be speaking on behalf of the three NGOs, so certain government members can relax and you will not be taken as signing on to this.

‘The Colloquium was held to encourage consensus on a framework to protect confidential intellectual property advice given to a client by a non-lawyer IP advisor. In the complex area of international IP advice there is a strong public interest to protect such communications so that correct legal advice can be sought and obtained.

The presenters at the Colloquium included government experts from Australia, Germany, Japan, Switzerland and the United States of America and leading independent commentators’ – ‘lawyers’ should probably be struck out – ‘including Judge Braden of the US Court of Federal Claims and John Cross, Professor of Law at the University of Louisville.

Two major problems were identified: some countries do not provide any or sufficient domestic protection to non-lawyer IP advisor communications and several countries do not provide any or sufficient protection to foreign non-lawyer IP advisor communications. The presentations and discussions between the participants demonstrated to the three IP associations that there are viable options to remedy these problems. In particular, in both common and civil law systems an agreement could be made that communications relating to IP professional advice shall be either confidential to the client or subject to professional secrecy and shall, in both cases, be protected from disclosure to third parties unless made public with the authority of the client.

The three IP associations reported to the meeting that the comments and suggestions of the participants would be reviewed in developing a proposal for further consideration by individual countries and jurisdictions.’

Of course the last paragraph is referring to what in essence are the next steps for the three NGOs in terms of where we go after today.

That is the draft communiqué as proposed. I know that I have received at least one suggestion of an amendment, but if there are any other comments or thoughts at that point, we will turn it over to the room.

Bill Schuurman

I felt that in the second line we should say ‘lawyer and a non-lawyer’ and also in the two inset paragraphs, because the problem is that there is insufficient recognition for lawyer confidentiality and non-lawyer. Therefore, I would put in the second line ‘lawyer and a non-lawyer’ just before ‘non-lawyer’. In the two major problems that were identified, just before ‘non-lawyer’ we should put ‘lawyer and’ in both lines.

Steven B Garland

I think that is very fair given what we heard yesterday.

Danny Huntington

This is a minor point, but if you go down to the paragraph right after the two major problems, after the word ‘participants’ in the first line I do not think that comment is needed, because it breaks up the sentence.

Jeff Lewis

If you look at the bottom, it is in Australian.

Greg Chambers

Although it was not read with the accent.

Leo Jessen

It may be a minor point, but I would not say ‘lawyer and non-lawyer’ but ‘or’, because otherwise it seems that the combined advice would be a problem.

Steven B Garland

Leo, while you have the microphone do you want to take up the point that you discussed with me during the break, if you would like?

Leo Jessen

Sure. What I suggested is after the line that says ‘to remedy these problems’ to express the general feeling that it was felt important by the audience to resolve this problem on an international level, because I think that is the message we want to convey to the public.

Steven B Garland

That is what I had at my end, Leo, so I hope that has captured your thought.

Leo Jessen

Yes.

Steven B Garland

Thank you.

Participant

Just one thing: it seems that this paragraph is urging the close of this statement and I wonder whether the statement ‘lawyer and/or non-lawyer IP advisors’ should not be repeated in that paragraph, typically after ‘advice’ in the middle of line four, so that it becomes ‘relating to IP professional advice by a lawyer and/or non-lawyer IP advisors’. Otherwise, if this statement is taken in isolation from the rest, we do not really know who you are taking into consideration.

Todd Baker

Looking at the first paragraph where we say ‘so that correct legal advice can be sought and obtained’, we do want correct advice, but do we not also want comprehensive advice, the ability to get advice from various non-IP practitioners in different jurisdictions? Therefore, instead of ‘correct’ I was thinking ‘comprehensive’ or maybe ‘correct and comprehensive’.

Mark Jones, CIPA

Two tentative suggestions; it is up to other people how they react. One problem we have is the people who have been opposed to any treaty like this – Brazil – will just look at this perhaps and say, ‘They are just saying the same old thing again’. Therefore, it might just be worth specifically putting in a Brazil reassurance sentence along the lines we were discussing yesterday of ‘privilege would not, however, prevent patent offices and others from obtaining access to the prior art’.

Steven B Garland

That is a very good point. It is something that we were talking about during the break picking up on a comment from Professor Cross that if not here – and I am not opposed to putting something of that kind in the communiqué – certainly when we come back to the proposal we do want to insert that kind of a thought in there. That may be something that we want to work on as an aside perhaps. I am not sure if you want to do that live now or not.

Danny Huntington

Right above the three IP associations we have talked about professional secrecy being protected from disclosure. I think that sentence that was just suggested might go there to say ‘nevertheless such

confidential information should not include prior art' or something like that. It probably needs to be a little more complicated than that, but that would be the place for it.

Stephan Freischem

I prefer the information that we heard yesterday that privilege is limited to advice and does not exclude facts from the duty of disclosure. I think if you had a half sentence or a sentence along those lines it would be helpful.

Danny Huntington

I would not put it up there; I would go down to the next to last paragraph. Right there, after the word 'client', I think that would be the place to put it, because there we are talking about the communications.

Jeff Lewis

Something like that? What do you suggest?

Danny Huntington

What I am suggesting is at that point, say – Stephan?

Stephan Freischem

I am happy to repeat it, but as I am from a German-speaking civil law country I am not very sure about the language that common law experts would use. What I heard yesterday was that one of the fundamental principles of privilege is that it covers only legal advice and it does not exclude facts from the duty of disclosure of the parties. If there is an agreed language to define this principle I think it would be very helpful to include that here.

Michael Dowling

Can I just say the problem of trying to include the word 'advice' as the only thing which is covered you need a lot of definition of that, because you want not merely to privilege my commenting to the client 'you do not infringe this patent', but you also want to privilege his letter to me saying 'I am really worried about this patent', which is not advice; it is an incorrect statement of concern.

Jeff Lewis

I may have solved that.

Steven B Garland

He changed it.

Leo Jessen

In addition to that, my feeling from the SEP was that one of the problems many of the countries there had was not only hiding prior art but also that it would influence full disclosure of the invention in patent applications. Therefore, if we are excluding prior art there, we may add something like 'or full disclosure of an invention in any patent application' or words to that effect, because that is the other major concern that countries seem to have.

Stephan Freischem

It seems to find general agreement. Are there any further comments or suggestions on the communiqué? Do you want to have a look at the final version before we move on?

Jeff Lewis

The final communiqué. The heading remains unchanged: ‘The IP Associations’ Communiqué’.

‘The Colloquium was held to encourage consensus on a framework to protect confidential intellectual property advice given to a client by lawyer and non-lawyer IP advisors. In the complex area of international IP advice there is a strong public interest to protect such communications so that correct and comprehensive legal advice can be sought and obtained.

The presenters at the Colloquium included government experts from Australia, Germany, Japan, Switzerland and the United States of America and leading independent commentators, including Judge Braden of the US Court of Federal Claims and John Cross, Professor of Law at the University of Louisville.

Two major problems were identified: some countries do not provide any or sufficient domestic protection to lawyer and/or non-lawyer IP advisor communications and several countries do not provide any or sufficient protection to foreign lawyer and non-lawyer IP advisor communications. The presentations and discussions between the participants demonstrated to the three IP associations that there are viable options to remedy these problems and that resolution of these problems is of high importance. In particular, in both common and civil law systems an agreement could be made that communications relating to IP professional advice by lawyers and/or non-lawyer IP advisors shall be either confidential to the client or subject to professional secrecy and shall, in both cases, be protected from disclosure to third parties unless made public with the authority of the client.

The presenters agreed that the protected communications are distinct from the availability of underlying facts, such as prior art or proper disclosure of the subject intellectual property.

The three IP associations reported to the meeting that the comments and suggestions of the participants would be reviewed in developing a proposal for further consideration by individual countries and jurisdictions.’

Stephan Freischem

There are two further comments from the front row.

David W Hill

My comment is that we say ‘two major problems were identified’. I think we really identified more than two and maybe we should say ‘at least these two major problems were identified’, because we did identify other problems.

Jeff Lewis

How about ‘two of the major problems identified were’?

David W Hill

That is okay.

Danny Huntington

In the last sentence of the next to last paragraph rather than saying ‘the presenters agreed’ I think we might want to say ‘it was generally agreed’ or something like that.

Stephan Freischem

Are there any further comments or suggestions?

Bertrand Loisel

I am wondering about the term ‘proper disclosure of the subject intellectual property’. I think qualifying the disclosure as proper or improper would be a matter of legal advice that should not be excluded. That is my feeling.

Jeff Lewis

How about just ‘disclosure’? I tell my associates it is the adjectives and adverbs that always get you in trouble.

Participant

The last sentence of the last paragraph, I think we can be a little bit forthcoming. This is a passive sentence ‘reviewed by individual countries and restrictions’. Maybe we can say something like ‘the three IP associations urge that the individual countries and jurisdictions review the comments and suggestions of participants in developing a proposal for further consideration’.

Stephan Freischem

Maybe we should say ‘the three IP associations will take this forward in discussions with individual countries and jurisdictions’.

Participant

I am still concerned that where we say ‘the availability of the underlying facts, such as’ could we say ‘such as, for example, prior art or the disclosures’, so that it is clear that the underlying facts are never protected? I was just suggesting ‘the underlying facts, such as, for example...’

Participant

With that addition you need a comma after ‘prior art’ to show that it is two different thoughts.

Jeff Lewis

Is it an ‘or’ or an ‘and’?

Steven B Garland

I think it is an ‘or’.

Stephan Freischem

If we can just finish this drafting process before we move on or is it with respect to the same amendment we are working on here?

David Korn, USA

That same sentence where it says ‘for example, prior art’, the last phrase ‘and disclosure of the subject intellectual property’ seems to be focused just on disclosure of the invention and the specification of a patent and right now where it says ‘disclosure of the subject intellectual property’ with all the other different types of intellectual property I am not sure how clear that is. I am not sure whether it needs to be either dropped or perhaps explained further.

Jeff Lewis

Does that help?

David Korn

I am not sure that addresses the question when you are talking about just disclosure of the subject intellectual property in general, whether it needs more context for that statement. Perhaps focus it by saying 'invention'.

Jeff Lewis

Does this not take us back to just saying 'such as, for example, prior art where relevant'? Do we now need 'the subject intellectual property' disclosure?

Leo Jessen

As I said, one of the important messages we want to convey to countries like India or Argentina, who are very afraid that privilege will even further limit disclosure of the inventions in patent applications, but since it is only 'such as, for example' we can easily say 'full disclosure of inventions in patent applications', so why not narrow it down there.

[Crosstalk]

Participant

I think 'where relevant' needs to come out.

Stephan Freischem

I think we have a fairly good idea of what the aim of the audience is and we are just working on minor drafting details. If you agree, I will leave it to the drafting committee here to finalise the language.

Todd Dickinson

Just a quick nitpick: in the phrase just before that, 'authority of the client', is that a phrase of art that means the same as 'approval of the client'? The word 'authority' might be somebody else's English.

Stephan Freischem

That was the way I understood it. You are a native speaker, so how do you read it?

Todd Dickinson

I just was curious as to the phrase 'authority of the client'. You can put 'with the approval of the client' or is the authority broader than the approval of the client? 'Authorised by the client.'

Stephan Freischem

It sounds to me rather similar and the drafting committee will pick it up. Thank you.

Todd Dickinson

Thank you.

Steve Perry

I do not want to belabour the point, but I am not entirely sure that Michael's concern has been addressed in respect of communications from the client to the advisor. Perhaps it is intentional, but this is a one-way communication and I think Michael's concern was the client who writes and says 'I have been very bad, I have infringed' whereupon advice is returned, hopefully comforting advice. Again, perhaps it was the intention, but the communiqué reads as being unidirectional from the advisor to the client.

Stephan Freischem

The way we would read it in Germany, which may be different, would be ‘communications’ period, relating to IP advice by lawyers or non-lawyers, the ‘by lawyers and non-lawyers’ would not refer to the communications and would not exclude communications by the client. It is any communication relating to IP advice.

Michael Dowling

I think it is a matter of English. ‘By’ means from the lawyer to the client. You could use ‘involving’ to cover both sides.

Jeff Lewis

‘With?’.

Michael Dowling

It is not as bad as ‘by’, but still capable of interpretation in an adverse sense.

Stephan Freischem

We still have a major document to work on and I trust that the drafting committee will find an agreeable solution for the remaining drafting issues. I would like to move on to the Appendix 5 draft in order to check what amendments would be helpful here.

Greg Chambers

Perhaps just to reiterate what we would like to do here is draw attention to particular parts of the AIPPI proposal that have been the subject of some discussion and take the views from the floor of any further changes that might be made to the text. More importantly, though, get a better indication from you all as to where there has been some contention, where the mood of the room is. Again, I will turn to Jeff, who will take you through the relevant parts of the AIPPI proposal.

Jeff Lewis

I will run through the full proposal first and you will see that the three of us have attempted to capture at least some of the conversations over the last day and a half and in some places have inserted alternate texts and in some places have highlighted the questions that have occurred over the last day or so.

Picking it up from ‘in this agreement’, the first is the definition of ‘intellectual property advisor’, which means ‘a lawyer, patent attorney or patent agent or trade mark attorney or trade mark agent’ and here we have set forth three possibilities:

The first is the original text of what was in the proposal when we went into this meeting, ‘or other person qualified or authorised in the nation where the advice is given to give that advice’. You will see that we have highlighted the language that seemed to be discussion points yesterday.

The second option is merely to insert the period, which is an option that was discussed yesterday as well.

The third is an attempt to capture the conversation and if it is a poor attempt I will take responsibility for it. If it is a good one, I will tell you that it was Steve and Greg’s idea. The option here is to try to capture it and, indeed, in some ways Professor Cross said the same thing this morning. The third option would be to add ‘or other person where such person is officially recognised to give professional advice concerning intellectual property rights in a jurisdiction where those rights apply’ and we can talk about that more in detail.

The next is a definition of ‘intellectual property rights’ and what we have done there is include TRIPS, so it reads ‘intellectual property rights includes intellectual property subject to the TRIPS Agreement as well as copyright and related rights, trademarks, geographical indications, industrial designs, patents, utility models,

plant breeders' right, integrated circuit topographies and any other matters relating to such rights'. In part, the addition of TRIPS includes the concept of trade secret, but it also goes a little broader than that.

Communication has been unchanged from the draft as we went in. Communication includes oral, written or electronic record whether it is transmitted to another person or not.

Then have added a definition for 'professional advice' and this again is to get at the prior art is not being shielded concept. 'Professional advice means the subjective or analytic views or opinions of an intellectual property advisor and is not meant to include mere statement of fact.'

Number two – and this is the heart of the matter – 'Subject to the following clause a communication made for the purpose of or in relation to an intellectual property advisor providing' – here I have inserted the word 'professional' – 'advice on or relating to intellectual property rights to a client shall be confined to the client and shall be protected from disclosure to third parties unless it is or has been made public with the authority of that client'. I will note here that I have added just 'A' and 'B' in case people have a groundswell of dividing up third parties as opposed to client communications.

Finally, the last point we have not changed from the draft we had going in: 'Nations may have and apply specific limitations, exceptions and variations to the scope or effect of the provision in clause 2 provided that such limitations and exceptions individually and in overall effect do not negate or substantially reduce the objective effect of clause 2, having due regard to the need to support the public and private interests described in the recitals of this agreement which the effect of the provision in clause 2 is intended to support and the need which clients have for the protection to apply with certainty'.

With that, Stephan, I surrender the microphone to you.

Stephan Freischem

Which I will pass on to the audience.

Wouter Pors

I think in the definition of 'intellectual property rights' it looks a bit strange to say 'TRIPS Agreement as well as'. I think we can simply refer to the TRIPS Agreement and leave out the rest.

Participant

I was just wondering whether we are risking the Canadian problem on the jurisdiction. There has been this problem where an American attorney gives advice on a Canadian patent and it is outside his competence they say, supposedly, but of course all patent attorneys give advice on foreign law. The client comes to you saying 'I want a patent in all the G7 countries', say, and clearly you have to say 'This might be harder to get in America than in Europe'. Let us say it was a software-related patent or a business patent; you might have different rules. Therefore, we want to be absolutely sure that any of these people can comment on the law in any other territory however provisionally, like subject to the advice of my US agent.

Jeff Lewis

I agree with Michael. We can regulate the profession somewhere else, but this is meant to protect the confidentiality.

My other point was with respect to the definition of 'communication'. I did not know whether it was intended for those communications to extend beyond those between the IP advisor and the client or if these were more along the lines of litigation privilege where you are working under this cloak of everything that is relevant to pursuing the litigation. Right now, though, the advice is transmitted to any person as opposed to just between the client and the advisors and I did not know if that was intended.

Steven B Garland

It was intended to be as broad as is stated.

Jeff Lewis

Okay.

James Tumbridge

I came up with two alternative definitions for ‘intellectual property advisor’ this morning: one to deal with the named lawyers, patent attorneys and so forth and one to deal with those plus all other person. Given yesterday’s discussion, I am only going to offer the one without the other person, because I think that is the bit that we will argue about the most. Therefore, I would suggest that where on the slide you have ‘1, 2, 3’ it would be replaced with ‘qualified and registered in the jurisdiction where the intellectual property right they advised on exists’.

Jeff Lewis

There is no way I can type that fast.

James Tumbridge

I will go slower for you. ‘Qualified and registered in the jurisdiction where the intellectual property right they advised on exists’. What I have tried to do there is to address two issues. One is from a conversation yesterday that a number of individuals – Jeff, you and I for the US and the UK in part, and the Germans I think preferred some clear qualification of registration. Secondly, to try to address the issue that Professor Cross raised. What I am trying to do there is it does not matter where you sit in the world as long as you are properly qualified to advise on the right that you are advising on.

The other very minor point is that in ‘3’, which you have left untouched, you open with ‘nations’ and I would prefer that to open with ‘jurisdictions’.

Greg Chambers

James, can I just ask on this point, do you think it is common for practitioners to advise their clients about their entire portfolio, such as how their US patent application is going, even though they are not qualified and registered in that jurisdiction?

James Tumbridge

I think the reality is that advisors talk with their clients about their global plans, but I do not believe that when they start to talk about rights for which they are not qualified on that they are privileged unless they are doing so, as Jeff and I have done in the past when we have both worked for, effectively, the same clients. We had mutual meetings with our clients, we would talk about the global issues, but so far as there is any privilege it was relying on Jeff when we talked about the US issues and relying on me when we talked about the UK issues. I am afraid that all advisors and clients have to accept that whilst you may wish to talk to your advisors about your global operations, if you go too far in those discussions you simply cannot rely on an individual giving advice where they are not qualified to do so. I think any government would feel uncomfortable in giving protection to someone who is not suitably qualified.

Jeff Lewis

Hold on to the mic. I want to press a couple of points here. I will be a gentle litigator today. What is it with ‘qualified and’?

James Tumbridge

I can explain that easily.

Jeff Lewis

Please do, because I am still lost.

James Tumbridge

I have seen a number of scenarios where an individual is qualified, but no longer holds what in my jurisdiction would be called a 'current practising certificate'. In the case of a lawyer, you probably you have your law degree, you have been to bar school, you have been admitted, but to be a lawyer who can give advice on an annual basis you have to satisfy ongoing requirements of insurance and competency. Hence the difference is that if I retired or I stopped paying my annual dues to my bar association and so on, I do not cease to be a qualified lawyer; that is an academic right in part that I hold. I am called to the bar of England and Wales. I am a barrister whether I ever do another piece of legal work again. However, there is an additional aspect that is maintaining my currency by the registration aspect and, at least in the UK, we have had issues where people were qualified at one point and at the time they were asked to give advice they were not qualified and registered and then the privilege did not apply, because they were not up to date, if you like. That is why I say 'qualified and registered'.

Jeff Lewis

It seems to me this is UK phrasing.

James Tumbridge

I freely admit that my mind typically starts with that.

Jeff Lewis

Perhaps there is the confusion, because I am not sure that is a phrase that applies in other venues.

James Tumbridge

It may not and, to be honest, for the UK it is less of a concern for what we could class as typical lawyers, solicitors and barristers and more of an issue because we have extended privilege to a variety of other specific advisors, not only in IP but in other areas. One of the ways we have done that is to ensure that not only did you get qualified at some point but you have maintained the currency of that qualification, which is always done in my jurisdiction by a registration system of some sort.

Jeff Lewis

Let me address now a different issue. I think we have at least joined issue on that first phrase although not resolved it. Your colleague from Great Britain at the other end of the table tells me that conversations happen about multiple countries all at the same time.

Participant

When you file a PCT application.

Jeff Lewis

I am agreeing with you. One of the litigator things is when somebody is agreeing with you, you do not dispute it.

You have limited this to the intellectual property right they advised on exists, so are you trying to put in a 'you can only talk about the country that you are in' proviso in your draft?

James Tumbridge

What I was trying to address was, I thought, the helpful comments that came out from Professor Cross' initial presentation on how he was reading the first draft. Let us say that I go to a client meeting in New Jersey because my client is headquartered there and they want me to talk about matters that pertain to the United Kingdom. The fact that when I give the advice I am not sitting in the United Kingdom is not impacting the privilege of the advice. Therefore, what I was trying to do was move away from any location

reference and switch it to ‘as long as I am only giving you advice about an IP right that exists in the country in which I am qualified then it does not matter where I am doing that’. So it does not matter whether or not I communicate it across my border or I am in another location in the world. What I am not accepting is that I am automatically entitled to privilege if I start trying to opine on a Mongolian patent.

Jeff Lewis

His hypothetical is that a client comes to you and says, ‘I have this great invention. I would really like to get as broad protection as possible. What countries can I apply in?’ and the fact that you invoke Mongolia ought not to be negating to the privilege.

James Tumbridge

The beautiful thing there, Jeff, is that the example that you throw at me is an easy one to address without getting into a privilege issue. Of course I can sit there and talk about how the PCT treaty operates and how you go around the world and so on. However, of course what happens in practice is that as I go around the world ensuring that the rights are properly in place in those national jurisdictions is I have my network of global colleagues, some of whom are sitting in this room, who are brought in to deal with the on the ground aspects.

Jeff Lewis

However, he looks at you and says, ‘I would really like to get it in Chile’, which is not PCT; you have no authorisation there, James.

James Tumbridge

Yes, but I would not be opining on his ability to get it in Chile. What I would say is, ‘I know how to deal with that for you. I can find the appropriate local person’ and so on and so forth. I would never be giving privileged advice.

Stephan Freischem

I think we have heard this position quite clearly now. Limiting privilege to the country where you practice is in contrast to my everyday work. My clients mostly do not have IP departments and an in-house IP person. They send every application, be it in Chile, Taiwan or the US, through my office, so I will regularly have to draft communications on patents in countries where I cannot represent them before the patent office.

Stephan Freischem

Unless the drafting committee disagrees I think we have heard a vast variety of comments on this issue and I would prefer to check whether there are any other issues.

Patrick Blonar

I have a personal comment on the definition of ‘communication’. Is there a suggestion that once you have communicated with an agent or an advisor that if you communicate it to anybody else it remains privileged no matter what?

Steven B Garland

No, I do not believe so. The paragraph 3 that we have there is talking about exceptions and when you look at exceptions there are always exceptions for waiver, whether that is intentional or otherwise. It is not intended to somehow cover a particular communication that now, based on subsequently how it has been distributed, would still be considered as confidential or privileged. If it is and if you have waived the privilege or the confidence through how you have used it downstream, you have lost it basically.

Participant

Maybe it only needs to talk about the confidential oral or written communication or something to that effect.

Fatima Beattie

I am probably not supposed to comment on this, but I thought I saw a form of words this morning from Kevin Mooney in relation to Rule 287 that defined an advisor in terms that maybe could solve some of the problems that seem to be discussed here this morning.

Steven B Garland

I think that is a very good point and it goes back to James' suggestion about 'registered'. Given what we heard yesterday, I think that is a very problematic word to use and I do applaud Mr Mooney and Mr Véron for the language you came up with. I appreciate you might not remember how you got there, but I suspect it was through some trials and tribulations. I liked it. It says 'A patent attorney shall mean a person who is recognised as eligible to give the advice', which I think is a very nice turn of phrase, frankly.

Wouter Pors

I would like to say that James' amendment hurts the heart of my business, because not only on patent applications but also on litigations what I do every day is provide a one-stop shop to clients. That does not mean that I myself think of what the advice should be for all the countries. I collect that from our various offices, but clients like to get one piece of advice that covers a number of countries, so I may send that. I may be the author of the memo with the input from other countries and this amendment would block legal privilege on such memos.

Stephan Freischem

We have two minutes left and we would like to have a poll for the mood in the room on this particular issue and I would like to call for a vote.

Philippe Baechtold

A minor point perhaps, but I think the language in the definition of 'IPR' is not completely adequate. I am a bit uneasy, perhaps it is the lack of control of the English language and it is my problem, but 'include intellectual property subject to' does not mean much to me in English. I think we should say something like 'includes all categories of intellectual property that are subject of the TRIPS Agreement'. That would be my suggestion.

Stephan Freischem

Thank you very much. Going back to the intellectual property advisor, if you agree, we will have a vote to probe the mood of the room. It will be a non-binding vote. We just want to assess what you think and it will be a draft and communication not of the audience in this room but of the IP associations, so it would be helpful nevertheless to see and hear what you think. We have four alternatives and I would like you not to abstain but to support the alternative that you like best. If I understand the drafting correctly, alternative two includes the part in brackets.

Jeff Lewis

No, the alternative would end at 'trademark agent' period.

Stephan Freischem

Excuse me; I was on the wrong number. Alternative one we have in brackets and these portions in the brackets are included and the same applies to alternative three.

Jeff Lewis

Yes.

Stephan Freischem

Thank you very much. Let us see if we can get a count for alternative one. Who would be in favour of alternative one?

[Show of hands]

Jeff Lewis

For alternative three I would just change that to mean this is deleted.

Stephan Freischem

Okay, we have a slightly amended version of alternative three. Is that correct? No support for alternative one. Thank you. We will move to alternative two. Who would be in favour of that?

[Show of hands]

Thank you very much. Who would be in favour of alternative three?

[Show of hands]

James Tumbridge

Could I get some clarity? You say 'alternative two', which is presently blank, so when you are talking about two and three are you talking about the ones that are numbered or the fact that we only have three options left?

Steven B Garland

Two was meant to be simply that there is a period, so that all you are really looking at is the definition of 'intellectual property advisor' ends after 'trademark agent'.

James Tumbridge

Thank you.

Participant

That is the Australian approach.

Steven B Garland

I will have to defer to Michael.

Michael Dowling

No, I do not think so.

Stephan Freischem

We still have to count the votes for alternative three. Please raise your hands again.

[Show of hands]

So far, that is 28 for alternative three. Now for alternative four.

[Show of hands]

Thank you very much. That will help us with the drafting work.

We are slightly over time. Is there any other issue that you on the drafting committee want to raise?

Jeff Lewis

Yes, one other question: whether there is an appetite in question two to separate out 'third party' from 'client' or keep it as it is. My sense is to keep it as it is, but if somebody had a strong view I would want to hear it now. I am hearing none, so I think we keep it as it is. Thank you.

Stephan Freischem

With that, I think we are through and I would like to invite Michael Dowling, who started all this, to end all this as well.

Closing Remarks

Michael Dowling

Co-Chairman, AIPPI's Q199 Australian Lawyer, Specialist in IP Litigation

Thank you, everybody. I hope not to hold you up for too long. I was going to start by saying a remedy is in sight, but of course it is disappearing over the horizon a little bit because of a great deal of drafting that will have to be done and thought given to all of your ideas. However, I think it is true that a remedy was in sight when we came here and it remains in sight and so this Colloquium now passes into the long history of this project generally.

Looking back, the collaboration between IP lawyers and non-lawyer patent attorneys, government representatives and our individual experts like Kevin Mooney, Professor Cross, Judge Susan Braden and Pierre Véron has been very effective in pushing this process further. The co-operation between the government and their respective nationals has been super to observe and I just want to point out – I hope it does not embarrass them – how good the exchange was that occurred yesterday between Minami-san and Okabe-san and Okuyama-san in relation to the Japanese positions. This is the way things should be.

Another issue – I think it was the issue that was being discussed by the Japanese – forced us back to think about what the differences are between professional secrecy and privilege. It was pointed out by the Japanese that in the pursuit of prior art, which is so dear to the hearts of many, being fully disclosed it is not an issue in relation to professional secrecy, because professional secrecy is absolute. In that sense it is wider, by far, than is privilege.

I do not think Luiz Amaral is here, but it was he who raised the issue on behalf of Brazil that it is a matter of concern, of course, to them that never should we obscure the availability of prior art disclosure. We wanted to assure him that privilege is really confined to the advice, the process of obtaining and giving and the communications relating to that in relation to legal advice. I was going to apologise to him, but I do not have to since he is not here, because I have never made this point before, that his government provides professional secrecy which has a potential for obscurity, which is far wider than privilege. That is just the way things are. They should not therefore complain about the extension, if it is one, of something that is within the boundary of professional secrecy, i.e. giving confidentiality to communications of a legal advice nature.

Two national positions really need to be contrasted, looking back over the last few days. I do not have to say anything about Canada. You all know what the situation is there and I am sure that they are taking on board what has been said here about their situation. However, you have to contrast that situation with Australia and New Zealand where we have pushed the boat out just about as far as we can go to incorporate into the protection overseas qualified persons. I am sure that this is a reflection too – and I think Fatima Beattie said this – of the need for clients to be looked after in relation to their litigation, so that we concentrate on what matters to them, which is really the determination of issues of construction, validity, infringement and not get into expensive sidings. That is what Australia wanted to do, particularly, by taking the issue of whether documents are in or out of this, so that we do not have to bother with this issue at least so far as it relates to overseas qualified persons advising. In addition, the positions of Australia and New Zealand show the utter confidence that those countries have in the disclosure regime that we have and that there is no compromise of that regime by the existence of legal professional privilege as extended to patent attorneys.

On Q199 I think this Colloquium represents another high watermark in our efforts and I think Steven B Garland was masterful yesterday in his summary of the national positions. He has a good set of slides there that I have asked him to make available to me at least. They will be a useful work product, as it were.

On the organising committee of this Colloquium we have had a marvellous team, there is no doubt about that, ably led by Danny Huntington and contributed to by all members of the team to produce the result that

you have all now experienced. I thank you for supporting me, Danny and our team in whatever my efforts were, but I think it was a synergy brought on by all of us.

Now to our national situations and I think that I should really close off by telling you the story of the magician on the Titanic. Apologies to the people who have heard this before, but it introduces at least a way we behave.

The Titanic is sailing along and there is a magician who has a parrot and the funniness of the magician's behaviour is that the parrot keeps on telling people whose watches and jewellery and so forth have been stolen surreptitiously by the magician, shoved in his pocket, and the parrot is sitting there saying, 'It is in his pocket. He has put it under his arm' and things like this. Eventually of course the ship sinks and the magician is now in the sea hanging on to a log. The parrot is flying around and around, looking at what has happened. It lands on the magician's shoulder, rocks backwards and forwards for a little while and says, 'I give up, where do you hide the ship?'

The big difference between that parrot and us is we never give up. Thank you.

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