



Questionnaire Q199

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

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National Group: Canadian Group

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1. Q.199 - Questionnaire

The Groups are asked to reply to the following questions in the context of what applies or what they may consider ought to apply in their own country or by agreement between their country and others, as may be appropriate to the particular question. The responses of each Group need to be endorsed by that Group. It will be helpful and appreciated if the Groups follow the order of the questions in their reports and use the questions and numbers for their responses.

Present position

Local position

- 1.1 What protection of clients against forcible disclosure of communications relating to IP professional advice applies in your country as to such communications between clients and IP professionals within your country? When was this protection introduced into your law?

In Canada, the legal doctrine of privilege provides that certain communications or documents are prohibited from forced public disclosure during the litigation process or other legal or quasi-legal proceedings. There are two generally recognized categories of privileged communications in Canada, namely, communications that are protected by a “class privilege” (where there is a presumption that the privilege attaches because of the nature of the relationship between the communicating parties) and communications that are not protected by a class privilege but that may still be

considered privileged depending on the particular circumstances (determined on a “case-by-case” basis).¹

Solicitor-client privilege is a “class privilege” in Canada and it provides a blanket privilege with a *prima facie* presumption that confidential communications between a qualified legal advisor in Canada (sometimes referred to as a solicitor, barrister, or lawyer) and a client in respect of the provision of legal advice (including legal advice in respect of intellectual property rights) are protected. This applies to legal advice provided by in-house counsel.

Another form of “class privilege” that is closely related to solicitor-client privilege is what is sometimes referred to as “litigation privilege”. This can be asserted over communications made in respect of pending or contemplated litigation and is not limited necessarily to communications between a lawyer and a client, but can extend to communications between the client or the lawyer and third parties.

Communications which do not fall into one of the recognized class-privileges may still be eligible for privilege. They will be considered on a case-by-case basis, with the presumption being that they are not privileged and therefore should be disclosed unless under the circumstances, the applicable policy considerations require their exclusion.

While privilege can attach to non-lawyer Patent or Trade-mark Agent communications in appropriate circumstances, most particularly by way of litigation privilege², the Federal Court of Canada has consistently held that communications between clients and agents are not, *per se*, protected by privilege³.

In Canada, privilege is primarily a common law (non-statutory) based principle and would have been in effect upon Canada becoming a country in 1867 having been a colony of the United Kingdom.

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

As indicated in 1.1 above, litigation privilege can be asserted over communications made in respect of pending or contemplated litigation. Provided that the “dominant purpose” of the communication is for litigation, then litigation privilege can be asserted over communications between the client (or the client’s agent) and third parties for the purpose of obtaining information to be given to the client’s solicitors to obtain legal advice; between the solicitor and third parties to assist with the giving of legal advice; or documents created at their inception by the client for litigation⁴. This would include, for example, communications with technical experts. However, unlike solicitor-client privilege, litigation privilege lasts only for the duration of the litigation⁵.

- 1.3 What protection of clients against forcible disclosure of communications relating to IP professional advice applies as to such communications between IP professionals and third

¹ *R. v. McClure*, [2001] 1 SCR 445 (Supreme Court of Canada) at 24.

² See, for example, *ABC Extrusion Co. v. Signtech Inc.* (1990), 33 C.P.R. (3d) 474 (Federal Court, Trial Division).

³ For further examples see also *Sperry Corporation v. John Deere Ltd. et al.* (1984), 82 C.P.R. (2d) 1 (Federal Court, Trial Division); *Scientific Games, Inc. v. Pollard Banknote Ltd.* (1997), 76 C.P.R. (3d) 22 (Federal Court, Trial Division); and *Whirlpool Corp. v. Camco Inc.* (1997), 72 C.P.R. (3d) 444 (Federal Court, Trial Division).

⁴ Manes, R. and M. Silver, *Solicitor-Client Privilege in Canadian Law*, (Toronto: Butterworths Canada, 1993) at 89.

⁵ *Blank v. Canada (Department of Justice)* (2006), 51 C.P.R. (4th) 1 (Supreme Court of Canada) at 13.

parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?

See answer to 1.2 above.

Overseas communications

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

Communications between Canadian IP providers and overseas IP professionals in respect of Canadian legal matters will generally be subject to the principles outlined above.

Confidential communications between an IP owner and a foreign IP advisor who is a lawyer will generally be considered privileged by a court in Canada provided that the communications were made in respect of the provision of legal advice, and on matters for which the foreign lawyer was qualified to provide that advice. Further, as indicated in 1.2 and 1.3 above, litigation privilege may also apply.

However, the full extent of the Canadian law is uncertain in respect of communications between IP owners and foreign, non-lawyer IP advisors. In a recent case, the Federal Court of Canada held that communications between the inventors and their U.K. Patent Attorneys (non-lawyer patent agents) were not privileged and were required to be produced in Canadian litigation, even though a statutory privilege existed in the U.K. in respect of such communications.⁶ Thus, confidential communications between an IP owner and a foreign, non-lawyer agent may not be considered privileged in Canada, depending on the circumstances.

Scope of protection – qualifications of IP professional advisers

- 1.5 As to each of the following sub-paragraphs (i) to (iv) inclusive, to what category or categories (eg lawyer, lawyer/patent attorney, non lawyer patent attorney, lawyer/trade marks attorney, non lawyer trade marks attorney etc) of IP professional adviser does the client protection described in your answer to previous questions denoted below, apply or not apply, including whether your answers apply only to external advisers, or also to in-house advisers?
- (i) as to 1.1. ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?

Pleas see above answers.

Additionally, it should be noted that there have been a number of Canadian decisions that have held that privilege will not necessarily extend to communications between a client and a lawyer who is also a Patent or Trademark Agent where that person is acting in his or her capacity as an agent and not as a lawyer. Similarly, the Canadian Federal Court of Appeal has also ruled that communications from an in-house counsel who is also a patent agent will

⁶ *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals* (2006), 55 C.P.R. (4th) 457 (Federal Court), reversed on other grounds (2006), 2006 FC 1501 (Federal Court) and (2006), 2006 FC 1500 (Federal Court).

be privileged only where the in-house counsel is acting in his capacity as a lawyer⁷.

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

Please see above answers.

- (iii) as to 1.3 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?

Please see above answers.

- (iv) as to 1.4 ie the protection (if any) of clients which applies in your country against forcible disclosure of communications relating to IP professional advice as to those communications which are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between the clients and overseas IP professionals?

Please see above answers.

Limitations and exceptions

- 1.6 What limitations (eg dominant purpose test, judges' discretion to do justice etc) and/or exceptions (eg crime/fraud etc) and/or waivers apply to the protection described in your answers to previous questions denoted below?

- (i) as to 1.1 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?

In regards to solicitor-client privilege, current exceptions include the following:⁸

- **where the innocence of an accused person is at stake and the information subject to privilege may prevent a full defence;**
- **where the communications between the solicitor and client constitute criminal communications;**
- **where there is a risk to public safety and a breach of solicitor-client privilege may prevent harm.**

⁷ *IBM Canada Ltd. v. Xerox of Canada Ltd. et al* (1977), 32 C.P.R. (2d) 205 (Federal Court of Appeal).

⁸ Robert W. Hubbard, *The Law of Privilege in Canada*, looseleaf (Aurora, ON: Canada Law Book, 2009) at 11-38.

With respect to litigation privilege in Canada, it may only be asserted where the dominant purpose of such communications is litigation, whether contemplated, anticipated, or ongoing.⁹

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

Please refer to 1.6(i).

- (iii) as to 1.3 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?

Please refer to 1.6(i).

- (iv) as to 1.4 ie the protection (if any) of clients which applies in your country against forcible disclosure of communications relating to IP professional advice where those communications are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between the clients and overseas IP professionals?

Please see above answers in regards to protection afforded to communications between Canadian IP professionals and foreign IP professionals as well as communications between the clients and overseas IP professionals.

Quality of protection

Local communications

- 1.7 Does your Group consider that the protection described in answer to questions denoted below is of appropriate quality, or not, and if not, why not – including what are the problems in practice?

- (i) as to 1.1 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?

The Canadian group is of the view that the lack of privilege for communications between IP owners and non-lawyer agents (foreign and domestic), or lawyers

⁹ *Ibid.* at 12-3.

acting in their capacity as agents is a problem that needs to be addressed both at the national and international level.

In the absence of privilege, there is concern that communications between non-lawyer agents and their clients would be unduly constrained where litigation privilege would not attach. Clients may be reluctant to provide material information to their non-lawyer agents and may exclude relevant facts to prevent their subsequent disclosure. Limiting communications between clients and their IP advisors in such a manner is likely to adversely affect the advice provided.

Other potential consequences include, amongst other things, an IP owner deciding not to enforce its intellectual property rights, choosing not to seek intellectual property rights in certain jurisdictions, or choosing not to seek IP advice at all, with an overall negative result on research, development, and/or trade in goods or services such that the loss of privilege acts as a barrier to trade.

There is also the concern in respect of the difficulties that may arise (as has been seen in Canada in the *Lily Icos v. Pfizer* decision) from an international perspective in view of the approach by Canadian courts that privilege does not apply to communications between IP owners and non-lawyer agents.

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

Please refer to 1.7(i) above.

- (iii) as to 1.3 ie the protection of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?

Please refer to 1.7(i) above.

Communications with overseas IP advisers

- 1.8 Does your Group consider that the protection described in answer to question 1.4 above is of appropriate quality or not, and if not, why not – what are the problems in practice?

Please see the answer to 1.7(i) above

2. Remedies

The 'device' to be agreed and applied within and between countries

The Working Guidelines indicate that such a 'device' could be on a scale between unilateral changes and treaties. However, unilateral changes will not solve the problem that no country is immune from the potential that IP legal advice which is protected from disclosure within its own borders, will be required to be disclosed in another country or countries (see para 2.4 (viii)). The Groups are requested to focus on the standard or principle required to remedy problems nationally and internationally (see para 4.6).

Limitations

Tests such as the 'dominant purpose' test.

- 2.1 Does your Group agree that provision should be made in the agreed principle or standard that countries may limit the documents to which protection applies in their country to such standard or by such test as defines what relationship is required between the documents and the IP legal advice for which protection from disclosure is claimed?

The scope of the privilege included in the agreed principle or standard should be akin to solicitor-client privilege which applies to communications between a client and their IP Advisor (i.e. a lawyer, patent attorney or patent agent, or trade mark attorney or trade-mark agent or other person legally qualified in the country where the IP advice is provided). While there may be differing views in Canada as to the extent of services to which the privilege should apply, the Canadian group substantially supports a privilege comparable to solicitor/client privilege, and would include any record or document made for the purposes of, or relating to, such communication.

Litigation privilege should also apply.

- 2.2 As to your answer to 2.1 (bearing in mind that it would not be mandatory for any country to have such a limitation), why?

To define as privileged all communications given in relation to IP matters is potentially too wide. However, given the inherent limitations of, for example, litigation privilege, any restriction on the particular types of communications that should be protected would relate to legal advice pertaining to intellectual property rights as indicated in 2.1 above.

Judicial discretion to deny protection

- 2.3 Does your Group agree (as para 2.7 of the Working Guidelines suggests) that provision should be made in the agreed principle or standard, that countries may allow judicial discretion to deny protection from disclosure where that is found on reasonable grounds to be required in order to enable the court to do justice between the parties?

No.

- 2.4 As to your answer to 2.3 (bearing in mind that it would not be mandatory for any country to have such a limitation), why?

The manner in which the privilege would apply, and its scope, would be left too uncertain.

- 2.5 If your Group considers that the limitation in relation to judicial discretion would be acceptable if expressed differently from 2.3, how would you express it?

Qualifications required of IP advisers

- 2.6 Does your Group agree (as para 4.14 of the Working Guidelines suggests) that the standard required by the principle agreed should be no more than requiring the IP adviser 'to be qualified to give the IP advice in relation to which the question arises, in the country in which the advice is given'?

Yes.

- 2.7 If your answer to 2.6 is no, if your Group considers that the limitation would be acceptable if differently expressed, how would you express it?

- 2.8 If for some category of IP adviser in your country, no qualification is required –

(i) What category is that?

Not applicable.

(ii) Do you think that protection from forcible disclosure of IP professional advice should apply to communications relating to the advice between clients and persons in that category?

(iii) As to your answer to sub-para (ii), why?

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

- 2.9 Does your Group agree in principle (para 4.25 of the Working Guidelines raises this question) that the standard or principle agreed should allow countries to limit the protection they provide according to categories of privilege which are currently part of their law?

Yes. It should be noted, however, that unlike solicitor-client privilege, litigation privilege is a rule of evidence and does not constitute an absolute privilege.¹⁰ It is recommended, therefore, that the level of protection for IP advice should be no less than that accorded to the lawyer/solicitor-client privilege that may apply to such advice in that Member State.

- 2.10 If no to 2.9 (bearing in mind that such a limitation would not import any effect on a country that does not already have such a limitation unless it voluntarily adopted such a limitation), why?

- 2.11 As to any country which applies a limitation referred to in para 2.9, do you agree that the agreed standard or principle should not deny such a country the right to vary or abolish such a

¹⁰ *Ibid.* at 12-4.

limitation should it wish to do so in the future – in other words, there should be liberty to vary or abolish a presently applied limitation?

Yes.

- 2.12 If yes to 2.11, what limitation (if any) should apply to the liberty to vary or abolish a previously applied limitation and how would you express it?

Exceptions and waivers

- 2.13 Does your Group agree in principle (para 4.30 of the Working Guidelines suggests this) that the standard or principle agreed should in any particular country be subject to any exception (such as the crime-fraud exception) and waivers which are already part of the law of that country.

Yes.

- 2.14 Assuming that the maintenance of exceptions and waivers already part of the law of any country is accepted in AIPPI, does your Group agree that the allowance of existing exceptions and waivers should not deny any country the right to vary or to abolish any such an exception or waiver should it wish to do so in the future, in other words, that there should be liberty to vary or abolish a presently applied exception or waiver?

No.

- 2.15 If yes to 2.14, what limitation (if any) should apply to the liberty to vary or abolish a previously applied exception or waiver and how would you express it, in particular should e.g. the limitation for the “3-point-exception” as discussed in para 4.28 above also set limits in this case?

- 2.16 Since the introduction of protection against forcible disclosure of IP professional advice in your country, have you experienced any adverse effects including as reported in case law or known empirically, from that introduction - if so, what are the details?

No.

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

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

Our group prefers the AIPPI proposal for the following reasons:

- **The AIPPI proposal requires a particular standard to be applied by all countries thereby addressing the current imbalance within countries as to the application**

of privilege to clients of non-lawyer patent agents and non-lawyer trade-mark agents.

- **The AIPPI proposal includes in-house counsel. As a result, this would address the issues that arise in respect of communications from an in-house counsel who is also a patent agent and/or trade-mark agent.**

Proposals from your Group

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

N/A

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

2.20 With the introduction of protection against forcible disclosure of IP professional advice or any other remedy as discussed above into your national law, do you expect any adverse effects on your national law, the patent system as such or any other? If so, what are the details?

Note:

It will be helpful and appreciated if Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.