Questionnaire Q199

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

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National Group: **Czech National 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?

The protection against forcible disclosure of communications relating to IP professional advice depends on the status of an IP professional providing the advice. In the Czech Republic, two groups having the legal duty of secrecy in relation to the intellectual property rights are recognized by law – the attorneys and patent attorneys. Others do not underlie any regulations in this respect. However, the protection against forcible disclosure of communications relating to IP professional advice does not have any special or privileged regime in comparison with the other field of law. In other words, general protective instruments summarized below are applicable thereto.

According to the Czech Act on Advocacy an attorney shall keep confidential all facts he learned in connection with the provision of legal services. The client, or legal successors of the client only can remove such duty of confidentiality, and such release must be in writing. The obligation of confidentiality applies also to the staff members employed by the respective attorney. The duty of secrecy is also mentioned in the Ethics Code of Advocacy having the nature of soft-law regulation.

Concerning the patent attorneys the situation is similar. The Act on Patent Attorneys states "A patent attorney must maintain confidentiality about all facts/matters that came to his knowledge while providing services as a patent attorney."1 The duty is similar to that of general attorneys and it applies also to the staff members employed by the respective patent attorney.

The obligation of both attorneys and patent attorneys has certain limits, which will be discussed below.

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?

Generally, no special means of protection against forcible disclosure of communications relating to IP professional advice in the Czech Republic applies as to communications between clients and third parties. The only group affected by legal regulations are expert witnesses. An expert witness might be consulted as far as the technical issues in respect of intellectual property rights are concerned, in such case he ought to preserve confidentiality in respect of all facts learned in connection with the provision of the expert services, i.e. is obliged to maintain confidentiality in respect of facts underlying the expert performance learned, while providing the service. This obligation arises from the Expert Witnesses and Court Interpreters Act and may be deemed general having no special regulation in respect of IP and related issues.

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

As to the communications relating to IP professional advice between IP professionals and third parties (such as technical experts) conclusions result from the answers stated in points 1.1 and 1.2 above. As far as the relationship between an IP professional (regardless whether an attorney or a patent attorney) and the expert witness (registered with the Court) is concerned, both parties have the respective duty. The same may be concluded also in case the technical expert is employed directly by an attorney (patent attorney). The other imaginable relationships are not regulated. It is, however, possible to secure the confidentiality of the communication between IP professional and a third party (falling out of the scope of the legal protection) on a contractual basis, i.e. within the framework of a contract establishing the relationship between an IP professional seeking an advice and a third party providing the advisory service.

Overseas communications

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

The protection against forcible disclosure of communications between local IP professionals in the Czech Republic and overseas IP professionals and/or clients and overseas IP professionals does not underlie any special legal regulation. In other words Czech legislation is completely still thereabout. As these relationships obviously include foreign elements, the legal relationship between the respective parties and especially the decisive law applicable thereto shall be determined according to the provisions of international private law. The protective measures would thus be applicable dependant on the decisive law system determined by the means of IPR.

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?

The protection applies merely to the attorneys and patent attorneys, as far as the group of IP professionals is concerned. In relationships with the other groups of advisors, regardless whether independent or in-house (lawyers, trademark advisors etc.) no specific protection applies except the case these advisors are employed by an attorney (patent attorney) having the duty of secrecy himself. In such case the obligation to preserve the confidentiality is imposed also on the employees. It is also remarkable that the confidentiality within in-house advisory services and relationships arising therefrom might be secured by the means of a contractual obligation (usually by a labour contract).

(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?

The situation is analogical to the points 1.2 and 1.5 (i) above.

(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?

The situation is analogical to the points 1.3 and 1.5 (i) above.

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

The situation is analogical to the points 1.4 and 1.5 (i) above.

Limitations and exceptions

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

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

The attorney's obligation of secrecy, however, has certain limitation. In particular, the duty of confidentiality shall not affect the legal duty to thwart a criminal offense (this obligation applies only to certain offenses listed in the Criminal Code). The duty does not apply in a dispute between the attorney and client, and related proceedings. The duty does not apply in tax matters of the attorney in relation to the attorneys tax-reporting obligations, however the nature of communication with the client must not be disclosed. The duty does not apply where the attorney is subject to disciplinary proceedings in front of the Bar.

Another statutory exception to the duty is resulting from the Act aimed at combating the legalisation of income from criminal conducts. This act provides that the attorneys must in certain matters formally identify and/or report persons and transactions to the Czech Bar Association. However, it is unlikely to apply in cases related to IP.

Last but not least, an attorney is not bound by the duty before a court or other authority to the necessary extent determined by the subject of litigation.

As regards the patent attorney the limitations do not substantially differ from the limitations indicated above.

(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?

The respective legislation does not contain any provision providing for a possibility of a client to release the expert witness from the duty of secrecy (and in this respect the regulation is thus stricter in comparison with attorneys/patent attorneys). The other limitations are analogical to those described above in point 1.6 (i)

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?

The answer may be deduced from the answers above, namely from the points 1.3 and 1.6 (i,ii)

(*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?

No specific protection is applicable for the cases specified above, as already discussed in point 1.4

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?

It is worth to be mentioned that the information communicated between an attorney and client in the Czech Republic is not protected by an equivalent to the Common Law concept of attorney-client privilege. The difference is that, although the attorney indeed has a strict duty of secrecy/confidentiality, however, the client may only decline to disclose information in court and administrative proceedings (oral testimony, production of documents, and items) if such disclosure would result in criminal or administrative proceedings against the client or a "close person. This is similar to the protection from self-incrimination of the US constitution. If the client is the accused in a criminal matter then the client can refuse to testify altogether. In civil proceedings the client can refuse to testify in a position of a party to the proceedings (plaintiff or defendant).

(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?

As regards the expert witnesses, the law does not solve the problem of limitations and waivers explicitly as in the case of attorneys and patent attorneys. In relation to other parties than expert witnesses the protection is not solved at all. Given the reasons above it might be deemed insufficient.

The expert witnesses are the only group affected by the legal regulation in this respect and therefore no protection against forcible disclosure of communications relating to IP

professional advice can be expected in relation to other parties (especially expert not registered with the court).

(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?

The main limitation consists in the fact that the duty of secrecy applies only to the employees of attorney (patent attorney). In case the attorney (patent attorney) requires an advice of a third party (other than expert witness), the secrecy of such communication is not guaranteed legally. The contract between such third party (independent advisor) and an attorney has to reflect this fact and explicitly include the duty of secrecy within its provisions.

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

The overseas aspects of communications between both IP professional advisors in the Czech Republic and oversees and clients and overseas IP professionals is not solved on the level of the Czech national law.

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?

Already discussed 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?

We believe that a principle or standard determining limitation of the documents to which the protection applies may be established by individual countries, regardless the chosen form thereof. Nevertheless, it should be left to the discretion of the individual states, whether to apply such limitations or not.

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?

The discretion of states in this respect should be maintained namely due to significant differences between the civil law and common law systems and difficulty of finding unified solution universally applicable.

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?

Allowing judicial discretion to deny protection from disclosure, in case of reasonable grounds (particularly in order to enable the court to do justice between parties) is a necessity and this limitation should be by all means preserved by the proposed regulation. The subject limitation, as an elementary guarantee, should be adopted by all countries at a certain reasonable extent. The courts or authorities should be entitled to demand the production of evidence from the client if they deem it appropriate. However, this practice has to be compliant with the general principles of democratic legally consistent state, i.e. the scope of judicial discretion needs to be enacted.

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?

Already answered above.

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, we principally agree therewith.

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?

In the Czech Republic, merely two categories of IP advisors are recognized by law (attorneys and patent attorneys). These two categories also underlie specific conditions (bar regulations) in respect of qualification. In other words a person not fulfilling the qualification requirements may not become a member of the bar and thus may also not officially practice the respective service. Of course, it is possible that the advisory services to a certain degree are provided also by other categories of advisors regardless their qualification, however these advisors are at least not on an ordinary basis admitted to represent the clients before the authorities such as the Patent Office or courts.

(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?

We are of the opinion, that the responsibility of the client to seek services of an authorized IP professional, whose duties in respect of secrecy are statutory, should be retained. It is virtually impossible apply the protection from forcible disclosure of IP (professional?) advice to all conceivable categories of advisors.

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

Answered above.

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

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

Yes, we agree.

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

2.11 As to any country which applies a limitation referred to in para 2.9, do you agree that the agreed standard or principle should not deny such a country the right to vary or abolish such a limitation should it wish to do so in the future – in other words, there should be liberty to vary or abolish a presently applied limitation?

Yes.

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

The liberty to vary or abolish a previously applied limitation should not threaten the purport of the proposed regulation and should comply with the minimum standards agreed.

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, we agree.

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

Yes.

2.15 If yes to 2.14, what limitation (if any) should apply to the liberty to vary or abolish a previously applied exception or waiver and how would you express it?

No limitation is necessary. Moreover, it is hardly imaginable that the proposed regulation would prevent the states from abolishing (or anyhow amending) their own exceptions or waivers, as principles underlying the exceptions or waivers result from regulations having supreme legal power.

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

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

We prefer the AIPPI Proposal for its complexity.

Proposals from your Group

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

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

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.