

Questionnaire Q199

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

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National Group: The Netherlands

Contributors: Wouter Pors

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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?

Communications with lawyers who are admitted to the bar is protected. This includes communications with in-house counsel who are also lawyers admitted to the bar. Communications with patent attorneys are protected.

Privilege may also be awarded to IP professionals who are under a obligation of confidentiality imposed by law, but in addition it should be established that the legislator in imposing that obligation had taken into account that this would result in a privilege (Dutch Supreme Court 22-12-1989, NJ 1990/779, *International Tin Council*), whereas an important factor also is

whether the person invoking the privilege had a legal position that required people who wanted such legal interests represented to hire his services, like with the mandatory representation by a lawyer admitted to the bar in most civil proceedings (Dutch Supreme Court 6-5-1986, NJ 1986/8814, *Tax Adviser*).

Trademark attorneys, design right attorneys and other IP professionals are not regulated by law at all, so there is no obligation of confidentiality imposed by law that could form the basis of a legal privilege.

In as far as tax advisers and accountants are involved in IP matters, it is clear that they do not enjoy privilege, as this has been denied to them in general by the Dutch Supreme Court.

- 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?

None.

- 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?

If the third party is hired by an IP professional who enjoys privilege, the communications between the third party and the IP professional are covered, as well as the communications between the IP professional and the client resulting there from. Thus, if protection is required, the communication with the third party should go through the IP professional who enjoys protection.

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?

In case (a) the overseas professional is hired by the local professional and thus these communications are covered by the same protection as the communications between the client and the local IP professional. In case (b) protection would be awarded if the overseas IP professional would enjoy protection in his home jurisdiction.

Scope of protection – qualifications of IP professional advisers

- 1.5 As to each of the following sub-paragraphs (i) to (iv) inclusive, to what category or categories (eg lawyer, lawyer/patent attorney, non lawyer patent attorney, lawyer/trade marks attorney, non lawyer trade marks attorney etc) of IP professional adviser does the client protection described in your answer to previous questions denoted below, apply or not apply, including whether your answers apply only to external advisers, or also to in-house advisers?
- (i) as to 1.1. ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?
 - (ii) as to 1.2 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?
 - (iii) as to 1.3 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies as to such communications between IP professionals and third parties (such as technical experts) where their advice is required to enable IP legal advice to be obtained and given?
 - (iv) as to 1.4 ie the protection (if any) of clients which applies in your country against forcible disclosure of communications relating to IP professional advice as to those communications which are (a) between their local IP professionals in your country and overseas IP professionals, and (b) between the clients and overseas IP professionals?

As mentioned above: to external lawyers admitted to the bar, to in-house lawyers admitted to the bar and to patent attorneys, but not to other IP professionals who are not regulated by statutory law or whose obligation of confidentiality is not regulated by statutory law.

Limitations and exceptions

- 1.6 What limitations (eg dominant purpose test, judges' discretion to do justice etc) and/or exceptions (eg crime/fraud etc) and/or waivers apply to the protection described in your answers to previous questions denoted below?
- (i) as to 1.1 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and IP professionals within your country?
 - (ii) as to 1.2 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies in your country as to such communications between clients and third parties (such as technical experts) where their advice is required to enable legal advice related to IP to be obtained and given?
 - (iii) as to 1.3 ie the protection (if any) of clients against forcible disclosure of communications relating to IP professional advice which applies as to such

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

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

If privilege exists, it only covers information acquired or developed within the course of the activities for which the privilege was granted. It for instance does not relate to friendly non-business related conversations and other non-professional contacts. It may even not relate to certain business information. For instance, an in-house lawyer admitted to the bar may invoke privilege with regard to litigation that he is involved in on behalf of the company and with regard to legal advice given to the board of his company and preparatory materials used in the course of developing such advice or litigation, but not to information which has been placed in his possession for the mere purpose of keeping it confidential, but which otherwise is outside the scope of legal advice or litigation.

With regard to lawyers admitted to the bar, the courts are not allowed to fully test whether privilege is invoked correctly. The court may probe whether the privilege has really been invoked with regard to information that is covered by such privilege, but if the lawyer insists that it is, the court has to accept that. If this was a misrepresentation, disciplinary action might follow, but that will not influence the outcome of the litigation in court.

There is no case law on the scope of an eventual privilege for other IP professionals, as there is no case law in which such privilege was accepted anyway.

Quality of protection

Local communications

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

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

For lawyers admitted to the bar and for patent attorneys the protection is of appropriate quality.

There is no unanimity whether such protection should also apply to trademark and design right attorneys. According to one view there would be an essential difference between advising on developing technology and advising on branding and design. According to another view, such advice could be equally essential to the client and decisions on such strategies would constitute trade secrets worthy of protection.

Although a statutory regulation of their profession was proposed in the Benelux Treaty on Intellectual Property, the Benelux Office for Intellectual Property, which is responsible for trademark law and design right law in the Benelux countries, has taken the position that this would constitute too much of a burden. Thus, there is no statutory obligation of confidentiality so far.

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?

Currently there is no guarantee that protection granted to Dutch IP advisers is sufficiently recognized overseas. Thus, the protection is not of appropriate quality.

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?

There may indeed be a limitation that would exclude communications which are not really related to advice on an IP matter from protection.

- 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?

Protection should not be abused to protect other communications.

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?

In order for the protection to be effective, the IP professional should be allowed to refuse to disclose such communications to the court, even for the purpose of exercising judicial discretion. Under Dutch law, the court may probe whether the privilege has really been invoked with regard to information that is covered by such privilege, but if the lawyer insists that it is, the court has to accept that. We think that is a good system.

- 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?

See 2.3

- 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?

Perhaps a solution could be found if the court exercising judicial discretion with regard to an overseas IP professional should apply the rules for judicial discretion that would apply in that professional's home jurisdiction, in as far as these offer further protection than the rules of the court's jurisdiction.

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'?

As mentioned above, there is no unanimous view on this.

- 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?

There would be unanimity that IP advisers who are qualified to give IP advice under statutory law, where the statutory law includes an obligation of confidentiality aimed at granting legal privilege, should be protected.

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

(i) What category is that?

Trademark attorneys, design right attorneys and anyone except lawyers admitted to the bar and patent attorneys.

(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?

As mentioned above, opinions on this vary.

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

See 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?

No.

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?

This would mean that certain communications that are protected in The Netherlands would not be protected abroad.

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?

The Netherlands do not apply such a limitation.

- 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.

Not if this means that a level of protection which is respected in The Netherlands is not respected abroad. Besides, this means that protection granted on an international level can be undermined by national legislation, without any test of acceptability.

- 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?

There is no objection against abolishing an exception or waiver, but there should be no variations that undermine the desired level of protection.

- 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?

It should at least not undermine the level of protection.

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?

The AIPPI proposal, because it requires a particular standard to be applied by all countries.

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.