Policy Paper PP02/16

Group B+ questionnaire regarding cross-border aspects of client / patent attorney privilege

Introduction

The Federation represents IP intensive companies in the United Kingdom – a list of members is attached. Our member companies are extensively involved with IP in Europe and internationally. Not only do our companies own considerable numbers of IP rights, both in Europe and elsewhere, but they are affected by the activities and IP rights of competitors. They may be either plaintiffs or defendants in IP related court actions, here and elsewhere.

The consultation

Group B+ is an informal group of countries and intergovernmental organisations which was established to promote and facilitate progress on key patent reform issues. The group includes major countries and organisations from Asia, Europe, North America and Oceania. The UK is represented in Group B+ by the Intellectual Property Office (IPO), the UK government body responsible for intellectual property (IP) rights including patents, designs, trade marks and copyright.

One issue under consideration in Group B+ is cross-border aspects of client/ patent attorney privilege, and the possibility of a multilateral treaty on this subject. Differing rules exist in different jurisdictions regarding communications between patent attorneys and their clients. Such communications are not afforded privilege in all jurisdictions, and even when they are that privilege does not always hold up in cross-border situations. Clients suffer in litigation, while concern about privilege in possible later litigation affects the quality and cost of the routine advice IP advisers are able to give.

Group B+ has formulated a questionnaire to gauge the extent of the problem and to gather views on what a multilateral treaty might address, to which the IP Federation will respond before the due date of 29 February 2016.

IP Federation response

The questionnaire incorporating Federation's response is set out on the following pages. Answers are given in ***bold italics*** by the IP Federation and in the ***Annex***.

IP Federation
26 February 2016

IP Federation members 2016

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. The CBI, although not a member, is represented on the Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd
Airbus
ARM Ltd
AstraZeneca plc
Babcock International Ltd
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
BTG plc
Caterpillar U.K. Ltd
Dyson Technology Ltd
Eli Lilly & Co Ltd
Ericsson Limited
ExxonMobil Chemical Europe Inc.
Ford of Europe
Fujitsu Services Ltd
GE Healthcare
GKN plc
GlaxoSmithKline plc
Glory Global Solutions Ltd
HP Inc UK Limited
IBM UK Ltd
Infineum UK Ltd
Johnson Matthey PLC
Merck Sharp & Dohme Ltd
Nokia UK Ltd
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
Procter & Gamble Ltd
Renishaw plc
Rolls-Royce plc
Shell International Ltd
Smith & Nephew
Syngenta Ltd
The Linde Group
UCB Pharma plc
Unilever plc
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Questionnaire regarding cross-border aspects of client/ patent attorney privilege (CAP)

Bold italics indicate responses by the *IP Federation* of London, England

Introductory remark:

The structure of the questionnaire and its wording has been chosen to allow for maximum flexibility for each delegation while conducting the survey according to the specific legal and commercial framework of that country on one hand and to provide for useful answers on the other hand. The objective of the survey is a complete set of answers to the questions below. Each delegation is free to decide which stakeholders should be questioned (e.g. users of the system i.e. industry; IP professionals: lawyers, patent attorneys etc.; courts; administration branches etc.) and/or which questions should be submitted to which group of stakeholders.

A General aspects

1. In your opinion, is there a need to protect communications between IP professionals (non-lawyer/lawyer) and clients in cases having cross-border aspects?

   Notably:

   - Please explain why/ why not.
   - Please define the kind of communication that should be covered by that protection.

Yes, and for both lawyers and "non-lawyer" professionals. See Annex for details.

2. Have you been confronted with situations where the client attorney privilege was an issue?

Yes. See Annex for details.

   Notably:

   - Please describe the circumstances (countries/sender and recipient of communication/kind of communication etc. involved).
   - Please describe the reasons, why the issue arose.
   - Please describe the solution of the issue.
   - If yes, how often in the last 5 years?
   - How many times since you started practising (if applicable)?

3. Is your interaction with your clients (e.g. communication, decision making process) influenced by the differences in national approaches to client attorney privilege issues?

Yes, and adversely to clients' interests. See Annex for details.

4. In connection with the cross-border client attorney privilege, what do you think is essential to be regulated by a multilateral agreement?

Any multilateral agreement should be along the lines set out in the answer to B1-3 below. The agreement should cover all aspects of intellectual property work. Best would be a WIPO Treaty, but this was proposed some years ago and the proposal failed in the Standing Committee of Patents. A B+ multilateral agreement would be worthwhile.

5. In your opinion, what are possible reasons against adopting a multilateral agreement?

None that are valid.

The technical difficulties mean that the multilateral agreement would be imperfect, but that is no reason for not proceeding when the present situation is so bad.

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General lawyers seeing "non-lawyer" patent attorneys as the "thin end of the wedge" for accountants – and private practitioners seeking to reduce the relative effectiveness of in-house departments – may oppose, for undisclosed reasons of self-interest, a multilateral treaty that would benefit clients.

B Specific aspects on the proposed multilateral agreement

1. What professionals should be covered by the agreement?
    - By what criteria should the professionals be identified?
    - What definition should be used to ensure that the professionals covered are defined sufficiently clearly?
    - How should the different terminology in different jurisdictions be taken into account?

2. What advice should be covered by the agreement?
    - What definition should be used to ensure that the advice covered is defined sufficiently clearly?

3. Should there be a provision in the agreement that stipulates a certain flexibility for the participating countries?

B 1-3. The Federation proposes that Rule 287 of the Rules of Procedure of the UPC should be used as a starting point for addressing these issues in relation to attorney-client privilege. Litigation privilege, an important complement to attorney-client privilege, should preferably ideally be covered also (compare Rule 288 of the same Rules of Procedure). See Annex for details.

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ANNEX

I. There have been numerous studies and international meetings relating to privilege over the last decade, with a major conference at WIPO in Geneva as long ago as June 2008.[1] A Vice-President of the Federation has set out at length the difficulties that the present unsatisfactory state of the law presents to clients and the practitioners who serve them.[2]

II. There have been numerous litigations where international aspects of privilege have been significant and expensive for litigants. The law in the UK is unsatisfactory in various respects, and the US law is often obscure and in any event it is expensive for litigants to argue over. Also, privilege is a worry for practitioners doing routine work day to day and seeking to protect their clients against the possibility of not enjoying privilege in the future. The practitioner has to strike a balance between, on the one hand, dealing with the client's immediate needs with quality drafting and advice at reasonable cost and, on the other hand, protecting the client against reduced privilege in a litigation which may never occur, but which will matter greatly to the client if it does. In practice, unsatisfactory compromises have to be made.

III. Many of the technical issues that would arise in a multilateral agreement are well addressed in Rule 287 of Rules of Procedure ("Rules") of the Unified Patent Court (18th draft, adopted on 19 October 2015, reproduced below). The Rule addresses key issues –

(i) in 287.2, by embracing in-house practitioners,

(ii) in 287.3, by embracing work product as distinct from communications, and

(iii) in 287.7, by embracing practitioners who are not necessarily recognised by any country (those who are so recognised are covered by 287.6) but by an international treaty, the EPC in this case.

The Federation therefore recommends that this Rule should be used as a starting point by anyone drafting a multilateral agreement.

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[1] For instance, see the following. WIPO/AIPPI *Conference on client privilege in intellectual property advice* (Geneva 22-23 May 2008), documents available on the WIPO website or the attendees' websites. WIPO Standing Committee on Patents papers (Geneva, 23-27 March 2009 and subsequent meetings), documents available on the WIPO website or the attendees' websites (e.g. www.iccwbo.org for ICC documents 450/1040 and 450/1049). Perfilyeva, Marianna, *Problème de confidentialité interprofessionnelle en matière de propriété industrielle* (Mémoire de Master 2, Université Panthéon – Assas Paris II, Droit-économie-sciences sociales, 2010). FICPI/AIPLA/AIPPI *Colloquium on "protection of confidentiality in IP advice"* (Paris, 27-28 June 2013), documents available at www.ficpi.org. Jewess, Michael, "Privilege: Colloquium on confidentiality in IP advice – national and international remedies, Paris 28 June 2013", *CIPA Journal*, **42(8)**, 437-438 (August 2013).

[2] Jewess, Michael, *Inside intellectual property* (Chartered Institute of Patent Attorneys, London, 2013) at pages 37 to 52, where attorney-client privilege is referred to as Type (II) and litigation privilege as Type (I). The main things that have occurred since the book was written are that Canada has reformed its law (though the new law is not yet effective), and that Rule 287 in the UPC Rules of Procedure has been adopted.

IV. For the Federation, most of whose members are companies with in-house legal and IP departments, III (i) above is crucial. Companies which have in-house departments tend to use them for drafting priority patent applications and for doing infringement opinion work, which involves much sensitive information that properly should be protected by privilege.

V. For the Federation, most of whose members operate on a global scale, it is crucial also that European patent attorneys should be recognised alongside nationally qualified patent attorneys not only for the UPC (III (iii) above) but also in national European courts[3] and in courts outside Europe. (Other comparable international practitioners such as European trade mark attorneys would have to be considered in relation to a multilateral treaty not confined to patents.)

VI. Rule 287 does not address the *legal range* of the information that is protected, for the simple reason that this is unnecessary: the UPC will be dealing only with matters relating to patents granted under the EPC. As a matter of practical politics, the multilateral agreement will have to be restricted to a particular area of the law, rather than being an agreement relating to privilege generally (though a case could be made for such an agreement). There are two possibilities:–

(i) *For privilege under the multilateral agreement to relate to information relating to "intellectual property", undefined.* The court would then have to interpret the tem "intellectual property".

(ii) *To define the information more precisely.* Defining "intellectual property" is notoriously difficult to do concisely. But there is an ingenious and effective model for dealing with the problem in Section 280 of the UK Copyright, Designs and Patents Act 1988. Adapting the drafting technique there used, the Federation would suggest the following:

> "any information relating to any invention, design, technical information, trade secret, trade mark, geographical indication, domain name, literary or artistic work, performance, software, plant variety, database, or semiconductor topography, or relating to passing off or unfair competition".

Note that in this definition, the word "invention" is used so that it is unnecessary to list all the legal rights pertaining to inventions which presently exist (patents, supplementary protection certificates, second-tier patents of numerous types,[4] *enveloppes Soleau*) – and indeed the definition is proof against future forms of protection for inventions that individual countries may create. Likewise, it is unnecessary to list the various possible rights that relate to designs, and so on throughout the definition as far as "semiconductor topography".

[3] This is already the case in the UK. Section 280 of the UK Copyright Designs and Patents Act 1988 treats European patent attorneys on an equal footing with UK registered patent attorneys so far as privilege is concerned.

[4] *Gebrauchsmuster* (DE), *certificats d'utilité* (FR), innovation patents (AU), etc.

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VII. Note also that the Federation considers that trade mark attorneys should be covered in a multilateral agreement as well as patent attorneys. In this respect, the scope of the privilege enjoyed under the agreement by clients of trade mark attorneys should be the same as that enjoyed by clients of lawyers and "non-lawyer" patent attorneys, i.e. in relation to *all* intellectual property. Clients who think they may need patent protection but who do not already have a patent attorney may well ask a trade mark attorney for initial advice and this communication needs to be privileged.

VIII. Finally, it is important to require respect for privilege under the multilateral agreement not only from the courts but also from other institutions in the contracting countries which might order discovery or disclosure. Intellectual property offices, tribunals, and competition authorities need to be covered.

Rules of Procedure of the UPC referred to above

Rule 287 – Attorney-client privilege

1. Where a client seeks advice from a lawyer or a patent attorney he has instructed in a professional capacity, whether in connection with proceedings before the Court or otherwise, then any confidential communication (whether written or oral) between them relating to the seeking or the provision of that advice is privileged from disclosure, whilst it remains confidential, in any proceedings before the Court or in arbitration or mediation proceedings before the Centre.
2. This privilege applies also to communications between a client and a lawyer or patent attorney employed by the client and instructed to act in a professional capacity, whether in connection with proceedings before the Court or otherwise.
3. This privilege extends to the work product of the lawyer or patent attorney (including communications between lawyers and/or patent attorneys employed in the same firm or entity or between lawyers and/or patent attorneys employed by the same client) and to any record of a privileged communication.
4. This privilege prevents the lawyer or patent attorney and his client from being questioned or examined about the contents or nature of their communications.
5. This privilege may be expressly waived by the client.
6. For the purpose of Rules 287 and 288:
   (a) the expression "lawyer" shall mean a person as defined in Rule 286.1 and any other person who is qualified to practise as a lawyer and to give legal advice under the law of the state where he practises and who is professionally instructed to give such advice.
   (b) the expression "patent attorney" shall include a person who is recognised as eligible to give advice under the law of the state where he practises in relation to the protection of any invention or to the prosecution or litigation of any patent or patent application and is professionally consulted to give such advice.
7. The expression "patent attorney" shall also include a professional representative before the European Patent Office pursuant to Article 134 (1) EPC.

Relation to Agreement: Article 48(4)

Rule 288 – Litigation privilege

Where a client, or a lawyer or patent attorney as specified in Rule 287.1, .2, .6 and .7 instructed by a client in a professional capacity, communicates confidentially with a third party for the purposes of obtaining information or evidence of any nature for the purpose of or for use in any proceedings, including proceedings before the European Patent Office, such communications shall be privileged from disclosure in the same way and to the same extent as provided for in Rule 287.

Relation to Agreement: Article 48(5)