Privilege

Attorney–client privilege generally

If a client is involved in litigation in a common-law country, then discovery (disclosure) may be sought of his communications with IP advisers. Clients have encountered serious and often insuperable obstacles to asserting privilege against such discovery with respect both to local advisers and to foreign ones. These obstacles are essentially unique to IP cases because (a) internationalised IP activity is the norm, and (b) so-called "non-lawyer" patent and trade mark attorneys/agents[1] are trusted major providers of IP legal advice and drafting. Privilege in general is in the public interest, and the anomalies which have arisen are accordingly contrary to the public interest. In the UK, these anomalies have been rectified to a limited extent in CDPA s. 280 and TMA s. 87, but much remains to be done both in the UK and elsewhere. (An extended discussion, albeit to be read in the light of the recent developments reported below, can be found in *Trends and Events*, December 2010, pages 24–27.)

Proposed WIPO Treaty on attorney–client privilege

In the 2010 report just referred to, it was forecast that progress on a WIPO Treaty on privilege in IP matters would be slow. At a colloquium in Paris in June 2013 at which governments and WIPO itself were represented, it was accepted universally that such a Treaty was off the agenda altogether. This is a pity because the unique problems encountered in IP litigation would be best addressed by such a Treaty. Instead, any further progress is likely to be by jurisdictions acting unilaterally, bilaterally, or in small groups.

Australia and attorney–client privilege

The situation as reported in 2010 was that in the Australian courts communications with UK solicitors were privileged, but not those with UK patent attorneys. This was serious for plaintiffs in Australia whose inventions had been made in the UK, because most patent specifications for such inventions are drafted by UK patent attorneys, only a minority of whom are also solicitors. The matter had come to prominence in Pfizer's litigation in Australia of its patent for a UK-made invention relating to drugs for treating erectile dysfunction.

Effective 13 April 2013, the Australian patent law was changed so as to extend privilege to communications with "individual[s] authorised to do patents work under a law of another country or region, to the extent to which the individual is authorised to provide intellectual property advice of the kind provided". It is to be hoped that communications with private practice and in-house UK and European patent attorneys used by Federation members are thereby covered.

Unified Patent Court (UPC) and attorney–client privilege

The attorney–client privilege provisions in this court will be very important. The UPC will be the court of exclusive jurisdiction for all patents issued through the EPO, whether unitary patents or "bundle" national patents, subject to the limited opt-out discussed in this article in this issue on EU Patent Reform. Among the issues arising are these:–

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[1] "So-called" is a reference to the UK situation. The Legal Services Act 2007 treats barristers, solicitors, patent and trade mark attorneys, and other specified legal professionals all as "lawyers".

(i) The court itself will have significant powers of discovery. Therefore, the clients of UK, US, and European patent attorneys could, absent adequate provision for privilege, be worse off before the UPC than they are now before national courts.[2]

(ii) Any lack of privilege would have serious implications for clients of UK patent attorneys when engaging in US litigation. In the past, US courts have ("in comity") privileged communications with UK patent attorneys on the basis that the relevant local courts would privilege them under CDPA s. 280; in contrast, they have declined to privilege communications with other non-US practitioners where a similar case could not be made. In future, the US courts can be expected to look at the UPC Agreement and Rules of Procedure rather than the CDPA, except where the corresponding patents in Europe are outside the UPC's jurisdiction[3].

(iii) IP-intensive clients, such as Federation members, commonly use in-house patent attorneys for the most sensitive work associated with patents (*i.e.* for drafting priority applications and for infringement opinions). In contrast to UK courts, some courts in Europe do not give any special status to in-house legal practitioners. It is important that the UPC should do so (in respect of privilege at least) lest, again, many companies find themselves worse off before the UPC than they are now before the national courts.

It was therefore with some dismay that the Federation noted that Rule 362 of the draft Rules of Procedure of the UPC as they stood in 2010 failed to address effectively any of (i) to (iii) above. However, it seemed that this failure was inadvertent, and the Federation submitted paper PP6/10 setting out the arguments. Intermediate drafts were published which were a considerable improvement, and the Federation made further submissions *via* PP10/12 and PP1/13, and also less formally. In the latest, fifteenth draft of the Rules of Procedure, the comments of the Federation have been taken fairly fully into account (in what is now Rule 287). Provided that no adverse changes are made before the Rule is finalised, and provided that the Rule is neither challenged nor interpreted in a perverse manner, Federation members can take considerable comfort.

Unified Patent Court (UPC) and litigation privilege

Litigation privilege is necessary if an orderly conduct of a trial is to be possible. It privileges documents generated for the purposes of the trial, even if they are not generated by or communicated to legal practitioners. In PP6/10, the Federation pointed out that the draft Rules of Procedure currently had no provision for litigation privilege at all. The latest Rules of Procedure include Rule 288 relating specifically to litigation privilege.

Mike Jewess, 30 October 2013

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[2] The present situation is quite favourable. In the UK, where there is substantial discovery, privilege is provided by CDPA s. 280 in relation to UK and European patent attorneys, and under the common law in relation to US patent attorneys (who are fully-fledged "lawyers"). In Continental civil law countries, the matter scarcely arises because discovery is limited.

[3] Once "opt-outs" have expired, the only patents effective in the UK which escape UPC jurisdiction will be those obtained *via* the national route.