

## **Rules of Procedure for the Unified Patent Court Comment on Draft Rule 287 on Attorney–Client Privilege**

### ***Introduction***

The IP Federation represents the views of a significant number of major innovative UK companies in matters concerning intellectual property policy. A list of members is attached. Not only do our companies own considerable numbers of IP rights, both in Europe and internationally, but they are affected by the activities and IP rights of competitors. They may be either plaintiffs or defendants in IP related court actions.

### ***Rules of Procedure for the Unified Patent Court***

In our policy paper [PP06/10](#) of July 2010, we commented on the provisions regarding privilege, including attorney-client privilege and litigation privilege, in the preliminary set of provisions for the Rules of Procedure of the proposed European and EU Patents Court (EEUPC)

At the meeting of the Commission’s judges and lawyers expert group in February 2012, it was agreed that a small drafting committee would prepare a draft of the Rules of Procedure of the Unified Patent Court (UPC) for technical consultation. This was issued by the drafting committee, with a request for comments by 23 April 2012. We responded in a timely fashion with policy paper [PP10/12](#),

Further progress has been made is on the Rules of Procedure. The fourteenth draft is now available. It will be the subject of a short (one month) consultation in February, and the Federation hopes to comment fully in due course. The following relates to Draft Rule 287 on Attorney-Client Privilege.

### ***Rule 287***

The latest draft of the relevant Rule (formerly Rule 361) of the UPC which the Federation has seen reads as follows:

#### **Rule 287 – Attorney-client privilege**

1. Where a client seeks advice from a lawyer he has instructed in a professional capacity, then any confidential communication (whether written or oral) between them relating to the seeking or the provision of that advice is permanently privileged from disclosure, whether in court or arbitration proceedings of any nature or in the face of any compulsory information gathering powers of any body.
2. This privilege applies to communications between a client and a lawyer employed by the client and instructed to act in a professional capacity and a client and a patent attorney or agent (including a patent attorney or agent employed by the client) who is instructed in his professional capacity to advise on patent matters;
3. This privilege extends to the work product of the lawyer or patent attorney or agent (including communications between lawyers and/or patent attorneys or agents

- employed in the same firm or entity or between lawyers and/or patent attorneys or agents employed by the same client) and to any record of a privileged communication.
4. This privilege prevents the lawyer or patent attorney or agent 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. The expressions "patent attorney" and "patent agent" shall bear the meanings given to them by the law of the contracting state to the Agreement in which the individual practises.

### ***First issue: non-contracting state advisers***

While appreciating very much the improvement over the first draft of this Rule, the Federation first draws attention to the key issue of privilege for communications with *non-contracting-state* advisers. Take three realistic scenarios where the following sequence of events occur: (1) an invention is made outside the EU, (2) a priority application is filed outside the EU, (3) a European Patent Application is filed claiming that priority, and finally (4) the defendant in a litigation before the UPC seeks disclosure of the communications between the inventors and the patent draftsman in the non-EU country: -

*Scenario 1: priority draftsman is an Australian patent attorney.* Although communications with him would be privileged in the Australian court, they would not be privileged before the UPC, because (a) he would not be deemed a lawyer, and (b) he would not be a patent attorney for the purposes of the Rule, because 6 requires his recognition under the law of a *contracting state to the Agreement*.

*Scenario 2: priority draftsman is a US patent agent.* For exactly the same reasons as the Australian patent attorney, communications with him would not qualify for privilege, whereas US courts have given privilege to such communications.

*Scenario 3: priority draftsman is a US patent attorney.* Now, US patent attorneys are undeniably US lawyers (they are scientists or engineers who qualify general lawyers and then do the patent agents' examination). However, not only do they not qualify as patent attorneys because they are not covered by 6 in the Rule, but also they apparently do not qualify as lawyers under the Rule, for two reasons: (a) non-EU lawyers were not considered to be "lawyers" for privilege purposes in Case 155/79 *AM & S v Commission* [1982] ECR 1575, and (b) 6 in the Rule implicitly accepts the relevance of *AM & S* to the UPC.

There are good reasons why *AM & S* should not be followed in the UPC:-

- (i) It would be quite inappropriate to apply to disputes between private persons before the UPC the same principles as applied in *AM & S* to

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\* The Rule as presently drafted would likewise affect adversely the *defendant* who has taken advice on a multi-national patent dispute; the above case is taken for the sake of definiteness, and because (4) is a well-reported tactic of defendants in major litigations.

seizure of documents by a competition law enforcement agency acting in the public interest against a private person.

- (ii) If *AM & S* were followed, it would be a deterrent to the use of the EPO by non-EU applicants, who would be inclined to revert to the use of national routes to patenting and therefore, as claimants, of national courts. In the French court, for instance, they would have the advantage that disclosure is rare in any case, while in the English court, the communications with a US patent attorney, at least, would be privileged.
- (iii) To follow *AM & S* in patent matters would arguably contravene Article 3 of TRIPs, "National treatment".

Accordingly, the Federation suggests that -

in 6 of the Rule, ' "lawyer", ' be inserted before ' " patent attorney" ', and the words 'the contracting state to the Agreement' be replaced by 'any state of the world'.

[An objection that might be made to the modification proposed in IV is that it might extend privilege to communications with persons who were legally recognised by a non-EU state but not well regulated. This could be remedied by adding a proviso at the end of 6 reading -

', provided that, in the case of a non-EU lawyer, patent attorney, or patent agent, he or she is subject to ethical regulation comparable with that of professional representatives before the European Patent Office under EPC Article 134 (1).']

It may be wondered why the Federation, a UK organisation, is concerned about inventions made outside the EU and about advice from non-EU practitioners. Its member companies are mostly part of international groups with R&D and other operations located both within the EU and outside (regardless of whether the top, quoted company is in the EU or not). Accordingly, the Federation opposes any unfair discrimination against non-EU advisers and their clients.

### ***Second issue: European patent attorneys***

The wording of 6 in the Rule, even if modified as suggested above, does not clearly cover European patent attorneys even if practising in a contracting state. It is important to eliminate even the slightest doubt on this point, for the overwhelming majority of European patent applications (we guess more than 95 %) are prepared and filed by them, and many European patent attorneys have no national qualification to read directly onto 6. We therefore suggest that the following be added to the Rule:

'7. The expression "patent attorney" shall, in addition to having the meaning under 6 above, include any professional representative before the European Patent Office under EPC Article 134 (1).'

***Final comment***

The above is consistent with the Federation's comments in its paper [PP06/10](#) of July 2010, to which reference may be made for further detail. However, the Federation hopes that the present paper can serve as a stand-alone document and is happy to provide written support or indeed to attend a meeting.

IP Federation  
7 February 2013

## **IP Federation members 2013**

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. Its Council also includes representatives of the CBI, and its meetings are attended by IP specialists from three leading law firms. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd  
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  
Delphi Corp.  
Dyson Technology Ltd  
Element Six Ltd  
Eli Lilly & Co Ltd  
ExxonMobil Chemical Europe Inc  
Ford of Europe  
Fujitsu Services Ltd  
GE Healthcare  
GKN plc  
GlaxoSmithKline plc  
Hewlett-Packard Ltd  
IBM UK Ltd  
Infineum UK Ltd  
Merck Sharp & Dohme Ltd  
Microsoft Limited  
Nokia UK Ltd  
Nucletron Ltd  
Pfizer Ltd  
Philips Electronics UK Ltd  
Pilkington Group Ltd  
Procter & Gamble Ltd  
Rolls-Royce plc  
Shell International Ltd  
Smith & Nephew  
Syngenta Ltd  
The Linde Group  
UCB Pharma plc  
Unilever plc  
Vectura Limited