



Privilege on intellectual property law advice and patent attorneys and levelling up?

Introduction and who gets legal advice privilege

In common law jurisdictions legal advice privilege is generally afforded to communications between a lawyer and their client. In the UK the right to legal professional privilege is a general rule of our common law that communications between a lawyer and their client should be privileged from disclosure. The underlying principle is that legal advice privilege is in the public interest and a person should be able to make full and free disclosures to their legal advisors, even where such disclosures could be adverse to their interests were they made to a third party.

There have been notable attempts to extend legal advice privilege beyond communications with lawyers. For example, the accountancy profession sought to have it extended to communications relating to tax advice, an area of law where clearly they are well qualified to advise. That proposition was, in the end, rejected by the Supreme Court in 2010 by a majority of five justices to two, in the *Prudential* case¹. Despite there being sympathy (not just from the dissenting justices), the Supreme Court made it clear that legal professional privilege only extends to communications with members of the legal profession and it can only be extended by statute. Lord Neuberger, while finding against extending privilege beyond lawyers, clearly thought the position made little sense and commented:

“why, as a matter of pure logic, that privilege should be restricted to communications with legal advisers who happen to be qualified lawyers, as opposed to communications with other professional people with a qualification or experience which enables them to give expert legal advice in a particular field.”

So, we are left with the very clear position that legal advice privilege may only be extended beyond the legal profession by way of statute. Despite, the sympathy of the Supreme Court the position for accountants remains unchanged. Of course, patent and trade mark attorneys already enjoy extended rights to legal advice privilege for certain communications, via Section 280 of the Copyright Designs and Patents Act (“**CDPA**”) 1988 and Section 87 of the Trade Marks Act (“**TMA**”) 1994. However, the scope of advice that may be protected is arguably subject to some limitations.

Harmonising the position on privilege in IP and the Group B+ draft agreement

The position of privilege afforded to patent attorneys and trade mark attorneys is mixed internationally. There has been discussion for many years on whether there should be efforts to internationally harmonise the privilege afforded to legal advice communications concerning intellectual property and extending to cover communications between patent and trade mark attorneys and their clients. The position is complicated by the fact rules differ across jurisdictions and privilege in the main only has relevance in jurisdictions where there is an obligation of Discovery (Disclosure) in litigation. It is in this context that the IP Federation has been monitoring with close attention the progress of the draft multi-lateral “*Agreement on Cross-Border Aspects of Client-Patent Attorney Privilege*” prepared by the Group B+. This draft agreement itself has undergone a number of iterations over the years and the current draft betrays what is clearly a heavily negotiated document and this does not help it with clarity. Despite

¹ R (Prudential plc and another) v Special Commissioner of Income Tax and another [2013] UKSC 1

virtuous ambitions stated in its recitals, to cover all aspects of intellectual property, it is now only focussed on patent law and a loosely defined category of “*patent advisors*”. The UK itself has only observer status in relation to the negotiation of this agreement and is not currently a proposed signatory.

In the context of the work IP Federation has been undertaking in relation to considering the draft Group B+ agreement, it has given rise for us to take a step back and consider the current status of patent and trade mark attorney privilege and whether it is fit for purpose in the modern age. We intend to continue this review work in the year ahead and the extent to which, if any, the statutory provisions provided under the CDPA 1988 and TMA 1994 would benefit from any changes to reflect the modern working practices of the profession. That work is currently ongoing, and we will share further updates in due course. In the meantime, we have surveyed the current position of legal advice privilege in the UK as it applies to intellectual property law and patent attorney communications and summarise below. While this is focussed upon patent attorney privilege and related advice much applies equally to trade mark attorneys.

A recap on privilege in the UK on patent law advice

We will primarily address the issue of legal advice privilege as it applies to communications relating to patent legal advice. We do not focus on litigation privilege, which has broader application, though a summary of its provisions in relation to patent attorneys is provided below for completeness.

Legal advice privilege:

Legal advice privilege applies to confidential communications between a lawyer and a client made for the dominant purpose of giving or receiving legal advice. The Courts do not consider patent attorneys to be lawyers for this purpose but statute does extend some legal advice privilege to communications between European Patent Attorneys and their clients when they are advising on protection of inventions (Section 280 CDPA 1988). Statute provides that such privilege does not extend beyond what would be provided for lawyer communications.

Notably legal advice privilege is extended to all lawyers. When considering who is a lawyer the Courts do not distinguish between domestic and foreign lawyers. Thus foreign lawyers are treated in the same way as UK lawyers. There is also no distinction made between in-house and external lawyers. Incidentally, US patent attorneys are given legal advice privilege because they are considered to be lawyers. US patent agents are not considered to be lawyers.

We will below consider more closely how legal advice privilege is extended to UK patent attorneys and European Patent Attorneys.

Litigation privilege:

Litigation privilege applies to communications between a client / lawyer and a third party, created for the dominant purpose of litigation in progress or in reasonable contemplation.

For both types of privilege the dominant purpose is critical. However, litigation privilege, as it can cover communications with third parties, has the potential to protect wider categories of documents / communications than legal advice privilege.

The statutory provisions of litigation privilege as it applies to patent attorneys and trade mark attorneys are governed by the Legal Services Act (“**LSA**”) 2007 and the Rights to Conduct Litigation and Rights of Audience and Other Reserved Legal Activities Certification Rules (the “**Certification Rules**”) 2012. Section 190 of the LSA 2007 applies to an “authorised person” providing litigation services in relation to the conduct of litigation and to an “authorised person” providing advocacy services in relation to the exercise of rights of audience. It holds that “*[a]ny communication, document, material or information relating to the provision of the services in question is privileged from disclosure in like manner as if P*

had at all material times been acting as P's client's solicitor", where "P" is a person who is not a barrister or solicitor.

Which patent attorneys can benefit from litigation privilege?

Because Section 190 of the LSA 2007 affords privilege to communications, documents, materials or information relating to the provision of services by an authorised person, it is important when determining the extent of privilege to understand the level of authorisation (if any) of the patent attorney to provide the services in question.

The LSA 2007 specifies that authorisation is granted by the relevant "approved regulator"². The Chartered Institute of Patent Attorneys ("**CIPA**") is listed as an approved regulator in relation to the activities of the exercise of a right of audience and the conduct of litigation under Part 1 of Schedule 4 of the LSA 2007. The right of a patent attorney to conduct litigation and their rights of audience exercisable as an authorised person are dependent on the level of Litigation Certificate and/or Advocacy Certificate (in general, "**Certificate**") held by the patent attorney as specified in the Certification Rules 2012. The responsibility for managing the certification has been delegated by CIPA to the Patent Regulation Board (see Section 1.2 of the Certification Rules 2012).

Section 2.1 of the Certification Rules 2012 specifies that Certificates can only be granted to UK-registered patent attorneys. Thus, only UK-registered patent attorneys can be "authorised persons" under Section 190 of the LSA 2007. A firm, or body, of patent attorneys can also be authorised provided the relevant activities are conducted under the supervision of a person authorised to carry out those activities (Section 10 of the Certification Rules 2012). There are similar provisions for UK Trade Mark attorneys.

What about in-house patent attorneys?

Litigation privilege would look to extend to in-house patent attorneys too.

Firstly, there is nothing in the LSA 2007 or the Certification Rules 2012 that prohibits an in-house patent attorney from being an authorised person.

Secondly, Section 190(2) of the LSA 2007 affords privilege as if the authorised person "*had at all material times been acting as [the] client's solicitor*". The English courts have recognised that Legal Professional privilege (encompassing legal advice privilege and litigation privilege) applies equally to communications between in-house lawyers and their employers as it does between a lawyer and their client, provided their communications were in the capacity of legal advisers³.

Based on these points it's reasonable to conclude that litigation privilege would be afforded to communications from an in-house patent attorney provided that: i) they are an authorised person under Section 190 LSA 2007 and Section 2.1 of Certification Rules 2012; ii) the communication was given in their capacity as a patent attorney providing litigation and/or advocacy services. The position will be similar for UK Trade Mark Attorneys.

A closer look at how privilege is applied in the UK relating to patent attorney communications

The relevant basis for privilege in patent attorney communications is s. 280 of the CDPA 1988. The definition of patent attorney is limited to patent attorneys on the CIPA register or on the "European list", which is the EPO's list of professional representatives. So, it will not cover for example a Canadian patent attorney or Australian patent attorney. Incidentally, both Canada and Australia have legislation

² Section 18(1), LSA 2007

³ *Alfred Crompton Amusement Machines Ltd. v Customs and Excise Commissioners (No. 2)*, Court of Appeal, [1972] 2 Q.B. 102

similar to s. 280 but additionally this expressly provides for the privilege afforded to national patent attorney communications to be extended to foreign patent attorney communications (in Canada such communications would have to attract privilege in that foreign jurisdiction). Thus, in Australia and Canada, UK patent attorney communications would potentially be privileged but the same is not true in the UK in relation to Australian / Canadian patent attorney communications.

There are two aspects to consider: i) the types of materials to which privilege applies under the schemes (e.g. communications, documents etc.); and ii) the content of those materials to which privilege applies.

Regarding i), the CDPA is clear that privilege applies to “communications” as well as “documents, materials or information” relating to the relevant content.

Regarding ii), the CDPA limits privilege to matters relating to “protection of any invention”, but also to “design, technical information or trade mark, or as to any matter involving passing off”.

As said and in relation to patents, the CDPA limits privilege to matters relating to “protection of any invention”. It is unclear how broadly the term “protection of any invention” would be construed and we are not aware of specific judicial guidance from the English courts. We are of the view the term should be construed to cover inventions belonging to third parties as well as those of the patent attorney’s own client (thus extending privilege to communications relating to, e.g. infringement opinions and freedom-to-operate opinions), though in Canada the term has been interpreted narrowly by the Courts to exclude infringement advice of a third-party patent⁴. There are also – perhaps more difficult – questions as to whether it would cover communications relating to licences and assignments. [Also section 87 of the Trade Marks Act 1994 (“TMA”) provides for privilege to UK Trade Mark Attorneys and trade mark attorneys on the EU IPO list for communications in respect of the protection of any design or trade mark, any passing off matters].

Privilege and foreign lawyers

There is a line of English case law, from *Lawrence v Campbell* (1859) 3 WLUK 24, *Re Duncan*, decreased [1968] P 306, and most recently in *RBS (Rights Issue Litigation)*, *Re* [2016] EWHC 3161 (Ch), confirming that communications involving a foreign lawyer that fall within the scope either of advice or litigation privilege, as those concepts are applied under English law, will be protected, irrespective of how a foreign court would treat them. This is because the English courts assess whether privilege applies under English law.

Privilege and foreign patent attorneys

It is clear that, under the common law, communications with patent attorneys are not privileged⁵. Indeed, it is clear, having been confirmed in the Supreme Court⁶, that common law privilege does not extend to communications with any professional who is not a lawyer, with client communications with patent attorneys only receiving privilege through statutory extension under the CDPA 1988 and LSA 2007. The CDPA 1988 and LSA 2007 are themselves explicit that privilege only extends to client communications with UK and European patent attorneys.

The question of whether privilege extends to client communications with foreign patent attorneys does not look to have been considered by the English courts. However, the position seems to be clear that the UK would not extend the protection. The Australian Courts, before statute there gave recognition to

⁴ *Janssen Inc. and Mitsubishi Tanabe Pharma Corporation v Sandoz Canada Inc.*, 2021 FC 1265

⁵ *Wilden Pump Engineering Co v Fufeld* [1985] F.S.R. 159, CA

⁶ *R. (on the application of Prudential Plc) v Special Commissioner of Income Tax*, [2013] UKSC 1

foreign patent attorney privilege, ruled that privilege would not be extended to communications with foreign patent attorneys.

Australia

The Federal Court of Australia held in *Eli Lilly & Co v Pfizer Ireland Pharmaceuticals (No. 2)* [2004] FCA 850 that under the Australian-equivalent statutory provision for patent agents, s. 200(2) Patent Act 1990, the statutory privilege is confined to communications with patent attorneys registered as such in Australia. In that case, the judge said: “The language of s. 200(2) is clear. The privilege is confined to communications with patent attorneys registered as such in Australia. Further, there is no apparent policy reason why Parliament is to be taken to have intended the privilege to extend to communications with any patent attorney anywhere in the world. The requirements for registration in Australia set out in s. 198(4) includes residence in Australia, qualification as prescribed by regulations (which would presumably stipulate knowledge of relevant Australian law and practice), employment for a prescribed period and good fame, integrity and character. The drafters must be taken to have had such persons in mind when they used the expression “registered patent attorney”.

Canada

The Federal Court of Canada in *Lilly Icos LLC v Pfizer Ireland Pharmaceuticals, 2006 FC 1465* refused to acknowledge privilege for communications with foreign patent attorneys, even if such communications were privileged in their home jurisdiction. At the time of this decision, Canadian patent agents had no privilege rights (either statutory or common law).

There are, therefore, two decisions from common law jurisdictions in which foreign patent attorney privilege was explicitly not recognised. It is also perhaps noteworthy that since then, Canada (2016), Australia (2013) and New Zealand (2007) have provided statutory extensions to afford privilege to client communications with foreign patent attorneys.

US considerations

In the US, a ‘choice of law’ analysis is often used. This involves identifying whether the communication involves US or foreign law. US law typically applies to communications concerning ‘legal proceedings in the United States’ or ‘advice regarding American law,’ whereas foreign privilege law typically governs communications relating to ‘foreign legal proceedings or foreign law. For patents, communications relating to the prosecution of foreign patent applications or legal advice on substantive foreign patent law typically are governed by the law of the foreign country in which the patent application is filed⁷. It is then determined whether the foreign law recognises privilege that protects foreign patent agent-client communications. If it does, those communications will be privileged⁸. If it does not, those communications will not be privileged. It, therefore, seems that a form of comity is applied in the US. However, experience is that differing views on how privilege will apply varies state by state.

Final thoughts

Communications with UK patent attorneys are not granted privilege under the common law, and the Supreme Court was clear in *Prudential* that privilege under common law does not extend to communications in connection with advice given by professionals other than lawyers. The wording of the statutory extensions under the CDPA 1988 and LSA 2007, explicitly limit the extension of privilege to communications with UK and EP patent attorneys. It is reasonable to suppose a court, faced with these facts, would conclude that the statutory extensions are indeed limited to non-foreign patent attorneys.

⁷ *Golden Trade*, 143 F.R.D. at 520–521

⁸ *Foseco Intern. Ltd. V Fireline, Inc.*, 546 F. Supp. 22, 25

It is acknowledged that a limited form of privilege can exist in the US. However, in the *RBS* case (mentioned above), the judge stated that, even though their working assumption was that US law would have afforded legal advice privilege for the documents in question in that case, English law was the applicable law and under English law those documents were not protected (see paragraph 196 of that judgment). In other words, there is a judgment where the English courts have applied English law even though it is more restrictive than the foreign law. The judge in that case also stated that the use of English law to assess applicability of privilege was not “hostile to comity”⁹.

We would suggest that in the light of the above the subject of legal advice privilege and how it relates to intellectual property is an area worthy of continued consideration as to whether further statutory protection is required at home and harmonisation required internationally.

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⁹ *RBS (Rights Issue Litigation)*, [2016] EWHC 3161 (Ch), §174(3)