

Privilege – the perspective of companies, including those with in-house IP counsel

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General Points

Privilege matters particularly in IP because -

- (i) a comment made by an IP adviser in one country has a very high probability of being relevant in another; and

- (ii) discovery in IP infringement actions now extends beyond common-law countries (e.g. UK, USA) into non-common-law EU countries.

General Points (continued)

At the very minimum, a WIPO Treaty should require that -

1. each State should specify one or more categories of local adviser with whom clients locally enjoy privileged communications; and
2. each State's Courts, etc. should respect the privilege in other States.

The range of IP services that companies need

- A. Consideration, with inventors and commercial people, of whether or not to seek registered IP protection.**
- B. Filing and prosecuting patent, trade mark applications internationally.**
- C. Advice to commercial people on how the company's freedoms are affected by third party rights, and on enforcement of the company's rights against third parties. N.B. Not just patents and trade marks; international usually.**
- D. Advice on ownership of intellectual property rights.**
- E. Advice on dealings in intellectual property rights (assignment, licensing, R&D collaboration, consultancy, M&A).**

What special disadvantages do companies with in-house IP advisers have?

None in countries like the UK and USA (also at the EPO!), where disciplinary regulation of in-house and private practice advisers is identical, so that independence of in-house advisers is assumed, and communications with them are privileged.

BUT

In some European countries (and so far as the ECJ is concerned in relation to competition investigations) in-house advisers are treated as non-independent, and therefore courts may order communications with them to be disclosed.

Beyond the minimum, what is needed?

1. Each State should specify one or more categories of local **adviser** with whom clients locally enjoy privileged communication.
 - (a) All general lawyers adequately regulated.
 - (b) All local patent and trade mark attorneys/agents sufficiently regulated.
 - (c) For EPC States, all resident EPAs (incl. in-house).

2. Each State's Courts, etc. should respect the **privilege** in other states.
 - (a) Including if the other State respects in-house advisers regardless of the first State's approach.
 - (b) Including all EPAs resident in EPC States (incl. in-house).

Beyond the minimum, what is needed? (continued)

The scope of the communications covered should be broad, like Section 280 of the UK CDPA 1988 but better!

“Communications as to any matter relating to **the protection of** any **invention**, design, **technical information**, or **trade mark**, or as to any matter involving **passing off**”.

- 1) Good! Not just patent protection in the UK
- 2) Delete
- 3) After “information,” add “trade secret,”; after “trade mark,” add “geographical indication, domain name, literary or artistic work, performance, computer software, plant variety, database, or semiconductor topography,”
- 4) Add unfair competition
- 5) Preparatory documents, materials, and information need to be covered.

Overall conclusion – (i) of (iii)

- (i) A WIPO Treaty should require each State to specify categories of adviser whose clients benefit from privilege before the State's Courts, intellectual property offices, tribunals, and investigators. These should be all such local general lawyers and local IP specialist advisers as the State considers to be adequately regulated, plus (in the case of EPC members) all locally-resident EPAs (both private-practice and in-house).

Overall conclusion - (ii) of (iii)

- (ii) Within each State, the following communications from or to the specified categories of adviser will be privileged (together with documents, material, and information preparatory to or otherwise related to such communications):

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

Overall conclusion - (iii) of (iii)

- (iii) Each State's Courts, intellectual property offices, tribunals, and investigators should respect the privilege of communications as defined in (ii) (plus preparatory/ related documents, material, and information) from or to advisers specified under (i) by *other* States (both private practice and in-house), and in any case from or to EPAs resident in EPC States (both private-practice and in-house).

A technicality that needs to be watched out for in relation to in-house advisers

In-house attorneys often work for -

- (a) companies other than their employer but in common ownership,
- (b) joint ventures partly owned by their employers or by companies in common ownership, and
- (c) acquirors of businesses recently disposed of by companies referred to in (b) and (c), and other companies with a business connection.

A technicality affecting both private practices and in-house departments

Paralegals, trainees, secretaries, and contractors supervised by IP advisers need to be covered.

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Privilege – the client perspective overall

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TWO SLIDES FOLLOW

Privilege – the client perspective overall (1/2)

Clients deserve to receive clear written advice on IP matters.

At present, clients who **do get this** (especially in civil law countries) **risk its exposure** (especially in common-law countries), often after an expensive “mini-trial” on privilege.

At present, clients who **don't get this** risk misunderstanding the situation and **risk getting into unnecessary litigation.**

BY DEALING WITH THESE PROBLEMS, A PRIVILEGE TREATY WOULD BENEFIT CLIENTS AND SERVE THE INTERESTS OF JUSTICE.

Privilege – the client perspective overall (2/2)

IP is special because it is so international. WIPO is the only organisation that can tackle this issue in principle, and WIPO is to be congratulated on this open consultation on a possible Treaty.

A Treaty has to be very clear and broad in its scope.

The EPA qualification is a key international IP qualification, and EPI insists on the independence of in-house advisers; EPAs should be given special status in the Treaty.