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**Scope of Privilege and Issues
in the United States**



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Introduction



- Overview of the Attorney-Client Privilege in the U.S.
- Applicability of Privilege
 - Communications with U.S. Patent Attorneys
 - Communications with U.S. Patent Agents
 - Communications with Attorneys and Agents in other countries
 - U.S. Attorneys Employed by Companies
- Work Product Immunity
- Potential Benefits of IP Privilege Treaty in the U.S.

Overview of Attorney-Client Privilege in the U.S.



- Oldest common law privilege protecting confidential communications
- Promotes full communication between attorneys and clients
- Construed narrowly (facts not insulated)
- Broad scope of U.S. discovery makes it essential



Application to U.S. Patent Attorneys

- Privilege not applied between client and in-house patent department – *United States v. United Shoe Machinery Corp.*, 89 F. Supp. 357 (D. Mass. 1950)
- Conduit Theory – *Zenith Radio Corp. v. Radio Corp of America*, 121 F. Supp. 792 (D. Del. 1954) (patent attorneys not acting as lawyers when preparing and prosecuting patent applications)
- *Sperry v. Florida*, 373 U.S. 379 (1963) (Supreme Court recognized that preparation and prosecution of patent applications constitutes practice of law)



Application to U.S. Patent Attorneys

- No privilege because patent attorney obliged to submit all technical information to Patent Office. *Jack Winter, Inc. v. Koratron Co.*, 50 F.R.D. 225 (N.D. Cal. 1970)
- Conduit theory is “inaccurate, and uninformed characterization of the patent attorney’s role in the preparation and prosecution of a patent application.” *Knogo Corp. v. United States*, 213 U.S.P.Q. 936 (Ct. Cl. 1980)
- Invention record communicated from inventor to patent attorney protected by attorney-client privilege. *In re Spalding Sports Worldwide, Inc.*, 203 F. 3d 800 (Fed. Cir. 2000)



Application to U.S. Patent Agents

- U.S. patent agents not members of bar; not permitted to practice in state or federal courts in patent matters
- Mixed court decisions applying privilege to communications with U.S. patent agents. (Some courts rely on *Sperry v. Florida* to recognize a privilege)
- Many courts apply privilege where patent agent is working under supervision of attorney

Application to Communications with Non-U.S. Patent Professionals



- Choice of law analysis is often used.
 - U.S. law applied to issues related to communications involving the United States
 - Law of foreign country applied to issues related to communications solely involving foreign country
- Does law of foreign country recognize privilege comparable to attorney-client privilege in that country? “Communications between foreign patent agents and a foreign corporation concerning the prosecution of a foreign patent are privileged if such privilege is recognized under the law of the foreign country in which the patent application is filed.” *Foseco Intern. Ltd. V. Fireline, Inc.*, 546 F. Supp. 22, 25 (N.D. Ohio 1982)
- Other courts use a “dominant interest” analysis or a “touching base” test.
- If the law of the foreign country does not recognize a privilege, U.S. courts will not do so.

Examples of Application of Privilege to Non-U.S. IP Professionals



- U.S. courts have recognized privilege for patent attorneys or agents from Australia, Finland, France, Germany, Italy, Japan New Zealand, Sweden, Switzerland, and United Kingdom
- Japanese Patent Attorney (Benrishi)
 - No privilege for letter from Japanese benrishi to British patent agent – *Detection Systems, Inc. v. Pittway*, 96 F.R.D. 152 (W.D.N.Y. 1982)
 - No privilege for letter from benrishi to president of client, benrishi's notes underlying letter, and handwritten notes of client executive based on discussion with benrishi – *Alpex Computer Corp. v. Nintendo Co.*, 1992 U.S. Dist. Lexis 3129 (S.D.N.Y. 1992)
 - Similar decisions in *Burroughs Welcome v. Barr Laboratories*, 143 F.R.D. 611 (E.D.N.C. 1992); *Santrade Ltd. V. General Electric*, 27 USPQ 1446 (E.D.N.C. 1993); *Bayer AG v. Barr Laboratories*, 33 USPQ 2d (S.D.N.Y. 1994)
 - Japanese Civil Procedure Code was amended in 1996 and went into force on Jan. 1, 1998. (Expressly provides that benrishi may refuse to testify about information obtained in exercise of professional duty.)
 - Court applied privilege to Japanese benrishi communication in *VLT Corp. v. Vicor Corp.*, 194 F.R.D. 8 (D. Mass. 2000)

Examples of Application of Privilege to Non-U.S. IP Professionals (cont'd)



- French patent agent
 - Court held that French law does not recognize privilege for patent agents. *Bristol-Meyers Squibb Co. v. Rhone-Poulenc Rorer, Inc.* 188 F.R.D. 189 (S.D.N.Y. 1999)
 - Privilege applies for communications between French patent agents and their clients. *McCook Metals L.L.C. v. Alcoa, Inc.*, 192 F.R.D. (N.D. Ill. 2000), *The Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146 (D.S.C. 1975), and *Baxter Travenol Laboratories, Inc. v. Abbott Laboratories*, 1987 U.S. Dist Lexis 10300 (N.D. Ill. 1987).
- German patent agent (Patentanwalt)
 - Privilege applied to communications between German patent agents and clients. *McCook Metals L.L.C. v. Alcoa, Inc.*, 192 F.R.D. (N.D. Ill. 2000), *Softview Computer Products Corp. v. Haworth, Inc.*, 2000 U.S. Dist Lexis (S.D.N.Y. 2000), *Santrade Ltd. v. General Electric*, 27 USPQ 1446 (E.D.N.C. 1993); *Golden Trade, S.r.L. v. Lee Apparel Co.*, 143 F.R.D. 514 (S.D.N.Y. 1992)

Examples of Application of Privilege to Non-U.S. IP Professionals (cont'd)



- British patent agent
 - Communications with patent agents have been deemed to be privileged under British law since 1968, when the civil evidence act extended the privilege to patent agent communications. *Smithkline Beecham Corp. v. Apotex Corp.*, 193 F.R.D. 530 (N.D. Ill. 2000); *In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377 (D.D.C. 1978); *The Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146 (D.S.C. 1975).
- Canadian patent agent
 - Court did **not** apply privilege to communications with Canadian patent agent based on lack of recognition in Canadian law. *Santrade Ltd. v. General Electric*, 27 USPQ 1446 (E.D.N.C. 1993);

Application to U.S. Attorneys Employed by Companies



- Dual role of in-house counsel
 - Performance of legal duties
 - Providing business advice – Georgia Pacific v. GAF Roofing Mfg. Corp., 1996 WL 29392 (S.D.N.Y. 1996)
- Who is the “client”?
 - Control group test – communications between in-house counsel and controlling executives and managers – Reed v. Baxter, 134 F. 3d 351 (6th Cir. 1978)
 - Subject matter test – employees with pertinent information regarding the subject matter deemed to be the client. Upjohn Co. v. United States, 449 U.S. 383 (1981)

Application to U.S. Attorneys Employed by Companies (cont'd)



- Attempts to preserve privilege
 - Labels on written communications
 - Description of legal considerations
 - Anticipation of litigation
- Things to avoid
 - Use of non-legal title
 - Mixture of law and business in written product
 - Widespread distribution of written product
 - Use of written work when oral communications would suffice



Work Product Immunity

- Protection of materials prepared in anticipation of litigation or for trial
- Court looks to circumstances in each case
- Files and mental impressions of attorney, interviews, statements, memoranda, correspondence, briefs, etc.
- No protection for documents prepared in ordinary course of business or for non-litigation purpose.
- Normally, patent prosecution documents do not fall under work product protection

Potential Benefits of Privilege Treaty in United States



- More unified law and practice as to privilege
- Consistent approach to applying privilege to non-U.S. IP practitioners
- Enhanced ability of clients/companies to analyze and communicate concerning IP problems and issues
- Improved situation for IP professionals to better advise clients

Thank You!

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