

**The nature of the problem –  
is this a matter of public interests as well as private interests,  
and where does the balance lie between those interests?**

**WIPO/AIPPI CONFERENCE ON CLIENT PRIVILEGE IN  
INTELLECTUAL PROPERTY PROFESSIONAL ADVICE**

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**Thierry Calame, Switzerland  
Deputy Reporter General of AIPPI**

## **Introduction**

**What are the rationales underpinning legal professional privilege?**

**What are the private and public interests that are recognized by the law of privilege in Australia, USA, Europe, and Switzerland?**

**Primer on law of legal professional privilege**

**Is there any controversy in accepting and applying AIPPI's proposal for a treaty on the client privilege in IP professional advice or will it be a logical and rational extension of what is already accepted practice in these countries?**

## **Australia (1)**

**legal professional privilege is protection against compulsory disclosure of confidential communications between clients and their lawyers**

**client's privilege and not the lawyer's (can be waived by client)**

**extends to in-house counsel and lawyers employed by government**

**clients of registered, non-lawyer patent and trademark attorneys have privilege under statute law, but not common law**

**privilege does not extend to foreign patent and trademark attorneys**

## Australia (2)

**What are rationales for client legal privilege?**

**advances public interest in the administration of justice by encouraging the representation of clients by legal advisers, by keeping their communications secret, “thereby inducing the client to retain the solicitor and seek his advice, and encouraging the client to make a full and frank disclosure of the relevant circumstances to the solicitor” (*Grant v Downs* (1976) 135 CLR 674 at 685)**

**where clients feel secure that their communications with their lawyers will be kept confidential, it is likely to promote the disclosure of all relevant information and thus permit lawyers to provide legal advice that encourages the greatest compliance with law (ALRC)**

## **Australia (3)**

**public interest in protecting client-lawyer relationship  
outweighs more general public interest in compelling all  
relevant information to be placed before the court**

**client legal privilege is fundamental principle of common law  
debate in 19th century: English law reformer Jeremy Bentham  
sought to abolish legal professional privilege because this  
would make it more difficult for lawyers to defend guilty clients**

**legal professional privilege may be modified or abrogated by  
legislation**

**privilege cannot be used to facilitate a crime**

**privilege is available when client is seeking advice about past  
wrongdoing**

## **Australia (4)**

**Interwoven in “public interest” arguments is element of private interest of clients in being assured of the confidentiality of their communications with legal advisers**

**“fundamental right or immunity that embodies a substantive legal right”**

**“human right”**

## **USA (1)**

**law of privilege differs across fifty states and various federal jurisdictions**

**equally applies to outside counsel and in-house counsel, including lawyers employed by government**

**attorney-client privilege is of particular importance in the US because rules of civil procedure provide for broad scope of pre-trial discovery**

**although privilege is normally asserted by client, lawyer has a duty to invoke the privilege, if the client has not waived the privilege**

## **USA (2)**

**privilege also extends to communications with non-lawyer  
U.S. patent agents**

**scope of patent agent-client privilege is limited to encompass  
only services that agents are legally licensed to perform**

**determining whether privilege applies to communications with  
foreign patent agents is complex issue**

**Does the law of the applicable foreign country recognize a  
privilege for communications with patent agents?**

**expensive exercise which could be avoided by having a  
minimum standards treaty**



## **USA (3)**

**similar rationales for attorney-client privilege as Australian law**

- encourages full and frank disclosure without fear that the information will be revealed to others, so that clients receive the best and most competent legal advice and representation**
- promotes broad public interests and purpose outweighs the merit of evidence that would be introduced without the claim of privilege; courts allow exceptions if there is sufficient suspicion that an exception should be allowed**
- element of private interest of clients interwoven in the “public interest” arguments: attorney-client privilege relates to the fundamental rights of citizens**

## **ECHR (1)**

**legal professional privilege as part of the constitutional right to privacy (art. 6(1) ECHR) and the right to a fair trial (art. 8(1) ECHR)**

**serves private interests because it protects fundamental rights of citizens against the state**

***R v Derby Magistrates Court ex parte B* [1996] A.C. 487, Taylor LJ: “is a fundamental condition on which the administration of justice as a whole rests.. legal professional privilege could be modified, or even abrogated, through statute, subject always to the objection that legal professional privilege is a fundamental human right protected by the ECHR”**

## **ECHR (2)**

**abrogation of privilege involves violation of the right to a fair trial and the right to privacy**

**Eur Court HR: *S v Switzerland* (1992) 14 E.H.R.R 6770**

**“right to communicate with advocate out of hearing of third person is basic requirement of fair trial in democratic society. If a lawyer were unable to confer with his client and receive confidential instructions from him without such surveillance, his assistance would lose much of its usefulness”**

**Eur Court HR (*Niemietz v Germany* (1992) 351–B (ser A))**

**protection of the home, private life and correspondence contained in art. 8 ECHR extends to legal correspondence in the possession of either the lawyer or the client**

## European Community Law (1)

**ECJ: *A M & S Europe Ltd v Commission of the European Communities* (C-155/79) [1982] ECR 1575 at 1611-12**

**"Community law must take into account the principles and concepts common to the laws of those states concerning the observance of confidentiality, in particular, as regards certain communications between lawyer and client. That confidentiality serves the requirement, the importance of which is recognised in all of the member states, that any person must be able, without constraint, to consult a lawyer whose profession entails the giving of independent legal advice to all those in need of it."**

**has nothing to do with the protection or privilege of the lawyer**

## **European Community Law (2)**

**legal professional privilege only applies to communications that emanate from independent lawyers**

**in-house lawyers are not covered by privilege**

**ruling arose in EU competition law case, documents were produced by an English in-house lawyer whose communications would otherwise have been privileged under English law**

**affirmed in recent Akzo Nobel case (joined cases T-125/03 and T-253/03, *Akzo Nobel Chemicals Ltd and Akros Chemicals Ltd v Commission*, 17 September 2007), Akzo Nobel has appealed the CFI's judgement**

## Switzerland (1)

**strong protection of attorney–client privilege**

**“legal professional secrecy promotes the public interest because it assists the administration of justice by allowing clients to confide frankly in their lawyers: If the client does not unreservedly trust him, and if he is not aware of all the material circumstances, then it is difficult, even impossible, for the lawyer to properly represent the client in either advisory work or in a lawsuit” (BGE 112 Ib 606, 607).**

## **Switzerland (2)**

**violation of professional secrecy is criminal offence (Swiss Criminal Code art 321)**

**lawyers cannot be compelled to testify on confidential matters arising out of their profession (Federal Law on Civil Procedure art 42) nor can documents covered by privilege be seized (Federal Law on Criminal Procedure art 77)**

**if a communication is privileged, the attorney has no obligation to disclose it, even if his or her client purports to waive the privilege (release by special cantonal commissions from obligation of privilege possible)**

## **Switzerland (3)**

**in-house counsel not protected by privilege on the basis of their perceived lack of independence**

**independence of the lawyer forms the necessary condition for confidence in the lawyer and in justice**

**legal professional secrecy is a privilege given to registered lawyers in light of their special role in the administration of justice (BGer 2P.187/2000 8 Januar 2001, Pra 90/2001 Nr 141 S 835)**

**Does article 321 Swiss Criminal Code recognize a legal professional secrecy for in-house counsel?**



## Switzerland (4)

**legal professional secrecy is limited**

**secrecy does not cover *all* material disclosed by the client, but rather only such material as is confided for the purpose of the mandate and the exercise of the lawyer's profession (BGE 112 Ib 606)**

**professional secrecy extends only to facts which the client entrusts to his lawyer in order to carry out the mandate, or which the lawyer notices in the practice of his profession (BGE 112 Ib 606 at 607).**

## **Switzerland (5)**

**privilege confined to legal activities, patent agents excluded from protection of legal privilege.**

**law is currently under revision (need to show in U.S. litigation that Switzerland recognizes a privilege for communications with patent agents) professional secrecy for patent agents in new Federal Law on Patent Agents (art 10).**

**include patent agents in the Federal Criminal Law art 321**

**recognition of a patent agent privilege as logical extension of attorney-client privilege (preparation and prosecution of patent applications for others constitutes the practice of law)**

## **Summary: public and private interests (1)**

**laws of privilege may substantially differ from one nation to another, but fundamental public and private interests which underlie the concept of legal professional privilege are similar:**

- there is public interest in assisting the administration of justice by allowing clients to confide fully and frankly in their lawyers**
- interwoven in this “public interest” argument is the private interest of clients in being assured of the confidentiality of their communications with legal advisers**
- third, the legal professional privilege may be seen as part of the human right to privacy and the right to a fair trial (private interests)**

## **Summary: public and private interests (2)**

**public and private interests underlying the legal professional privilege compete with public interest to place all relevant information before the court to investigate the truth**

**it is recognized that rationales underpinning the privilege generally outweigh the merit of the evidence that would be introduced without the claim of privilege**

**only in case of a crime such as fraud, the legal privilege is not applicable or may be abrogated**

## **Conclusion (1)**

**Is there any controversy in accepting and applying AIPPI's proposal for a treaty on the client privilege in IP professional advice?**

**No, it will be logical and rational extension of what is already accepted practice in a number of jurisdictions**

**rationale behind extending the attorney-client privilege to non-lawyer IP advisors is that the preparation and prosecution of patent, trademark and design applications for others constitutes the practice of law**

## **Conclusion (2)**

**it is essential to look to the substance of the roles assumed by the parties (US courts)**

**IP advisor is functional equivalent of attorney, and so legal privilege should apply to communications with which they are involved**

**where a client in confidence seeks legal advice from a non-lawyer IP advisor, this necessitates a full, free and frank disclosure from the client to the advisor**

**IP advisors are unable to manage IP affairs and disputes without the fullest possible knowledge of the facts of their client's situation; privilege encourages the flow of this information from the client to the lawyer**

## **Conclusion (3)**

**Art. 321 of the Swiss Federal Criminal Law protects other confidential relationships besides the lawyer-client relationship, including clergy-penitent, doctor-patient, accountant-client, etc.**

**Why should the privilege not also apply to the confidential relationship between IP advisor and client?**

**these questions arise not just as ones of lawyers versus non-lawyers, but also within the range of 'lawyers' today - in particular in-house counsel**