

**Professional secrecy, confidentiality and the rights of the defense
in France**

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Experience

Thierry Mollet-Viéville has been an “avocat” admitted at the Paris Bar since 1968. He is predominantly a litigator in intellectual property matters (mostly patents) particularly before Civil Judges (sometimes before criminal Judges).

The needs

1/ If an industrialist or a tradesman produces a "creation" (whether an invention patent, a model or a trademark), he will need the help of an "Intellectual Property Adviser" (IPA):

a) to protect his creation:

- by obtaining a decision from the Patent, Designs or Trademark Office, granting a legal title,
- whenever necessary, by having such a legal title validated by a Judge (Judicial, Administrative, etc.),

[thus the IPA defends his client before these Authorities],

b) to exploit his creation:

i. by respecting the prior rights of others (research on the availability of use),

[here, the IPA acts as an advisor to help the client make his own decision (to manufacture and/or market) with full knowledge of the legal situation],

ii. by negotiating the sale or license of his title to another business (or businessperson),

[here, the IPA comes in to defend his client so that this other business comes to a decision that is acceptable to his client],

iii. by initiating, avoiding or defending in an infringement action, particularly before a judicial Judge (whether civil or criminal),

[here too, the IPA is there to defend his client in order to obtain a decision from an Authority].

2/ The IPA's role is:

a) to receive information / secrets from his client either verbally or in writing,

b) i. to advise his client in the decision-making process, in both industrial and commercial matters,

ii. to defend his client:

- before an Authority (Judicial or Administrative, such as a Patent and Trademark Office) or before another businessperson
- for a decision to be rendered by this Authority or to be reached together with this other businessperson in agreement with his client.

3/ The question then arises whether a (Judicial or Administrative) Authority has the power to take knowledge and make use of information from the IPA or from his client, for instance the client's manufacturing formula, the IPA's opinion, or the correspondence exchanged between the IPAs representing their client.

Comments:

- 1/ It is important to keep in mind the traditional differences between the rules of civil procedure:
 - in Common Law countries where the procedure looks more like “inquisitorial” (and/or adversarial), with a “discovery” process by which (in part) the parties assert how the Court should piece the truth together, and
 - in Civil Law countries, like in France, where the procedure looks more like “accusatorial” (without an obligation to disclose everything), in which the Court settles the dispute within the limits that the parties have agreed to determine the dispute.

- 2/ It is also important to remember that the exceptions to professional secrecy, confidentiality and the rights of the defense only apply when an Authority needs information or evidence exclusively within the context of the subject matter to which the immunity applies.

In other words, the immunity studied today in connection with Intellectual Property should never admit of any exception if the Authority is investigating a case in an area other than Intellectual Property, for instance in the area of money laundering or taxes.

However, it can happen that piracy and infringement fall within the province of organized crime and sometimes of money laundering.

Professional secrecy

Article 226-13 of the French Criminal Code prohibits professionals from revealing secrets entrusted to them because of their profession.

Therefore, this is not so much a privilege for the client as an obligation for the professional to keep secret all the information received from his client.

1/ This rule of criminal law is therefore public policy in France and professionals in this country are bound by it (see also below).

a) Such an obligation of secrecy is binding upon professionals for all secrets, whether received verbally, in writing or otherwise.

This obligation is perpetual (even after the client's decease) and it can be removed by no one, be it a Judge or the client himself.

b) The Judge can lift the secret if it were to conceal the professional's participation in a criminal infraction, whether as the main offender or as an accomplice.

2/ Professional secrecy is not in France equivalent to the "legal advice privilege" benefiting the client.

a) It is true that the client is entirely free to decide whether or not to disclose the secret (or the confidence) and/or the advice provided by the professional.

b) Yet, in France, can the client be required by a Judge to disclose the secret and the advice exchanged with his professional counsel?

- i. It is likely that secret information can be seized on the client's premises by the Judge called to rule on the infringement of an Intellectual Property right:
 - when the secrecy covers the formula of the manufacturing process that is held to be infringing,
 - when the professional's opinion proves that the client decided to exploit with full knowledge of the legal situation, in bad faith or in a deliberate manner, to decide whether or not the client should incur civil or criminal liability.

Indeed, the manufacturing formula and the awareness of its infringing nature are elements in the client's conscious decision made in the course of his business. In this respect, such elements cannot be concealed by professional secrecy from the Judge ruling on the infringement, as he must be allowed to assess the behavior that the industrialist or tradesperson has elected to adopt.

- ii. The only case in which this would not happen would be if the secret information and the legal opinion had been exchanged between an "avocat" and his client in the context of the exercise of the rights of the defense (see below), after the client's making his own decision, and after a third party makes an accusation of infringement against the exploitation.

The professionals

Which professionals are bound by secrecy?

1/ In France, this applies to all "avocats" at a French Bar. "Avocats" practice their profession as "Auxiliaries of Justice" and in the general interest of society.

a) An "avocat" must practice his profession in a private practice and in an independent manner.

Thus, the European Court (ECJ, May 18, 1982, AM&S case 155/79 – Court of First Instance, April 4, 1990, Hilti case T-30/89 – ECJ June 26, 2007, Bars case C-305/05 – Court of First Instance September 17, 2007, Akzo case T-125, 253/03) stated that the protection afforded by EC law with respect to the confidentiality of "lawyer / client" communications only applied insofar as said "lawyers" were independent, and therefore not in an employer / employee relationship with their clients.

b) i. Indeed, France considers that a "lawyer" who is salaried by his client is not independent and is consequently not bound by professional secrecy.

According to French law, being an "avocat" is incompatible with any employment as a salaried employee in an industrial or commercial company, because the employee is dependent of his superiors, carries out their instructions and reports to them, while acting in the private interests of the company that employs him.

In France, the status of "avocat" is that of an "Auxiliary of Justice" who practices his profession in the general interest of society. He is therefore required to be an independent and private lawyer.

ii. Because, as the saying goes, "the shoemaker's children always go barefoot," it is classic to say that a lawyer should not plead for his wife, just as a surgeon should not operate on his daughter.

Likewise, although salaried journalists enjoy freedom of speech and benefit from the conscience clause when they write for their employer's paper, it is quite rare – particularly in the area of political news – to find leftist articles in papers that are well-known to be right-wing.

2/ Article 27 of the law of February 11, 2004 (article L. 422-11 of the Intellectual Property Code - IPC), provides that Counsels for Industrial Property (CPIs) are also bound by professional secrecy.

These CPIs must practice their profession in a private practice and in an independent manner (L. 421-1 and R. 422-52 IPC).

3/ As for authorized agents before the European Patent Office (whether independent outside counsels or salaried in-house counsels), see the discussion by Mrs. Anette HEGNER (Denmark).

The confidentiality between "avocats" and "Counsels for Industrial Property" (CPIs)

1/ According to an old tradition, which was particularly confirmed by article 66-5 of the law of December 31, 1971, as modified in 1997 and 2004, communications between French "avocats" are secret.

a) Such is the case of all verbal and written communications between French "avocats".

Indeed, in these situations, their role is to defend their respective clients in order to obtain a decision that must be the result of a mutual agreement between their respective clients.

i. This is the case in a trial before a Judge (whether Judicial or Administrative), where the "avocats" can secretly negotiate and draft a settlement agreement putting an end to the trial.

This is also true, outside litigated cases, of the negotiations that French avocats may hold to sell or license an Intellectual Property title.

ii. However, such "professional confidentiality" will not cover the settlement agreement that the parties have reached via their "avocat".

b) There are two series of exceptions to this rule of confidentiality:

i. when a French "avocat" decides to write to another "avocat" in an explicitly "official" capacity, or when a French "avocat" writes an instrument of procedure in a case before a Judicial or Administrative Authority.

ii. a Judge can lift the confidentiality when it could lead to concealing an "avocat's" participation in a criminal offense, both as the main offender or as an accomplice.

2/ Article 27 of the law of February 11, 2004, also provides that the obligation of professional secrecy for CPIs also covers "professional correspondences exchanged with his client, a colleague or an avocat..."

3/ However, it is not certain that the confidentiality covering communications between such French "avocats and CPIs" also applies to exchanges with foreign colleagues, not even within Europe.

Here the need for harmonization is also clear.

The rights of the defense

This is a fundamental traditional principle that is part of French public policy and is binding upon all.

Indeed, Article 6 of the European Convention on Human Rights (ECHR) requires that everyone is entitled to have their case heard, particularly in a fair trial.

It is on this ground that a French "avocat" is entitled to defend his client freely and secretly. Vice versa the client is entitled to be freely and secretly defended.

The ECJ has clearly stated (May 18, 1982, AM&S – case 155/79 § 18) that "any person [subject to trial] 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."

- 1/ a) The "avocat's" role here is no longer to advise his client so that he himself can make a decision with full knowledge of the facts. Instead, his role is to defend his client in order to obtain a favorable decision from a (Judicial or Administrative) Authority.
 - b) In this context of the rights of the defense, such freedom and secrecy of the defense, like the "legal privilege", benefits both the "avocat" and his client (and all his employees, whether lawyers or not).
 - i. The European Judge (Court of First Instance, September 17, 2007, Akzo § 117, 123, 134 and 173) thus held that preparatory documents or the client's internal communications *"even if they were not exchanged with a lawyer or were not created for the purpose of being sent physically to a lawyer, may nonetheless be covered by "legal professional privilege" [LPP], provided that they were drawn up exclusively for the purpose of seeking legal advice from a lawyer in exercise of the rights of the defense."*
 - ii. Previously, the European Judge had already stated (ECJ, May 18, 1982, AM&S Case 155/79 § 23, 33 and 34) that to be effective, it should be possible to extend the protection of the client to written communications that predated the initiation of the procedure, when such written communications had a relationship to the subject-matter of that procedure.
 - iii. See also article 6.3 of the Directive 91/308/EEC, as modified by article 1st 5) of the Directive 2001/97/EC of the European Parliament and of the Council, where there is no potential disclosure of the information received "by independent legal professionals ... from their clients, in the course of ascertaining the legal position for their client or performing their task of defending or representing that client in, or concerning judicial proceedings, including advice on instituting or avoiding proceedings, whether such information is received or obtained before, during or after such proceedings".
- 2/ As for CPIs, under French law, they cannot represent a client before a Civil or Criminal Judge ruling on validity and/or on infringement of an IP right.

Although CPIs are practicing in a private practice and in an independent manner and are bound by professional secrecy, there is not yet any law or case law granting French CPIs this free and secrete defense before a Judge, when such CPIs are assisting the French "avocat" litigating for the same client.

The assessment abroad

1/ a) It seems that in the US discovery system the US Judge can admit the exception of privilege, when there is a "reciprocity" in France, if only by equivalence (USDC SD New York, April 27, 1999, *Bristol v. Rhone-Poulenc*).

b) It also seems that the French Judge can admit such a reciprocity as well.

c) Even if this "regime" of reciprocity is a first step in resolving international conflict of laws, within international private law, such "reciprocity regime" remains unsatisfactory.

It is here again quite clear that a treaty is needed for harmonizing these local situations.

2/ a) In addition, the French judge has the following authority:

i. he can apply the French criminal laws governing professional secrecy abroad when the victim is French (see article 113-7 of the French Criminal Code)

ii. the French Judge can also apply the foreign civil law in France, including in connection with contractual obligations of confidentiality.

b) i. It seems that the French Judge cannot admit any privilege if it conceals a criminal offense committed by a lawyer or with a lawyer's complicity.

ii. Unlike a certain case law of Common Law countries, the French Judge tends to set aside all evidence obtained under unlawful conditions, particularly by means of a breach of professional secrecy, of confidentiality or of the rights of the defense.

c) Naturally, France is subject to the laws passed in the name of the European Union, and to the decisions rendered by the ECJ in application of European law.

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