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THE CLIENT-PATENT ADVISOR PRIVILEGE

*Document prepared by the Secretariat**

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EXECUTIVE SUMMARY

1. Pursuant to the decision of the Standing Committee on the Law of Patents (SCP) at its twelfth session held from June 23 to 27, 2008, in Geneva, the Secretariat prepared a preliminary study on the client-attorney privilege (document SCP/13/4) which was discussed at the thirteenth session of the SCP, held from March 23 to 27, 2009, in Geneva. The present document expands on document SCP/13/4 to reflect the current state of play in this area, taking into account the perspectives of various stakeholders, pursuant to the decision of the SCP at its thirteenth session. Consequently, this document should be read together with document SCP/13/4, and is intended to deepen the understanding of some elements described in that document, taking into account the discussions held on this topic at the thirteenth session of the SCP.
2. The present document provides background information on the client-attorney privilege and professional secrecy obligations in the following selected common law and civil law countries: Australia, Brazil, Germany, Japan, Malaysia, New Zealand, Russian Federation, South Africa, Switzerland, Thailand, United Kingdom and United States of America. Following a general introduction, Chapter II summarizes the differences and similarities in those countries in relation to, *inter alia*, the origin of the privilege and secrecy obligations in each country, professionals bound by the secrecy obligations and privilege, the scope of privilege and secrecy obligation, exemptions from and limitations to the privilege and secrecy obligations and the treatment of foreign patent advisors. While underlining the similarities, the paper finds that differences in the treatment of the above issues exist not only between common law and civil law countries, but that there is a variety of approaches taken by countries having the same legal tradition.
3. Chapter III focuses on the international dimension of the issue of client-patent advisor privilege by exploring various provisions contained in international instruments such as the Paris Convention, TRIPS Agreement and the General Agreement on Trade in Services (GATS).
4. In Chapter IV, the document provides various arguments in relation to the rationale behind the client-patent advisor privilege suggested in different literature. In particular, it addresses the following questions: (i) whether the client-patent advisor privilege contributes to the quality of advice and the administration of justice or whether, rather, it impedes justice by withholding certain information; (ii) whether non-lawyer patent advisors deserve the same treatment as lawyer patent advisors in terms of the client-attorney privilege; and (iii) whether patent advisors, who act as intermediaries between clients and patent offices and prepare documents for public disclosure, deserve to be covered by the client-patent advisor privilege. The document also addresses the main arguments which underline the rationale for seeking action at the international level, with a view to greater legal certainty with respect to the treatment of confidential information at the international level, and the better quality of advice given by patent advisors.
5. Finally, in Chapter V, the paper summarizes key findings and illustrates examples of potential areas that could be further considered by the SCP. It appears that similar public interest considerations underline the concept of the “client-attorney privilege” in common law countries and the concept of the “professional secrecy obligation” in civil law countries. However, as far as confidential communications between a client and his or her patent advisor are concerned, differences in details are found not only between common law countries and civil law countries, but also within countries having the same legal tradition. With this in

mind, the possible next step would be to look more closely into the treatment of confidential information in various countries with respect to patent advisors, without attempting to seek a uniform national evidence law, civil/criminal procedure law or harmonized requirements regarding the qualification of national IP advisors. Further discussions could look into questions such as how confidentiality of communications between patent advisors and their clients (in the form of the professional secrecy obligation or privilege) in one country is recognized in different jurisdictions. In parallel to the above, another fundamental question appears to be whether the professional secrecy obligation or the privilege accorded to attorneys at law should be extended to communications between patent advisors and their clients at the national level. Some examples of options for addressing those issues at the international level are described in document SCP/13/4, pages 18 and 19, and other possible options could be further explored by the Committee.

I. INTRODUCTION

6. Pursuant to the decision of the Standing Committee on the Law of Patents (SCP) at its twelfth session held from June 23 to 27, 2008, in Geneva, the Secretariat prepared a preliminary study on the client-attorney privilege (document SCP/13/4) which was discussed at the thirteenth session of the SCP, held from March 23 to 27, 2009, in Geneva. The present document expands on document SCP/13/4 to reflect the current state of play in this area, taking into account the perspectives of various stakeholders, pursuant to the decision of the SCP at its thirteenth session. Consequently, this document should be read together with document SCP/13/4, and is intended to deepen the understanding of some elements described in that document, taking into account the discussions held on this topic at the thirteenth session of the SCP.

7. The following sources have been used to conduct this study: journals, articles, Internet sources, submissions by NGOs and papers presented at the WIPO AIPPI Conference on Client Privilege in IP Professional Advice, which was held on May 22 and 23, 2008.

8. As regards terminology, the term “patent advisor” is used in this document to describe a person who is a professional representative, in a general sense, for the purposes of patent-related matters, the scope of which varies depending on the national law. Such a profession is called “patent attorney” or “patent agent” in many countries.

II. COUNTRY STUDY

9. In order to ensure the acquisition and enforcement of patent rights, patent owners must be able to communicate freely with their patent advisors, such as patent attorneys or patent agents. Similarly, third parties need to consult patent advisors on matters such as potential infringement of patent rights or invalidation of granted patents. In both cases, clients must be sure that any communication to and from such advisors will remain confidential and will not be revealed in court or to a third party or otherwise made public in order to discuss the matter frankly and openly with the patent advisors. While such a need for a client is universal in the interests of justice, the question regarding how to design a legal framework which would ensure a high level of advice in various countries remains. This legal framework, at present, varies significantly between common law and civil law countries, primarily because of differences in their court procedures to obtain evidence. However, as the country study will demonstrate below, such a demarcation may be too simplistic, since different procedures and different scopes of client-attorney privilege are found within the countries under the common law tradition as well as within those under the civil law tradition.

10. At the outset, it should be noted that the discussion of the issue under consideration, i.e. client-attorney privilege, does not involve changes to the requirement of disclosure of inventions in patent applications, the rules of communication between applicants and patent offices or obligations of patent offices to keep unpublished patent applications confidential. The above matters have no direct relevance to the issue at stake that primarily relates to the protection of confidential communication between a patent advisor and his or her client from forcible disclosure in a court or to a third party.

(a) Common Law Countries

11. Among other differences between the common law system and the civil law system, one general characteristic of civil procedures in the common law system is “discovery” (or disclosure) in a pre-trial phase in which each party to a litigation may request disclosure of documents and other evidence in the possession of other parties which may be relevant to the case. The discovery system was developed with a view to bringing all evidence to the attention of the court so that the truth can be ascertained. On the other hand, there is also a competing public need to keep certain confidential private information from public inspection, for example, information that lawyers, doctors or priests received from their clients should remain confidential. Considering the overall public interests, common law jurisdictions develop a notion of “privilege” under which certain communications or documents may be prohibited from forced disclosure during litigation. It is an exception to the general rule of disclosure that promotes broader public interests in the observance of law and the administration of justice.¹

12. Among such exceptional “privileges”, the privilege discussed in document SCP/13/4 and explored in this document is “client-attorney privilege”, which in some jurisdictions is known as “solicitor-client privilege”, “legal advice privilege”, “legal professional privilege” or “attorney-client privilege”. For the purpose of this document, the term “client-attorney privilege” is used. Simply stated, the client-attorney privilege is an exception to the above disclosure rule whereby confidential communications between a client and his or her lawyer for the purpose of receiving/giving legal advice are protected from disclosure, in principle. The right to privilege belongs to the client, and therefore, the right to waive privilege belongs to the client.

13. Another type of “privilege” under the common law system which is related to “client-attorney privilege” is “litigation privilege”. Litigation privilege is called “work product privilege” or “client legal privilege” in some jurisdictions. Litigation privilege applies to communications made for the purpose of contemplated or ongoing litigation. It applies to communications not only between the client and his or her lawyer but also between the client or the lawyer and third parties. For example, if a client communicates with a foreign non-lawyer IP professional for the purpose of anticipated or ongoing litigation, such communication is protected from disclosure under the litigation privilege. Unlike client-attorney privilege which is perpetual, litigation privilege ends upon the termination of the litigation. Its objective is to ensure the efficacy of the *inter partes* procedure by ensuring that both parties prepare their positions in private and subject to confidentiality without fear of external interference and premature disclosure. While some communications may qualify for protection under both “client-attorney privilege” and “litigation privilege”, they are two distinct types of privilege. It should be clarified that this document deals with “client-attorney privilege” and does not cover “litigation privilege”.

14. The following paragraphs provide information regarding the scope of client-attorney privilege and its applicability to patent advisors, including foreign patent advisors, in six common law countries, namely, Australia, Malaysia, New Zealand, South Africa, United Kingdom and United States of America. They also provide brief descriptions of qualifications and requirements for patent advisors in each country.

¹ Upjohn Co. v. United States, 449 US 383 (1981)

(i) Australia

Discovery procedure and how privilege protection operates against discovery

15. There are two methods of discovery under the Australian High Court rules. One is the normal track discovery and another is the fast track discovery under Federal Court of Australia New Practice Note 30 (fast track) of April 2009, which aims to finalize a proceeding within five to eight months of commencement. On the fast track discovery, the court expects the parties to cooperate with and assist the court in ensuring that the case is conducted in accordance with the fast track. Under the fast track procedure, discovery is only limited to documents on which a party intends to rely and documents that have significant probative value adverse to a party's case.

16. Under the normal track, discovery may be made on documents on which the party relies, documents that adversely affect the party's own case, documents that affect another party's case and documents that support another party's case. Client-attorney privilege operates to entitle a client, and even an attorney in his or her role as a witness or a party to litigation, to withhold evidence, or in some cases, to prevent others from disclosing privileged information. For example, the privilege allows a client to withhold, from a court, communications that she/he has had with his or her lawyer for the purpose of obtaining legal advice.

Professionals covered by the privilege and secrecy obligation

17. Professionals covered by the privilege are qualified lawyers, including in-house qualified lawyers and patent attorneys. The term "qualified lawyers" refers to lawyers called to the Bar in each of the States and Territories of Australia. The ultimate decision to admit a person with certain qualifications to the Bar rests with the State or Territory in which one is seeking admission.

18. Patent attorneys are granted patent attorney privilege by statutes. Section 200 of the Patents Act 1990 provides that:

“(1) A registered patent attorney:

- (a) is entitled to prepare all documents, transact all business and conduct all proceedings for the purposes of this Act; and
- (b) has such other rights and privileges as are prescribed.

“(2) A communication between a registered patent attorney and the attorney's client in intellectual property matters, and any record or document made for the purposes of such a communication, are privileged to the same extent as a communication between a solicitor and his or her client.

“(3) Nothing in this section authorizes a registered patent attorney to prepare a document to be issued from or filed in a court or to transact business, or conduct proceedings, in a court.

“(4) In this section:

“*intellectual property matters*” means:

- (a) matters relating to patents; or
- (b) matters relating to trademarks; or
- (c) matters relating to designs; or

(d) any related matters.”

19. The Australian Patents Act restricts patent attorneys from preparing documents to be filed in court, or transacting business or conducting proceedings in court, distinguishing it from that of lawyers who may prepare documents, transact business and conduct proceedings in court.

20. In comparison, Australia also provides for the same privilege to trademark attorneys as prescribed for their patent attorney counterparts. Australia’s Trade Marks Act of 1995, as amended by the Intellectual Property Laws Amendment Act 1998, extends the same rights to Australian patent and trademark attorneys.

21. Based on the strict interpretation of Section 200(2) of the Patents Act and the recent comments in *Telstra Corporation Limited v. Minister for Communications, Information, Technology and the Arts (No 2)*² regarding client-lawyer privilege, it is expected that patent attorney privilege would apply to communications with in-house patent attorneys subject to certain conditions. Firstly, the attorney would need to be registered under the Patents Act. Secondly, he or she would need to be acting in his or her capacity as a patent attorney rather than in any commercial or technical capacity. In that case, Graham J reiterated the independence required of the in-house lawyer and stated that, for privilege to operate, the lawyer needed to be acting in a legal, rather than a commercial, role. The lawyer, and thus also the patent attorney, would need to be able to give impartial legal (patent attorney) advice not “compromised by virtue of the nature of his employment relationship with his employer”.

Scope of privilege

22. The lawyer-client privilege protects communications between lawyers and clients for the purpose of legal advice. Based on the decision in *DSE (Holdings) Pty Ltd v. Intertan Inc.*,³ legal advice that is entitled to a privilege must go beyond formal advice as to the law. This means that client-lawyer privilege protects communications (oral or written) and documents which are confidential and pass between or are created by a lawyer and client for the dominant purpose of the lawyer providing, or the client receiving, legal advice. In Australia, client-attorney privilege extends to communications with third parties.

23. Following the decision of the High Court of Australia in *Daniels Corporation International v. ACCC*,⁴ it is now settled that legal professional privilege is a rule of substantive law of which a person may avail himself to resist giving information or the production of documents which would reveal communications between a client and his or her lawyer made for the dominant purpose of giving or obtaining legal advice or the provision of legal services, including representation in legal proceedings. This means that legal professional privilege is not confined to the processes of discovery and inspection and providing evidence in judicial proceedings.

24. According to Section 200(2) of the Patents Act, the scope of client-patent attorney privilege is narrower than client-lawyer privilege. Privileged communications are limited to those on intellectual property matters. Further, while the privilege granted to clients of

² [2007] FCA 1445.

³ (2003) 135 FCR 151.

⁴ (2002) 213 CLR 543.

solicitors is extended to communications with third parties, communications covered by client-patent attorney privilege are restricted to communications between a registered patent attorney and his or her client.

The limitations and exceptions to the privilege

25. Exceptions to the legal professional privilege in Australia take the form of common law exceptions or statutory exceptions. Common law exceptions include the name of the client,⁵ the circumstances in which allowing the claim of legal professional privilege would frustrate legal processes⁶ and where communication between the lawyer and the client is for the purpose of committing a crime or fraud. In *Carter v. Northmore Hale Davy & Lake*, it was held that, in particular circumstances, a court could override the legal professional privilege.⁷

26. Statutory exceptions to privilege are provided in different legislation. For example, legal professional privilege may be lost where a communication between the lawyer and client concerns “acts attracting the anti-avoidance measures in Pt IV A of the Income Tax Assessment Act 1936” and “in furtherance of a contravention of the Trade Practices Act 1974”.

27. The exceptions and limitations to legal professional privilege may be express or conditional. For example, Section 37(3) of the Administrative Appeals Tribunal Act 1975 provides for an express exception which imposes an obligation on parties to lodge certain documents with the tribunal notwithstanding any rule of law relating to privilege or public interest in relation to the production of documents. On the other hand, Section 157 of the Trade Practices Act 1974 provides for a conditional limitation to the legal professional privilege, according to which a court can order the Australian competition authority to comply with a request for information but such a request may not be complied with if “the court considers it inappropriate to make the order by reason that the disclosure of the contents of the document or part of the document would prejudice any person, or for any other reason.” The recent decision of the High Court of Australia in *Daniels Corporation International Pty Ltd v. ACCC*⁸ suggests that a statute abrogates legal professional privilege in cases where “very clear, indeed unmistakable, provisions of legislation” exist which deny the application of privilege.

Consequences of the loss of confidentiality and penalties for disclosure

28. The loss of confidentiality or inadvertent disclosure of confidential information subject to the privilege means the confidentiality and also the privilege are lost. A patent attorney who discloses confidential information without authorization may be subject to disciplinary proceedings by the Professional Standards Board in accordance with Disciplinary Guidelines for Registered Patent and Registered Trade Marks Attorneys under Regulation 20.33 of the Patent Regulations 1991. The Guidelines set out the procedures that the Professional Standards Board will follow in investigating a registered patent attorney or a registered trademark attorney and in deciding whether or not to commence disciplinary proceedings.

⁵ *Commissioner of Taxation v. Coombes* (1999) 92 FCR 240.

⁶ *R v Bell; Ex parte Lees* (1980) 146 CLR 141.

⁷ (1995) 183 CLR 121, 135.

⁸ (2002) 213 CLR 543.

The Board has the power to refer any patent attorney who is in breach of confidentiality for professional misconduct to the Disciplinary Tribunal.

Treatment of foreign patent advisors

29. Patent attorney privilege is not applicable to communications between clients and foreign attorneys who are not registered under the Australian Patents Act.⁹ This is because of the statutory requirement that the patent attorney be registered and a resident of Australia and only then is the statutory privilege accorded by the Australian Patents Act applicable.

Requirements/qualifications for patent advisors

30. The registration of patent attorneys and trademark attorneys in Australia is governed by the Professional Standards Board for Patent and Trade Mark Attorneys, a body established under Section 227A of the Patents Act 1990. The Board administers the regulatory and disciplinary regimes for patent and trademark attorneys in Australia. To register as a Patent and Trademark Attorney in Australia, the following conditions must be met: pass nine prescribed exams; hold a degree in a field of technology that contains potentially patentable subject matter; be ordinarily resident in Australia; have worked for a year as either a technical assistant in a patent attorney's practice, an employee in a company in Australia practicing patent matters on behalf of a company or an examiner of patents at IP Australia; and be of good repute, integrity or character, and not have been convicted within the past five years of offences against patents, trademarks and designs legislation.

Summary

31. The client-attorney privilege accorded to patent attorneys in Australia is part of the statutory privilege and does not originate from the common law legal professional privilege, although the patent attorney privilege closely mirrors the common law legal professional privilege. Thus, the patent attorney privilege is only applicable to the intended beneficiary who is a registered patent attorney in Australia and not an unregistered patent attorney which includes a patent attorney registered in a foreign country but not in Australia.

(ii) Malaysia

Discovery procedure and how privilege protection operates against discovery

32. Under pre-trial case management, The Rules of the High Court 1980 set out a non-exhaustive list of directions which the Judge may make. Where discovery by a party is considered inadequate, application for further or more specific discovery may be made to the court. Failure to comply with an order for discovery can ultimately result in dismissal of the action or striking out of the defense. It is the legal duty of each party and its solicitor to make full disclosure of those documents in his or her possession or control and relevant to the issues in the action, if the party making disclosure relies on those documents or such documents would lead the opponent to a relevant course of inquiry. The disclosure shall be made even if it is helpful to the opponent's case.

⁹ Eli Lilly and Co. v Pfizer Ireland Pharmaceuticals (2004) 137 FCR 573.

33. Privileged documents are exempt from disclosure. In Malaysia, the law on privilege is generally the subject of legislation supplemented with common law principles where applicable. Section 126 of the Evidence Act 1950 prohibits advocates from disclosing any communication with his or her clients for the purpose of his or her professional activities unless express consent is given by the client. Section 126 reads as follows:

“(1) No [advocate] shall at any time be permitted, unless with his client’s express consent, to disclose any communication made to him in the course and for the purpose of his employment as such [advocate] by or on behalf of his client, or to state the contents or condition of any document with which he has become acquainted in the course and for the purpose of his professional employment, or to disclose any advice given by him to his client in the course and for the purpose of such employment: Provided that nothing in this section shall protect from disclosure – (a) any such communication made in furtherance of any illegal purpose; (b) any fact observed by any [advocate] in the course of his employment as such showing that any crime or fraud has been committed since the commencement of his employment.

“(2) It is immaterial whether the attention of the [advocate] was or was not directed to the fact by or on behalf of his client.”

34. In addition, the client is also protected by privilege under the Evidence Act as provided in Section 129 as follows:

“No one shall be compelled to disclose to the court any confidential communication which has taken place between him and his legal professional advisor unless he offers himself as a witness, in which case he may be compelled to disclose any such communications as may appear to the court necessary to be known in order to explain any evidence which he has given, but no others.”

35. For example, communications with legal advisors for the purpose of obtaining legal advice are privileged. Documents tending to incriminate a party are also privileged. Documents containing matters confidential to a party and not otherwise privileged must be disclosed, but the Court may order a controlled method of disclosure to protect confidentiality.

Professionals covered by the privilege and secrecy obligation

36. Under Section 126 of the Evidence Act 1950 and the Interpretation Act which defines “advocate” to mean a lawyer qualified to practice law in any part of Malaysia, the duty to keep communications with clients secret only applies to qualified practicing lawyers and does not apply to IP professionals in Malaysia (patent and trademark agents) who are not qualified lawyers. A qualified lawyer means a person who has been admitted to the Malayan Bar or the Sabah and Sarawak Bar under the Legal Professional Act 1976 and the respective law in Sabah and Sarawak.

37. On the other hand, under Section 129 of the Evidence Act, the term “legal professional advisor”, and not “advocate”, is used. Consequently, clients’ privilege to keep communications secret does not apply to communications with patent or trademark agents,

but may also be extended to in-house lawyers.¹⁰ Communications with patent agents who are also lawyers are covered by privilege.

Scope of privilege

38. Generally, the law of privilege in Malaysia only covers communications between a lawyer and his or her client. The scope of privilege is wide and covers all communications in the course and for the purpose of his or her services as a lawyer. It continues even after cessation of his or her employment as a lawyer of the client. Communications protected by privilege would also include communications between the lawyer and third parties (such as independent expert witnesses) during the course of his or her engagement as a lawyer.

The limitations and exceptions to privilege

39. The limitations and exceptions to privilege have been discussed by the Malaysian Federal Court in a recent case of *Anthony See Teow Guan v. See Teow Chuan and See Teow Koon* (Civil Appeal 02-50-2006, judgment delivered on February 23, 2009). In this case, the Federal Court upheld the common law maxim that “once privileged, always privileged.” The Court held that the client could waive the privilege recognizing the position of the client as the holder of the privilege and the lawyer as the holder of the confidentiality. The waiver must be made with the express consent of the client and as such Malaysian law does not recognize the common law waiver of implication or by imputation. It is also held that the disclosure of any legal opinion did not remove the privilege attached to the legal opinion.

40. Apart from express waiver, there are statutory provisions that provide for exceptions to privilege. For example, Section 14 of the Anti-Money Laundering and Anti-Terrorism Financial Act 2001 (“AMLATF”) imposes on a reporting institution an obligation to “promptly report to the competent authority any transaction: Exceeding such amount as the competent authority may specify; and Where the identity of the persons involved, the transaction itself or any other circumstances concerning that transaction gives any officer or employee of the reporting institution reason to suspect that the transaction involves proceeds of an unlawful activity.”

41. With effect from September 30, 2004, advocates and solicitors are included as one of the ‘Reporting Institutions’ in the First Schedule of AMLATF. Lawyers thus have the same obligations as that of financial institutions to report to the competent authority any transaction which falls within Section 14 of AMLATF.

42. Further, Section 47 of AMLATF is a provision specific to advocates and solicitors which empowers a High Court judge to make an order, in relation to an investigation into a money laundering offence or a terrorism financing offence, requiring an advocate and solicitor to disclose information in respect of any transaction or dealing relating to any property which is liable to seizure under AMLATF.

43. The legal professional privilege between the advocate and solicitor and his or her client is overridden by Section 20 of AMLATF for the purposes of the reporting obligation. It will not excuse the advocate or solicitor from any failure to report a suspicious transaction.

¹⁰ VL Kandan, Malaysia’s Position on IP Advisor-Client Privilege, WIPO AIPPI Conference on Client Privilege in IP Professional Advice, May 22-23, 2008.

Consequences of the loss of confidentiality and penalties for disclosure

44. Any lawyer who discloses confidential documents and privileged documents without the express consent of his or her client will be subject to professional penalties and professional disciplinary proceedings. The discipline of patent agents is not fully provided for under the Patent Regulations 1986. Regulation 45E(3) of the Patent Regulations 1986 only provides that “the Registrar may refuse to renew the registration of any person who has been convicted of an offence involving fraud or dishonesty.” This may mean that a registered patent agent who has dishonestly disclosed the client’s information may be classified as dishonest, and the renewal of the registration may be refused.

Treatment of foreign lawyers and patent advisors

45. According to Section 126, the duty of confidentiality applies to domestic lawyers. Due to a lack of case law regarding the interpretation of the term “legal professional advisor” in Section 129 of the Evidence Act, it is not clear whether privilege under Section 129 extends to communications with foreign lawyers. One expert assumes that communications with a client and his or her foreign patent attorney who is also qualified as a lawyer are also covered by Section 129.¹¹ Since there is no statutory provision establishing privilege for communications between a client and his or her patent agent who is not a lawyer, it is likely that privilege does not extend to foreign patent attorneys who are not lawyers.

Requirements/qualifications for patent advisors

46. To be a registered patent agent in Malaysia, one has to pass the patent agent examination set by the Malaysian Intellectual Property Corporation and has to hold an engineering or science degree or be a practicing lawyer. Under the Patents Act and the Patent Regulations 1986, a legal education is not required in order to qualify for a patent agent. A candidate for the patent agent examination has to sit for several subjects, namely, Technology, Malaysian Patent Law and Practice, Malaysian Trademark and Design Law and Practice and Foreign Intellectual Property Law.

Summary

47. Malaysia provides for statutory client-attorney privilege to qualified lawyers, including in-house lawyers, only. Therefore, patent agents in Malaysia need to be qualified lawyers in order to be able to be covered by privilege. Whether a foreign based lawyer or a foreign based patent attorney who is also a qualified lawyer is also covered by the client-attorney privilege in Malaysia has not been clarified.

(iii) New Zealand

Discovery procedure and how privilege protection operates against discovery

48. New Zealand court trials closely resemble those of the United Kingdom and Australia. Pre-trial discovery is limited to document discovery (which is based on similar concepts of

¹¹ VL Kandan, Malaysia’s Position on IP Advisor-Client Privilege, WIPO AIPPI Conference on Client Privilege in IP Professional Advice, May 22-23, 2008.

relevance to the United Kingdom) and interrogations answered on affidavit. In New Zealand, legal professional privilege is a term that applies to the protection of confidential communications between a lawyer and his or her client. Legal advice protected by legal professional privilege will not need to be produced for inspection during discovery in legal proceedings. Consequently, the opponent in the case will not be able to have access to the privileged document.

Professionals covered by the privilege and secrecy obligation

49. Amongst the various reforms brought about by the New Zealand Evidence Act 2006, which came into force on August 1, 2007, was a strengthening of the statutory privilege which protects communications between registered patent attorneys and their clients (also known as “patent attorney privilege”). The privilege also covers in-house lawyers.

50. Section 54 of the Evidence Act 2006 provides that:

“Privilege for communications with legal advisors

(1) A person who obtains professional legal services from a legal advisor has a privilege in respect of any communication between the person and the legal advisor if the communication was-

- (a) intended to be confidential; and
- (b) made in the course of and for the purpose of-
 - (i) the person obtaining professional legal services from the legal advisor;

or

- (ii) the legal advisor giving such services to the person.

“(2) In this section, professional legal services means, in the case of a registered patent attorney or an overseas practitioner whose functions wholly or partly correspond to those of a registered patent attorney, obtaining or giving information or advice concerning intellectual property.

“(3) In subsection (2), intellectual property means one or more of the following matters;

- (a) literary, artistic, and scientific works, and copyright;
- (b) performances of performing artists, phonograms, and broadcasts;
- (c) inventions in all fields of human endeavor;
- (d) scientific discoveries;
- (e) geographical indications;
- (f) patents, plant varieties, registered designs, registered and unregistered trade marks, service marks, commercial names and designations, and industrial designs;
- (g) protection against unfair competition;
- (h) circuit layouts and semi-conductor chip products;
- (i) confidential information;
- (j) all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.”

51. Thus, under Section 54 of the Evidence Act 2006, privilege may be claimed for communications between “legal advisors” and their clients. The definition of “legal advisor”

refers to lawyers, registered patent attorneys and overseas practitioners whose functions wholly or partly correspond to those of a New Zealand registered patent attorney.

Scope of privilege

52. In accordance with the Evidence Act 2006, privilege applies to communications between a legal advisor and his or her client, where the legal advisor is acting in his or her professional capacity, the communication is intended to be confidential, and the communication is for the purpose of obtaining legal advice.

53. Under the former Evidence Act 1980, registered patent attorneys and their clients could claim privilege only in relation to information or advice relating to any patent, design, or trademark, or to any application in respect of a patent, design, or trademark, whether or not the information or advice related to a question of law. However, the Evidence Act 2006, under Section 54(2), has extended the scope of legal professional privilege relating to registered patent attorneys and overseas practitioners so as to cover communications relating to obtaining or giving information or advice concerning “intellectual property”, as defined under Section 54(3) above.

54. The statutory intent of the above amendment is to provide all-encompassing protection against discovery during legal proceedings of communications between patent attorneys and their clients concerning the protection, enforcement or use of intellectual property rights. The scope of the privilege is not limited simply to the types of communications listed, but may protect any other communications concerning rights resulting from intellectual activity in the industry, scientific, literary or artistic fields.

The limitations and exceptions to privilege

55. The protection of legal professional privilege may be lost in two circumstances, express waiver and implied waiver. Express waiver exists when a client chooses to waive privilege in the legal advice and release it. Implied waiver exists when a client refers to the legal advice in a way that would make it unfair to allow the privilege to be maintained.

Consequences of the loss of confidentiality and penalties for disclosure

56. As in any other common law countries, loss of confidentiality means that the relevant document and communication has to be disclosed and communicated to the party requesting such information. Professionals who make unauthorized disclosure may have to face disciplinary proceedings. The Patent Regulations do not provide for any disciplinary procedure for breach of confidentiality. Patent attorneys who are members of the New Zealand Institute of Patent Attorneys may be subject to the Code of Conduct set by the Institute. Under the Code of Conduct, paragraph 1.3 states that it is the duty of the patent attorney to keep his or her knowledge of each client’s affairs confidential unless otherwise expressly authorized by clients to disclose it.

57. Upon a breach of Code of Conduct, the Institute may impose the following penalties: admonishment and/or reprimand delivered in writing; suspension from membership of the Institute for such a period and on such terms as the Council deems appropriate, with such suspension and the terms or conditions thereof to be notified to the member in writing, or expulsion from the Institute.

Treatment of foreign lawyers and patent advisors

58. New Zealand now extends the legal professional privilege to communications between a client and his or her foreign legal advisor including foreign patent attorneys from more than 80 countries. This is due to the Order in Council of August 2008 issued under the Evidence Act 2006.

Requirements/qualifications for patent attorneys

59. In New Zealand, a patent attorney is a person that has specialized qualifications to act as a professional intermediary between clients and the Intellectual Property Office of New Zealand. Patent attorneys deal with intellectual property, specifically, patents, trademarks, and designs. In practice, patent attorneys also deal with other aspects of intellectual property law, such as copyright, trade secrets and plant variety rights.

60. The Patent Regulations 1954 provide the regulations on how to register as a patent attorney in New Zealand. Section 154 of the Patent Regulations 1954 provide that any person who wishes to be registered as a patent attorney in New Zealand must be a British subject or a citizen of the Republic of Ireland, of good character, and have passed the patent attorneys' examination. If an applicant is not a solicitor of the Supreme Court of New Zealand, or a patent agent or patent attorney registered in the United Kingdom or in Australia, such a person must have been employed for a period totaling not less than three years by a patent attorney in New Zealand; or in the Patent Office; or in some other employment which, in any particular case in the opinion of the Commissioner and the Council of the New Zealand Institute of Patent Attorneys Incorporated, affords substantially similar practical experience to that given by either of the last two mentioned forms of employment.

61. Candidates wishing to apply to be registered as a patent attorney must pass an examination, consisting of the following subjects: New Zealand Law and Practice relating to patents and designs; New Zealand Law and Practice relating to trademarks; Foreign Patent Law; the preparation of specifications for New Zealand patents; and patent attorney practice in New Zealand, including the interpretation of patent specifications.

Summary

62. New Zealand is one of the common law countries that provide for common law legal professional privilege. Under the Evidence Act 2006, New Zealand extends the legal professional privilege to patent attorneys and that includes foreign patent attorneys recognized by New Zealand under the Order in Council.

(iv) South Africa

Discovery procedure and how privilege protection operates against discovery

63. According to the South African Law of Evidence, legal professional privilege in South Africa is based on the Anglo-American evidentiary system. It is based on the fundamental principle that every person has the right of access to the courts, and thus the right of access to a legal advisor, which includes the right to consult with such an advisor privately and confidentially.

64. Generally, as in any other common law country, a privileged document will not be subject to disclosure in any litigation or to the court. However, it should be borne in mind that the question of privilege has not yet been scrutinized by the South African Courts in view of the South African Constitution which came into effect in 1997.¹² Although the Constitution contains no express recognition of a right to privilege, the Constitution appears to suggest the implicit creation of such a right. Section 34 mentions the right to access to the courts. Section 35 recognizes the right to assistance of counsel and the right not to be compelled to give self-incriminating evidence. Section 14 creates the general right to privacy, which includes the right not to have the privacy of communications infringed.

Professionals covered by the privilege and secrecy obligation

65. In terms of common law privilege, South African and foreign attorneys, which include in-house attorneys, but exclude patent agents or attorneys acting in their capacity as patent agents, may enjoy client-attorney privilege.

66. In 1997, the South African Patents Act No. 57 of 1978 was amended to include a new Section 24 (9) which provides that:

“(9) Any communication made by or to a patent agent in his or her capacity as such shall be privileged from disclosure in legal proceedings in the same manner as is any communication made by or to an attorney in his or her capacity as such.”

67. Consequently, communications between a client and a South African patent agent or patent attorney acting in the capacity of a patent agent (e.g. advising on the patentability of an invention or drafting, filing and prosecuting a patent application) are privileged. It is important to note, however, that this provision applies only to South African patent agents.

Scope of privilege

68. Under the common law, communications made between a client and a legal advisor may obtain privilege if the following requirements are met:

- (i) the legal advisor must have been acting in his or her professional capacity;
- (ii) the legal advisor must have been consulted in confidence;
- (iii) the communication must have been made for the purpose of obtaining legal advice;
- (iv) the advice must not facilitate the commission of a crime or fraud.

69. The South African Appeal Court decision of *S v. Safatsa and Others*,¹³ extended privilege to all communications with a legal advisor made for the purpose of giving or receiving legal advice, going beyond communications made for the purpose of litigation.

70. Prior to *Safatsa*, in the case of *MJ Snyman v. Alert-O-Drive (Pty) Ltd*¹⁴ in an opposition to the grant of a patent on patent application 74/2501, it appeared that certain documents came into existence in respect of consultations between the applicant and his or her patent agents

¹² Constitution of the Republic of South Africa No. 108 of 1996

¹³ 1988 (1) SA 868 (A).

¹⁴ 1981 BP 215 (CP).

and attorneys, for the purposes of filing and prosecuting the patent application. During the course of the opposition proceedings, the objector sought to use the documents for the purposes of cross-examining the applicant but the applicant objected to the admission of any such document on the grounds that it was clothed in professional privilege. The Commissioner of Patents held that the documents were all communications between the applicant and their counsel, in their capacity as patent agents and in connection with the application for a patent, and at a time when there was no question of any litigation. The fact that the counsel was also an attorney was therefore purely coincidental. This issue was also raised in the case of *Kirin-Amgen v. Bioclones*¹⁵ and the Commissioner of Patents refused to depart from this precedent set in the *MJ Snyman* case.

71. However, as described earlier, the Patents Act No. 57 of 1978 now provides that communications made by or to a patent agent shall enjoy the same scope of privilege as that given to communications made by or to an attorney.

The limitations and exceptions to privilege

72. Where a communication facilitated the commission of a crime or fraud, it would not be privileged and thus should be disclosed if required by the court.

Consequences of the loss of confidentiality and penalties for disclosure

73. The consequence of the loss of privilege is that the information or communications may no longer be privileged. Patent attorneys and agents are subject to rules of professional confidentiality and must maintain the confidentiality of confidential communications with a client. A legal advisor who discloses privileged information without authorization from the client may be struck off the roll for improper conduct. The client may also have a claim against the advisor in such circumstances.

Treatment of foreign patent advisors

74. In terms of the common law, communications between a client and a foreign patent agent or a foreign patent attorney acting in the capacity of a patent agent (e.g. advising on the patentability of an invention or drafting, filing and prosecuting a patent application) are not privileged. Under the statute, only South African patent agents and South African patent attorneys acting in the capacity of patent agents are covered by the client-attorney privilege.

Requirements/qualifications for patent advisors

75. There are two types of patent-related professionals in South Africa, one is patent agents and the other is patent attorneys. A patent agent does not need to be legally qualified whereas a patent attorney does. A patent attorney may also act as a patent agent. A patent attorney must be admitted as an attorney in South Africa, must be a member of the South African Law Society, and be in possession of a technical or scientific diploma or degree or have adequate practical experience in a technical or scientific field. In addition, the patent attorney must have passed the examinations held by the patent examination board.

¹⁵ 1993 BP 420 (CP).

Summary

76. South Africa has a comprehensive legal professional privilege under the common law system that also extends, under the statute, to patent agents and patent attorneys acting in their professional capacity as patent agents. In order to qualify as a patent agent or a patent attorney, one needs to be legally or technically and scientifically qualified and pass certain examinations. Nevertheless, South African law only extends privilege to local-based patent attorneys and patent agents and not to foreign patent agents or foreign patent attorneys.

(v) United Kingdom

Discovery procedure and how privilege protection operates against discovery

77. Under English law, parties to a civil action are under the duty of “disclosure” - which is known as “discovery” - to enable the other party to obtain information as to the existence, and also to the contents, of the relevant documents relating to the matters in question. It is considered to be an important duty, where strict timetables have to be followed.

78. In most cases, each party must make “standard disclosure” after an action starts. It is done by way of a list which sets out, describes and identifies documents relating to any matters in question between them. Subject to practice directions, a party is only required to disclose documents (i) on which he relies; (ii) which adversely affect his or her case; (iii) which adversely affect the other party’s case; (iv) which support the other party’s case; or (v) which are required to be disclosed by the court rules. In compiling the list, a party has the duty to make reasonable searches proportionate to the issues of the case, and to make a “disclosure statement” verifying that searches have been carried out. The legal representative has the duty to ensure that the person making the statement understands the duty of disclosure.

79. If a party believes that the other party has any specific documents which he has failed to disclose, he may make an application for “specific disclosure”. In both “standard disclosure” and “specific disclosure”, the duty of disclosure is limited to documents that are, or have been, within a party’s control.

80. Generally, the party enjoys the right to inspection, subject to exceptions such as where the documents are no longer within the other party’s control, or where the other party has a right or duty to withhold inspection (privilege). If a party claims a right/duty to withhold, it must state this in the “disclosure statement” with the grounds provided. Pre-trial depositions or oral examination of opposition witnesses for the purpose of disclosure of information are not available as a matter of English Court procedure.

81. Solicitor-client privilege is the legal protection provided by common law to communications between lawyers and their clients. Lawyers have a legal and professional obligation to refuse to make disclosure of privileged communications, except where the client has waived the privilege; or unless the lawyer is compelled to do so, by a court of competent jurisdiction. In the United Kingdom, solicitor-client privilege has been found to be absolute. It was deemed too crucial to the administration of justice to interfere with.¹⁶

¹⁶ *R. v. Derby Magistrates’ Court*, [1995] 4 All E.R. 526.

82. The common law courts first recognized privilege for communications in relation to litigation, based upon the oath and honor of a lawyer who was duty-bound to guard his or her client's secrets.¹⁷ One of the earliest reported decisions discussing the concept was the 1577 English decision in *Berd v. Lovelace*.¹⁸

83. Originally, privilege was restricted to an exemption only from testimonial compulsion, a right belonging to the lawyer, protecting him against the forced disclosure of his or her clients' secrets. Since then, the definition of privilege has been extended, such that it now applies to the receipt of legal advice in general, even if provided outside the context of litigation, and is considered to be a right belonging to the client.

84. While the scope of solicitor-client privilege has evolved and expanded with time, the rationale for the privilege has not significantly changed since its inception. Once a document is classified as privileged, the document will not be disclosed to the other party to the litigation, and the relevant legal advisor cannot be compelled to testify in court on the privileged information or communication.

Professionals covered by the privilege and secrecy obligation

85. The privilege in the United Kingdom extends to solicitors and barristers as well as in-house lawyers. Section 280 of the Copyright, Designs and Patents Act 1988 extends the same privilege to patent agents and trademark agents irrespective of whether they are legally qualified or not. Section 280(3) of the Copyright, Designs and Patents Act 1988 defines "patent agent" as (a) a registered patent agent or a person who is on the European list; (b) a partnership entitled to describe itself as a firm of patent agents or as a firm carrying on the business of a European patent attorney; or (c) a body corporate entitled to describe itself as a patent agent or as a company carrying on the business of a European patent attorney.

86. Although it is not a matter of the national procedures in the United Kingdom, in the context of the European patent attorney, it should be noted that, under the revised European Patent Convention (EPC 2000), which entered into force in December 2007, Rule 153(1) of the Implementing Regulations to the EPC provides for privileged communications between professional representatives and their clients in the procedures before the European Patent Office: "Where advice is sought from a professional representative in his capacity as such, all communications between the professional representative and his client or any other person, relating to that purpose and falling under Article 2 of the Regulation on discipline for professional representatives, are permanently privileged from disclosure in proceedings before the European Patent Office, unless such privilege is expressly waived by the client."

Scope of privilege

87. Before the Civil Evidence Act 1968 (UK) there was no provision for a patent attorney privilege in the UK. At that time, patent agents were not considered to be professional legal advisors and communications with them were not privileged. However, with Section 15 of that Act, the UK legislature provided for a patent agent privilege which put a patent agent in the same position as a solicitor would have been if he had been acting in the place of the

¹⁷ See, for example, *Berd v. Lovelace* (1577) 21 ER 33 (Ch.); *Dennis v. Codrington* (1580) 21 ER 53.

¹⁸ *Berd v. Lovelace* (1577) 21 ER 33 (Ch.).

patent agent. That provision later appeared in Section 104 of the Patents Act 1977 and is now found in Section 280 of the Copyright, Designs and Patents Act 1988. The substantive wording of the current provision is:

“(1) This section applies to communications as to any matter relating to the protection of any invention, design, technical information or trademark, or as to any matter involving passing off.

“(2) Any such communication: (a) between a person and his patent agent, or (b) for the purpose of obtaining, or in response to a request for, information which a person is seeking for the purpose of instructing his patent agent, is privileged from disclosure in legal proceedings in England, Wales or Northern Ireland in the same way as a communication between a person and his solicitor or, as the case may be, a communication for the purpose of obtaining, or in response to a request for, information which a person seeks for the purpose of instructing his solicitor.

“(3) In subsection (2) “patent agent” means: (a) a registered patent agent or a person who is on the European list, (b) a partnership entitled to describe itself as a firm of patent agents or as a firm carrying on the business of a European patent attorney, or (c) a body corporate entitled to describe itself as a patent agent or as a company carrying on the business of a European patent attorney.”

88. In the United Kingdom, client-lawyer privilege protects confidential communications between a solicitor and his or her client made for the purpose of obtaining and giving advice and confidential communications made between the client or solicitor and third parties having as their sole or dominant purpose the preparation for existing or contemplated litigation. In *Three Rivers District Council v. Governor and Company of the Bank of England (no. 5)*¹⁹ a restrictive interpretation of “client” in the context of advice privilege was adopted. The court held that other than those employees specifically responsible for instructing and receiving legal advice (in that case, a unit established to deal with all communications between the Bank and an independent inquiry into the collapse of the Bank of Credit and Commerce International SA) employees of the Bank of England were not the “client” for the purposes of the privilege. Rather, they were third parties and as such, not covered by the privilege.

The limitations and exceptions to privilege

89. Privilege may be lost by waivers, implied or express, and by the failure to apply for privilege during the discovery stage. Apart from the waivers, common law rules also state that privilege cannot be claimed if it relates to the name of the client²⁰ or the legal professional communication involved crime and fraud. In *Crescent Farm (Sidcup) Sports Ltd v. Sterling Offices Ltd*,²¹ Goff LJ held that fraud included tort of deceit, dishonesty, fraudulent breach of trust, fraudulent conspiracy, trickery and sham contrivances. In *Barclays Bank plc v. Eustace*,²² it was held that “where legal advice is given to further a purpose that is ‘sufficiently iniquitous,’ then legal professional privilege will not attach to such communications *whether or not the client was aware of the wrongdoing thereby facilitated.*”

¹⁹ [2002] EWHC 2730.

²⁰ *R (on the application of Howe) v. South Durham Magistrates Court* [2004] EWHC (Admin) 362.

²¹ *Crescent Farm (Sidcup) Sports Ltd v. Sterling Offices Ltd* [1972] 1 Ch 553.

²² [1995] 4 All ER 511, CA.

90. Apart from common law limitations, there are also statutory limitations. For example, the Limitation Act 1980 provides for the power to compel a partial waiver of privilege. In the Police and Criminal Evidence Act 1984, it is provided that prosecuting authorities may obtain orders for the production of “special procedure material.”

Consequences of the loss of confidentiality and penalties for disclosure

91. The loss of confidentiality results in the loss of privilege and will lead to full disclosure of documents. Unauthorized disclosure will lead to disciplinary action by the professional bodies. As a self-regulating body, the Chartered Institute of Patent Agents (CIPA) is involved in the disciplinary process, but the responsibility for agent removal from the Register remains with the government’s Intellectual Property Office. CIPA is responsible for investigating less serious breaches of agent misconduct under its Rules of Professional Conduct and for disciplining its members pursuant to the sanctions set out in its Charter and Bylaws. Sanctions CIPA may impose include an unpublished warning, a public reprimand, an order to pay a fine, an order to take remedial action, an order to forego or, if appropriate, to repay some or all of the charges rendered in connection with the work complained of, an order to pay compensation to the complainant, and an order to pay a proportion, of or the full costs of, the disciplinary procedure. Serious breaches of agent conduct and complaints against registered patent agents who are not members of CIPA are referred directly to the Intellectual Property Office. The Intellectual Property Office is then able to remove agents from its register for misconduct defined as conduct “discreditable to a registered patent agent”. Many members of CIPA also belong to the Institute of Professional Representatives since membership of this institute is required in order to appear before the European Patent Office. Additionally, members of CIPA who are also qualified as trademark agents belong to the Institute of Trademark Attorneys (ITMA). Both of these Institutes maintain their own separate codes of conduct.

Treatment of foreign patent advisors

92. Client-lawyer privilege in the United Kingdom extends to communications with foreign legal advisors.²³ It would seem that communications with patent practitioners who are neither registered in the UK nor on the European patent attorney list may be excluded from the protection afforded by patent agent privilege. This is based on the wording of Section 280 of the Copyright, Designs and Patents Act 1988 which appears, in essence, to confine patent agent privilege to communications with *registered* patent agents or persons on the *European List*.²⁴ There is no recent case law regarding the possible application of privilege for foreign patent attorneys.

²³ *In re Duncan, Deed. Garfield v. Fay* [1968] P. 306 and *Great Atlantic Insurances Co v. Home Insurance Co* [1981] 1 WLR 529.

²⁴ This is based on the view of Simon Thorley and Richard Miller, in Thorley and Terrell, *Law of Patents*, Sweet and Maxwell, London (15th ed) (2000), 39, which states that: ‘[i]n practice, an applicant would be well advised to employ the services of a Registered Patent Agent (or a person on the European list or firm or company entitled to describe themselves as European patent attorneys), not least because of the provisions about patent agents’ privilege which only apply to communications with such persons.’

Requirements/qualifications for patent advisors

93. To become a registered patent agent, one must pass the qualifying examinations set by CIPA. There is a combination of examinations and practical training courses. Almost all patent agents in the United Kingdom also qualify as European patent attorneys. This also entails the need to pass examinations and obtain practical experience.

Summary

94. English common law is the key to the beginning of legal professional privilege in common law countries. English common law on legal professional privilege has evolved through the years to include a statutory provision creating legal professional privilege for patent attorneys and patent agents. The United Kingdom has taken steps to recognize the legal professional privilege of patent agents, which extends to United Kingdom based patent agents and European patent attorneys. Nevertheless, according to the Copyright, Designs and Patents Act 1988, it appears that the privilege is not extended to other foreign agents. Foreign patent attorneys who are qualified lawyers may also be covered by the client-attorney privilege.

(vi) United States of America

Discovery procedure and how privilege protection operates against discovery

95. The discovery procedure in the United States of America depends on whether a case is filed and heard in a state or a federal court. After a suit is filed, both parties exchange certain information, namely all material “regarding any non-privileged matter that is relevant to any party’s claim or defense.”²⁵ Discovery begins with certain mandatory disclosures, including witness lists, lists of documents to be used to prove one’s case, and certain other preliminary documents. The two limits on discovery are the attorney-client privilege and the attorney work product doctrine. In other words, during the discovery stage a party may refuse to supply any documents requested by the other party to litigation on the grounds that the documents are subject to attorney-client privilege or subject to attorney work doctrine or both.

96. The attorney-client privilege is the oldest privilege recognized in America.²⁶ Wigmore states that the privilege exists only: (i) where legal advice of any kind is sought; (ii) from a professional legal advisor in his or her capacity as such; (iii) for the communication relating to that purpose; (iv) when made in confidence; (v) by the client; (vi) at his or her instance permanently protected; (vii) from disclosure by himself or by the legal advisor; (viii) except the protection be waived.²⁷

97. On the other hand, Judge Wyzanski states that to be able to claim attorney-client privilege, one has to show that (1) the asserted holder of the privilege is or sought to become a client; (2) the person to whom the communication was made (a) is a member of the bar of a court, or his or her subordinate and (b) in connection with this communication is acting as a lawyer; (3) the communication relates to a fact of which the attorney was informed (a) by his or her client (b) without the presence of strangers (c) for the purpose of securing primarily

²⁵ Fed. R. Civ. P. 26(b)(1).

²⁶ *Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981).

²⁷ John Henry Wigmore, *Evidence in Trials at Common Law* 2290 (McNaughton rev. ed. 1961).

either (i) an opinion of law or (ii) legal services or (iii) assistance in some legal proceeding, and not (d) for the purpose of committing a crime or tort; and (4) the privilege has been (a) claimed and (b) not waived by the client.²⁸

Professionals covered by the privilege and secrecy obligation

98. Qualified lawyers are covered by the privilege and many professionals such as medical doctors are required to keep client information secret. The attorney-client privilege also extends to U.S. patent attorneys, but courts have not uniformly extended the same privilege to communications with U.S. patent *agents*, who are registered to practice before the USPTO but are not admitted to a state bar. This is because of the U.S. Supreme Court decision that the only *legal* services patent agents may render are those “necessary and incident” to patent prosecution, including patentability opinions and the preparation and filing of patent applications.²⁹ Unlike patent attorneys, patent agents are not authorized to render infringement opinions, because the issue of patent infringement is not “incident to patent prosecution.”³⁰ However, there are cases where federal courts recognize that the privilege operates fully in respect of patent agents, giving consideration to the function they perform rather than their title.³¹ The same applies to trademark attorneys who are recognized and trademark agents who are not and do not have the privilege. The privilege also applies to in-house lawyers who do work of a legal rather than a commercial nature.

Scope of privilege

99. In the U.S. Supreme Court decision in *Sperry v. Florida*,³² it was ruled that patent practice was the practice of law thus rendering the extension on attorney-client privilege to patent attorneys. In *re Spalding*,³³ the Court of Appeals for the Federal Circuit was required to decide the privilege of an invention record submitted to Spalding’s corporate legal department by two inventors. The court stated that the client legal privilege “exists to protect not only the giving of professional advice to those who can act on it, but also the giving of information to the lawyer to enable him to give sound and informed advice”. Citing *Sperry v. Florida*³⁴ and *Knogo Corp v. United States*,³⁵ the Court of Appeals went on to hold that a communication to a patent attorney will be privileged “as long as it is ...for the purposes of securing primarily legal opinion, or legal services, or assistance in a legal proceeding”,³⁶ and that an invention record prepared primarily for the purpose of obtaining legal advice on patentability and legal services in preparing a patent application was privileged.

²⁸ *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 358 (D. Mass. 1950).

²⁹ *Sperry v. Florida*, 373 U.S. 379, 386 (1963).

³⁰ Shashank Upadhye, *Understanding Willfulness in Patent Infringement: An Analysis of the “Advice of Counsel” Defense*, 8 *Tex. Intell. Prop. L.J.* 39, 53 (1999).

³¹ *Vernitron Medical Products Inc v. Baxter Laboratories Inc.* 186 USPQ (BNA) 324 (DNJ 1975) and *In re Ampicillin Antitrust Litigation* 81 FRD 377 (D.D.C. 1978); Willi (2005), 303-307. 373 US 379 (1963).

³² 373 US 379 (1963).

³³ 203 F.3d 800 (Fed Cir. 2000).

³⁴ 373 US 379 (1963).

³⁵ (1980) 213 USPQ (BNA) 936.

³⁶ 203 F.3d 800 (Fed Cir. 2000), 806 quoting *Knogo Corp v. United States* 1980 213 USPQ (BNA) 936. *Co.* 50 FRD 225, 228 (N. D. Cal 1970).

100. In *United Shoe*,³⁷ the Court states that privilege arises when a communication is made between a client and an attorney, that the communication is made in private, and that it be made in order to obtain legal advice. The tests also require that the privilege be asserted; that is, clients may waive the privilege at any time should they so choose.

101. As for communications from the attorney to the client, courts are split on what should be privileged and what should not. Some courts have held that only when the attorney's communication would itself reveal a confidential communication from the client to the attorney is the communication protected.³⁸ Other courts have held that virtually any communication from the lawyer conveying legal advice should be protected.³⁹

102. The Courts in *Jack Winter, Inc. v. Koratron Company, Inc.* (Jack Winter I)⁴⁰ and *Jack Winter, Inc. v. Koratron Company, Inc.* (Jack Winter II)⁴¹ held that the preparation of patents does constitute the practice of law. However, the Court held that the privilege should not fully apply. The Court held that a patent attorney's practice involved relaying to the USPTO all relevant material concerning the patentability of the invention without exercising any discretion as to what portion of the information to be related to the Patent Office. As such it was held that all technical information provided by a client could not be expected to be held in confidence by the attorney.

103. The extension of client-attorney privilege to communications involving third parties is limited to the situation where those third parties are acting as agents for either the client or the legal practitioner and only if their presence is necessary to secure and facilitate communication between the attorney and client.⁴²

104. For the client-attorney privilege, the form of the communication does not matter in most instances in the determination of whether privilege applies.⁴³ The communication may even be non-documented so long as it actually pertains to advising the client.⁴⁴ What does matter is whether the document reflects an actual substantive communication between the attorney and the client regarding legal advice: simply giving a document to a lawyer will not protect the communication.⁴⁵ The privilege will only protect the actual communication between the lawyer and the client: it will not protect the facts underlying the communication.⁴⁶ Even if the facts were included in a communication with the lawyer, the party may still be required to disclose them to the opposing party.⁴⁷

³⁷ 89 F. Supp. at 358-59.

³⁸ *United States v. Ramirez*, 608 F.2d 1261, 1268 n.12 (9th Cir 1979); *GFL Advantage Fund, Ltd. v. Colkitt*, 216 F.R.D. 189 (D.D.C. 2003).

³⁹ *In re LTV Securities Litigation*, 89 F.R.D. 595, 602 (N.D. Tex. 1981); Restatement (Third) of the Law Governing Lawyers § 69 cmt. I (2000).

⁴⁰ (50 F.R.D. 225 (N.D. Cal. 1970))

⁴¹ 54 F.R.D. 44 (N.D. Cal. 1971).

⁴² *Fin Tech Int'l Inc v. Smith* 49 Fed R. Serv. 3d 961, 967 (S.D. N.Y. 2000).

⁴³ *Haines v. Liggett Group, Inc.*, 975 F.2d 81, 90 (3d Cir. 1992).

⁴⁴ Restatement (Third) of the Law Governing Lawyers § 69 cmt. E (2000).

⁴⁵ *Fisher v. United States*, 425 U.S. 391, 404 (1976).

⁴⁶ *Upjohn Co. v. United States*, 449 U.S. 383, 395-96 (1981).

⁴⁷ *re Six Grand Jury Witnesses*, 979 F.2d 939, 943 (2d Cir. 1992).

The limitations and exceptions to privilege

105. There are several limitations and exceptions to the attorney-client privilege in the United States of America, such as the crime-fraud exception and testamentary exception, in order to safeguard the proper functioning of the adversary system.⁴⁸ In *United States v. Zolin*,⁴⁹ it was held that the purpose of the crime-fraud exception to the attorney-client privilege is to ensure that the “seal of secrecy” between lawyer and client does not extend to communications “made for the purpose of getting advice for the commission of a fraud or crime.”⁵⁰ Testamentary exception relates to disputes on estates of a deceased between the heirs of the clients.⁵¹

106. The most common way of destroying privilege is its voluntary waiver by the client. This can happen in a number of settings and for a variety of motives. In the patent context, voluntary waivers tend to take two forms. The first concerns disclosures made by an inventor of attorney communications to “a third party who lacks a common legal interest.”⁵² Any such disclosure will render the communication unprivileged by destroying the confidentiality of the document.

107. The second, and more common, type of voluntary waiver in the patent setting is that connected with an advice-of-counsel defense to a willful infringement claim. A defendant raising such a defense will argue that she could not have been willful in her infringement because she sought the advice of a lawyer who returned an opinion that the allegedly infringing activity was not in fact covered by the plaintiff’s patent, or that the plaintiff’s patent was likely to be invalid.⁵³ Such a defense will, by necessity, require that the attorney opinion letter be disclosed to the fact-finder in the case, as well as those documents underlying the advice in the letter.⁵⁴

108. Another form of the voluntary waiver of attorney-client privilege occurs when a client decides to waive privilege in response to prosecutorial incentives. Courts have so far been split on what the effect is of a voluntary waiver to a government agency on third party access to disclosed material. Most favor an approach which respects the absolute nature of the attorney-client privilege, and so will find that any disclosure to an agency is a complete waiver of the privilege. The Eighth Circuit has endorsed the concept of selective waiver.⁵⁵ Selective waiver would permit a party to waive the attorney-client privilege with respect to certain third parties but not to others. A disclosure to one government agency would then not have destroyed the privilege with respect to the disclosed material.

109. The final method of waiving privilege occurs when material meant to be kept confidential is inadvertently disclosed. The most common scenario for inadvertent disclosure

⁴⁸ *United States v. Zolin* (1989) 491 US 554, 562-563, quoted in *Swidler & Berlin v. United States* (1998) 524 US 399.

⁴⁹ *United States v. Zolin* (1989) 491 US 554, 562-563.

⁵⁰ *United States v. Zolin* (1989) 491 US 554, 563.

⁵¹ *Swidler & Berlin v. United States* (1998) 524 US 399.

⁵² *Ferko v. NASCAR*, 218 F.R.D. 125, 134 (E.D. Tex. 2003). *See also, United States v. Ackert*, 169 F.3d 136, 139 (2d Cir. 1999); *In re Auclair*, 961 F.2d 65, 69 (5th Cir. 1992).

⁵³ *Westvaco Corp. v. International Paper Co.*, 991 F.2d 735, 743 (Fed. Cir. 1993).

⁵⁴ *See, e.g., Micron Separations, Inc. v. Pall Corp.*, 159 F.R.D. 361, 363-65 (D. Mass. 1995).

⁵⁵ *Diversified Industries, Inc. v. Meredith*, 572 F.2d 596 (8th Cir. 1977)

occurs as parties answer document requests during discovery, and material meant to be excluded is accidentally supplied to opposing counsel. Courts have adopted three primary means of addressing this situation, perhaps best thought of as points along a continuum. At one extreme are the courts which have held that any disclosure is sufficient to destroy confidentiality and therefore no privilege can exist. These courts will argue that the purpose of privilege is to preserve confidentiality: without such confidentiality then there is no sense left in preserving the privilege.⁵⁶ For these courts, the reason for the disclosure does not matter, only that the disclosure happened.

110. The other extreme sees courts which rule that waiver is a voluntary action and therefore cannot happen inadvertently. For these courts the fact that a disclosure happened is not enough to waive privilege, and so even when an opposing party obtains documents meant to remain confidential that party may not use them.⁵⁷

111. There are also statutory limitations to the attorney-client privilege in the United States of America. For example, in major and important corporate cases such as the Enron World fraud case, the Department of Justice issued guidelines to encourage federal prosecutors to seek waivers by corporations of the attorney-client privilege in a sort of *quid pro quo* for favorable treatment by the prosecutor in considering whether to indict the corporation. Prosecutors then use a corporation's refusal to provide privilege waivers as an aggravating factor in support of charging a corporation with a crime.⁵⁸

Consequences of the loss of confidentiality and penalties for disclosure

112. As privilege is premised on the idea that certain communications were meant to be kept private by the client, once a communication is disclosed to the public the need for confidentiality is removed and the privilege may be destroyed. Such a disclosure may be voluntary or inadvertent, and the consequences of the disclosure can vary depending on what type of disclosure was made.

113. The consequences for the attorney responsible for a disclosure may be severe, depending on the nature of the disclosure. The Model Rules of Professional Conduct require that attorneys preserve client confidentiality.⁵⁹ The rule requires lawyers not to disclose intentionally confidential information, as well as taking reasonable precautionary steps to guard against any disclosure by employees. Should the lawyer fail to do the above, she may become the subject of disciplinary action by the relevant bar association, leading to a punishment ranging from warnings to suspension to disbarment.⁶⁰ A lawyer disclosing information may also be sued by her client for malpractice, which could bring with it far more severe pecuniary punishments.

114. The law gives the United States Patent and Trademark Office (USPTO) the power to make rules and regulations governing conduct and recognition of patent attorneys and agents to practice before the USPTO. The USPTO has the power to disbar, or suspend from

⁵⁶ See, e.g., *Hamilton v. Hamilton Steel Corp.*, 409 So. 2d 1111, 1114 (Fla. Dist. Ct. App. 1982).

⁵⁷ See, e.g., *Stratagem Dev. Corp. v. Heron Int'l N.V.*, 153 F.R.D. 535, 543 (S.D.N.Y. 1994).

⁵⁸ R J Anello, "Preserving the Corporate Attorney-Client Privilege: Here and Abroad" (2008) 27 *Pennsylvania State International Law Review* 291, 293.

⁵⁹ Model Rules of Prof'l Conduct R. 1.6 (2008).

⁶⁰ Model Rules of Prof'l Conduct R. 8.5 (2008).

practicing before it, persons guilty of gross misconduct, etc., but this can only be done after a full hearing with the presentation of clear and convincing evidence concerning the misconduct.

Treatment of foreign patent advisors

115. In terms of the recognition of foreign patent attorney/agent privilege, there are two main approaches adopted across the federal district circuit courts either based on the non-choice of law or choice of law approach.

116. Under the non-choice of law approach, no privilege for a foreign patent practitioner is recognized, because he or she is neither a US attorney nor the agent or immediate subordinate of an attorney (examples of this approach can be found in decisions of the Federal District Courts in Maryland and Wisconsin). However, limited privilege is recognized, i.e. communications are privileged only when the foreign patent practitioner is acting as the agent or immediate subordinate of a US attorney (note that independent foreign patent practitioners retained either by the client directly to prosecute US patent applications through US attorneys or by a US attorney to prepare and prosecute patent applications in their foreign country are not generally treated as agents or subordinates) (examples of this approach can be found in decisions of the Federal District Courts in New York, Delaware and Illinois). Limited privilege is also recognized where the foreign patent practitioner is *functioning* as an attorney e.g. are permitted by law in their country to give patent law advice by virtue of being registered in the patent office of their country (examples of this approach can be found in decisions of the Federal District Courts in New Jersey, Delaware and Illinois).

117. Most courts, however, use the Choice of Law approach, which is based on either the “Touching Base” approach, the “Comity Plus Function approach” and the “Most Direct and Compelling Interest approach”. Under the Touching Base approach, communications with foreign patent agents regarding assistance in prosecuting foreign patent applications may be privileged if the privilege would apply under the law of the foreign country in which the patent application is filed and that law is not contrary to the public policy of the United States.⁶¹

118. Under the Comity Plus Function approach, the Court will abide by the outcome dictated by comity when the foreign patent agent renders independent legal services. In *Mendenhall v. Barber-Greene Co.*,⁶² the Court held that where a U.S. client seeks a foreign patent through her U.S. attorney the U.S. attorney operates only as a conduit for information between the client and the foreign agent, and therefore communication is effectively between a U.S. client and a foreign agent, and communication is then privileged only if the foreign law would recognize such a privilege.

119. Another situation is where a U.S. client retains a U.S. attorney to secure a foreign patent, and the U.S. attorney hires a foreign agent in order to prosecute the application before the foreign office. If the foreign attorney does nothing other than filing documents with the foreign office, then, again, the agent is nothing more than a conduit and the privilege exists only if the foreign law would grant such a privilege to communications between the U.S. attorney and the foreign office directly.

⁶¹ See *Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146, 1169-71 (D.S.C. 1975).

⁶² 531 F. Supp. 951, 952 (N.D. Ill. 1982).

120. Under the “most direct and compelling interest” approach, the court will weigh the competing interests of all involved states and decides which one has the greatest interest in seeing its own law applied. This may involve the application of the Restatement (Second) Conflict of Laws.⁶³ Section 139(2) of the Restatement (Second) of Conflict of Laws § 139(2) provides for several factors to be taken into consideration when deciding on the law to be applied including the real ties between the parties and the various nations involved and in the overall equities in the situation. In *Aktiebolag v. Andrx Pharmaceuticals, Inc.*,⁶⁴ the district court suggested that the doctrine could be used in a more expansive way to protect more communications. The court found that the equities of a situation may require that the law of a state without the strongest interest but with greater privilege protections may require that these laws be applied. The court also suggested that for the purposes of federal common law privilege doctrine there was no difference between U.S. and foreign patent attorneys for the purpose of deciding protection for communications with U.S. clients by arguing that a German, a Korean, and a U.S. patent attorney were all alike for the analysis of attorney-client privilege.

121. As the above makes clear, the state of the law regarding foreign patent agents is anything but settled. However, what ultimately separates courts is more a question about how expansive the attorney-client privilege is meant to be rather than any doubts about the value of foreign agents.

Requirements/qualifications for patent advisors

122. The USPTO maintains a register of patent attorneys, who are attorneys at law, and patent agents, who are not attorneys at law. According to the USPTO, to be admitted to this register, a person must comply with the regulations prescribed by the Office, which require proof that the person is of good moral character and of good repute and that he/she has the legal, and scientific and technical qualifications necessary to render applicants for patents a valuable service. Some of these qualifications must be demonstrated by passing an examination. Those admitted to the examination must have a college degree in engineering or physical science or the equivalent of such a degree.

Summary

123. The above discussion shows how complicated the situation is in the United States of America in dealing with attorney-client privilege, especially in relation to patent attorneys and patent agents. Attorney-client privilege is generally extended to patent attorneys and in limited circumstances to patent agents who provide legal advice to clients. The law is not settled on the treatment of patent agents as decisions are rendered on a case-by-case basis and depends on the treatment of such a request for privilege by the court. Attorney-client privilege may exist in normal circumstances, that is, in legal communications between an attorney and his or her client in the attorney’s legal professional capacity. The patent attorney privilege may be lost where there the legal advice is sought for the purpose of committing crime and fraud. The privilege may also be lost by clients’ waiver. Any breach of the privilege will cause patent attorneys to be subject to disciplinary proceedings by the relevant Bar and/or by the USPTO.

⁶³ *VLT Corp. v. Unitrode Corp.*, 194 F.R.D. 8, 16 (D. Mass. 2000); Restatement (Second) of Conflict of Laws § 139(2) (1988).

⁶⁴ 208 F.R.D. 92, 104-105 (S.D.N.Y. 2002).

124. United States case law also provides several legal rules in allowing the privilege to be extended to foreign patent attorneys under different doctrines. It seems that the courts prefer the comity or the choice of law approach.

(b) Civil Law Countries

125. In civil law countries, it is widely recognized that communications between peoples and certain professionals need to be maintained confidential for the purpose of ensuring frank and open communications that are necessary for the accomplishment of their professional tasks. Consequently, they developed a notion of “professional secrecy obligation” according to which certain professionals, such as lawyers, doctors and priests, are obliged to keep information that they have received through their professional activities and missions undisclosed. This would, in turn, guarantee the person who received the advice that the information communicated to those professionals would not ultimately be disclosed to others.

126. In civil law countries, in general, the law of evidence is established in a way that a plaintiff should substantiate his or her claim. The burden of proof is on the side of the plaintiff. They do not have an extensive discovery (disclosure) procedure that obliges the parties to disclose all information that is in their possession and is relevant to the case. The detailed rules concerning the submission of evidence, however, vary between civil law countries. For example, in connection with the infringement of intellectual property rights, the EU Directive on the Enforcement of IP Rights (Directive 2004/48/EC) provides, in Article 7, the possibility of a court ordering provisional measures to preserve relevant evidence, including seizure of documents, if the prescribed conditions are met. In Japan, there exists a general duty of producing documents unless they fall under the prescribed exceptions.

127. The following paragraphs provide information regarding the scope of the professional secrecy obligation and its applicability to patent advisors, including foreign patent advisors, in six common law countries, namely, Brazil, Germany, Japan, the Russian Federation, Switzerland and Thailand. Further, in connection with civil court proceedings, the information as to how such professional secrecy obligation interacts with a duty to testify or to produce documents is included in the following paragraphs below, where available.

(i) Brazil

Origin of the professional secrecy obligation and its coverage

128. The Brazilian Constitution recognizes the lawyer as an essential profession to the administration of justice. Professional acts and manifestations are protected by the Constitution, in the terms of a federal law. Federal Law n. 8.906/94, known as the Statute of Lawyers, provides for rules applicable to the legal profession. Besides, the Brazilian Bar Association (*Ordem dos Advogados do Brasil*) enacted a Code of Ethics and Discipline, which establishes the ethical principles of the legal profession. Those legislations impose high standards of professional conduct on Brazilian lawyers, particularly in relation to confidentiality and professional secrecy.

Professionals bound by the secrecy obligation

129. Many professionals are bound by secrecy obligations. They include practicing lawyers, medical doctors, dentists, and also patent agents and patent attorneys. The confidentiality and secrecy obligation applies to both lawyers and registered patent and trademark agents (*Agentes da Propriedade Industrial (APIs)*). Lawyers are bound by secrecy due to strict guidelines contained in the Statute of Lawyers. APIs are bound by professional secrecy obligations under the Code of Conduct of APIs enacted by the Brazilian Patent and Trademark Office through Normative Act 142, of August 25, 1998. It is to be noted that the Brazilian Criminal Procedure Code (Section 297) exempts from the duty of giving testimony anyone who must keep privilege due to his or her profession and the Brazilian Civil Procedure Code has a similar provision (Section 406, II).

130. The relationship between attorney and client is regulated in Brazil by the Statute of Lawyers and the Code of Ethics and Discipline referred to above. These provisions apply to all Brazilian lawyers, including in-house attorneys. There are express and specific provisions in the Statute and in its Regulations about privileged relationship between an attorney and his or her client, which guarantee the attorney the right to protect, and not to disclose, the information received from his or her clients.

Kind of information/communication covered by secrecy obligation

131. In Brazil, lawyers and APIs are required to respect the confidentiality of all information that becomes known to them in the course of their professional practice. Nevertheless, the scope of the confidentiality obligation is governed by different laws. Section 26 of the Code of Ethics and Discipline, in particular, states that Brazilian lawyers must maintain confidentiality and secrecy in court proceedings *vis-à-vis* what they have learned from their clients throughout their professional practice. Section 26 further states that lawyers should refuse to testify as witnesses about any facts related to a client, even if authorized or requested by the client. This obligation remains regardless of whether the relationship between lawyer and client continues or has already been terminated by either party.

132. All the information supplied to the attorney by the client, including written communication, is confidential. As per this privilege, it can only be revealed, unless if used in the defense limits, when authorized by the client. The confidentiality privilege is extended to the attorney's office, files, data, mail and any kind of communication (including telecommunications), which are held inviolable.

Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure

133. In a decision of December 5, 1995,⁶⁵ the Higher Court of Justice (*Superior Tribunal de Justiça*) held that a lawyer was allowed to give testimony in court proceedings about facts that the lawyer himself had witnessed, ignoring the language of both the Brazilian Statute of Lawyers (Section 7, XIX) and the Code of Ethics and Discipline (Section 26). In laying down his decision, Justice Teixeira stated that “*the prohibition for a lawyer —who counsels or has counseled a party— to testify, under [Brazilian] procedural law, exists by the closeness of*

⁶⁵ STJ, Resp No. 76.153, Relator: Min. Sálvio de Figueiredo Teixeira, 05.12.1995, D.J.U. 05.02.1996, p. 1,406.

both vis-à-vis their contractual relationship, which would lead the testimony of the lawyer to be nothing more than a positive statement of the party with force of testimony. Nothing prevents, however, a lawyer, by himself and not because he has heard from his client, from testifying in court proceedings with respect to facts that he has witnessed". Justice Teixeira further stated that "the barring from a lawyer's testimony is restricted only to the lawsuit in which the lawyer represented or still represents a party."

134. On October 16, 2003, the Ethics Committee of the São Paulo branch of the Brazilian Bar Association issued an opinion, holding that a lawyer called to give testimony as a fact witness, in court proceedings involving former clients, is unconstrained to do so as long as the lawyer observes the strict interests of his former client.

135. Criminal acts committed with the assistance of lawyers and APIs are not covered by privilege and the privilege does not apply to documents evidencing such criminal acts. Attorneys and APIs have the right to refuse to make depositions as witnesses (i) in a question in relation to which the attorney has acted or may act, or (ii) about facts qualified as professional secrecy related to a person who is or has been his or her client, even if authorized by the last.

136. The Code of Ethics and Discipline, in Chapter III, also provides that the attorney-client relationship is protected by professional secrecy, which can only be violated in the cases of (i) severe threat to life or honor; or (ii) when the attorney is insulted by his or her own client; and (iii) in self-defense. Violation of professional secrecy must be restricted to the interests of the question under discussion.

Consequences of the loss of confidentiality and penalties for unauthorized disclosure

137. Any breach of a client's confidential information, under both statutes, can result in administrative, civil and criminal sanctions for the breaching lawyer. The disciplinary proceeding commences either with a petition by the interested party or "*ex officio*". Once the petition is received, the President of the State Council must appoint a member of the Council to report the case and govern the collection of evidence. Penalties established in the Statute of the Lawyer are: admonition, suspension, disbarment and fines. If lawyers disregard the privilege, without reasonable grounds, they are subject to: (a) professional sanctions imposed by the Bar Association (Law 8906/94, Section 34, paragraph VII); (b) criminal sanctions (Sections 153 and 154 of the Criminal Code), such as a fine or one to 12 months of imprisonment; (c) civil sanctions for damages (Section 159 of the 1916 Brazilian Civil Code).

Treatment of foreign patent advisors

138. There is no evidence to show that the same treatment of confidentiality and privilege applies to foreign patent attorneys.

Requirements/qualifications for patent advisors

139. In Brazil, API is recognized by law and is entitled to give advice on IP matters as well as to represent clients before the Brazilian Patent & Trademark Office (BPTO). Those who are willing to enroll in the BPTO Official Register of APIs need to be successful in an examination given before BPTO. However, lawyers admitted to the Brazilian Bar can be automatically enrolled as APIs, without any additional examination. Lawyers admitted to the Bar in Brazil are also fully qualified to give advice on IP matters as well as to represent

clients before BPTO. APIs who are not lawyers have in many cases an engineering degree, although this is not a legal requirement.

Summary

140. Brazilian law imposes confidentiality obligations on the patent attorneys and lawyers not to disclose confidential information obtained in the course of dealing with clients. However, this obligation is not absolute as there are several exceptions to the confidentiality obligation, such as in the case of crime and fraud or where the lawyer is required to testify as a witness in matters that he or she does not represent. Although the confidentiality requirement is applicable to both qualified lawyers and patent attorneys, it is not known whether the same obligation and right to keep information confidential applies to foreign patent advisors.

(ii) Germany

Origin of the professional secrecy obligation and its coverage

141. The professional secrecy obligation of lawyers in Germany is based both on the Criminal Code and on the Federal Code for Lawyers (Bundesrechtsanwaltsordnung) – BRAO.

Professionals bound by the secrecy obligation

142. The secrecy obligation applies to many professionals such as medical doctors, bankers, lawyers and patent attorneys. For example, §43a.II of BRAO provides that a lawyer is bound by professional secrecy obligations. Patent attorneys are bound by professional secrecy obligations under the *Patentanwaltsordnung* (PAO) - (German Patent Attorney Code) and *Berufsordnung der Patentanwälte* (BOPA) - (Code of Conduct for Patent Attorneys).

Kind of information/communication covered by secrecy obligation

143. Under Section 43b.II of BRAO, the lawyer's secrecy obligation applies to any information that the lawyer became aware of while exercising his or her professional duties. This does not apply to facts which are public or do not require secrecy according to their significance. This obligation continues even after the lawyer and client have had no further professional relationship between them.

144. Similarly, under the PAO, the secrecy obligation for a patent attorney will apply only to the extent that the patent attorney obtains information from a client. Patent attorneys may represent their clients not only before administrations such as the German Patent Office, but also before the German Federal Patent Court, the German Federal Supreme Court with regard to patent validity cases and compulsory licenses and any other court where representation by an attorney at law is not obligatory. In the court proceedings, lawyers and patent attorneys are entitled to refuse to testify in both civil and criminal cases regarding any information provided to them in their professional capacity.⁶⁶ German civil and criminal procedures provide for the right for lawyers and patent attorneys to refuse to provide evidence that is subject to professional secrecy.

⁶⁶ *Bundesrechtsanwaltsordnung* v 1.8.1959 (BGBl I 1959 S 565) (Federal Lawyers Regulation) §43a(2).

Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure and how protection operates

145. Based on Section 43b of BRAO, the confidentiality obligation does not apply to facts which are public or which are not so significant as to require secrecy. Lawyers are entitled to breach secrecy obligations in only very limited circumstances, such as to prevent the commission of a serious crime. In addition, clients are able to waive the privilege, and their waiver binds their lawyers.

Consequences of the loss of confidentiality and penalties for unauthorized disclosure

146. All lawyers, whether in-house or not, are obliged to avoid any associations that may jeopardize their professional independence,⁶⁷ and all lawyers admitted to the bar have a duty to maintain professional secrecy,⁶⁸ the breach of which is a criminal offence.⁶⁹ Patent attorneys who are in breach of the secrecy and confidentiality obligation could face disciplinary proceedings leading to various possible sanctions such as a fine or disbarment.

Treatment of foreign patent advisors

147. It appears that provisions that regulate the right to withhold information subject to professional secrecy obligations only apply to attorneys who are called to the German Bar or patent attorneys admitted in Germany.

Requirements/qualifications for patent advisors

148. One need not be a qualified lawyer in order to become a patent attorney in Germany. Applicants should have a university degree in engineering or natural sciences and have spent three years in practice in industry, with an additional three years' education including two years' legal training with an established attorney. The applicant must also pass registration examinations such as those relating to legal studies and intellectual property law.

Summary

149. Secrecy obligations in Germany apply to both qualified lawyers and patent attorneys. They have to ensure that a client's confidential information obtained in the course of a professional relationship is kept secret except in several circumstances such as the commission of a crime. The right to withhold information under the secrecy obligation is granted only to patent attorneys registered and practicing in Germany.

⁶⁷ *Bundesrechtsanwaltsordnung* v 1.8.1959 (BGBl I 1959 S 565) (Federal Lawyers Regulation) § 43a(1).

⁶⁸ *Bundesrechtsanwaltsordnung* v 1.8.1959 (BGBl I 1959 S 565) (Federal Lawyers Regulation) §43a(2); *Berufsordnung für Rechtsanwälte* (Regulations concerning the Legal Profession) § 2.

⁶⁹ *Strafgesetzbuch* (Criminal Code) §§ 203 at 300.

(iii) Japan

Origin of the professional secrecy obligation and its coverage

150. Many professions in Japan, including lawyers and patent attorneys (*Benrishi*), are covered by professional secrecy obligations. For example, Article 23 of the Lawyers Law and Article 30 of the Patent Attorneys Law provide such obligations.

151. In connection with civil court proceedings, Article 197 of the Japanese Civil Procedure Law stipulates the cases where a witness can refuse to testify. One such case is where certain professionals, including lawyers and patent attorneys, are examined with regard to any fact that they have learned in the course of their professional duties and which should be kept as secret information (Article 197(1)(ii)). In addition, where a witness is examined with regard to matters concerning technical or professional secrets, he or she may refuse to testify (Article 197(1)(iii)).

152. Further, Article 220 provides rules concerning the production of evidential documents. In 1998, the revised Civil Procedure Law expanded the scope of duty to produce documents by including Article 220(iv) which made such a duty a general rule with the prescribed limited exceptional cases where an owner of certain documents can refuse the submission of such documents. One of those exceptional cases applies to documents that contain facts subject to the professional secrecy referred to in Article 197(1)(ii), which includes documents that contain information covered by the professional secrecy obligation imposed on lawyers and patent attorneys. Another exceptional case where an owner of the document can refuse the submission of documents is when the document contains matters concerning technical or professional secrets as referred to in Article 197(1)(iii).

Professionals bound by the secrecy obligation

153. Article 30 of the Patent Attorney Law provides that a patent attorney or a person who was a patent attorney must not disclose or appropriate, without any justifiable reason, secrets that have become known through the performance of his or her duty. Article 23 of the Lawyers Law provides that non-disclosure constitutes a professional right as well as a professional obligation, unless otherwise prescribed in statutes.

154. According to Article 197(1)(ii) of the Civil Procedure Law, professionals who have a right to refuse to testify on any matter covered by professional secrecy obligations, unless such duty to keep a secret has been lifted, are medical doctors, dentists, pharmacists, pharmaceutical distributors, birthing assistants, attorneys at law (including foreign lawyers registered in Japan), patent attorneys, defense counsels, notaries or persons engaged in a religious occupation, or persons who were in any of these professions in the past.

155. In addition, in accordance with Article 220(iv) of the Civil Procedure Law, an owner of a document that contains information covered by the professional secrecy obligation of the professions in the above list or a document containing technical or professional secrets may refuse to produce such a document. An owner of such a document may be the professional covered by the secrecy obligation, a client of such a professional or any third party. In other words, a client of a patent attorney who has in his or her possession a document containing information which relates to professional advice that should be kept secret can refuse the production of such a document to the court.

Kind of information/communication covered by the secrecy obligation in general and in relation to patent law

156. With regard to an attorney at law, he or she has a right and an obligation to keep confidential information that he or she received in the course of his or her professional activities secret. Such rights and obligations continue to exist indefinitely. Any exceptions to such rights and obligations should be stipulated in laws. As regards patent attorneys, he or she must not disclose or appropriate, without any justifiable reason, secrets that have become known through the performance of his or her duty.

157. Attorneys at law and patent attorneys have a right to refuse to testify on any matter covered by professional secrecy obligations. However, if their duty to keep information confidential is lifted, they cannot refuse the testimony. In addition, any witness may refuse to testify on matters relating to any technical or professional secrets, such as technological know-how and trade secrets. In addition, the refusal to testify is allowed for cases where a testimony would defame the witness.

158. With respect to documentary evidence, any document that contains information covered by the professional secrecy obligation or technical or professional secrets can be withheld from the production of evidence. For example, in *Eisai Ltd. v. Dr. Reddy's Lab. case*,⁷⁰ the judge ruled that documents reflecting legal advice provided by a Japanese patent attorney or requests for such advice were privileged and need not have been produced. It should be noted that, even if the general duty to produce documents exists in Japan, its scope is much narrower than the discovery proceedings in common law countries. Article 221 of the Civil Procedure Law requires that, if a party requests a court to order the owner of the document to produce such documents, the party must show the court that the fact is proven and there is a need for the documents to present the case. Nevertheless, it could be said that the inclusion of the statutory provision that allows any owner of a document (not limited to professionals covered by the secrecy obligation) to refuse the production of the document that contains information subject to professional secrecy was triggered by the expansion of the scope of the duty to produce evidential documents under Japanese civil procedures.

159. Further, Article 223(3) of the Civil Procedure Law provides so-called *in camera* inspection of a document. The court is entitled to examine whether the secrecy of the document is justified in a proceeding where only judges are allowed to access the document.

Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure

160. The Court may compel attorneys and patent attorneys to produce evidence subject to secrecy obligations. The Civil Procedure Law, Article 220(1) provides that a holder of a document shall not refuse the production of the information and document where the party itself is in possession of the document to which he or she has referred in the litigation.

Consequences of the loss of confidentiality and penalties for unauthorized disclosure

161. Any breach of confidentiality is subject to professional sanctions, where applicable. Any disclosure of secrets is subject to disciplinary measures under the Lawyers Law.

⁷⁰ S.D. N.Y Dec. 21, 2005.

Article 80 of the Patent Attorneys Law provides a specific criminal penalty of imprisonment for a period not greater than six months or a monetary penalty not greater than 500,000 yen for violation of non-disclosure duty. In addition, Article 134 of the Penal Code provides for an offence for divulging clients' secrets. Clients may also seek compensation for general wrongful acts under Article 709 of the Civil Procedure Law. In addition, the Japan Patent Attorneys Association has a code of conduct concerning confidentiality, which also includes penalty provisions.

Treatment of foreign patent advisors

162. The application of Articles 197(1)(ii) and 220(iv) of the Civil Procedure Law to patent attorneys who are registered in other countries is not clear at this point, due to a lack of case law and established legal opinions.

Requirements/qualifications for patent advisors

163. All patent attorneys (*Benrishi*) must pass the government examination conducted by the Japan Patent Office and must be registered with the Japan Patent Attorneys Association.

Summary

164. A patent attorney is subject to the same secrecy obligations as an attorney at law, and enjoys the same privilege with respect to testimony and a production of evidential documents. The Patent Attorneys Law also provides for penalties for breach of such a secrecy obligation. As the law provides for specific secrecy obligations and certain privileges of non-disclosure in relation to Japanese patent attorneys, it is not clear to what extent the law applies to patent attorneys registered in foreign countries.

(iv) Russian Federation

Origin of the professional secrecy obligation and its coverage

165. Article 23 of the Constitution of the Russian Federation guarantees that each person shall have the right to inviolability of private life, and personal and family secrecy. This right may be restricted only on the basis of a court decision.⁷¹ Presidential Decree No. 188 of March 6, 1997, defines a list of confidential information. The list includes *inter alia*: information linked to professional activities, access to which is restricted in accordance with the Constitution of the Russian Federation and Federal Laws (medical and notarial secrecy, and attorney privilege, confidentiality of correspondence, telephone conversations, postal dispatches, telegraph or other communications etc.); information linked to commercial activities, access to which is restricted in accordance with the Civil Code of the Russian Federation and Federal Laws (commercial secrecy); information on the essential features of an invention, utility model or industrial design prior to official publication of information thereon.

⁷¹ Article 23, Chapter 2 "Rights and Freedoms of Human Beings and Citizens" of the Constitution of the Russian Federation, December 12, 1993.

166. Federal Law No. 149-FZ of July 27, 2006, on Information, Information Technologies and Protection of Information⁷² states that information obtained by citizens when carrying out professional obligations, or by organizations in their performance of specific types of activities (professional secrecy) shall be protected in cases where obligations are placed on these persons by federal laws to observe the confidentiality of such information.

167. Thus, it can be said that the institution of “professional secrecy” is based on the constitutional right of citizens to the inviolability of their private life, and personal and family secrecy. The laws regulating one or other specific activity may contain provisions obliging confidentiality of the information obtained in the performance of such activities to be observed. The sphere of validity of this institution covers the activities of natural persons in their performance of professional obligations or of organizations in their performance of specific forms of activities.

Professionals bound by the secrecy obligation

168. The requirement to observe professional secrecy is established by the laws in various spheres of activity: for doctors (medical secrecy), lawyers (attorney privilege),⁷³ notaries and other persons carrying out notarial activities (notarial secrecy), courts of arbitration (secrecy of arbitration proceedings), for persons registering acts of civil status (secrecy of child adoption), for telecommunications operators and their employees (secrecy of communication), tax authorities and their employees (fiscal secrecy), banks and their employees (banking secrecy), pawn brokers and their employees, internal affairs authorities and their employees etc.

169. Federal Law No. 316-FZ of December 30, 2008, on Patent Attorneys (which came into force on April 1, 2009) establishes, in relation to patent attorneys, a prohibition “to transmit or otherwise disclose”, without the client’s written consent, information contained in “documents obtained and/or produced as part of the performance of their activities”.⁷⁴ In addition, an employer of a patent attorney, who has concluded a civil law agreement with a client providing for the patent attorney’s services, shall not disclose confidential information obtained as part of the implementation of this agreement.⁷⁵

Kind of information/communication covered by secrecy obligation

170. There is no general description in legislation of the types of information/communications which may be protected by professional secrecy. In each specific profession, the relevant law establishes the type of information/communication relating to confidential issues, not subject to disclosure without the consent of the client.

171. As far as attorneys are concerned, the following types of information and documents, *inter alia*, are covered by a secrecy obligation: any documents and evidence prepared by an

⁷² Article 9(5) of the Federal Law No. 149 FZ of July 27, 2006 on Information, Information Technologies and Protection of Information. (Further “Federal Law on Information”)

⁷³ Article 4(5) of the Federal Law on Advocatory Activity and Advocacy in the Russian Federation, May 31, 2002, N63-FZ

⁷⁴ Article 4(3)(6) of the Federal Law on Patent Attorneys, No. 316-FZ of December 30, 2008 (Further: Federal Law on Patent Attorneys).

⁷⁵ Article 3(2)(4) of the Federal Law on Patent Attorneys.

attorney in preparation of litigation; information received from the clients; information about clients which became known to the attorney in the course of provision of legal advice; the content of legal advice provided and any other type of information related to the provision of legal assistance by the attorney to the client. The attorneys' secrecy obligation in relation to the above listed communications/documents is not time-bound and can only be waived by the client.

172. In relation to a patent attorney, the restriction contained in Presidential Decree No. 188 of March 6, 1997, which defines as confidential information the essential features of an invention, utility model or industrial design prior to publication of official information thereon, is applicable. The Law on Patent Attorneys identifies as protectable by professional secrecy the content of documents obtained and/or produced as part of the activities of a patent attorney, and also confidential information obtained as part of the implementation of an agreement with a client.

173. As a general rule, the Federal Law on Information establishes that "information which constitutes a professional secret may be passed on to third parties in accordance with federal laws and/or on a court decision".⁷⁶ Nevertheless, an exception to this rule is established for attorneys. In particular, the Federal Law on Advocatory Activity and Advocacy in the Russian Federation provides that "an attorney cannot be called or questioned as a witness in relation to circumstances made known to him as a result of a request for legal assistance made to him or in connection with its provision".⁷⁷ A similar provision, in relation to attorneys, exists under the Code of Criminal Procedure of the Russian Federation.⁷⁸

174. Such an exception to the general rule of disclosure for attorneys is granted as a realization of the provisions of the Constitution of the Russian Federation on the right of each person to qualified legal assistance⁷⁹ and the right to inviolability of private life, and personal and family secrecy,⁸⁰ as well as universally recognized principles and norms of international law.

175. A patent attorney who is obliged to observe professional secrecy does not enjoy "immunity" against requests from a court to disclose confidential information.⁸¹ This is because the activity of a patent attorney is not regarded as advocatory activity, except in cases where it is the attorney who fulfils the function of a patent attorney.⁸² Thus, it is mainly an attorney ("адвокат"), a person who has a graduate or post-graduate legal degree, and has

⁷⁶ Article 9(6) of the Federal Law on Information

⁷⁷ Article 8(2) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004

⁷⁸ Article 56(3) of the Code of Criminal Procedure of the Russian Federation of December 18, 2001, No.174 FZ

⁷⁹ Article 48, Chapter 2 "Rights and Freedoms of Human Beings and Citizens" of the Constitution of the Russian Federation

⁸⁰ Article 23, Chapter 2 "Rights and Freedoms of Human Beings and Citizens" of the Constitution of the Russian Federation

⁸¹ The "immunity" does not also apply to the activities of other professions listed above under "Professionals bound by the secrecy obligation"

⁸² Article 1(3) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004

successfully passed the examination and obtained the status of attorney according to the applicable law in the Russian Federation, who is covered by such “immunity”.⁸³

Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure

176. As provided by the Federal Law on Advocatory Activity and Advocacy, in the Russian Federation, an attorney cannot be called or questioned as a witness in relation to circumstances made known to him in the course of provision of legal assistance. However, this rule neither applies to means of committing the crime nor to things, the circulation of which is prohibited or restricted by the Law of the Russian Federation.⁸⁴

Consequences of the loss of confidentiality and penalties for unauthorized disclosure

177. Penalties for disclosure of confidential information are established by law. Penalties may be civil, administrative or criminal.

178. One of the civil penalties, established by the Civil Code, is the obligation to provide compensation for losses caused by the unlawful disclosure of confidential information.⁸⁵ Other civil penalty measures may be established by agreement between the holder of confidential information and the person to whom this information was transmitted.

179. The patent attorney who has allowed disclosure of confidential information may be subject to special measures provided for under the Law on Patent Attorneys: an administrative caution; suspension of activity of the patent attorney for a period of up to one year or exclusion from the Register of Patent Attorneys for a period of up to three years according to a court decision, taken at the request of the Patent Office.⁸⁶ The Code of the Russian Federation on Administrative Infringements provides for administrative penalties for the deliberate disclosure of information with limited access: an administrative fine ranging from 500 to 1,000 rubles for citizens and from four to five thousand rubles for officials.⁸⁷

180. The disclosure of information on the essential features of an invention, utility model or industrial design prior to its official publication, where these acts have caused major harm, shall incur criminal penalties in accordance with Article 147 of the Criminal Code of the Russian Federation: a fine of up to 200,000 rubles or the salary or other income of the convicted person, for a period of up to 18 months, or compulsory labor for a period ranging from 180 to 240 hours, or a prison sentence of up to two years.⁸⁸

⁸³ It is to be noted that the Code of Criminal Procedure of the Russian Federation provides that a churchman and a member of the State Duma cannot be questioned as witnesses in relation to circumstances made known to them as a result of their profession (Article 56(3)).

⁸⁴ Article 8(3) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004

⁸⁵ Articles 15 and 1472 of the Civil Code of the Russian Federation.

⁸⁶ Articles 9 and 10 of the Federal Law on Patent Attorneys.

⁸⁷ Articles 13 and 14 of the Code of the Russian Federation on Administrative Infringements, December 30, 2001

⁸⁸ Article 147 of the Criminal Code of the Russian Federation, June 13, 1996, No.63 FZ

Treatment of foreign patent advisors

181. The Federal Law on Advocatory Activity and Advocacy applies to foreign attorneys who obtained the status of attorney according to the applicable law in the Russian Federation.⁸⁹ According to the wording of the statute, it appears that such foreign attorneys cannot be called or questioned as a witness in relation to circumstances made known to them in connection with provision of legal assistance.

182. Foreign patent attorneys do not enjoy immunity in relation to the legal requirements of a Russian court to disclose confidential information entrusted to them by their clients. As part of civil, administrative and criminal liability for disclosure of confidential information, where the disclosure has occurred in the territory of the Russian Federation, foreign persons are treated on the same conditions as Russian citizens. There is no case law developed on the issue of treatment of foreign patent attorneys as far as the issue of secrecy obligation is concerned.

Requirements/qualifications for patent advisors

183. A citizen of the Russian Federation may be registered as a patent attorney of the Russian Federation if he or she resides permanently on its territory, has attained the age of 18, completed higher education, and has not less than four years' experience working in the sphere of activity of a patent attorney in accordance with his or her chosen specialization, has successfully passed the qualifying examination, at which knowledge of legislation on intellectual property is tested, and has the practical skills to work as a patent attorney in his or her chosen specialization (specialization: inventions and utility models; industrial designs; trademarks and service marks; appellations of origin; computer programs, databases and topographies of integrated circuits).⁹⁰

Summary

184. Patent attorneys have an obligation to keep the contents of documents obtained and/or produced as part of the activities of a patent attorney, as well as confidential information obtained as part of the implementation of an agreement with a client, undisclosed to third parties without the consent of the client. However, unlike general attorneys at law, patent attorneys do not enjoy "immunity" and have to provide confidential information upon court request. Similarly, foreign patent attorneys do not enjoy immunity in relation to the legal requirements of a Russian court to disclose such confidential information.

(v) Switzerland

Origin of the professional secrecy obligation and its coverage

185. The professional secrecy obligation of the legal profession in Switzerland relates to the confidentiality between client-lawyer communications which covers all information that an attorney receives from his or her client or of which he or she learns in the course of his or her

⁸⁹ Article 2(6) of the Federal Law No. 63-FZ of May 31, 2002 on Advocatory Activity and Advocacy in the Russian Federation, amended on October 28, 2003, and August 22 and December 20, 2004

⁹⁰ Article 2 of the Federal Law on Patent Attorneys.

activity as an attorney. Swiss law provides for strong protection of confidentiality, in part because of the very high value placed on the constitutional right to privacy.⁹¹ Switzerland's highest court has emphasized that legal professional secrecy assists the administration of justice by allowing clients to confide frankly in their lawyers: if the client does not unreservedly trust him or her, and if he or she is not aware of all the material circumstances, then it is difficult, even impossible, for the lawyer properly to represent the client in either advisory work or in a lawsuit.⁹² In *S v. Switzerland*,⁹³ the European Court held that: "[A]n accused's right to communicate with his advocate out of the hearing of a third person is one of the basic requirements of a fair trial in a 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".

Professionals bound by the secrecy obligation

186. Professionals covered by secrecy include attorneys, medical doctors, notaries, dentists and bankers. Article 321 of the Swiss Criminal Code provides that clergymen, attorneys, notaries public and auditors are bound by secrecy. Pursuant to the Swiss Code of Obligations, doctors, dentists and pharmacists who divulge secrets entrusted to them or which they come to know in their professional capacity may be punished by imprisonment or a fine. Banking secrecy falls under Article 47 of the Swiss Federal Law on Banks and Savings Banks. In-house counsels are not protected by confidentiality on the basis of their perceived lack of independence.⁹⁴

187. Although, at the moment, there is no law regulating an independent patent profession such as that of patent attorney in Switzerland, the process of establishing such a law is underway.⁹⁵ In addition, there are three patent attorney associations in Switzerland, namely, the Association of Swiss Patent and Trademark Attorneys (VSP),⁹⁶ the Association of European Patent Attorneys Working in Switzerland in the Private Practice (VESPA)⁹⁷ and the Association of Patent Attorneys in Swiss Industry (VIPS).⁹⁸ The members of all those associations are bound by the Code of Conduct and the Disciplinary Regulation of the Institute of Professional Representatives before the EPO (epi), which obliges its members to keep the information received from their clients undisclosed.⁹⁹ In addition, VSP represents the *Fédération Internationale Des Conseils En Propriété Industrielle* (FICPI) in Switzerland and therefore the patent attorneys of VSP are also bound by FICPI rules and more particularly the Lugano Code of Conduct.¹⁰⁰

⁹¹ *Constitution Fédérale de la Confédération Suisse* art 13.

⁹² BGE 112 Ib 606, 606–7.

⁹³ (1992) 14 E.H.R.R. 6770

⁹⁴ *Loi fédérale sur la libre circulation des avocats du 23 juin 2000* RS 935.61 (Federal Law on the Free Circulation of Lawyers) art 12(b): '*[l'avocat] exerce son activité professionnelle en toute indépendance, en son nom personnel et sous sa propre responsabilité*' [the lawyer engages in his professional activity with complete independence, in his own name, and under his own responsibility].

⁹⁵ The Swiss Parliament adopted the Patent Attorney Act in March 2009. The Act will enter into force in 2011.

⁹⁶ <http://www.vsp.ch/index.php?setLang=2>

⁹⁷ <http://www.chepat.ch/>

⁹⁸ <http://www.acbis.org/>

⁹⁹ See Article 2 of the Disciplinary Regulation of epi

¹⁰⁰ See Rule 5 of the Lugano Code of Conduct

Kind of information/communication covered by secrecy obligation

188. Under Article 321 of the Swiss Criminal Code, the secrecy obligation covers all information that an attorney at law has received from his or her client, or of which he or she has learned in the course of professional activity as an attorney at law. However, professional secrecy is only limited to such material which is confided for the purpose of the mandate and the exercise of the lawyer's profession.¹⁰¹ In addition, professional secrecy extends only to facts which the client entrusts to his or her lawyer in order to carry out the mandate, or which the lawyer notices in the practice of his or her profession.¹⁰²

189. In general, lawyers cannot be compelled to testify on confidential matters arising out of their profession,¹⁰³ nor can such documents be seized. The lawyer is not bound by secrecy concerning such facts which he noticed as a private person, or which are generally known, since the client can have no interest in keeping them secret.¹⁰⁴

Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure

190. An attorney at law can disclose information if he or she is duly authorized (but in no way obliged) by the Cantonal authority in charge of supervising attorneys at law. An attorney at law may request the authorization to disclose privileged information if his or her professional honor is at stake, or if he or she can only defend himself by disclosing such information (e.g. in a malpractice case), or if it is in the public interest to do so, e.g. in the event of a crime or fraud.¹⁰⁵

191. Patent attorneys who are bound by the epi Code of Conduct are obliged to keep information received in the course of the exercise of their duties undisclosed, unless they are released from this obligation.¹⁰⁶ Moreover, patent attorneys are automatically released from their secrecy obligation if the secret information is published.¹⁰⁷

Requirements/qualifications for patent advisors

192. In Switzerland, there is no recognition of a separate patent and/or trademark attorney profession. Therefore, at present, there is no qualification requirement for those professions.

¹⁰¹ BGE 112 Ib 606

¹⁰² BGE 112 Ib 606 at 607

¹⁰³ *Loi fédérale de procédure civile fédérale du 4 décembre 1947* RS 273 (Federal Law on Federal Civil Procedure) art 42; *Loi fédérale sur la procédure pénale du 15 juin 1934* RS 312.0 (Federal Law on Criminal Procedure) art 77.

¹⁰⁴ BGE 112 Ib 606 at 607.

¹⁰⁵ Canton of Zurich, *Anwaltsgesetz vom 17 November 2003* (OS Zürich Bd 59 S 144) arts 33–5; Canton of Geneva, *Loi sur la profession d'avocat du 26 avril 2002* (RSG E 6 10) art 12.

¹⁰⁶ Article 2 of the Disciplinary Regulation of epi

¹⁰⁷ Rule 4(g) of the Code of Conduct of epi

Consequences of the loss of confidentiality and penalties for unauthorized disclosure

193. The violation of the confidentiality obligation is a criminal offense under Article 321 of the Swiss Criminal Code.¹⁰⁸ An attorney at law, including an attorney who carries out patent prosecution and litigation, can be held liable for any damages caused by the violation. He or she can also be subject to administrative sanctions, warned, fined, suspended or disbarred in the event he or she violated the privilege.

194. Article 9 of the FICPI statute provides that an individual member may face expulsion from the Organization if he or she has been deficient in their professional conduct. It is assumed that deficiency in professional conduct includes breach of professional client confidentiality. In addition, a professional representative who fails to comply with the rules of professional conduct of epi may face disciplinary measures, such as a warning, reprimand, a fine not exceeding EUR 10,000, removal from the list of professional representatives for not more than six months and deletion from the list of professional representatives for an indefinite period of time.¹⁰⁹

Treatment of foreign patent advisors

195. In connection with a lawyer's secrecy obligations under Swiss court proceedings, available information concerning the recognition of patent attorneys registered in foreign countries was insufficient.

Summary

196. Attorneys at law who practice patent law are obliged to comply with the secrecy obligation under the Criminal Code. In general, lawyers cannot be compelled to testify on confidential matters arising out of their profession, nor can documents covered by privilege be seized. Members of Patent Attorney Associations, such as VSP, VESPA and VIPS are required to observe the rules and the code of conduct of those associations which oblige members to keep the information received from their clients undisclosed. Whether patent attorneys registered in foreign countries are entitled to also enjoy such privilege is not known.

(vi) Thailand

Origin of the professional secrecy obligation, its coverage

197. The Lawyers Act B.E. 2528 (A.D. 1985) defines a lawyer as "a person who has been registered as a lawyer, and a license has been issued to him or her by the Law Society of Thailand." As a member of the Law Society of Thailand, a lawyer (member) must abide by the code of ethics, called the Regulations of the Law Society of Thailand on Lawyer's Ethics B.E. 2529 (A.D. 1986), which is overseen and supervised by the Committee on Professional Ethics. The types of professional and ethical conduct described include a prohibition from revealing client's secrets.

¹⁰⁸ Code pénal suisse du 21 décembre 1937 RS 311.0 (Swiss Criminal Code) art 321.

¹⁰⁹ Article 4 of the Disciplinary Regulation of the epi⁹

Professionals bound by the secrecy obligation

198. In relation to this paper, registered lawyers are bound by the secrecy obligation but this may also include medical doctors and notaries, patent attorneys and patent agents. The Criminal Code of Thailand prescribes that whoever knows or acquires a private secret of another person by reason of his or her functions as a competent official or his or her profession, including an advocate or lawyer, or by reason of being an assistant in such a profession, and who discloses such a private secret, shall be punished with imprisonment or with a fine, or with both. This provision would therefore require that both patent attorneys and patent agents have an obligation to maintain the secrecy of confidential client information and confidential communications with their clients.

Kind of information/communication covered by secrecy obligation

199. The scope of the secrecy obligation is broad and covers all communications between an attorney and his or her client (or an assistant to the attorney and his or her client) that contain a private secret disclosed in conjunction with the execution of professional duties. Similarly, such communications made between a patent agent and his or her clients are also covered by the secrecy obligation. Whether the professional secrecy obligation could prevent communications containing such secret information from being disclosed to the court is not known.

Exceptions and limitations to the professional secrecy obligation/availability of forced disclosure

200. Exceptions may apply in the event of fraud or criminal activities.

Consequences of the loss of confidentiality and penalties for unauthorized disclosure

201. A breach of confidentiality constitutes professional misconduct. If any lawyer violates any of the regulations, it may result in any of three types of penalties: probation, suspension of practice not exceeding three years, or deletion of the name from the register. This applies to patent attorneys who are also registered lawyers.

202. The Council of the Law Society under Section 28 of the Lawyers Act B.E. 2528 (A.D. 1985), has issued the Rules on Lawyer Ethics as follows:

“Article 4: Any lawyer who violates or does not comply with any of the Rules hereinafter shall be deemed guilty of misbehavior.

“Article 11: Disclosure of a client secret obtained while a lawyer acts on behalf of a client is prohibited unless the client consents or a [Thai] court orders the disclosure.”

203. The Criminal Code of Thailand prescribes that whoever knows or acquires a private secret of another person by reason of his or her functions as a competent official or his or her profession, including an advocate, or lawyer, or by reason of being an assistant in such a profession, and who discloses such private secret, shall be punished with imprisonment or with a fine, or with both. The same provision would apply in relation to both patent attorneys and patent agents.

Treatment of foreign patent advisors

204. It is not clear whether attorneys registered in foreign countries may be able to prevent professional secrecy information from being disclosed to Thai courts.

Requirements/qualifications for patent advisors

205. In Thailand, there are two types of professionals who can represent clients before the patent office: patent attorneys and patent agents. A patent attorney must be a qualified lawyer, must hold a bachelor's degree, must have attended a training program arranged by the Department of Intellectual Property, and must have completed a course on intellectual property laws, arranged by an institution or any other agency which has been approved by the Department of Intellectual Property. Under the Patents Act, a patent agent does not have to have a law degree, but must meet all of the other requirements of a patent attorney.

Summary

206. Thailand's Criminal Code imposes broad secrecy obligations on professionals and this applies equally to patent attorneys and to patent agents. Any breach of the secrecy obligations may cause the professional to face criminal prosecution and compensation claims from clients. At the same time, it is not clear whether professionals who are not registered in Thailand can also prevent disclosure of secret information obtained through their professional duties in court proceedings.

(c) Summary of the Country Study

(i) Origin of the privilege and secrecy obligations

207. The need for a client to disclose all facts to his or her legal advisor in order to obtain the best advice to respect the law is common to all countries. To that end, the desirability of the confidentiality of communications between the legal advisor and the client is probably uncontested, unless the maintenance of confidentiality is overridden by a fundamental public policy such as the prevention and punishment of criminal acts. One of the important points of departure between common law countries and civil law countries is the different approaches taken in protecting confidential communications in those countries. Civil law countries impose secrecy obligations on the part of professionals in ensuring that clients' confidential information is kept secret through specific laws regulating the activities of professionals or through the respective national criminal law system. In principle, attorneys refuse to testify to the court any information that he or she received from his or her client during the course of his or her professional duty. Similarly, he or she refuses to produce any document that contains such confidential information. In general, in civil law countries, the rule of evidence is that a plaintiff needs to substantiate his or her claim, and the fact that a document is in the possession of the defendant does not change the burden of proof. This could be regarded as the reason why the concept of "client-attorney privilege" has not developed in civil law countries. Such an assumption may be confirmed by the fact that when the Japanese Civil Procedure Law introduced a broader scope of the duty to produce evidential documents, it also provided a broader right for an owner of a document containing professional secrecy information to refuse the production of such a document to the court.

208. Common law privilege originates from the solicitor-client privilege under the common law system which would later be known as legal professional privilege. The main purpose of

the legal professional privilege in common law countries is to avoid confidential communications between an attorney and his or her clients from being disclosed to the court during the discovery stage. Privilege in common law countries applies to communications relating to legal advice whether there is litigation or not, subject only to the dominant purpose test and any established common law exceptions (such as for crime/fraud) and any statutory limitations.

(ii) Professionals bound by the privilege and secrecy

209. Generally, in common law countries, due to the nature of certain professions, certain types of professionals keep client information confidential. There are two types of privilege: common law privilege and statutory privilege. As to the former, the legal profession is covered by legal professional privilege that applies to communications between qualified lawyers, including in-house lawyers, and the clients. It is not applicable to patent advisors who are not qualified lawyers. However, this common law approach has been modified by the statutes in some common law countries such as Australia, New Zealand and the United Kingdom, which specifically provide for statutory provisions extending the client-attorney privilege to patent attorneys and patent agents who are not qualified lawyers. The privilege that prevents the disclosure of communications concerning legal advice belongs to the client. Therefore, the client may waive the client-attorney privilege.

210. In civil law countries, the professional secrecy obligation is created by the statutes governing lawyers and many other professionals. In general, non-lawyer patent attorneys and patent agents are also included in the list of professions that are bound by the professional secrecy obligation. Among the countries studied, in some countries such as Germany and Japan, non-lawyer patent attorneys have a right to refuse to testify in court any matter falling under the professional secrecy obligation, while in the Russian Federation, no immunity in respect of a testimony in court is granted to non-lawyer patent attorneys. With respect to documents that contain information covered by the professional secrecy obligation, in some countries, the owners of such documents, who may be patent attorneys, their client or any third party, may refuse to produce such documents in court.

(iii) Scope of the privilege/secrecy obligations

211. Under the common law system, the privilege that attaches to communications between lawyers and their clients is in addition to the obligation of confidentiality that all lawyers have in respect of communications with clients. The client-attorney privilege protects confidential communications between a lawyer and his or her client made for the purpose of obtaining and giving legal advice. Similarly, where applicable, the same scope of privilege is provided with respect to communications between a patent attorney (agent) and his or her client under the relevant statute. The exact types of communications covered by the client-patent attorney (agent) privilege is not the same among countries, since the scope of the professional activities of those professionals (for example, whether copyright matters can be dealt with or not) is different from one country to the next. With the exception of Australia, it does not extend to communications by lawyers and clients with third parties.¹¹⁰

212. The obligations to keep secrets in civil law countries which are part of the Country Study show that the secrecy obligation attaches to information and documents obtained from

¹¹⁰ *Pratt Holdings Pty Ltd and Another v. Commissioner of Taxation* [2004] FCAFC 122

clients in the course of the professional relationship as between an attorney or a patent attorney and a client. It does not apply in other situations, for example, where attorneys act in their non-professional capacity such as that of a director, a business advisor or a business partner to the client.

213. This obligation of confidentiality extends beyond the life of the attorney-client relationship and is typically the result of rules of professional conduct that are put in place by the appropriate body responsible for regulating the legal profession in any given jurisdiction. The civil law countries in the Country Study also extend the secrecy obligations even after the end of the professional relationship between the patent attorney and patent agents with their clients.

(iv) Exemptions and limitations of the privilege and secrecy obligations

214. One of the limitations of the legal professional privilege under the common law system is the fact that clients may decide to waive the privilege and thus allow the privileged communication to be disclosed to the court. Express and implied waivers are available under the common law systems of the United Kingdom, Australia and New Zealand. Malaysia only recognizes express waiver by the client.

215. The Country Study shows that both in civil and common law countries, there is an exception to the secrecy obligation and the privilege if such confidential communications involve fraud or criminal acts.

(v) Penalties for breach of secrecy/disclosure

216. Among the selected countries in the Country Study, a breach of the secrecy obligation in civil law countries may lead to criminal prosecution. In both civil law and common law jurisdictions, a breach of secrecy and disclosure of privileged information may lead to professional disciplinary actions.

(vi) Treatment of foreign patent advisors

217. In common law countries, privilege for communications with patent attorneys registered abroad is recognized differently. Australia does not extend the privilege beyond patent attorneys registered in Australia. The United Kingdom allows European patent attorneys the same treatment on privilege as locally registered patent agents, but other foreign patent attorneys and agents are not covered by the privilege. New Zealand allows the privilege to be applicable to patent attorneys from about 80 countries under the Evidence Act 2006. In the United States of America, most courts seem to recognize the privilege for communications with patent attorneys and agents registered in other countries under certain circumstances, applying the “touch base approach” or the “comity plus function approach”.

218. In civil law countries, while the professional secrecy obligation for locally registered patent attorneys (agents) is clearly regulated in the national legislation, information concerning the treatment of the secrecy obligation, or client-attorney privilege, applicable to patent attorneys and agents registered in foreign countries is not easily found.

(vii) Qualifications of patent advisors

219. Qualifications to become a patent attorney or patent agent vary from one country to another, and this should not be differentiated between common law and civil law countries. Many countries such as Brazil, Germany, Japan, Malaysia and the United Kingdom, require patent agents and patent attorneys to be technically qualified. The United States of America allows non-lawyers who are technically and scientifically qualified to become patent agents, although patent attorneys have legal qualifications. In some countries such as Brazil, Japan and Malaysia, both lawyers who are not technically qualified and non-lawyers who are technically qualified may become patent agents.

III. INTERNATIONAL LEGAL FRAMEWORK

220. As explained in document SCP/13/4, the issue of client-patent advisor privilege is not expressly regulated by any international IP treaty. However, there are provisions within those treaties which may have some relevance to the issue at stake. The present chapter explores those provisions within the Paris Convention and the TRIPS Agreement. In addition, the relevance of the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) to the issue of client-patent advisor privilege is addressed as well.

(a) Paris Convention

221. The Paris Convention was the first major international treaty designed to facilitate the acquisition of multi-country protection for industrial property rights. The issue of client-attorney privilege is not regulated in the Paris Convention. Each Contracting Party, therefore, may regulate the client-attorney privilege under its national law according to its own needs. However, a question may arise as to whether the principle of “national treatment” embodied in Articles 2 and 3 would apply to different treatments of client attorney privilege between local patent advisors and foreign patent advisors. Under these provisions, as regards the protection of industrial property, each Contracting State must grant nationals of the other Contracting States the same protection to its own nationals, without being allowed to require reciprocity.¹¹¹ Article 2(1) and (2) read as follows:

“(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

“(2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights.”

¹¹¹ Article 2 of the Paris Convention.

222. Nationals of non-Contracting States are also entitled to national treatment under the Convention if they are domiciled or have a real and effective industrial or commercial establishment in a Contracting State.¹¹²

223. The national treatment rule guarantees not only that foreigners will be protected, but also that they will not be discriminated against in any way. An exception to the national treatment rule is provided in Article 2(3) of the Convention which reads:

“(3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.”

224. According to this provision, the national law relating to judicial and administrative procedure, to jurisdiction and to requirements of representation is expressly “reserved.” This means that certain requirements which impose different or additional conditions on foreigners for the purposes of judicial and administrative procedures may be applied to foreigners who are nationals of other countries of the Union.

225. An example of such permissible discrimination against nationals of other countries of the Union is expressly stated: the requirement that foreigners should designate an address for service or appoint a local agent in order to facilitate the procedure in the country in which protection is sought.¹¹³ An example of permissible discrimination as to procedure could be a requirement for foreigners to deposit a “*cautio judicatum solvi*”. An example of permissible discrimination as to jurisdiction could be the right to sue a national of another country in a court of the country where the plaintiff is domiciled or established.

226. Accordingly, as regards the national treatment principle, the issue of client-patent advisor privilege seems to fall within the permissible exceptions to the general rule of non-discrimination allowing Contracting States to regulate it as they deem fit. On the other hand, the Paris Convention does not prohibit a Contracting Party from according the same treatment of client-patent advisor privilege between its nationals and nationals of other countries of the Paris Union.

(b) TRIPS Agreement

227. Similarly to the Paris Convention, the TRIPS Agreement does not directly refer to the issue of client-patent advisor privilege. However, the following provisions could be relevant to the issue at stake.

228. First of all, as far as patents are concerned, the TRIPS Agreement builds upon the substantive provisions of the Paris Convention, which are incorporated by reference into the Agreement. In relation to patents, Article 2 of the TRIPS Agreement provides that Members shall comply with Articles 1 to 12 and 19 of the Paris Convention in respect of Parts II, III and IV of the TRIPS Agreement. Consequently, obligations arising from the above

¹¹² Article 3 of the Paris Convention.

¹¹³ G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property*, BIPRI 1969, WIPO Publication.

Articles of the Paris Convention became obligations of WTO Members, and are enforceable under the Dispute Settlement Understanding.

229. Further, Article 3 of the TRIPS Agreement provides rules on national treatment obliging Members to accord to the nationals of other Members treatment no less favorable than that it accords to its own nationals with regard to protection of intellectual property. The same provision stipulates that the national treatment principle of the TRIPS Agreement is subject to the exceptions already provided for in the Paris Convention.¹¹⁴

230. In relation to those exceptions, Article 3(2) of the TRIPS Agreement, albeit indirectly, refers to Article 2(3) of the Paris Convention allowing exceptions to be made with respect to the appointment of agents, designation of an address for service and other special rules applicable to foreigners in judicial and administrative proceedings. The use of those exceptions under the TRIPS Agreement is limited to cases that are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of the TRIPS Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.¹¹⁵

231. Accordingly, with respect to national treatment issues, Members of WTO seem to have a free hand in their treatment of the client-patent advisor privilege issue as far as judicial and administrative procedures are concerned, provided that their policies are not inconsistent with other provisions of the Agreement and are not applied in a manner that would constitute a disguised restriction on trade. Naturally, such freedom for a WTO Member also includes freedom to treat nationals and non-nationals equally in judicial and administrative procedures with respect to client-patent advisor privilege.

Most-favored nation treatment

232. Article 4 of the TRIPS Agreement provides that “With regard to the protection of intellectual property, any advantage, favor, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members [...]” Further, the same provision stipulates four exceptions to the most-favored nation (MFN) rule. The relevant exception for the purpose of this paper is provided under paragraph (a) which exempts from the MFN obligation international agreements on judicial assistance or law enforcement in general, which are not particularly confined to the protection of intellectual property. The effect of this provision needs to be seen in relation to the client-patent advisor privilege issue. The main question which arises in the context is whether the MFN principle could suggest that any recognition of client-patent advisor privilege in a foreign jurisdiction (of a WTO Member) be extended to all other jurisdictions of WTO Members.

TRIPS provisions on enforcement of IP

233. Article 43 on “Evidence” concerning civil and administrative procedures and remedies provides that:

¹¹⁴ Article 3 of the TRIPS Agreement. In addition, the provision refers to exceptions allowed under the Berne and Rome Conventions.

¹¹⁵ Article 3(2) of the TRIPS Agreement.

“The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.”

234. While this provision has not been analyzed in WTO dispute settlement proceedings, and no interpretation is proposed in this document, the last part of the provision “subject in appropriate cases to conditions which ensure the protection of confidential information” may have some relevance to the issue of client-patent advisor privilege. In particular, this provision is relevant to the scenario in which one party in litigation holds evidence relevant to the substantiation of the claims of the other litigant.

(c) General Agreement on Trade in Services (GATS)

235. The General Agreement on Trade in Services (GATS) extends the basic pillars of the multilateral trading systems, such as the MFN and national treatment principles, and transparency to international trade in services among WTO Members. The GATS applies to measures affecting trade in many service sectors, including professional services and more specifically services supplied, for instance, by lawyers and IP advisors, including patent advisors.

236. The GATS distinguishes among four different modes through which services can be provided (or “modes of supply”). Lawyers and IP advisors can supply their services to consumers located in foreign countries for instance via telecommunication (phone, fax, or email) or postal means (mode 1 - cross-border supply); through the establishment of a commercial presence in the country of the client (mode 3 - commercial presence); or by traveling to the country of the client (mode 4 - movement of natural persons). Finally, the consumers can visit the lawyers and IP advisors in the latter’s country (mode 2 - consumption abroad).

237. GATS obligations can be classified into two main groups: “horizontal” (or unconditional, such as the MFN and transparency obligations) which apply to all measures affecting trade in services, and “specific” (or conditional) obligations, the application of which is dependent upon the existence of obligations taken by Members on an individual basis and contained in their “schedules of specific commitments”. Market access, national treatment and domestic regulation fall into the latter category.

238. Under GATS, the issue of “privilege” for any professional service provider (including patent attorneys) falls under the realm of domestic regulation. Each Member is free to regulate the provision of services in its own market. However, in sectors where specific commitments are undertaken, each Member shall ensure that measures are administered in a “reasonable, objective and impartial manner.”¹¹⁶ Qualifications and licensing requirements and technical standards must be based on objective and transparent criteria, and should not be more burdensome than necessary to ensure quality of service.¹¹⁷ The provision aims to make

¹¹⁶ Article VI:1 of GATS

¹¹⁷ Article VI:5 of GATS. The same provision in paragraph 4 mandates the development of multilateral disciplines on domestic regulation that would prevent domestic regulations from

it easier to obtain the qualifications necessary for suppliers to operate in a foreign country. However, it is to be noted that in sectors in which a Member has not undertaken specific commitments, for instance in the sector of legal services, it remains “unbound” and retains freedom in regulation of the activities of foreign suppliers of legal services in its domestic market.

239. The provision of GATS on “Recognition” may also have some relevance to the issue of “privilege”. Pursuant to Article VII, a WTO Member may recognize the education or qualifications obtained abroad by a service supplier. Such recognition may be done on an autonomous basis or through an agreement with the other country. GATS Article VII nevertheless requires such recognition not to be exclusive. Other WTO Members are to be afforded an opportunity to negotiate their accession to a recognition agreement or, in the case of autonomous recognition, to demonstrate that their qualifications should be recognized as well. Recognition of education and qualifications of foreign lawyers and IP advisors which may result from the application of this provision, would facilitate their access to foreign markets and their eligibility to the same treatment as domestic ones. However, in relation to the extension of the privilege to foreign service suppliers, the recognition of qualifications of foreign lawyers and IP advisors under this provision would not necessarily guarantee that the “privilege” would be extended to those foreign service suppliers as Members retain their right in the application of their judicial proceedings. A key principle in the GATS is the flexibility it accords to Member States with respect to their ability to regulate. This is in line with the principle of progressive liberalization under GATS where Members are allowed to liberalize the service sector at their own pace. As long as discussions in the SCP are confined to the professional secrecy obligation and client-patent advisor privilege in connection with judicial proceedings, it appears that those issues are outside the scope of GATS.

IV. RATIONALE FOR CLIENT–PATENT ADVISOR PRIVILEGE

(a) National Level

240. There are several opinions either in favor of or against granting “client-attorney privilege” to patent advisors. The survey of various literature¹¹⁸ has shown that, in general, the questions posed when considering the feasibility of applying the privilege to patent advisors can be roughly grouped as follows:

[Footnote continued from previous page]

constituting unnecessary barriers to trade. Little headway has been made so far under this negotiating mandate, with the exception of the accountancy sector. Even in the case of the accountancy sector – the draft disciplines have yet to enter into force.

¹¹⁸ For example, see John E. Sexton, *Developments in the Law – Privileged Communications*, 98 Harv. L. Rev. 1501 (1985); Berta Suchorukovaite, *Should the Attorney-Client Privilege Be Applicable to Patent Agents?* International Journal of Baltic Law, Vol. 3, No.1, March, 2007; Michael Dowling, *Prospects for Improvement, What are the Options?* Conference on Client Privilege in Intellectual Property Professional Advice (*CPIPPA*) organized by the World Intellectual Property Organization (WIPO) in collaboration with the International Association for the Protection of Intellectual Property (AIPPI), WIPO Headquarters Geneva, Switzerland May 22 and 23, 2008; Paul R. Rice, *Attorney-Client Privilege in the United States*, Second Edition, West Group, MN (1999); John M. Romary and Robert D. Wells, *The Forced Disclosure of Professional Intellectual Property Advice, A Prelude of International Deliberations*, May 2009.

- whether client-patent advisor privilege would ensure the quality of advice and administration of justice or impede justice by withholding certain information;
- whether non-lawyer patent advisors¹¹⁹ merit the same treatment as lawyer patent advisors in terms of the client-attorney privilege;
- whether patent advisors who act as intermediaries between clients and patent Offices and prepare documents for public disclosure deserve the client-patent advisor privilege.¹²⁰

241. The following paragraphs will consider these questions one by one.

Effects on the administration of justice

242. One of the arguments supporting client-patent advisor privilege is that the existence of such privilege could encourage open and frank discussions and communications between patent advisors and clients. Clients and patent advisors may discuss a broad range of issues such as patentability of inventions and the possibility of infringement of existing patents. If privilege is not applied, the client may be discouraged from revealing all related details. Such restricted communications can lead to difficulty in preparing an application and taking other necessary actions in a proper manner.

243. The role of patent advisors in promoting innovation and supporting dissemination of technical information is acknowledged. They carry out their missions through providing professional advice and representing clients. If the clients cannot fully trust their patent advisors due to a lack of complete confidentiality, it would be almost impossible for the patent advisors to defend and represent their clients, and to ensure that clients meet the full requirements and enjoy full rights as prescribed in the patent law and other relevant laws. In short, it is suggested that the overall intellectual property system and the public in general will benefit from privilege granted to communications between patent advisors and their clients, because it would ensure full compliance with the applicable laws.

244. On the other hand, there is a view that public interest requires disclosure of information to public tribunals in order to allow justice to be served. This is based on the argument that transparency of information is necessary to allow a tribunal charged with resolving a controversy to reach an impartial and just result. When a tribunal standing in judgment is not given access to all available information, its ability to reach a fair result is limited, if not compromised. In a way, the view therefore questions the concept of “privilege” in court proceedings in general. This contrasts with the practice of a number of countries granting “privilege” with a view to promoting public interest in the observance of the law.

Non-lawyer status of patent advisors

245. One of the arguments that do not support the grant of common law client-attorney privilege to patent advisors is that in some countries, patent advisors do not have legal

¹¹⁹ In some countries, a patent attorney has legal qualifications, but this does not apply to all countries.

¹²⁰ In some countries, patent advisors may represent their clients before a court in certain cases, but in some other countries, patent advisors can only represent their clients before a patent Office.

qualifications, nor are they admitted to the bar. Therefore, they cannot expect the same treatment with respect to the client-attorney privilege. Attorneys who are entitled to represent their clients before a court have a unique role to play in the administration of justice. Consequently, supporters of the argument consider that confidentiality between attorneys and clients should be treated differently from other confidential professional relationships.

246. On the other hand, some consider that the above view is formalistic, and differentiate the types of advice patent advisors offer to their clients. While technical knowledge is important in preparing a patent application, patent advisors provide legal advice relating to patentability and other relevant elements of the patent laws. An inventor knows best about *his* invention from the technical point of view. The major role of a patent advisor is to support the inventor by describing the legal scope of protection that meets all the requirements of the patent law. Therefore, while an understanding of the technical features of inventions is indispensable, the major contribution of patent advisors appears to be more of a legal nature. Further, the advice of a patent advisor may not necessarily be limited to the stage of filing a patent application, as he/she continues to provide advice after that stage in relation to the legal scope of protection throughout the life of the patent.

247. In some countries, while a legal qualification is not a requirement to become a patent advisor, he/she may also represent a client before a court with respect to certain IP cases. This could be considered as an indication of the recognition of the special legal expertise of patent advisors. Further, in many countries, patent advisors are also bound by professional secrecy obligation, non-compliance with which could result in a severe sanction. Such an obligation is imposed on non-lawyer patent advisors in the same manner as on lawyer patent advisors. Consequently, some consider that client-attorney privilege should be applicable to the same extent to non-lawyer patent advisors, bearing in mind the legal nature of their activities.

Intermediary work of patent advisors

248. In some countries, patent advisors are entitled to represent clients only before a patent office but not before a court. The fact that patent advisors act only as intermediaries or conduits between their clients and the patent office has led to the argument that patent advisors do not deserve to be granted the client-attorney privilege understood as such under the common law system. According to the conduit theory, a patent advisor is simply an intermediary between the patent Office and his or her client (i.e. an inventor or his or her successor in title). Since his or her task is limited to preparing documents for filings, the client should not expect coverage of the client-attorney privilege to communications with patent advisors.

249. Since one of the objectives of the patent system is to promote the dissemination of technological knowledge, in any patent system, all information disclosed in patent applications prepared by patent advisors will be made available to the public at the time when the patent applications are published or patents are granted. Some consider that since both a patent advisor and his or her client know that the application will be disclosed at some point, such prior knowledge of disclosure defeats the purpose of client-attorney privilege.

250. On the other hand, the scope of patent advisors' work is not just explaining technologies underpinning the invention in a patent application. Obviously, a patent application should be prepared in such a way that the enabling disclosure requirement and other requirements relating to disclosure of an invention are complied with in accordance with the applicable

patent law. A patent advisor should fully and completely describe all features of the invention and explain how the invention works and what the advantages of the invention are. However, drafting a patent application requires additional expertise that is not necessarily needed when writing an article for a technical journal or writing a technical book. While ensuring technical disclosure, a patent advisor also provides advice relating to the legal scope of protection, for example, how the claims should be drafted or how the description should be worded since it may be taken into account when interpreting the scope of the claims. This kind of advice which goes beyond the provision of technical disclosure may be subject to privilege.

251. The above discussion supports the argument that the work of patent advisors as intermediaries throughout the procedures before a patent Office has dual characteristics: technical as well as legal. It goes without saying that the disclosure requirement under the patent law, which is a statutory requirement that must be complied with to obtain patents, cannot be influenced by the existence or non-existence of the client-attorney privilege.

(b) International Level

252. One of the main arguments for seeking action at the international level is, as the International Chamber of Commerce (ICC) puts it, that intellectual property such as patents is uniquely international, both legally and commercially, which involves an application for registration and protection in one country while automatically allowing a right of priority in many other countries. These arrangements go back to the 19th century, indicating how long IP has been globalized.¹²¹ Since then, basic principles such as national treatment and the MFN status have been developed at the international level in order to ensure the same treatment beyond national borders as much as practicable at the time those international agreements were concluded.

253. In order to obtain cross border patent protection, an applicant should obtain patents in each country in which patent protection is sought. If a third party wishes to revoke a patent, it should be addressed to the court of the country in which the patent was granted. The territorial notion of patents requires parties to engage both domestic and foreign patent attorneys and patent agents who would advise on similar issues related to the rules in different jurisdictions. As the above Country Study suggests, the treatments of patent advisors with respect to legal professional privilege and secrecy obligations are not uniform in each national law: some countries do not recognize legal professional privilege of patent agents who are not legally qualified. Further, most countries do not grant the same treatment of legal professional privilege or secrecy obligations on the part of patent attorneys or patent agents registered in foreign countries.

254. This means that once a client is involved in a dispute in a foreign country with a different legal system, some difficulties may arise. The professional secrecy obligation for patent advisors in one country may not be enough for a client to refuse the disclosure of communications with his or her patent advisor in a foreign court. Document SCP/13/4, Chapter V(e), describes the possible scenarios where clients in civil law countries may be forced to disclose communications with his or her patent advisor in a court in a common law

¹²¹ International Chamber of Commerce, Client-Attorney Privilege in Intellectual Property Matters, Additional Observations, Submission relating to WIPO Secretariat Paper, SCP/13/4, August 27, 2009.

country. The major obstacle at the international level, pointed out by IP practitioners, is that the confidentiality of advice given by patent advisors in one country and recognized in that country is not necessarily recognized in other countries, which could lead to forced disclosure of confidential information in the other countries.

255. Thus, when a client is involved in litigation outside his or her country, the client would face uncertainty on the status of the confidentiality of the information disclosed by the client to a patent agent. It appears that greater legal certainty with respect to the treatment of confidential information at the international level would increase the level of confidence between clients and their patent advisors, which may contribute to better quality of advice.

V. KEY FINDINGS AND POTENTIAL AREAS OF FURTHER WORK

256. It appears that similar public interest considerations underline the concept of “client-attorney privilege” in common law countries and the concept of “professional secrecy obligation” in civil law countries: lawyers can provide, and clients can obtain, proper advice only where a guarantee of the professional’s discretion is given. In both systems, confidentiality of such advice is indispensable for the administration of justice. Bearing in mind the different procedural laws and evidence rules, each system has developed different concepts which aim at a similar practical result, that is, non-disclosure of confidential information between lawyers and clients.

257. While we can observe a number of common considerations at the general level, as the Country Study suggests, as far as confidential communications between a client and his or her patent advisor are concerned, differences in details are found not only between common law countries and civil law countries, but also within countries in the same legal system. In particular, the treatment of confidential communications between a client and his or her non-lawyer patent advisor in foreign courts is an issue far from being settled.

258. Due to the discovery (disclosure) procedure in common law countries, uncertainty surrounding the treatment of confidential communications between patent advisors and their clients is primarily a concern as regards the court procedures in common law countries. However, this does not mean that civil law countries are free from problems, since clients from civil law countries may also face litigation in common law countries. In addition, although in general civil law countries’ rules of evidence provide limited power to a court to order disclosure, how confidential communications with patent advisors registered in foreign countries would be treated in the courts of civil law countries is anything but clear. The practical difficulties demonstrated by IP professionals are that, due to lack of recognition of confidentiality attached to certain communications between a client and his or her patent advisor beyond national borders, the client could face a loss of confidentiality.

259. In many civil law countries, there is neither an explicit statutory provision nor case law that provides privilege to confidential communications between a patent advisor and his or her client, i.e. preventing disclosure of such communications during court procedures. However, there is an argument that the lack of such a provision or the case law does not necessarily require the disclosure of such communications in the courts of common law

countries.¹²² Where a civil procedural law provides that certain professions have a right to refuse to testify a matter under the professional secrecy obligation, such a provision may be applied by analogy to documents containing such confidential matters, prepared between a patent advisor and his or her client. Another argument could be constructed in a way that documents held by parties in litigation are not generally subject to mandatory production under the civil procedural laws of many civil law countries, and therefore, such treatment of withholding documents should be respected in other jurisdictions. The practical difficulty is that there is no certainty as to whether a judge in a common law country would accept one or more arguments as to the non-disclosure of confidential communications under professional secrecy.

260. Some argue that in a globalized world where territorial boundaries are blurred, an effective and affordable patent system, including client-patent attorney privilege is required. In this regard, the question may arise as to whether it is necessary to bring closer together national rules to the extent that they combine the notions of “professional secrecy obligation” and “privilege” and establish a unique rule of privilege for patent advisors.

261. Even among the limited number of countries described in the Country Study, the evidence rule, the scope of protection of confidentiality, professions covered by confidentiality and the treatment of foreign-registered patent advisors and their qualifications are different from one country to the next. Many of those issues go beyond patent protection or patent litigation, and touch on national judicial procedures that reflect the fundamental legal structure and tradition of each country. Therefore, it appears that it is neither practical nor realistic to seek a uniform rule that could involve fundamental changes in national judicial systems.

262. On the other hand, legal uncertainty surrounding the treatment of confidential communications between patent advisors and their clients in patent litigations could affect the quality of the services provided by patent advisors and patent litigations at the international level. Looking closely at the essential problems addressed at the international level, one of the major concerns is that the problem essentially relates to the recognition of confidentiality in other countries. Of course, the greater the similarities in national laws between countries, the easier it is for a country to accept confidential communications from other countries. Uniformity of national laws, however, does not seem to be a prerequisite for seeking solutions to the problems arising from the international recognition of confidentiality that covers clients and their patent advisors.

263. With this in mind, a possible next step would be to look more closely into the treatment of confidential information in various countries with respect to patent advisors, without, of course, attempting to seek a uniform national evidence law, civil/criminal procedure law or requirements regarding the qualification of national IP advisors. Further discussions could look into questions such as how confidentiality of communications between patent advisors and their clients (in the form of professional secrecy obligation or privilege) in one country is recognized in different jurisdictions and which possible options allow a better recognition of

¹²² Akihiko Hara and Yasunobu Sato, “Attorney-Client privilege in the U.S. and its Applicability to Japanese Attorneys at Law and Patent Attorneys”, *Journal of Japanese Institute of International Business Law (KOKUSAI SHOJI HOMU)*, Vol.23, No.4,1995, referred to in the presentation by Takahiro Fujioka, “Attorney-Client Privilege Issues from JP Perspectives”, AIPLA 2009 Mid-Winter Institute, Japan Committee Pre-Meeting, January 2009

the confidentiality of the communications between patent agents and their clients beyond national borders. In parallel to the above, another fundamental question appears to be whether the professional secrecy obligation or the privilege accorded to attorneys at law should be extended to communications between patent advisors and their clients at the national level. Some examples of options for addressing those issues at the international level are described in document SCP/13/4, pages 18 and 19. Those options and other possible options could be further explored by the Committee.

264. The question may be raised as to whether and how recognition of confidentiality in foreign countries may affect the needs of developing countries. From the above Country Study, the privilege and/or professional secrecy obligation seems to be deeply rooted in the legal system and tradition of each country, regardless of the level of its technological or economic development. It appears that treating foreign patent advisors in the same manner as national patent advisors in terms of the confidentiality rule that binds patent advisors would not undermine the importance of national patent advisors in both developed and developing countries. In general, local patent advisors are specialists in the national patent law of the relevant country, with deeper knowledge about the respective national law and practice. The flexibility ensured under existing international treaties, such as Article 2(3) of the Paris Convention which allows Contracting Parties to, for example, require applicants to appoint local agents, will continue to apply.

265. It is to be noted that the issue of extension of the patent advisor privilege to foreign patent advisors could also touch upon the questions relating to private international law, especially on the rules and regulations applicable to foreign patent advisors.¹²³

266. The Country Study in this document provided some information concerning the recognition of patent advisors registered in other jurisdictions. However, it is limited to a few countries about which information was readily available from the public source. If SCP Members require more information on national practices, further cooperation with Member States may be desirable.

[End of document]

¹²³ James McCornish, Foreign Legal Professional Privilege, A New Problem for Australian Private International Law, 2006, Sydney Law Review, Vol. 28, 297.