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Patent Advisors' Perspectives

AIPPI, AIPLA, FICPI

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International Privilege Issues: A United States View

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Defining the Privilege Issue

- U.S. has both an attorney-client privilege and a more limited "work product" (litigation) immunity
- *Upjohn Co v. United States*, 449 US 383, 389 (1981)(emphasis added):

  "… [T]o encourage **full and frank communication between attorneys and their clients** and thereby promote broader public interests in the observance of law and administration of justice. The privilege recognizes that **sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer's being fully informed by the client**."
- U.S. applies attorney-client privilege to non-attorney patent agent communications, but stricter. *In re Spalding Sports Worldwide Inc.* (Fed. Cir. 2000)
- Foreign agents? Sometimes!

Discovery in the U.S.

- U.S. litigation allows broad information gathering once case is commenced
- Parties must disclose information
- Can even obtain discovery from third parties
- Standard: is information ***likely*** to lead to ***relevant information?***
  - Not based upon admissibility
- Courts routinely find information involving even foreign patents to be relevant (as long as the same invention) … and typically cases are multi-national

Compare: Privilege –v- Fifth Amendment

- U.S. CONSTITUTION, BILL OF RIGHTS, ART. V: "No person … shall be compelled in any criminal case to be a witness against himself …"
  - Criminal Case
  - Do not need to testify about anything
- Privilege: Keep confidential communications with a legal professional that were intended to solicit legal advice and be confidential *United States v. United Shoe Mach. Corp.* (D. Mass. 1950)
  - Does not "protect" underlying facts
  - Only makes discussions with counsel confidential

Privileges for "Patent Agents"

- U.S. patent agent:
  - There is privilege, although older cases questioned
- Foreign agent:
  - No "U.S. privilege" for those "functionally equivalent to an attorney" even if registered in that country
  - Most U.S. courts *only* recognize privileges under foreign jurisdiction. *Eisai Ltd. v. Dr. Reddy's Laboratories* (S.D. N.Y. 2005)
  - If dealing with U.S. patent application, no privilege for *foreign* agent *unless* acting with U.S. agent/attorney
    - Does it have to be called "privilege"?
    - Costs for proving in a U.S. court

Privilege When U.S. Application Involved

- Agent involved in *both* U.S. and non-U.S. filings
- Courts apply a "touch base" standard *Golden Trade S.r.L. v. Lee Apparel Co.* (S.D. N.Y. 1992)
  - if "balancing" shows significant connection to U.S. application, then use U.S. law *VLT Corp. v. Unitrode Corp.* (D. Mass. 2000)
    - No privilege unless agent is licensed in U.S. (unless work with U.S. agent or attorney)
  - Otherwise, look to see if privilege applies from nation having most direct/compelling interest. *Id.*
    - Even if involved in U.S. litigation.

What Is The United States of America?

- Constitutional federal republic
- One national federal government with 3 branches:
  - Legislature (Congress)
  - Judiciary (Federal Courts)
  - Executive (the President and federal departments and agencies)
- U.S. CONSTITUTION, BILL OF RIGHTS, ART. X ("TENTH AMENDMENT")

  "The powers not delegated to the United States by the Constitution … are reserved to the States respectively, or to the people."

U.S. Federal Court System

United States Supreme Court

U.S. Judicial Districts and Circuits

The 50 States

- Each is sovereign
- Has own legislature, judiciary, and executive
- Each state's court system is independent of the federal system
  - Can only appeal from State's highest court to federal system *when* a federal law or right is involved
- U.S. CONST. ART. II, § 2 CL. 2: "No State shall, without the Consent of Congress, … enter into any Agreement or Compact with … a foreign Power…"

Federal Rules of Evidence, Rule 501

"Privilege in General

The common law – as interpreted by United States courts in the light of reason and experience – governs a claim of privilege unless any of the following provides otherwise:

the United States Constitution;

a federal statute; or

rules prescribed by the Supreme Court.

But in a **civil case, state law governs privilege** regarding a claim or defense **for which state law supplies the rule of decision**."

U.S. Patent Law = Federal Question

- *Sperry v. State of Florida* 373 U.S. 379 (1963)
  - Patent Agent [= patent lawyer] working in Florida
  - "under Florida law the **preparation and prosecution of patent applications** for others **constitutes the practice of law**. … [I]n the absence of federal legislation, [Florida] could validly prohibit nonlawyers from engaging in … patent practice." [383]
  - "law of the **State** … **must yield when incompatible with federal legislation** … No State law can hinder or obstruct the free use of a license granted under an act of Congress." [384-85]
  - "Congress having acted within the scope of the powers 'delegated … by the Constitution,' [] has not exceeded the limits of the Tenth Amendment …" [403]

[internal quotations and citations omitted]

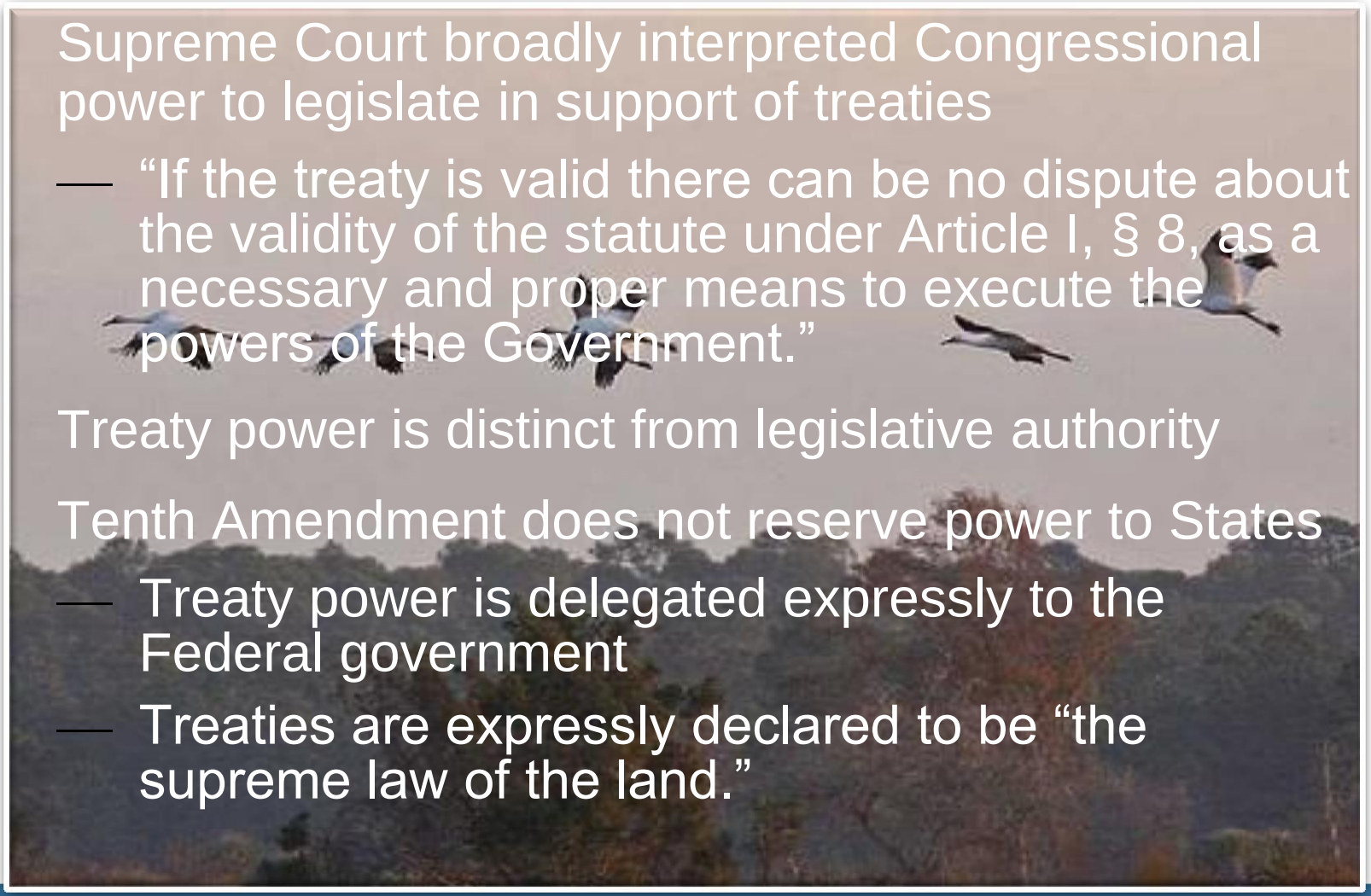
Presidential & Congressional Powers

U.S. CONST. ART. II, § 2 CL. 2: The **President** shall "have Power, by and with the Advice and Consent of the Senate, **to make Treaties**, provided two thirds of the Senators present concur...."

U.S. CONST. ART. VI, CL. 2: "This Constitution, and the laws of the United States which shall be made in pursuance thereof; and **all treaties** made, or which shall be made, under the authority of the United States, **shall be the supreme law of the land**; and the **judges in every state shall be bound thereby**, anything in the Constitution or laws of any State to the contrary notwithstanding."

U.S. CONST. ART. I, § 8 CL. 18: **Congress** has the power to "make all laws which shall be necessary and proper for **carrying into execution** … all other **powers vested by this Constitution** ..."

State of Missouri v. Holland, 252 U.S. 416 (1920)



- Supreme Court broadly interpreted Congressional power to legislate in support of treaties
  - "If the treaty is valid there can be no dispute about the validity of the statute under Article I, § 8, as a necessary and proper means to execute the powers of the Government."
- Treaty power is distinct from legislative authority
- Tenth Amendment does not reserve power to States
  - Treaty power is delegated expressly to the Federal government
  - Treaties are expressly declared to be "the supreme law of the land."

Treaty Power Rarely Challenged

Cases since *Holland* confirm broad power to legislate for treaties

- *United States v. Belfast* 611 F.3d 783, 804-05 (11th Cir. 2010)
  - Torture Act (Convention Against Torture)
  - Laws in support of treaty are valid if rationally related to the implementation of a treaty
  - Congressional power broad in area of foreign relations
- *United States v. Wang Kun Lue* 134 F.3d 79 (2d Cir. 1997)
  - Hostage Taking Act (Hostage Taking Convention)
  - "… it is not the province of the judiciary to impinge upon the Executive's prerogative in matters pertaining to foreign affairs."
  - Treaty legislation not limited to "matters of international concern"

Legislation Must Be Commensurate

Bond v. United States 134 S. Ct. 2077 (2014)

- Chemical Weapons Convention Implementation Act (Convention on the Prohibition of …. Chemical Weapons)
- "The question presented … is whether the [] Act also reaches a purely local crime …"
  - 3d Circuit decision (earlier) bound by *Holland,* but questioned validity of *Holland* urging Supreme Court review
  - Supreme Court declined to address the constitutional question.

    "… this Court has never held that a statute implementing a valid treaty exceeds Congress's enumerated powers." [2087]
  - *Holland* remains the law of the land
  - Instead, ruled that petitioner's minor crime did not fall within the meaning of "chemical weapons" under the statute

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