

## Confidentiality of Communication between Clients and their Patent Advisors

# Australia

### Summary

The client-attorney privilege accorded to patent attorneys in Australia is prescribed by statute (section 200, Patents Act 1990 (Cth) ('Patents Act')). It does not originate from the common law. Subsection 200(2A) of the Patents Act provides that a record or document made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to the same extent, as a record or document made for the dominant purpose of a legal practitioner providing legal advice to a client.

Since the commencement of various provisions contained in the Intellectual Property Laws Amendment (Raising the Bar) Act 2012 on 15 April 2013, the statutory privilege applicable to registered patent attorneys in Australia was extended to foreign IP professionals, provided that they were individuals authorised to do patents work under a law of another country or region (Patents Act s 200(2B)).

### National aspects

Discovery procedure and how privilege protection operates against discovery

Legal professional privilege protects the confidentiality of communications that are made in connection with giving or obtaining legal advice or in the provision of legal services in relation to litigation.

Privilege mainly arises as an issue in connection with processes of discovery or disclosure in litigation or in response to subpoenas to produce documents. Privilege is claimed so that confidentiality may be retained over documents or records that would otherwise be required to be disclosed or produced.

The law governing legal privilege in Australia is a combination of the common law and Evidence Acts that apply in Federal, State and Territory jurisdictions. Broadly, the Evidence Act 1995 (Cth) governs privilege issues which arise in federal litigation, whereas the common law governs questions concerning privilege that arise pre-trial except to the extent otherwise provided in legislation or within a court's governing rules.

Professionals covered by the privilege and secrecy obligation

Professionals covered by legal professional privilege include an Australian lawyer, Australian registered foreign lawyer and overseas registered foreign lawyer or natural person who, under the law of a foreign country is permitted to engage in legal practice in that country (section 117, Evidence Act 1995 (Cth)).

An Australian lawyer means a person who is admitted to the legal profession by a Supreme Court of a State or Territory of Australia, under a law of that State or Territory.

Patent attorneys are granted patent attorney privilege by statute (section 200, Patents Act). 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.

In comparison, Australia also provides for the same privilege to trade marks 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 trade marks attorneys (section 229, Trade Marks Act 1995).

### *In-House Patent Attorney*

Privilege applies to in-house patent attorneys, provided that they meet the various requirements outlined in section 200, Patents Act 1990. The requirements for privilege to apply are that:

- (a) The patent attorney is registered under the Patents Act.
- (b) The patent attorney is acting in their capacity as a patent attorney rather than in any commercial or technical capacity.
- (c) The privilege exists "in the same way, and to the same extent" as communications, records or documents made for the dominant purpose of a legal practitioner providing legal advice to a client (subsections 200(2) and 200(2A), Patents Act).
- (d) The privilege attracts to only "intellectual property advice" as defined by subsection 200(2C), Patents Act.

"Intellectual property advice" is defined in subsection 200(2C) Patents Act to mean advice in relation to:

- (a) patents; or
- (b) trademarks; or
- (c) designs; or
- (d) plant breeder's rights; or
- (e) any related matters.

### Scope of privilege

Confidential communications between a client and their legal adviser are privileged, whether oral or written, if the communications are made for the dominant purpose of either giving or receiving legal advice or for use in existing or anticipated litigation.

To qualify and apply privilege in relation to advice, the advice must be:

- (a) professional advice given by the legal adviser in their professional capacity as a lawyer; and
- (b) the communication must be for the dominant purpose of obtaining legal advice.

Privilege will not attach to advice that is predominantly for a different financial, personal or commercial purpose, it must be legal advice that is predominantly sought.

To qualify and apply privilege in relation to confidential communications between a legal adviser or client and a third party, in connection with litigation, the communication must also be created for the dominant purpose of use in, or in relation to litigation that is existing or reasonably anticipated.

Patent attorneys have a similar “advice” privilege to lawyers which is provided by section 200, Patents Act. The privilege applies to:

- (a) Communications made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client (subsection 200(2), Patents Act).
- (b) A record or document made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client (subsection 200(2A), Patents Act).

Communications, records and documents are defined to be privileged “in the same way, and to the same extent” as those “made for the dominant purpose of a legal practitioner providing legal advice to a client.”

The privilege applicable to patent attorneys is subject to certain conditions:

- (a) The patent attorney is registered under the Patents Act.
- (b) The patent attorney is acting in their capacity as a patent attorney rather than in any commercial or technical capacity.
- (c) The privilege exists “in the same way, and to the same extent” as communications, records or documents made for the dominant purpose of a legal practitioner providing legal advice to a client (subsections 200(2) and 200(2A), Patents Act).
- (d) The privilege attracts to only “intellectual property advice” as defined by subsection 200(2C), Patents Act.

“Intellectual property advice” is defined in subsection 200(2C) Patents Act to mean advice in relation to:

- (a) patents; or
- (b) trademarks; or
- (c) designs; or
- (d) plant breeder’s rights; or
- (e) any related matters.

Patent attorneys do not have a “litigation” privilege equivalent to lawyers. Subsection 200(3) Patents Act provides that nothing in section 200 of the Act authorises 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.

The limitations and exceptions to the privilege

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 (*Commissioner of Taxation v Coombes* (1999) 92 FCR 240), the circumstances in which allowing the claim of legal professional privilege would frustrate legal processes (*R v Bell*; *Ex parte Lees* (1980) 146 CLR 141) and where communication between the lawyer and the client is for the purpose of committing a crime or fraud.

#### Consequences of the loss of confidentiality and penalties for disclosure

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 authorisation may be subject to disciplinary proceedings by the Trans-Tasman IP Attorneys Board (the Board) in accordance with the Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018 ('the Code') under regulation 20.33 of the Patent Regulations 1991. The Code sets out the procedures that the Board will follow in investigating a registered patent attorney or a registered trade marks attorney and in deciding whether or not to commence disciplinary proceedings. The Board has the power to refer any patent attorney who is in breach of confidentiality for professional misconduct to the Trans-Tasman IP Attorneys Disciplinary Tribunal (the Tribunal) for a formal hearing. If the Tribunal finds the patent attorney guilty of an offence, it may cancel or suspend the attorney's registration; or impose conditions on the attorney's registration; or administer a public reprimand. If the patent attorney is also a registered trade marks attorney, then the Tribunal may also cancel or suspend the attorney's registration as a trade marks attorney.

#### Requirements/qualifications for patent advisors

The registration of patent attorneys and trade marks attorneys in Australia is governed by the Board, a body established under section 227A of the Patents Act. The Board administers the regulatory and disciplinary regimes for patent and trade marks attorneys in Australia.

To register as a patent attorney in Australia, the following conditions must be met: evidence that the Board is satisfied that the applicant has the knowledge of intellectual property law and practice that is required for a person to practise as a patent attorney; evidence that the Board is satisfied that the applicant has, or is entitled to, an award of a level 5 or higher qualification under the Australian Qualifications Framework (or an overseas equivalent qualification) in a field of technology that contains potentially patentable subject matter and which involves a depth of study that the Board considers sufficient to provide an appropriate foundation for practise as a patent attorney; be able to supply one or more statements of skill made by a registered patent attorney which outline the applicant's employment experience in patent matters in Australia for a period of at least two continuous years; and be of good repute, integrity or character, and not have been convicted within the past five years of offences against patents, trade marks and designs legislation.

### **Cross-border aspects**

#### Recognition of Foreign Privilege in Australia

The patent attorney privilege was not applicable to communications between clients and foreign patent attorneys who are not registered under the Australian Patents Act until 2013. In Australia, the requirement for a "registered patent attorney" was considered by the Federal Court of Australia in *Eli Lilly & Co. v Pfizer Ireland Pharmaceuticals* (2004) 137 FCR 573 (Federal Court of Australia) ["*Eli Lilly & Co*"]. The privilege for communications with a registered patent attorney was confined to communications with an attorney registered in

Australia. The court based its decision on the limitation of the scope of the statutory privilege to registered patent attorneys.

The Intellectual Property Laws Amendment (Raising the Bar) Act 2012 extended the existing client-patent attorney privilege to foreign patent attorneys which entered into force on April 15, 2013. This was achieved by expanding the definition of “patent attorney” to include an individual authorised to do patents work under the law of another country or region. No further criteria are mentioned in the Act. However, the privilege applies to the extent that the attorney is authorised to provide intellectual property advice. Consequently, communications with a foreign patent attorney relating to trade marks or other rights will be privileged only if the attorney is authorised to do that work in his home country in addition to patents work. Methodologically, the Act extends the principle of the client-patent attorney privilege to foreign advisers in IP law and not in evidentiary law.

The Intellectual Property Laws Amendment (Raising the Bar) Act 2012 revised subsection 200(2) of the Patents Act as follows:

(2) A communication made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to the same extent, as a communication made for the dominant purpose of a legal practitioner providing legal advice to a client.

(2A) A record or document made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to same extent, as a record or document made for the dominant purpose of a legal practitioner providing legal advice to a client.

(2B) A reference in subsection (2) or (2A) to a registered patent attorney includes a reference to an individual authorised to do patents work under a law of another country or region, to the extent to which the individual is authorised to provide intellectual property advice of the kind provided.

(2C) Intellectual property advice means advice in relation to:

- (a) patents; or
- (b) trademarks; or
- (c) designs; or
- (d) plant breeder’s rights; or
- (e) any related matters.

The intention is that the privilege provision captures communications between clients and foreign IP professionals who are authorised to perform work similar to the work done by their Australian counterparts. This will include not only persons authorised under the law of a nation state, but also persons registered under an international treaty, such as Article 134 of the European Patent Convention 1973 (EPC), which authorises persons to do patents work before the European Patent Office.

The scope of the privilege is limited to the scope of a person’s authority to perform the work in their home country or region. Further, the communication, record or document must be made for the “dominant” purpose of a patent attorney providing intellectual property advice

to a client in order for the communication, record or document to attract the privilege. The definition of “intellectual property advice” in subsection 200(2) limits the scope of privilege to only those fields in which patent attorneys have specialist qualifications and knowledge.