



Law Council
OF AUSTRALIA

Business Law Section

Ms Soma Saha/Mr Edward Elliott
Agent-Client Privilege
Via email: ACPrivilege@uspto.gov.au

27 February 2015

Dear Ms Saha and Mr Elliott,

USPTO Roundtable re Agent Client Privilege – Update

I have pleasure in enclosing a submission which has been prepared by the Intellectual Property Committee of the Business Law Section of the Law Council of Australia.

If you have any questions in relation to the submission, in the first instance please contact the Committee Chair, Sue Gilchrist, on 02-9225 5221 or via email: sue.gilchrist@hsf.com.

Yours sincerely,

John Keeves, Chairman
Business Law Section

Enc.

GPO Box 1989, Canberra
ACT 2601, DX 5719 Canberra
19 Torrens St Braddon ACT 2612

Telephone +61 2 6246 3788
Facsimile +61 2 6248 0639

Law Council of Australia Limited
ABN 85 005 260 622
www.lawcouncil.asn.au

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Law Council of Australia, Business Law Section, Intellectual Property Committee
Submission in response to the Notice of Roundtable and Request for Comments on
Domestic and International Issues Related to Privileged Communications Between Patent
Practitioners and Their Clients

Introduction

- 1 The Intellectual Property Committee of the Business Law Section of the Law Council of Australia (*IPC*) makes this submission in response to the Notice of Roundtable and Request for Comments on Domestic and International Issues Related to Privileged Communications Between Patent Practitioners and Their Clients (the *Notice*).

Key Recommendations

- The IPC supports the implementation of uniform federal US legislation to govern the treatment of communications between patent practitioners and their clients, in order to ensure consistency across jurisdictions and reduce uncertainty surrounding the circumstances of forcible disclosure.
- The IPC supports the introduction of uniform US legislation on similar terms to the legislation passed in Australia, which extends privilege to foreign patent practitioners who are authorised to provide IP advice in other countries.
- The IPC supports the development of an international multilateral agreement to harmonise the approach to the treatment of communications between patent attorneys and their clients. In particular, the IPC submits that the USPTO should encourage the continued development by Group B+ countries of a multilateral agreement based on the Joint Proposal for a proposed international framework developed by AIPPI, FICPI and AIPLA, to which the Notice refers.

Background of the IPC

- 2 The Law Council of Australia is Australia's leading legal professional body, which exists to represent the legal profession at the national level, to speak on behalf of its constituent bodies on national issues, and to promote the administration of justice, access to justice and general improvement of the law. The Law Council of Australia also represents the Australian legal profession working in other countries, and maintains close relationships with legal professional bodies throughout the world.
- 3 The IPC is a specialist committee established by the Law Council of Australia which provides a forum for experienced intellectual property law practitioners to discuss, debate and contribute to the process of intellectual property law reform in Australia.
- 4 The IPC plays an important role in advising governments, courts and federal agencies on ways in which intellectual property law can be improved, and actively contributes to the development of Australian intellectual property legislation.

Uncertainty Surrounding Forcible Disclosure – International Aspects

- 5 The IPC responds to the Notice in relation to point 4 in the Issues for Public Comment. In particular, this submission focuses on the international aspects surrounding the issue of privileged communications between patent attorneys and their client (*patent attorney privilege*).
- 6 First, the IPC submits that the core issue is the uncertainty surrounding the scope of protection that can be afforded to patent attorneys against forcible disclosure in litigation of IP professional instructions and advice. This problem affects clients and their IP professionals on a day-to-day basis in Australia and is mirrored around the world. Whilst it remains uncertain whether communications between clients and IP professionals around the world will be treated as confidential internationally and not subject to forcible disclosure by the client or the IP

professionals involved, clients are made wary of opening up fully and frankly to their IP professional advisors. The risk for the client is of prejudicial effect in subsequent litigation. The problem affects the giving of IP professional advice in both common and civil law countries.

- 7 It is clear that uncertainty on the issue of forcible disclosure exists both for the client and the IP professional. Such uncertainty is against the public interest in clients being correctly advised because the uncertainty itself can compromise the full and frank communications between a client and the IP advisor, which are necessary to obtain correct legal advice.
- 8 Second, there remains inconsistency between common and civil law jurisdictions regarding the scope of protection of legal advice as privileged. Both common law and civil law countries have uncertainty about common law countries' treatment of the civil law protection. Common law countries may not recognise the protection which is applied in civil law countries as being equivalent in effect to privilege which applies in their own countries. In civil law countries that protection is effected by the combination of no discovery against the client and the obligation of professional secrecy placed on the IP professional.
- 9 Third, there is further cause for uncertainty for countries of both traditions of law because whilst in civil law countries there is no discovery, the courts have a wide power to require litigants to produce documents. Whilst that power does not appear to have been commonly exercised, the consequences of its discretionary exercise would lead to increased uncertainty and inconsistency in relation to the way in which common law and civil law countries deal with forcible disclosure.
- 10 The practical impact of this uncertainty is evidenced in the day-to-day practice of IP advisors around the world. For example, every time instructions are taken where the exercise of legal rights relating to IP go beyond the border of one country, the reasonably diligent IP professional is bound to advise the client that what may pass between them may be forcibly disclosed in another jurisdiction. There have been cases in the US and Australia in which such forcible disclosure has occurred.

The Australian Experience

- 11 As referred to in the Notice, Australia and New Zealand have recently passed legislation extending privilege to foreign patent practitioners who are authorised to provide IP advice in other countries.
- 12 The IPC considers that the Australian legislation is a useful reference for the US if it were to develop uniform legislation to address the uncertainties in relation to patent attorney privilege.
- 13 The Australian law applies to clients and their IP professionals in all other countries who are the equivalent of those in Australia. The relevant provision is section 200 of the *Patents Act 1990* (Cth), which provides that:

200 Privileges

(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 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 the 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) trade marks; or
- (c) designs; or
- (d) plant breeder's rights; or
- (e) any related matters.

(3) Nothing in this section 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.

- 14 The legislation applies to 'registered patent attorneys', which is defined in the *Patents Act 1990* (Cth) as 'a person registered as a patent attorney under this Act'.
- 15 Section 229 of the *Trade Marks Act 1995* (Cth) provides for corresponding protection for communications made for the dominant purpose of intellectual property advice by a registered trade marks attorney.
- 16 By our law, the same protection from forcible disclosure which applies to clients and their IP professionals in Australia, is extended to foreign clients and the equivalents of the Australian IP professionals working in foreign countries. The Australian law does not require reciprocity.

Development of a Multilateral Agreement

- 17 National legislation such as the Australian law cannot close the gap so that clients in the one nation and their IP professionals have the same protection as applies to clients and IP professionals in other countries. Thus, currently non-Australian clients and their IP professionals equivalent to those in Australia have the benefit of the protection in Australian proceedings, but the same does not apply for Australian clients and IP professionals in most countries outside Australia.
- 18 Therefore, all countries considering this problem need to give due weight to the continuing and global nature of the problem. The problem can only be partially resolved by national legislation. The effect of national legislation needs to be extended by a suitable multilateral agreement in order to ensure consistency between jurisdictions in policy and in practice.
- 19 The IPC considers that it is fundamental to the harmonization of intellectual property laws that minimum patent attorney privilege standards are established in the courts of both common law and civil law countries. The IPC supports the continued development by Group B+ countries of a multilateral agreement based on the Joint Proposal for a proposed international framework developed by AIPPI, FICPI and AIPLA, to which the Notice refers.

Further Contact

- 20 The IPC thanks the United States Patent and Trademark Office for the opportunity to respond to the Notice.
- 21 The IPC would be pleased to discuss any aspect of this submission. Please contact the Chair of the IPC, Sue Gilchrist on (02) 9225 5221 or via email at Sue.Gilchrist@hsf.com if you would like to do so.