FÉDÉRATION INTERNATIONALE DES CONSEILS EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION VON PATENTANWÄLTEN



United States Patent and Trademark Office — February 25, 2015
Mail Stop OPIA
P.O. Box 1450 — *BY EMAIL*
Alexandria, Virginia 22313–1450
ATTN: Edward Elliott

Subject: Agent-Client Privilege – Roundtable Written Comments

Dear Mr. Elliott:

Attached please find the U.S. Section of FICPI written comments regarding "Domestic and International Issues Related to Privileged Communications Between Patent Practitioners and Their Clients."

Founded over 100 years ago, FICPI, the Fédération Internationale Des Conseils En Propriété Intellectuelle (International Federation of Intellectual Property Attorneys), represents IP attorneys in private practice internationally with almost 5,500 members in 86 countries and regions, including all major countries. FICPI has strong U.S., Canadian and European memberships and has recent and growing sections in India and China.

On behalf of FICPI I would like to thank the USPTO for organizing and running the February 18th Roundtable on this important topic. I was not able to attend in person due to travel but was able to attend by the web presentation and calling in by phone.

Sincerely,
/s/ Barry W. Graham

Barry W. Graham
President of U.S. Section of FICPI

**FICPI Written Comments on Client-Patent Advisor Privilege (February 25, 2015)**

## Introduction

FICPI, the Fédération Internationale Des Conseils En Propriété Intellectuelle (International Federation of Intellectual Property Attorneys) provides its comments on Domestic and International Issues Related to Privileged Communications Between Patent Practitioners and Their Clients. Following the general observations below, FICPI sets forth its responses to the specific questions posed in the January 26, 2015 Federal Register Notice.

Founded over 100 years ago, FICPI represents IP attorneys in private practice internationally with almost 5,500 members in 86 countries and regions, including all major countries. FICPI has strong U.S., Canadian, and European memberships and has recent and growing sections in India and China.

FICPI aims to enhance international cooperation amongst IP attorneys, study reforms and improvements to IP treaties and conventions with a view to facilitating the exercise by inventors of their rights, increasing their security and simplifying procedures and formalities, and promote the training and continuing education of its members and others interested in IP.

FICPI welcomes the organisation of the February 18, 2015 Roundtable on the topic of Client-patent advisor (non-lawyer) privilege as a positive step by the USPTO to further international recognition of such privilege. FICPI appreciates the opportunity to summit these comments and take part in these discussions. With respect to the issues raised in the study, we wish to make the following observations.

## General Observations

Client-patent advisor privilege should be considered in a global context, since most patent matters are no longer related to just one country but are of international character. FICPI believes that for a proper functioning of the IP systems throughout the world it is of utmost importance that IP advisors and their clients can have frank, honest and open communications, so that the client can obtain the best opinions and advice from their IP advisors.

Our members are active in prosecution and litigation, as well as in legal and technical advice with respect to IP rights, such as patents, trademarks and designs. In their professional practices our members and their clients are confronted time and again

with the issue of client-IP advisor privilege. Both for clients invoking the privilege as well as for clients confronted with a privilege invoked against them.

More importantly, the clients are confronted with the different approaches taken by different jurisdictions with respect to the client-IP advisor privilege. In many Court proceedings this can lead to the situation that documents of parties from different countries are treated differently by the same Court. For example, client-IP advisor privilege of a foreign party may not be recognised by the Court, whereas that of a national party may indeed be recognised.

FICPI is of the opinion that this is undesirable and should not be acceptable in a world in which IP prosecution and litigation become more and more internationally orientated and are no longer confined to single jurisdictions. For this reason, FICPI favors recognition of client-patent advisor privilege in all jurisdiction throughout the world.

FICPI is grateful that the USPTO has taken the topic of client-patent advisor privilege on the agenda due to the highly important aspects of the issue. FICPI is willing and offers to provide assistance in any possible way it can reasonably undertake in order to move this issue towards an internationally acceptable solution.

FICPI supports the notion that the client-attorney privilege is a privilege awarded to the client, not the attorney. This should be no different for a client-patent advisor (non-lawyer) privilege. In the opinion of FICPI, it is of the utmost importance that this privilege be universally recognised. This is very important since this right cannot be invoked by the advisor alone but only on behalf of the client. This is even more important because in international litigation or prosecution of applications the client is always the same, whereas the advisors will change from country to country, from patent application prosecution up to grant, in litigation, in negotiating a licence or in providing freedom to operate opinions, for example.

FICPI recognizes that it is fundamentally fair and equitable and should be a universal right that parties before a Court be treated the same with respect to privilege issues and should have the same rights and obligations. Denying one of the parties the right to invoke privilege for documents and allowing the other party to invoke such privilege for similar documents or other disclosures is a violation of this fundamental and universal right. This may even be the case for two parties from the same country, appearing in their own Court, because one of them has obtained legal advice from a foreign IP advisor, whereas the other has not. Thus, for example, if in a U.S. Court a

client had been advised by a foreign IP advisor and for that reason cannot claim client-patent advisor privilege, whereas the opposing party can, these parties will be treated differently, which in FICPI's view should be avoided.

In June 2013 FICPI, together with AIPPI and AIPLA, organized a colloquium on Protection of Confidentiality in IP Advice; National and International Remedies, as referred to in the Federal Register Notice announcement of the Roundtable (*https://www.aippi.org/download/onlinePublications/Attachment1SubmissiontoWIPODecember182013_SCP.pdf.)*. Presenters at the Colloquium included government experts from Australia, Germany, Japan, Switzerland and the U.S. and leading independent commentators, including Judge Braden of the U.S. Court of Federal Claims and John Cross, Professor of Law at the University of Louisville.

The presentations and discussions between the participants demonstrated to the three host IP Associations that there are viable options to remedy these problems and that their resolution is of great importance. In both common and civil law systems an agreement could be reached that communications relating to IP professional advice with lawyers and/or non-lawyer IP advisors shall be either confidential to the client or subject to professional secrecy and shall, in both cases, be protected from disclosure to third parties unless made public by or with the authority of the client. It was generally agreed that the protection should not extend to underlying facts subject to disclosure requirements such as prior art.

The Colloquium resulted in a joint proposal of AIPLA, AIPPI and FICPI, a copy of which is annexed to these comments. FICPI is pleased to see that this joint proposal has been taken by the B+ countries as a starting point for a proposed agreement between these countries, including the U.S.

**Responses to Specific Questions Posed**

Regarding the specific questions posed in the Federal Registered Notice for the Roundtable, FICPI comments as follows, wherein FICPI's answers are given with respect to the international aspects of client-patent advisor privilege when applied (or not) by U.S. Courts:

1. Please explain the impact, if any, resulting from inconsistent treatment of privilege rules among U.S. federal courts. In your answer, please identify if the impact is on communications with foreign, domestic, or both types of patent practitioners.

As explained above, when advice given by foreign IP advisors is treated differently from advice given by U.S. (domestic) IP advisors, parties before the Court will be treated differently, which violates in FICPI's opinion the principle of fairness and equality.

2. Please explain how U.S. stakeholders would be impacted by a national standard for U.S. courts to recognize privilege for communications with U.S. patent agents, including potential benefits and costs. If you believe such a standard would be beneficial, please explain what the scope of a national standard should cover.

Applying client-patent advisor privilege to all (domestic and foreign) IP advisors would provide clients with a broader choice between advisors which they wish to consult, without running the risk of later forced disclosure of what should be considered privileged material. This is especially important since at the time of soliciting such advice it may be absolutely unknown to the requestor of such advice that forced disclosure may ever become an issue. For example, in the process leading to patent protection of an invention, at the very onset advice may be given, even before a party realizes that there is indeed an invention needing protection or that this may ever proceed into a country in which there may be forced disclosure. This may even be clearer for parties against whom, for example, infringement litigation commences years after having started even contemplating bringing a product on the relevant market.

3. Please explain how U.S. stakeholders would be impacted by a national standard for U.S. courts to recognize privilege for communications with foreign patent practitioners, including potential benefits and costs. If you believe such a standard would be beneficial, please explain what the scope of a standard should cover.

Considering its international membership FICPI believes that this question should be answered not substantially different from Question 4 below.

4. Please explain how U.S. stakeholders would be impacted by an international framework establishing minimum privilege standards in the courts of member countries for communications with patent practitioners in other jurisdictions, including potential benefits and costs. If you believe such a framework would be beneficial, please also address the following issues:
*a. Please identify which jurisdictions have potential problems and explain the exact nature of the problem in each of those jurisdictions.*

FICPI believes that a minimum standard for acknowledgement of client-patent advisor privilege should take into account that different jurisdictions have different requirements for IP advisors to be recognized. For a comprehensive summary on the privilege rules throughout the world, please see WIPO document SCP/20/9, ‘‘Confidentiality of Communications between Clients and their Patent Advisors: Compilation of Laws, Practices and other Information,’’ available at: http://www.wipo.int/edocs/mdocs/patent_policy/en/scp_20/scp_20_9.pdf which is cited in the Federal Register Notice on the Roundtable.

*b. Please explain what the scope of an international framework for privilege standards should cover. An example of such a framework can be found in Appendix 5 of the following document: https://www.aippi.org/download/online Publications/Attachment1Submissionto WIPODecember182013_SCP.pdf.*

Obviously, FICPI supports the outcome of the Colloquium organized by FICPI, AIPLA and AIPPA in 2013, as referred to above, and strongly believes that the framework as proposed should provide a solid basis for international recognition of client-patent advisor privilege.

With respect to the (cost) benefit, these may be material both to a party invoking the privilege as well as to the Courts. By way of example, reference is made to *In Re* Rivastigmine I, 237 F.R.D. 69, 74 (S.D.N.Y. 2006). At present in U.S. Courts may be required to concurrently apply privilege laws of multiple nations. In *In Re* Rivastigmine I, the Court had to consider privilege laws of no less than 38 different countries. This is evidently a very high burden on the Courts. Regarding the party who invokes the privilege, it is that party’s burden to demonstrate the applicability of the privilege which would be complicated and burdensome with vary and/or non-existent privilege laws applying.

In *In Re* Rivastigmine I the Court noted:

> This Court appreciates Magistrate Francis' painstaking effort to review hundreds of documents for privilege under the law of thirty-eight different countries (by this Court's count).This clearly is a massive burden to both the Courts and the parties and leads to high uncertainty for all involved.

From this example it is evident that different laws on client-patent advisor privilege pose high burdens on Courts and parties during litigation.

Moreover this example shows that parties (for example, applicants for patent rights or seeking advice on IP, such as, but not limited to patentees) have to consider the risks of forceful disclosure at the very start of, for example, a patent application process (or maybe even sooner). This may mean involving a lawyer at every step in the process to support privilege invocation, even steps which might be considered purely technical which will clearly increase costs immensely.

Furthermore this example clearly shows that the lack of international recognition of client-patent advisor privilege leads to high uncertainty to all parties concerned.

5. If a national standard for U.S. courts to recognize privilege for U.S. patent agents or foreign practitioners would be beneficial, please explain how that standard should be established.

*a. If Federal legislation would be appropriate, what should such legislation encompass? Please consider whether the Federal tax preparer-client privilege legislation, which statutorily extended attorney-client privilege to non-lawyer practitioners (e.g., certified public accountants) under 26 U.S.C. 7525(a), is an appropriate model and explain why or why not. Are there any noteworthy parallels or differences between Federally-registered accountants and Federally-registered patent agents in either policy or operation?*

FICPI believes this to be a U.S. national matter and, thus, refrains from comments.

**Summary**

FICPI believes that international recognition of client-patent advisor privilege will highly increase legal certainty for all parties involved, will provide for a level playing field for all parties involved in IP litigation, will reduce the burden on the Courts as well as the parties involved in litigation and will reduce the costs to the parties involved.

Furthermore, FICPI believes that any framework proposed should provide a sound basis for such international recognition of client-patent advisor privilege.