

Domestic and International Issues Related to Privileged Patent Communications
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Introduction

These comments are submitted pursuant to the Notice that appeared in 80(16) Fed. Reg. 3953 (Jan. 26, 2015). That Notice solicited comments on the broad question of attorney-client privilege for communications involving patent agents. While the main focus of the Notice was the law applicable to domestic (U.S.) patent agents, some of the issues also relate to foreign agents. These comments will address both domestic and foreign agents.

I have been involved with the broad issue of attorney-client privilege in patent matters since early 2008. I have followed the discussion as it has evolved over the years, and participated in the AIPPI/AIPLA/FICPI joint colloquium discussing the proposed treaty held in Paris, France in 2013. I also presented a paper on this topic at the World Congress of AIPPI in Toronto in September 2013.

The Federal Register Notice called for comments from “interested” parties. I have no financial or other interest in how the privilege question is ultimately resolved. I am not, and never have been, a patent agent. Nor do I represent clients likely to seek client-agent communications in discovery. While I do work at the University of Louisville—an entity that owns and licenses numerous patents—I am not submitting these comments on behalf of the University. Nothing in these comments should be interpreted as representing the views of the University of Louisville. My interest in the privilege question is purely academic, as the issue straddles two different areas in which I actively conduct research.

These comments will address the issues in the order set out in the Federal Register Notice.

1. Impact of Inconsistent Privilege Rules in United States Courts

The attorney-client privilege is one of the oldest evidentiary privileges in United States law. It protects against compelled disclosure of the content of communications between clients and their legal representatives. The main goal of the privilege is to encourage full and frank disclosure during the legal representation. Because trust and candor are crucial to an effective advocacy system, the privilege is recognized not only in the United States, but also (often under a different name and some minor differences in scope) in all common-law nations. There are also parallels to the privilege in some civil-law jurisdictions.

United States courts are in general agreement as to how the privilege applies in ordinary legal representation. There is widespread consensus as to the basic principles of the privilege. However, courts have had some difficulty applying these basic principles in situations where a client consults counsel to apply for a patent, trademark, or other intellectual property right. At the risk of oversimplification, two special features of the intellectual property process give rise to

this difficulty. First, a client applying for a patent or trademark discloses information to legal counsel with the understanding that counsel will turn around and disclose much of that same information to the U.S. Patent and Trademark Office [hereinafter “USPTO”]. Therefore, the client does not necessarily expect information disclosed during intellectual property representation to be kept confidential. Second, legal representation in patent matters is not governed by the same rules as apply in other matters. Legal counsel must be specially admitted to practice before the USPTO. To qualify to represent clients before the Office, a party must pass the “patent bar”. This license is separate and independent from the state bar licensing applicable to regular attorneys. Indeed, a person may practice before the USPTO even without a law degree or any law-related studies. While many patent attorneys are licensed before both the USPTO and a state bar, there are a significant number of patent attorneys—commonly called patent agents—who are only licensed to practice before the USPTO. These comments will use the term “patent agent” or “agent” to refer to legal representatives who are licensed only before the USPTO, and the term “attorney” to refer to legal representatives licensed before a state bar (regardless of whether the attorney is also licensed before the USPTO).

Because of these idiosyncrasies, the last half-century has witnessed major changes in the courts’ views of privilege in patent prosecution representation. At first, courts regularly refused to extend the privilege to any communications, regardless of whether they involved a patent agent or attorney. The rationale for this refusal was the “conduit theory”: the notion that there could be no expectation of confidentiality in information provided by the client to patent counsel because the client anticipated counsel would disclose much of that same information to the USPTO. The Federal Circuit rejected the conduit theory in its 2000 *Spalding Sports* decision.¹ Today, all courts agree that prosecution-related communications with an attorney are fully protected by the attorney-client privilege.

The law is less settled when patent agents are involved. A majority of courts treat U.S. patent agents the same as attorneys, and apply the attorney-client privilege in full to patent-related communications between agents and clients. However, there remain a few courts that do not extend a privilege to patent agent communications. Although the reasons given for this refusal vary, one recurring rationale is that unlike attorneys, patent agents are not subject to the disciplinary authority of a state bar.

This inconsistency creates real problems for both clients and legal counsel. Of course, parties operating within a complex federal system like the United States often face inconsistent rules in different courts. But one particular feature of the attorney-client privilege makes inconsistency on this particular issue a more serious concern than it would be for other issues. The attorney-client privilege applies only while the underlying communication is kept private. Once the content of a particular communication is disclosed to others, the privilege is lost. Therefore, a litigant who manages to obtain discovery of a client-agent communication in one of the jurisdictions that does not recognize the privilege may cause the communication to lose its privacy. This loss of privacy effectively destroys the attorney-client privilege for that communication—for all time, and in all courts (including those courts that would have treated the communication as privileged prior to disclosure). Moreover, the same act of disclosure, and

¹ In re *Spalding Sports Worldwide, Inc.*, 203 F.3d 800 (Fed. Cir. 2000).

resulting loss of privilege, means that any other party may discover the content of the same communication. In effect, the minority of jurisdictions that do not allow a privilege for client-agent communications have a significantly disproportionate impact, as a single decision allowing discovery undermines the privilege across the entire nation.

On the other hand, allowing discovery of the communication will not necessarily cause demonstrable *harm* to intellectual property clients. Here, it is important to distinguish two categories of disputes. In the first, and probably more common, a party wants to use the content of a communication made during patent prosecution to argue the patent is not as broad as the patent owner now alleges, or that there is no infringement. In the second, the party seeking discovery wants to invalidate the patent because the applicant committed inequitable conduct during the prosecution (“fraud on the Patent Office”). Allowing discovery in cases of inequitable conduct can clearly harm the patentee. If a patent applicant told counsel not to disclose relevant prior art to the Patent Examiner, the patent may well be invalidated because of fraud. On the other hand, this sort of “harm” is not a very compelling case for extending the attorney client privilege to all client-agent communications. The patent system relies on honest and full disclosure by applicants. The harm that results from invalidation of a fraudulently obtained patent is accordingly a desirable end, not something to be avoided. Moreover, allowing discovery of the communication leading to the fraud may be the only way in which such inequitable conduct can be proved.

Turning to the first category of dispute, it is not immediately obvious that compelling disclosure of a client-agent communication will cause any significant harm. Unlike the case of inequitable conduct, the information disclosed arguably causes no legal harm to either client or agent. It is axiomatic that a patent is an objective grant, defined by the scope of the patent instrument. Similarly, infringement is an objective determination based on whether defendant’s activity fell with the patent claims. What the patentee and the patent agent *thought* and *said* about either the scope of the patent or whether defendant’s acts infringed should not affect the court’s objective determination.

Of course, there is still some practical harm that would result from compelling disclosure. Discovery requests can be burdensome. Requiring a client or patent agent to disclose the content of a communication made during the patenting process could be quite burdensome, as the person from whom discovery is sought would have to review sometimes voluminous communications records that may be many years old. If a single invention is involved in litigation in more than one case, the patent agent may have to provide similar background information multiple times, multiplying the burden. Given that the agent is likely to charge the client for the time and effort involved in recreating the communication, the discovery request can prove quite costly. On the other hand, patentees are not the only parties who face burdensome discovery. It is accordingly not clear that burden alone is a sufficient harm to justify extending the privilege to patent agent communications.

However, increased burden is by no means the only harm that would result from allowing discovery of client-agent communications. First, the content of a communication can prove damaging in litigation involving the patent. While the scope of a patent and infringement are technically objective issues, courts and juries are invariably influenced by what the parties

thought and said about the objective facts. A statement by the patentee expressing doubt the scope of the patent could be extremely damaging if revealed in open court, even if it is technically not relevant to the issues at hand.

Second, allowing discovery could also affect the patent system in negative ways. For instance, allowing discovery could harm the goal of full candor in patent representation. While external controls such as the USPTO's own disclosure requirements also help ensure candor, some clients could be reluctant to disclose certain types of information to patent agents. A related, and perhaps more likely, result would be to create an artificial incentive for clients to hire attorneys rather than patent agents. If some courts allow discovery from patent agents, a client who places a premium on preserving confidentiality could be safe from discovery by hiring an attorney, a situation in which every court recognizes a privilege. However, this incentive is not necessarily desirable. Patent agents tend to charge less than attorneys. A given patent agent may also be better trained in the relevant art than a comparable attorney. If discrepancies in privilege rules have the unforeseen consequence of making clients prefer the more expensive or less effective form of representation, the patent system will operate less efficiently.

Any harm arising from inconsistent privilege rules is likely to become more significant over time. To date, most of the discovery requests for client-agent communications have arisen in patent infringement actions. However, patent infringement actions are not the only type of case in which a party may want to discover something about the patent application. A patent licensee may also desire such information to defend against allegations she breached the patent license. Even further outside the realm of patent law, it is entirely possible that a plaintiff in a products liability action might be interested in why certain decisions were made in the design of the product. Those very design decisions may have stemmed from communications occurring during the patenting process. While there is no evidence that parties in these sorts of cases are currently seeking discovery of client-agent communications to any significant extent, it is probably due more to the fact that counsel in these actions do not realize the option is available. Once products liability plaintiffs come to realize that a new and unprotected source of design information exists, counsel in these cases likely will seek client-agent communications as a matter of course.

Therefore, the inconsistent privilege rules do cause harm to patent owners. In addition to placing a potentially significant burden on patent agents and patentees, the lack of a privilege can prove harmful in litigation. Denying a privilege may also cause systematic harm, undermining the candor of the client-agent relationship and possibly encouraging clients to forego agents in lieu of more expensive attorneys in the patent process. Moreover, because of the unique nature of a privilege, the very fact of inconsistency exacerbates these harms, allowing a small minority of courts to "trump" the majority view by destroying the confidentiality of a given communication. While these harms are difficult to measure, they nevertheless are potentially significant.

2. Effect on U.S. Stakeholders of a National Privilege Standard for U.S. Patent Agents

Adopting a uniform national privilege for communications with patent agents would prevent all of the harms outlined above. A single rule would prevent a court in a minority jurisdiction from undermining the privilege by destroying the core confidentiality of the communication. It would also help ensure full candor, as well as negate any privilege-based preference for attorneys. Finally, it would help ease the time and expense of burdensome discovery requests on patent agents and patentees.

Of course, a national standard would also affect parties seeking these communications in discovery. A uniform standard would mean litigants would be deprived of the ability to discover such communications. But that deprivation would not necessarily harm litigants. In this regard, it may be useful to distinguish three categories of cases, as the considerations relating to each category are different. The first two are the same two discussed in Part 1, namely (i) cases alleging patent infringement or breach of a patent license, and (ii) cases where a party attempts to invalidate the patent by alleging fraud on the Patent Office. The third category includes non-patent litigation in which the characteristics of a patented good or process is nevertheless relevant. This category runs the gamut from product liability cases to contract disputes involving the characteristics of goods being sold. The party would use discovery in in this third category to learn more about the design or manufacture of the product. In a products liability case, for example, if a particular design choice was made in order to avoid prior art rather than out of any consideration of safety, that information could help the plaintiff prove the product is defective.

Depriving defendants in category one (ordinary patent disputes) access to client-agent communications would cause little, if any, harm. The content of communications between an inventor and a patent agent will ordinarily be of marginal relevance in such litigation. An infringement defendant or products liability plaintiff may certainly have a legitimate interest in learning why certain decisions were made in the design process. However, adopting a national privilege for patent agents will not significantly limit that party's ability to obtain that information. Much of the information may be ascertained from reviewing the patent file in the USPTO. Even if the information is not in the file, it may be discoverable by means other than the client-agent communication. The attorney-client privilege protects communications, not underlying facts. A party who seeks information about invention design can always obtain that information directly from the inventor, even in cases where the inventor is not a named party. The privilege would only prevent the party from discovering what the inventor *told* the agent about the design, or what advice the agent gave to the client about the patent prosecution. In other words, while the underlying facts concerning the design may be highly relevant, what the client told the agent about the design, or what the agent advised about the prosecution, is of little, if any, relevance.²

² Federal Rule of Civil Procedure 26 allows discovery of information that is both relevant and not privileged. In fact, arguably courts should deny discovery of such communications because they fail the basic relevance standard applicable to discovery. However, courts routinely err on the side of finding information relevant. To make matters worse, if the discovery involves a deposition, a party asked an irrelevant question must go ahead and answer the question anyway,

Of course, as noted above, parties often seek client-agent communications because they can sometimes put such statements to good use at trial. A defendant in an infringement action may try to sway a jury by introducing a statement indicating the patentee had questions about whether defendant's acts actually infringed. If such statement can no longer be discovered, the party's ability to use this trial tactic will be affected. However, denying parties access to these "inconsistent statements" is no real loss. Rather, precisely because the scope of a patent and whether infringement occurred are *objective* determinations, allowing parties to sway judges and jurors with *subjective* party statements distorts the litigation process. A rule denying discovery of these statements would help limit this distortion—a positive outcome, not a negative.

On its face, category two—cases involving an allegation of fraud on the Patent Office—appear quite different. The content of client-agent communications can prove highly relevant, if not crucial, to a claim for fraud. Evidence that a patent applicant directed the agent not to disclose controlling prior art would almost *per se* result in invalidation of the patent. On the other hand, it is quite unlikely any privilege actually adopted for patent agents would actually limit discovery of this sort of information. The current attorney-client privilege includes a widely recognized "crime-fraud" exception, in which any communication between a client and legal counsel involving perpetration of a crime or common-law fraud is not protected by the privilege. Since the Federal Circuit's 2011 *Therasense* decision, an allegation of inequitable conduct would also fit within the crime-fraud exception, as that case essentially made the elements of inequitable conduct the same as those applying to common-law fraud.³ Therefore, as long as any national standard for patent agent communications recognized the crime-fraud exception, the standard would not hinder infringement defendants who want to rely on a defense of inequitable conduct.

Denying access to client-agent communications in products liability and other non-infringement actions presents perhaps the most serious concern. True, the party could still ask the defendant why a particular design decision was made. However, if a privilege applies, the patentee would not have to answer if the patent agent gave legal advice concerning the design of the product. Therefore, applying an attorney-client privilege in such cases might deny access to some relevant information. But in actual practice this harm may not be that great. It is interesting to note that to date, no reported decision—federal or state—considers whether a litigant in a products liability or other non-patent case may discover the content of communications relating to the patent application process, either when an agent or a fully-licensed attorney is involved. While this does not necessarily mean such discovery requests have not been made, it does suggest they are rare. The net result is that parties in non-patent cases may still be able to obtain the salient information about product design by means other than the client-counsel communication.

merely noting the relevancy objection on the record. Therefore, relying on courts to apply the relevance standard more strictly is not a viable solution to the issue. It would be much more effective to limit disclosure using the other prong of the Rule 26 standard—by a rule treating these communications as privileged.

³ *Therasense, Inc. v. Becton, Dickinson, and Co.*, 649 F.3d 1276 (Fed. Cir. 2011)

In conclusion, adopting a national uniform privilege for U.S. patent agents would likely produce significant benefits at minimal cost. The privilege would help preserve candor in the client-counsel relationship, and ensure that a client's choice of whether to hire a patent agent or attorney is based on counsel's qualifications, not on artificial reasons such as whether privilege applies. Harm to those parties trying to discover patent agent communications would be minimal, as the basic information is still available from other sources.

3. Effect on U.S. Stakeholders of a National Privilege Standard for Foreign Patent Agents

The United States is not the only nation that uses non-attorney patent agents. Many other nations, including Canada, the United Kingdom, Germany, Australia, Japan, and New Zealand, also allow persons other than attorneys to represent clients in obtaining patents. Some nations have a similar form of licensure for trademark and other industrial property matters. In litigation involving non-U.S. patent representation, U.S. courts have struggled to determine whether the attorney-client or a similar privilege protects communications with a foreign attorney or foreign patent agent.

One particular feature of international patent practice complicates the analysis of privilege. Patents are territorial. As a result, an inventor who desires patent protection in more than one nation must prosecute and obtain a separate patent in each jurisdiction. Most inventors will retain separate legal counsel in each nation in which they seek a patent. However, while the patents are technically separate, they involve the same basic invention—and accordingly the inventor will supply much the same information to each patent attorney or agent. Technically, each separate communication between the applicant and an individual legal representative is a separate legal matter. Therefore, discovering the content of one communication will not destroy the privilege for any of the other communications. However, each of the communications will involve much of the same basic information. This special situation creates an opportunity for someone seeking to discover patent-related communications. A crafty litigant seeking that information can accordingly find the “weakest link”: the nation providing the least protection for the communication. By focusing the discovery effort on that particular client-counsel communication, the litigant can discover the basic content even though other nations would treat as privileged the other, highly similar, communications involving their agents.

Another complicating feature of international patent practice is that legal counsel in each nation will often communicate with their counterparts in other nations. Such communication is beneficial, as it helps the patent applicant obtain similar protection in each nation. From the perspective of the attorney-client privilege, however, it creates a problem. Consider a client who retains a patent agent in both the United States and another nation. The majority view in the United States is that the communication with the U.S. agent is privileged. However, the privilege can be lost if the content of the communication is shared with others. Accordingly, if the U.S. agent speaks to legal counsel in the other nation—and that other nation does not recognize a privilege—the net result is that there will be no attorney-client privilege for *either* communication. Because the client authorized the agent to speak to foreign counsel, the publication of the communication would destroy the U.S. privilege.

Because of the different rules dealing with privilege, as well as the special circumstances involved in international patent practice, courts in several nations have had to consider how to deal with foreign patent attorneys and agents. This section briefly discusses both the U.S. view and that in some other nations.

U.S. approach. U.S. courts apply a two-part analysis to situations in which a party seeks to discover the content of a communication with a foreign patent attorney or patent agent. The first step is to determine whether the communication pertains solely to a foreign patent, or also relates to an application for a United States patent. A foreign patent counsel who is not licensed to practice before the U.S. Patent and Trademark Office is not authorized to provide legal advice about a U.S. patent application or patent. If the legal counsel is not qualified to prosecute patents in the U.S., no communication with that person is protected by the attorney-client privilege. Most courts analyze this issue by applying a “touch base” standard: if the legal advice directly involves a U.S. patent application or patent, the communication is not protected, even if the communication also relates to a foreign patent or application. A communication may touch base with the United States even if the predominant focus of the discussion was the foreign patent application.

If the communication does not “touch base” with a United States patent, the second step in the analysis is for the court to determine whether to apply an attorney-client privilege. Most courts use a choice of law approach for this second step. The court looks to the law of the nation where the foreign legal counsel practices to see if communications with that attorney would be privileged under that local law. If a privilege applies, the U.S. courts will also refuse discovery under the attorney-client privilege.

This choice of law approach creates its own problems. Privileges such as the attorney-client privilege are idiosyncratic to nations that allow for some form of compelled discovery. If a nation does not allow for discovery, it has little if any need for a privilege, as a litigant in that nation has no way to compel either the client or legal counsel to answer questions. While most common-law nations do allow for discovery (although not to the extent allowed in the United States), most civil-law jurisdictions do not. Therefore, if a U.S. court in a case involving patent counsel in a civil-law nation analyzes the domestic law of that nation hoping to find something called a “privilege,” it will find nothing ... and might therefore conclude that no privilege should apply in U.S. litigation.⁴

U.S. courts have increasingly recognized this problem, and many have modified the analysis to accommodate it. A number of courts do not require an actual privilege labeled as such, but also recognize laws that are the functional equivalent of a privilege. Therefore, nations such as Germany that have professional secrecy laws requiring legal counsel to keep private all

⁴ In some cases, this has led other nations to modify their laws. Japan, for example, created an explicit statutory privilege for Japanese patent agents. This privilege was not designed for domestic cases, as discovery is limited in Japan. Instead, it was enacted out of a fear that parties in U.S. litigation might be able to discover communications between Japanese agents and their clients.

communications with clients will be treated as law performing the same function as a privilege. In other words, any law that creates the functional equivalent of a privilege by imposing a duty not to disclose may qualify as a foreign “privilege” that would in turn be applied by U.S. courts.

Even though this functional approach is a step in the right direction, it may not go far enough. The approach requires proof of some positive law limiting disclosure of the information. However, there is no meaningful distinction between a nation that allows no discovery, and one that allows discovery but recognizes a privilege or imposes an obligation of privacy. In either case, the net result is the same—under domestic law, there is no way to force either the client or legal counsel to disclose the content of the communication. Arguably, a U.S. court should apply a privilege in all cases where a party cannot force disclosure of a communication under domestic law.

Approach in other common-law nations. Other common-law nations approach the issue differently. United Kingdom courts simply ask whether the foreign legal representative is authorized to represent the client under governing law. If so, the U.K. courts will treat the communication as privileged, subject to the regular exceptions that apply under the U.K. attorney-client privilege. The U.K. analysis does not consider whether anything resembling a privilege exists under governing law. However, while the U.K. courts apply this analysis to agents in other E.U. nations, it is not yet clear whether they will apply it to non-E.U. nations such as the United States.

Canadian courts take just the opposite view. In Canada, only attorneys qualify for the attorney-client privilege. Therefore, a patent agent will not qualify for the privilege in Canadian courts, even if a privilege would apply in the nation where the representation took place. Note too that Canadian courts do not recognize a privilege even for Canadian patent agents practicing in Canada.

Australia used to take a middle ground, recognizing a privilege for all attorneys and Australian patent agents but not for foreign patent agents. However, Australia changed its rule in 2013 to extend the privilege to foreign patent agents. New Zealand takes a similar approach, again by statute.

This disparity in approaches creates some of the same issues that arise in matters solely affecting the United States. One effect is the increased burden on patent agents to disclose information in discovery, especially when litigation occurs in Canada, or in the United States in a situation where a foreign patent agent’s work touched base on a U.S. patent. In these cases, a patent agent may be required to disclose the content of communication even if she practices primarily in some other nation. Forced disclosure also has some of the systemic effects discussed above, possibly creating an artificial incentive for clients to retain attorneys even though patent agents might be a less expensive and better option.

4. Effect on U.S. Stakeholders of an International Agreement Setting a Uniform Standard

Three leading intellectual property organizations, AIPPI, AIPLA, and FICPI, have suggested that a treaty is the best way to solve the problems that arise in connection with the

attorney-client privilege and international patent practice. The three organizations have worked together to prepare a draft treaty, which is still being deliberated within those organizations. The proposed treaty deals with the privilege issue using the same basic approach as other intellectual property treaties: it sets a “minimum standard” for the domestic law of all signatory nations. In brief, every nation that would sign the treaty would agree to modify its domestic law to prevent discovery of client-patent agent communications relating to a patent, regardless of whether the agent is domestic or foreign.

If adopted by a significant number of nations, such a treaty would have a substantial positive effect on both inventors and U.S. patent agents. One significant benefit of establishing a privilege would be to spare legal counsel the burden of having to answer detailed questions involving matters of little, if any, real relevance in litigation. Another notable benefit would be improved candor in the client-counsel relationship, as clients would be assured the communications and advice would not have to be disclosed. While the treaty would limit the ability of litigants to obtain the content of communications in discovery, this harm is minor, as discussed above. Provided the treaty allowed an exception similar to the crime-fraud exception recognized by U.S. courts, litigants would retain the ability to challenge foreign patents based on inequitable conduct.

a. Problem Jurisdictions

Any international treaty of the type proposed by AIPPI, AIPLA, and FICPI would be effective only if adopted by a significant number of nations. However, during the 2013 Paris Colloquium, representatives from several nations expressed serious reservations about the proposed treaty, suggesting that their nations might be reluctant to adopt it. First, representatives from several civil-law nations that currently have nothing resembling an attorney-client privilege were reluctant, in part because of a fear that a privilege would enable parties to withhold vital information during the patent application process. Representatives from Canada—which as noted above is the only common-law nation that does not extend the privilege to patent agents—likewise indicated Canada was reluctant to adopt a privilege. On the other hand, it now appears that Canada understands it is an outlier (at least among the common-law nations), and may ultimately prove willing to change its views.

The reluctance of the civil-law nations actually does not present much of an obstacle to an effective treaty. First, it is quite possible that reluctance can be overcome. The position taken by the civil-law nation representatives seemed to stem more from a basic unfamiliarity with the underlying concept of privilege than from a deep-seated objection to a uniform international standard. It must be remembered that many civil-law nations have nothing resembling compelled discovery, and accordingly have no need to develop a privilege doctrine. Some of these representatives seemed to be proceeding under the erroneous assumption that a privilege would protect the underlying information about the invention, not merely the communications between client and counsel involving the patent process. If this erroneous assumption can be overcome, many of these nations might be willing to sign the treaty. In fact, if a nation has no discovery anyway, adopting the treaty would not have any impact whatsoever on litigation taking place in that country. These nations would actually benefit from a privilege treaty, as patent

agents practicing in those nations would be spared the burden of having to respond to discovery requests stemming from cases being litigated in the United States or other common-law nations.

Second, the proposed treaty would be effective even if many civil-law nations do not sign it. Again, as these nations do not allow for compelled discovery, there is no way for one party to force another to reveal the contents of a communication. Without discovery, there really is no need for a privilege. Therefore, even if many civil-law nations would refuse to join the treaty and create a privilege, courts in those nations would not be forcing clients or patent agents to disclose patent-related communications.

Canada presents a far more serious concern. Unless it changes its current approach to the privilege issue, Canada is unlikely to join a treaty system like that discussed above. After all, the approach taken by the treaty directly contradicts Canada's current rule denying privilege to agents. If Canada does refuse to join, the effect in the United States would be especially significant. Many patent agents are licensed in both the U.S. and Canada, and will often work on the same invention in both jurisdictions. If litigation occurs in Canada, the opposing party may obtain from that single agent the contents of communications relating not only to prosecution of the Canadian patent, but also prosecution of the U.S. patent. Canada's failure to adopt an attorney-client privilege accordingly would create a "back door" allowing discovery of client-counsel communications whenever litigation takes place in Canada, which would as a practical matter partially undermine any U.S. decision to implement the treaty.

b. Scope of International Agreement

As discussed above, the AIPPI/AIPLA/FICPI treaty proposal contemplates a minimum privilege standard. Nations would be obligated to protect communications between clients and patent counsel relating to patent matters from compelled disclosure to others. A nation would meet this obligation by modifying its domestic law to prevent disclosure in its courts.

At the outset, it is worth noting that the minimum standard model is not the only option. Rather than a minimum standard, a treaty could use a choice of law approach similar to that already used in many U.S. courts (which is discussed above). In other words, the treaty could require courts in each signatory nation to look to the law governing the particular client-counsel relationship (ideally the law of the nation in which counsel was prosecuting the patent), and prohibit discovery if that law would not allow the communication to be discovered. A choice of law approach does have some advantages. Most notably, it may be more politically palatable, as it allows each nation to treat *domestic* agents the way it deems best. On the other hand, a choice of law approach also has serious disadvantages. It reduces uniformity, as a client who speaks to agents in different nations may find that some communications are protected, while others, involving the same basic information, can be discovered. The approach would also greatly increase the burden on courts involved with discovery, as they would have to look to the law of other nations to determine if there is the functional equivalent of a privilege. These advantages probably outweigh the benefits of the approach, leaving the "minimum standards" approach as the best option.

The particular AIPPI/AIPLA/FICPI proposal does have much to commend it. First, it envisions a very strong, uniform standard among the nations that adopt it. The privilege extends to all communications involving intellectual property rights. Second, § 3 of the proposal allows nations to make “limitations, exceptions, and variations” to take into account the public and private interests involved in the patent process. This provision, which was added to the original proposal prior to the 2013 Colloquium, would allow nations to implement a “crime/fraud exception” similar to that currently in force in the United States.

However, the proposal could also benefit from some fine-tuning. First, the scope of the required privilege is arguably too broad, even considering the exceptions provision discussed above. The privilege would extend to all communications involving advice “on or relating to” intellectual property. Similarly, the definition of “intellectual property rights” (§ 1) covers not only patents and the other listed rights, but also “any matters relating to such rights.” Taken literally, this broad wording would mean that not only communications involving patent prosecution and litigation, but also business advice relating to marketing the patent, would be covered by the attorney-client privilege. While this broad privilege actually does make some sense, it would contradict the rules governing attorney-client privilege in the United States and some other nations. Under U.S. law, communications with attorneys are protected only when they relate to legal advice, not business. Thus, the treaty as written would require the U.S. to protect intellectual property communications to a greater extent than other client-counsel communications.

Second, one particular aspect of the definition section creates problems. Section 1 of the proposal defines an “intellectual property advisor” as a person who is “officially recognized as eligible to give professional advice concerning intellectual property rights.” On the other hand, the basic privilege provision (§ 2) indicates that all advice this person gives is protected by the privilege. Of course, as the definitional provision recognizes, a given patent agent may not be authorized to give advice concerning patent prosecutions in all nations where protection for the particular invention is sought. If a Japanese patent agent provides advice concerning a U.S. patent application, § 2, read literally, would seem to require that communication be treated as privileged. The agent is a person “eligible to give advice concerning intellectual property rights.” And the communication “involves intellectual property.” Nothing in § 2, as written, requires that the particular communication involve the nation in which that person is eligible. This particular concern could easily be remedied by making sure the privilege applies only when the advice in question pertains to the national patent system in which that agent is authorized to practice.

This second problem raises another issue. The proposed treaty is also silent on the question of how to treat a legal communication that involves two or more separate national applications. There needs to be some discussion of whether the treaty allows an approach similar to the “touch base” standard currently employed by the U.S. courts. Again using the example set out just above, a U.S. court dealing with a communication between a client and a Japanese patent agent would apply a privilege if the communication involved only the Japanese application. But what happens if the Japanese agent provides advice relevant to both the Japanese and the U.S. application? Under the “touch base” standard, no privilege would apply because the advice also dealt with a U.S. matter. However, it would also be possible to adopt a standard enforcing a

privilege in such cases, because the communication did deal with a Japanese application. The treaty needs to be clear as to how to deal with such situations, or the ultimate goal of a generally uniform standard will be frustrated.

Section 3 of the treaty, which allows certain exceptions, creates a third potential problem. As noted above, the main purpose of this provision is to allow nations to recognize the “crime/fraud” exception and other limits designed to prevent abuse of the attorney-client privilege. However, care needs to be taken to ensure this exception does not devour the basic protection afforded by the privilege. If a party need only make a bare-bones allegation of inequitable conduct to fit within this exception, parties will routinely make such allegations to fit within the exception. The United States currently has rules to limit these sorts of “fishing expeditions,” including not only the relatively high standard for showing inequitable conduct set out in *Therasense*, but also rules such as Federal Rule of Civil Procedure 9 which raises the pleading standard for all claims of fraud. Other nations may not have similar controls. This potential problem need not be dealt with in the treaty, but instead could be a matter covered by local law.

I do not mean to overstate the problems with the AIPPI/AIPLA/FICPI proposal. Overall, the proposal represents a sound and workable way to deal with the issue. I only suggest the proposal could still be improved with a little fine-tuning. Should the U.S. decide to pursue the treaty option, many of these issues (and others) can be dealt with in the negotiation process.

5. Implementing a National Standard

Enacting an intellectual property treaty could take years. But the United States need not wait until a treaty is in place to start dealing with the privilege issue. The federal government could act today to create its own uniform national rule extending the attorney-client privilege to patent agents for litigation brought in U.S. courts. If crafted properly, the rule could cover both U.S. agents and foreign patent agents. It might also apply to litigation not only in the federal courts, but also in the state courts. While a federal privilege could not regulate litigation in *foreign* courts (even if that litigation involves a U.S. agent), it could nevertheless afford significant protection to patent agents and their clients. Given that the United States has a more expansive scope of discovery than virtually any other nation, and that many inventors choose to file in the United States, protection from discovery in domestic litigation would go a long way toward solving the problems identified in Parts 1 and 2 above.

Two basis issues arise in connection with the implementation of a uniform national standard. The first is who would enact such a rule. Given that the Federal Rules of Civil Procedure generally govern discovery, the Supreme Court could conceivably fashion a new Federal Rule governing patent agent privilege, akin to the word-product privilege currently contained in Federal Rule of Civil Procedure 26. In the alternative, a uniform national rule could come from Congress. Second, if Congress enacts the rule, the reach of the rule could vary depending on the source of legislative jurisdiction.

With respect to the first issue, federal legislation is far preferable to modifying the Federal Rules. First, a Federal Rule can apply only to litigation in the federal courts, not in the

states courts. Therefore, a Federal Rule would not be a complete solution. Second, there is some question whether the Court would even have the authority to enact the necessary rule. The Supreme Court's power to enact Federal Rules stems from the Rules Enabling Act.⁵ However, the Court has historically expressed some reservation about using this rulemaking authority to regulate privileges. While the Rules Enabling Act allows the Court to pass rules dealing with "practice and procedure", it also explicitly prohibits the Court from enacting rules that "abridge, enlarge or modify" substantive rights. In the past, some have suggested that a privilege is a "substantive right" beyond the Court's power to modify. The Court itself has at times proven sympathetic to this argument. Indeed, the Court's reluctance to deal with the question of privileges was a primary reason why the current Federal Rules of Evidence were enacted outside the normal Rules Enabling Act process.

The argument that the Court lacks power to enact Federal Rules privileges is almost certainly incorrect. In this regard, it is worthwhile to note that the other main privilege that applies in federal litigation—the "work product" or litigation privilege—was a product of Supreme Court rulemaking.⁶ If the Supreme Court can create a privilege that applies to all representatives (lawyers and others), there is no reason it cannot create a privilege that applies only to patent agents, and only when those agents are subjected to discovery requests in federal cases. Nevertheless, the view that the Court cannot regulate privileges has persisted for some time. As long as a considerable number of people cling to the view, the Court is unlikely to deal with the question on its own. While Congress has delegated rulemaking authority to the Supreme Court, Congress cannot *force* the Court to use that authority. Supreme Court action is even less likely given that the parties to be protected by a privilege—patent agents—lie without the Court's supervisory power, and do not themselves represent clients in federal court. Therefore, it would likely prove futile to rely on the Court to modify the Federal Rules to enact a privilege.

Congress is not subject to the same practical and legal constraints. Congress has an interest in the patent application process, and is more likely to any perceived problems with that system. Moreover, it clearly has the legal authority to act. Congress undoubtedly has the authority to regulate substantive rights. More importantly, it is also clear it has the authority to regulate privileges. In fact, there already exist several other federal statutes that create a form of privilege. These include:

- 23 U.S.C. § 409, which provides that state inventories of hazardous roadway conditions made pursuant to the Hazard Elimination Program of title 23 "shall not be subject to discovery or admitted into evidence in a Federal or State court proceeding or considered

⁵ 28 U.S.C. § 2072.

⁶ In fact, when the Court first created the work-product privilege, it did not even rely on the Rules Enabling Act. The Supreme Court created the privilege in *Hickman v. Taylor*, 329 U.S. 495 (1947), relying on its *inherent* authority to regulate procedure in the federal court system. This fact is significant because under the *Erie* doctrine, the Court's inherent authority to regulate federal procedure is more restricted than the authority delegated to the Court under the Rules Enabling Act. The work product privilege was later codified into Federal Rule of Civil Procedure 26 under the Rules Enabling Act.

for other purposes in any action for damages arising from any occurrence at a location mentioned or addressed in such reports”;

- Section 706(b) of the Civil Rights Act of 1964 (42 U.S.C. § 2000e-5(b)), which prevents any settlement discussions relating to allegations of certain unlawful employment practices from being “made public ... or used as evidence in any subsequent proceeding without the written consent of the persons concerned”;
- 5 U.S.C. §§ 552a(b) and 552a(d), which prohibit the Veterans Administration from disclosing certain information to other agencies and courts; and
- 26 U.S.C. § 7525, which creates a limited privilege in federal cases for tax advice for federally authorized tax preparers.⁷

These statutory privileges are notable because they do not apply only to attorneys or others involved in the litigation process. Some of them also apply to the state courts.

Federal courts have upheld the first two privileges cited above.⁸ The decision dealing with Hazard Elimination Program privilege is especially information. In that case, *Pierce County v. Guillen*,⁹ the United States Supreme Court held that Congress could use its powers under the Commerce Clause to create a broad privilege that applies to both federal and state courts, and at both the discovery and trial stage of court proceedings. This Supreme Court decision strongly suggests that Congress could create an equally broad privilege for patent agents.

However, the full scope of any federal legislative privilege for patent agents would depend on the source of authority underlying the legislation. The privilege at issue in *Pierce County* was enacted pursuant to the Commerce Clause. As discussed below, the Commerce Clause might not apply as directly to patent agents. Therefore, Congress might need to turn to another font of legislative jurisdiction to enact a privilege for client-agent communications. There are three other potential sources of legislative jurisdiction for a law extending attorney-client privilege to patent agents: Congress’s innate power to regulate the procedure in federal courts, the Intellectual Property power of Article I, section 8, and the Treaty power. This section will briefly discuss the scope of, and limits on, each of these sources of authority.

a. Commerce Power.

Article I of the Constitution gives Congress power to pass laws dealing with interstate and international commerce. This “Commerce Clause” power has been interpreted quite broadly. Commerce need not actually cross state lines to qualify as “interstate” commerce subject to Congressional regulation. Instead, Congress can regulate an activity as long as it merely has an “effect” on interstate commerce or international commerce. Moreover, as noted

⁷ Some courts have also held that 11 U.S.C. § 343, which allows for examination of the debtor in a bankruptcy proceeding, by implication overrides any marital privilege that might otherwise apply. However, most courts do not ascribe to this view, and instead look to state law for applicable privileges.

⁸ *Pierce County v. Guillen*, 537 U.S. 129 (2002) (upholds 23 U.S.C. § 409); *Olitsky v. Spencer Gifts, Inc.*, 842 F.2d 123 (5th Cir. 1988) (upholds 42 U.S.C. § 2000e-5(b)).

⁹ 537 U.S. 129 (2002).

above, the Supreme Court has explicitly held that the Commerce power can be used to enact privilege rules for both federal and state courts.¹⁰

Congress could invoke the Commerce Power to enact a privilege for patent agents. The grant of a U.S. patent clearly has an effect on commerce. While patents are often referred to as a property right, they are actually better thought of as a limit on competition in the market for the patented product or process. This market limitation has a sufficient effect on interstate commerce to fall within the Commerce power.

However, a privilege enacted under the Commerce Clause would present problems in certain situations. In some cases, the Commerce Clause does not provide a very good “fit” for patent agent privileges. First, not all patents necessarily have a sufficient impact on commerce to meet the constitutional standard. For example, if there is no market for the invention, the patent grant may not have any appreciable market effect. Second, not all client-agent communications will result in the grant of a patent. It is not clear that the *denial* of a patent application has an effect on interstate commerce. If not, any privilege enacted under the Commerce Clause might be limited to communications that resulted in a patent grant. Such a limitation would not only be inequitable, but also at odds with one of the important goals justifying a privilege; namely, encouraging full candor in all client-agent communications. A client consulting with a patent agent cannot know for certain whether that representation will ultimately result in a patent. Third, and equally significantly, a privilege enacted under the Commerce Clause probably could not apply to foreign patent agents. Because of the territorial limits on patents, the grant of a patent in another nation only affects the market in that nation. The foreign grant has no direct effect on U.S. markets.¹¹ Obtaining a foreign patent may affect markets in that other nation, but has no direct impact on either U.S. markets or international trade.

Because of these limitations on the Commerce power, courts applying legislation enacted under the Commerce Clause might be forced to engage in a complex, constitutional commerce analysis in all cases in which the privilege was asserted. This complexity would defeat the goal of creating a simple, uniform rule for all agent-client communications. It accordingly may be preferable for Congress to look to some other power to enact a privilege.

b. Power to Regulate Federal Procedure.

Article III of the U.S. Constitution gives Congress the authority to create lower federal courts.¹² Almost since the nation was founded, the Supreme Court has interpreted this authority

¹⁰ See *supra* text accompanying prior note.

¹¹ This statement is subject to one important limitation. The U.S. and many other nations have special rules that apply to patented processes. If a process is patented only in Nation X, but used in Nation Y, use of the process does not itself infringe the Nation X patent. However, if the process is used to produce goods that are later imported into X, the act of importation may infringe the Nation X patent. Therefore, in the cases of process patents, a patent in one nation may affect commercial activity in other nations.

¹² While this power applies to the District Courts and the Courts of Appeal, as well as certain specialized federal tribunals, it does not apply to the United States Supreme Court. The

as including the power not only to establish the lower courts, but also to regulate the procedure in those courts. To the extent a privilege rule for patent agents involves a matter of procedure, Congress could enact it under this font of authority. Moreover, such a privilege could apply equally to U.S. and foreign patent agents, which might encourage other nations to reciprocate by extending a privilege to U.S. agents.

One limitation on this authority is obvious. A privilege statute created pursuant to Congress's power to regulate federal procedure could apply only to the federal courts, not the state courts. As discussed above, however, this limit might not prove that significant as a practical matter. Discovery requests involving matters arising during patent prosecutions rarely take place in the state court systems. A privilege limited to federal litigation accordingly may provide ample protection for patent agents.

The larger issue related to the Procedure power is whether a rule creating a privilege for patent agents actually involves a matter of "procedure" within Congress's authority to regulate. As noted above,¹³ courts and commentators have occasionally suggested that privileges are *substantive* rights, not matters of procedure. Therefore, the argument continues, rules designed to regulate procedure in the federal courts cannot change the law as it pertains to privileges. However, at least three reasons strongly suggest these arguments are either incorrect, or at least inapplicable to the federal legislation discussed in this section.

First, most of the discussions of privilege involve the Supreme Court's powers to enact rules of practice and procedure under the Rules Enabling Act. Admittedly, the Rules Enabling Act involves Congress delegating to the Supreme Court a portion of its authority to regulate federal procedure. However, that delegation is subject to a specific restriction—that Rules Enabling Act rules cannot "abridge, enlarge, or modify" substantive rights. That restriction does not apply to Congress, but only limits the powers Congress delegated to the Court. In other words, Congress can enact rules designed to regulate procedure even if they do have the effect of abridging, enlarging, or modifying substantive rights. As the Supreme Court itself has stated,

For the constitutional provision for a federal court system (augmented by the Necessary and Proper Clause) carries with it congressional power to make rules governing the practice and pleading in those courts, which in turn includes a power to regulate matters which, though falling within the uncertain area between substance and procedure, are rationally capable of classification as either.¹⁴

Provided a privilege rule is rationally related to regulating procedure, it is within Congress's authority.

Second, and more fundamentally, the crux of the argument—that privileges are somehow "substantive" rights—is simply misguided. A privilege is an odd sort of right. It is a protection that exists only in connection with litigation; that is, when a court either orders disclosure of a communication or forces an attorney to testify at trial. Outside of litigation, the privilege has no

Constitution itself creates the Supreme Court. Congress nevertheless has a more limited authority to regulate some aspects of Supreme Court jurisdiction and procedure.

¹³ See *supra* text accompanying note 5.

¹⁴ *Hanna v. Plumer*, 380 U.S. 460, 472 (1965).

real legal effect.¹⁵ Therefore, a privilege is significantly different than other legal rules, which are designed to regulate extrajudicial behavior.

Third, even if these courts and commentators are correct that privileges can be substantive rights, the particular context in which a statutory client-patent agent privilege would arise presents a very different situation. Most discussions of privileges tend to focus on a law that overrides an existing privilege. Perhaps taking away a common-law privilege does involve abolition of a vested substantive right. But a new national law dealing with patent agents would *create* a privilege in a situation where some courts have held none existed before. The “right” thus created would exist only in connection with federal litigation involving the patent. It would have no effect in state courts, or in everyday activities outside the context of litigation. It seems far-fetched to argue that a new right that applies only in connection with a pending federal lawsuit is a substantive right beyond Congress’s authority to regulate.

Therefore, there is little doubt that Congress could immediately rely on the Procedure power to enact a statutory privilege for patent agents. That privilege could apply with equal force to both U.S. agents and foreign agents. However, any privilege enacted under the Procedure power would be subject to one important limitation: it would apply only in federal courts, not in state courts. While as a practical matter this limitation may not prove that important, it does mean that a “complete solution”—one covering all possible permutations—would not be possible under the Procedure power.

c. Intellectual Property Power.

Article I, section 8 of the U.S. Constitution gives Congress the authority to grant patents and copyrights. That power, as augmented by the “necessary and proper” clause, allows Congress to create the patent system, including the USPTO and the rules defining who may practice before that office. The power to create the patent system includes the power to create rules relating to patent agents. It is accordingly clear Congress could enact a law providing that communications with patent agents are protected by a privilege.

However, Congress’s authority under the Intellectual Property Clause has limits. First, while Congress could create a privilege for U.S. patent agents, it probably could not use this authority to create a similar rule for *foreign* patent agents. Because of the territorial nature of the intellectual property system, foreign agents deal only with matters in their own national systems, and are not involved with obtaining U.S. patents. Therefore, a rule creating a privilege for foreign agents would not relate to Congress’s administration of the U.S. patent system.

Second, it is not entirely clear the Intellectual Property power could be used to enact a privilege applicable to the state courts. The full scope of the Intellectual Property power remains subject to some dispute, especially the extent to which the power authorizes Congress to regulate the states’ exercise of their sovereign duties. A rule regulating privileges dictates what evidence a court may order disclosed, or accept at trial. While the Supreme Court has held that the

¹⁵ Admittedly, other legal rules exist to ensure legal counsel does not disclose information provided in confidence by a client. However, these are different from rules of privilege. Rather, client confidentiality is enforced by ethical rules and the disciplinary process.

Commerce power supports a privilege rule applicable to the state courts,¹⁶ the Court has never indicated whether the Intellectual Property power is equally expansive. This author feels strongly that there is no difference in the two powers in this respect, and that a privilege could govern state courts. Nevertheless, further research may be needed before Congress chooses to invoke the Intellectual Property power to enact a privilege applicable to the state courts. On the other hand, these comments have already discussed how rare it is for privilege issues involving agents to arise in the state court systems. As a practical matter, then, a privilege rule applicable only to the federal courts might serve most of Congress's goals.

In sum, while the Intellectual Property power could be used to enact a privilege law, that privilege would be less effective than one enacted under Congress's power to regulate federal procedure. The most serious limitation under the Intellectual Property power is that the privilege could only apply to U.S. agents. While this would protect U.S. agents in domestic litigation, the failure to protect foreign agents may lead to retaliation against U.S. by other nations, allowing parties to bypass the domestic protection.

d. Treaty power.

A treaty along the lines of that discussed in Part 4 of these comments could also be a source of Congressional authority. Treaties may enhance Congress's legislative jurisdiction. In its well-known 1920 *Holland* decision, the Supreme Court held that when the United States ratifies a treaty, Congress has some power to enact legislation to enforce that treaty—even if the subject-matter of the legislation would otherwise fall without Congress's legislative jurisdiction.¹⁷ Based on *Holland*, if the U.S. adopts a treaty requiring an attorney-client privilege for patent agents, Congress could possibly use the treaty to enact a national law providing the privilege.

This Treaty power is not unlimited. In its 1957 *Reid* decision, for example, the Supreme Court held that the Treaty power cannot justify federal legislation that directly contravenes the Constitution.¹⁸ However, the rationale of *Reid* would not apply to a federal statute enacting a privilege. *Reid* merely holds that statutes under the Treaty power are invalid if they violate some explicit limit of the Constitution (in *Reid* itself, the Fifth and Sixth Amendments). This in no way contravenes the core principle of *Holland*. The crux of *Holland* is that enactment of a federal treaty can reallocate the balance of state and federal legislative jurisdiction, allowing Congress to pass laws in areas that before the treaty would have been reserved to the states. In *Reid*, by contrast, neither the federal nor the state government could have enacted the law, as it violated the Bill of Rights. As a privilege presents no Bill of Rights issues, *Reid* is simply inapposite.

Reliance on the Treaty power would have a number of advantages. First, it would allow Congress to regulate both U.S. and foreign patent agents (assuming the adopted treaty required a privilege for both). Second, a court applying the treaty would not be required to engage in any case-by-case analysis to determine if the statute fell within Congressional authority.

¹⁶ See *supra* text accompanying note 8.

¹⁷ *Missouri v. Holland*, 252 U.S. 416 (1920).

¹⁸ *Reid v. Covert*, 354 U.S. 1 (1957).

The sole legal question arising in a privilege statute enacted under the Treaty power is whether *state* courts would be bound. A statute applying to the state courts could be construed as an attempt by Congress to regulate the states as sovereign entities, as it would regulate the state courts' authority to govern litigation. As with the Intellectual Property power, the Supreme Court has never directly held whether the Treaty power supports a federal statute that regulates the states as sovereign entities. However, there are good reasons to believe that such a law would pass constitutional muster under the Treaty power. The essence of the Treaty power is a reallocation of legislative power between the federal and state governments. Unlike the Intellectual Property power, then, the Treaty power is grounded in principles of legislative federalism. Again, however, Congress might be wise to engage in more research before using the Treaty power to enact a statute purporting to apply to the state courts.

Of course, there is another, decidedly non-legal, issue arising in connection with the Treaty power. Unlike all the other powers discussed in this section, it requires a particular predicate act; namely, ratification of a treaty. Unless the U.S. ratifies a treaty dealing with privileges, Congress could not rely on the treaty as a source of legislative authority. Any treaty involves political issues, and accordingly there is no guarantee that such a treaty will be negotiated or ratified.

In summary, Congress could invoke at least four different powers to enact a uniform national privilege for patent agents. Congress's choice of which power to use depends on how broad a privilege it desires. Of the four fonts of authority, the Treaty power would allow for the most expansive rule. A privilege statute enacted under that power could apply to both domestic and foreign agents, and probably also bind either federal or state courts. However, because that power turns on ratification of a treaty, Congress could not currently rely on that power to deal with the problem of privileges for client-patent agent communications.

Of the other powers, the Procedure power is the second-best alternative. Congress could use the power to create a privilege for both U.S. and foreign patent agents. While the privilege would not apply in state courts, little, if any, patent litigation is likely to take place in the state systems.

The Intellectual Property and Commerce powers are less beneficial. While the Intellectual Property power could probably be used to bind state courts, it suffers from a serious limitation; namely, that Congress could only protect communications with U.S. agents. On the other hand, Congress could determine that the best approach to the privilege problem is to deal with the issue in small steps, extending protection to domestic agents first. In this case, the Intellectual Property power would almost certainly be sufficient. Finally, the Commerce power is the least desirable alternative. Not only could Congress not use that power to protect foreign patent agents, but also legislation under the Commerce power might force courts to engage in a complex constitutional analysis in some patent matters that do not obviously affect interstate or international commerce.

* * *

Thank you for the opportunity to comment on the various issues relating to the attorney-client privilege and patent agents. I hope these comments are of some use as the USPTO continues to consider this matter.