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Attention: Lead Judge Susan Mitchell
Patent Trial Proposed Rules

Re: Comments on "Recognizing Privilege for Communications
With Domestic Patent Agents and Foreign Patent
Practitioners"

Dear Judge Mitchell:

The U.S. Section of FICPI is pleased to provide its written comments on "Recognizing Privilege for Communications With Domestic Patent Agents and Foreign Patent Practitioners," 80 Fed. Reg. 50720, 50743 (August 20, 2015).

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

FICPI aims to enhance international cooperation amongst IP professionals; 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 training and continuing education of its member and others interested in IP.

FICPI appreciates the opportunity to comment on the critical issue of recognizing privilege for communications with domestic patent agents and foreign professional patent practitioners (collectively, “IP advisors”) who are not lawyers and, therefore, whose communications with clients currently are not necessarily afforded the same protection from disclosure in proceedings before the USPTO.

As a leading organization representing IP practitioners worldwide, FICPI is particularly well-positioned to comment on the issue of recognizing privileged communications between IP advisors and their clients. FICPI continues to advocate in favor of a uniform system for recognizing such privilege worldwide and in-line with similar protection given to communications between lawyers and their clients. Accordingly, in the context of PTAB proceedings, FICPI supports equal recognition of the privilege as it applies to U.S. attorneys or at least a presumptive recognition of such a privilege. FICPI believes that its position is generally in agreement with other major organizations representing the IP profession, including AIPPI and AIPLA.

FICPI welcomed the opportunity to participate in the USPTO's *Roundtable on Domestic and International Issues Related to Privileged Communications Between Patent Practitioners and Their Clients* held on February 18, 2015, and submitted written comments on February 25, 2015. As explained in those comments, perhaps more so than in any other specialization of law, IP practice in the 21st century has taken on a complex international character, with businesses seeking professional advice on best practices for protecting their intellectual property assets while avoiding liability in connection with the intellectual property rights of others. With the dramatic rise in the economic value tied to intellectual property, it is of utmost importance that IP advisors (whether lawyers, U.S. patent agents or foreign patent practitioners) and their clients have the ability to engage in frank and honest communications without the risk that these communications later will be disclosed in a contested proceeding such as trials before the PTAB. With this awareness, FICPI will continue to advocate for global recognition of privileged communications between *all* IP advisors and their clients. However, until such a time, recognition of the privilege by the PTAB, one of the leading IP tribunals, would be an important first step that could lead the way for others.

The attorney-client privilege is one of the oldest recognized privileges in the United States and, for well over a quarter of a century, has been recognized for communications involving prosecution of intellectual property rights before the USPTO. *See Swidler & Berlin v. United States*, 524 U. S. 399, 403 (1998); *Sperry v. Florida* 373 U.S. 379 (1963) (finding that patent practice was a practice of law); and 8 J. Wigmore, *Evidence* § 2290 (McNaughton rev. 1961) (attorney-client privilege is the oldest of the privileges for confidential communications known to the common law.) The underlying purpose of the privilege is “to encourage clients to make full disclosure to their attorneys.” *Fisher v. United States*, 425 U. S. 391, 425 U. S. 403 (1976). In *Upjohn Co. v. United States*, the U.S. Supreme Court explained:

Its purpose is to encourage full and frank communication between attorneys and their clients, and thereby promote broader public interests in the observance of law and administration of justice. The privilege recognizes that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer's being fully informed by the client. As we stated last Term in *Trammel v. United States*, 445 U. S. 40, 445 U. S. 51 (1980): “The lawyer-client privilege rests on the need for the advocate and counselor to know all that relates to the client's reasons for seeking representation if the professional mission is to be carried out.”

Upjohn Co. v. United States, 449 U. S. 383, 389 (1981). The Federal Rules of Evidence, which apply to contested cases before the PTAB, state that the privilege “shall be governed by the principles of the common law as they may be interpreted by the courts of the United States in light of reason and experience.” Fed. R. Evid. 501.

The foregoing rationale is no less applicable to communications between IP advisors and their clients. Given the highly complex and international nature of intellectual property rights, especially those in connection with patents, sound counsel necessitates full and frank communication between IP advisors and their clients. Such candor simply cannot effectively take place absent the protection afforded by the privilege, leading to undesirable consequences. A client fearing risk of disclosure of damaging or economically valuable confidential information may opt to conceal such information from his or her IP advisor, thereby undermining the ability of the advisor to provide adequate counsel. Alternatively, a client might believe it is necessary to incur the additional expense of engaging a lawyer simply to have the privilege attach, while continuing to seek counsel from a non-lawyer IP advisor (as an agent of the lawyer) who actually possesses the specialized knowledge required to address the client's intellectual property issue. Either way, failure to recognize the privilege for communications with a non-lawyer IP advisor would be damaging to the client and the IP profession as whole.

In the context of PTAB trials, in particular, the argument for recognizing the privilege has added force. As a simple matter of equity, in many cases failure to protect all such communications can be unfairly advantageous to certain parties that routinely engage lawyers for all their IP matters. For example, it is common practice in the U.S., especially for large businesses, to engage U.S. lawyers in all aspects of patent matters, including application drafting, patentability analysis, and representation in proceedings before the USPTO, notwithstanding the fact that registered non-lawyer patent agents also are permitted to engage in these specific activities. These businesses frequently engage foreign IP advisors through their US counsel. By contrast, it is common practice in most foreign jurisdictions to directly engage non-lawyer IP advisors for these types of activities. Moreover, given that over half the utility patents being filed in the USPTO claim foreign priority, it is likely that a large number of PTAB trials involve patents originating from

foreign applications that potentially implicate private communications with non-lawyer IP advisors. Affording one party to a PTAB proceeding greater protection in such cases would undermine the level playing field and, therefore, the public confidence in these proceedings.

Moreover, favored treatment of lawyer IP advisors over most likely less expensive non-lawyer IP advisors would interfere with a client's freedom to choose from a larger pool of qualified IP advisors. This is particularly significant given that individuals and businesses choose their IP advisors early on during the invention disclosure or application stages, long before there is any identified risk that related communications might later be implicated in a contested proceeding. It is also noteworthy that lead counsel in a PTAB trial proceeding is required to be a registered PTO practitioner, lawyer *or non-lawyer* – a recognition by the USPTO that registered patent agents are IP professionals deemed qualified not only to prosecute applications, but also to represent parties in contested proceedings before the PTAB. [37 CFR 42.10 – Counsel confirmation with PTAB] On the other hand, lawyers not registered to practice before the USPTO first must seek and be granted *pro hac* admission before participating in a PTAB proceeding. *Id.*

Recognition of the privilege between domestic patent agents and foreign practitioners would also be in-line with the overall goal of PTAB proceedings, which are designed to offer a less costly and streamlined alternative to district court litigation. Indeed, the current rules dramatically limit the scope of discovery as compared with district court litigation, thereby increasing the speed and efficiency of these proceedings and reducing costs to all parties. More formal recognition of the privilege for communications with IP advisors would further buttress these goals by discouraging parties from attempting to exploit the uncertainty surrounding application of the privilege, reducing briefing on motions seeking additional discovery, and conserving judicial resources and the attendant costs to the parties associated with such discovery disputes.

Greater recognition of the privilege for communications with domestic patent agents and foreign practitioners in PTAB proceedings would not require a complex set of rules. FICPI would be in favor of a simple rule embodying the concept proposed by the USPTO in the Federal Register notice that explicitly recognize privilege for communications between patent applicants or owners and their domestic patent agents or foreign professional patent practitioners under the same circumstances as such privilege is recognized for communications between applicants or owners and U.S. attorneys. This approach would provide the greatest uniformity and certainty, and avoid the need for the PTAB to engage in complex fact based analysis regarding application of the privilege under the common law.

Alternatively, if the USPTO currently is unwilling to extend recognition of the privilege to this degree, the PTAB could *presumptively* recognize the privilege and place the initial burden on a party seeking discovery to (1) identify the specific communication(s) with the IP advisor being sought; (2) explain how such discovery satisfies the "interest of justice" or "good cause" standards, as applicable; and (3) make a *prima facie* showing that the asserted privilege for the communication at issue is not recognizable under current U.S. law, for

example, because it is not recognized by the jurisdiction governing the IP advisor's practice or because recognition of the privilege would be contrary to U.S. public policy. The burden would then shift to the party asserting the privilege to rebut the *prima facie* showing. Such a framework would signal the PTAB's inclination to recognize the privilege, thereby tempering a party's urge to tactically leverage the inconsistent application of the privilege for communications between clients and domestic patent agents or foreign practitioners. In the event an actual discovery dispute involving assertion of the privilege does arise, the PTAB can proceed to address this factually dependent issue on a case by case basis.

In today's global market where intellectual property plays a dominant role, the need for full and frank communication between clients and their IP advisors is unprecedented, as is the need for greater certainty that such communications are protected. With the increasing popularity of the AIA post-grant proceedings, the PTAB is well-positioned to lead the way forward towards uniformity that will benefit all stakeholders.

Sincerely,

by 

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