



February 25, 2015

Hon. Michelle K. Lee
Deputy Under Secretary of Commerce for
Intellectual Property and Deputy Director of
the U.S. Patent and Trademark Office
600 Dulany Street
P.O. Box 1450
Alexandria, VA 22313
Attention: Edward Elliott

Via email: ACPrivilege@uspto.gov

**Re: Request for Comments on Domestic and International Issues
Related to Privileged Communications Between Patent
Practitioners and Their Clients**

Dear Deputy Director Lee:

Intellectual Property Owners Association (IPO) submits these comments in response to the "Request for Comments on Domestic and International Issues Related to Privileged Communications Between Patent Practitioners and Their Clients," 80 Fed. Reg. 3953 (January 26, 2015).

IPO is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO's membership includes more than 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO serves intellectual property owners in all industries and across all fields of technology.

The Federal Register notice requests comments regarding whether and to what extent U.S. courts should recognize privilege for communications between foreign patent practitioners and their clients; the extent to which communications between U.S. patent applicants and their non-attorney U.S. patent agents should be privileged in U.S. courts; and whether and to what extent communications between U.S. patent practitioners and their clients should receive privilege in foreign jurisdictions. IPO supports clear rules that recognize the privilege of communications with licensed U.S. and foreign patent practitioners as well as an international framework establishing a minimum privilege standard.

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1. Inconsistent privilege treatment is detrimental to courts and applicants.

Courts are split over whether communications with licensed U.S. and foreign patent practitioners are privileged. While courts recognize that privilege attaches when a U.S. patent agent is working under an attorney's supervision, whether a communication is privileged when a U.S. patent agent is not working alongside an attorney or when with a licensed foreign patent practitioner is uncertain.

For example, the district courts in Massachusetts have found that U.S. patent agent communications are not privileged, reasoning that the role of a U.S. patent agent is akin to an accountant.¹ Other courts, however, have found that privilege exists because U.S. patent agents and attorneys stand on equal footing before the USPTO.²

The courts' treatment of licensed foreign patent practitioners (attorneys and agents) is similarly unclear, with courts using choice of law analysis to determine whether privilege exists.³ Certain foreign jurisdictions do not recognize any privilege at all due to the very limited discovery that is available in those jurisdictions, but have not directly considered whether privilege would exist if discovery were broader. Thus, in certain situations, U.S. district courts are failing to recognize privilege between patent practitioners and applicants solely because a foreign jurisdiction never had occasion to directly consider the issue.

This inconsistent application of privilege causes problems for courts by encouraging forum shopping and unnecessary motion transfer practice, and wasting judicial resources. Inconsistent application of privilege also causes problems for applicants that desire to use U.S. patent agents and/or that desire to pursue intellectual property rights in multiple countries. For example, when pursuing intellectual property rights in multiple countries, applicants communicate with licensed foreign patent practitioners to obtain advice relative to the laws in those countries. A lack of protection of confidentiality in those communications presents a risk to applicants that the communications might not be protected from production in U.S. litigation. This is a serious problem as it discourages open discussions between clients and licensed foreign patent practitioners, which may affect the ability of those clients to receive the best advice possible.

Thus, inconsistent treatment of privilege has significant costs for both applicants and government resources. Clear rules that recognize the privilege of communications with licensed U.S. and foreign patent practitioners would benefit all.

2. National and international standards are needed.

Both U.S. and foreign stakeholders would benefit by having national and international standards to recognize privilege for communications with licensed U.S. and foreign patent practitioners. Such standards would be especially valuable for companies that operate across several borders, which is increasingly common in the present global economy.

¹ See *Agfa Corp. v. Creo Prods., Inc.*, 2002 U.S. Dist. LEXIS 14269, at *7-9 (D. Mass. Aug. 1, 2002).

² See *In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377 (D.D.C. 1978); *Mold-Masters Ltd. v. Husky Injection Molding Systems*, 2001 U.S. Dist. LEXIS 17094, at *14-15 (N.D. Ill. Oct. 19, 2001).

³ See *In re Rivastigmine Patent Litigation*, 239 F.R.D. 351, 357 (S.D.N.Y. 2006).

INTELLECTUAL PROPERTY OWNERS ASSOCIATION

IPO supports a national framework that clearly recognizes privilege of communications with licensed patent practitioners (attorneys and agents). IPO recommends the USPTO initiate this framework by both implementing appropriate USPTO rules (i.e., the rules of conduct) and working with Congress to develop appropriate federal legislation.

IPO also supports an international framework establishing a minimum privilege standard in the courts of member countries. As used herein, member countries refers to those countries that agree to support such an international framework and may refer, for example, to countries that are members of WIPO or IP5.” IPO recommends that the minimum privilege standard should recognize privilege for confidential communications made to licensed practitioners (attorneys and agents) in the member countries. One potential problem with this minimum privilege standard would be admission of member countries which do not impose comparable requirements for practitioners to qualify and practice as a licensed patent practitioner. For example, until the Patent Attorney Act of 2009 (in force since July 1, 2011), Switzerland did not impose any minimum qualifications for an individual to present oneself as a licensed patent attorney.⁴ Finland could similarly present problems if current legislation proposing that patent practitioners pass a qualifying examination does not pass.⁵

There would be a number of hurdles that a broad international framework would present relating to the qualification standards and the treatment of non-attorney practitioners. Also, countries which do not recognize a privilege (because they favor disclosure or do not have discovery) could be reluctant to join.

Therefore, at least initially, an international framework should focus on the major patent filing countries, for example, the IP5, which includes the European Patent Office (EPO), the Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO) and the State Intellectual Property Office of the People's Republic of China (SIPO) and, of course, the USPTO. Use of the existing framework of the IP5 would be helpful in presenting, accepting and effectively administering a proposal within the member patent offices, which, in turn, would give the courts of their respective jurisdictions a basis to apply the privilege and possibly spur legislation.

Countries or jurisdictions already applying the minimum privilege standard could be reasonably expected to be supportive of an international framework. For example, with respect to licensed European patent practitioners before the EPO, confidential communications made for the purpose of seeking advice from the practitioner in his professional capacity are already privileged according to Rule 153 of the European Patent Convention (EPC).⁶

Importantly, however, any national or international standards should end the convoluted analysis currently required to determine whether privilege applies in a global context. Clear standards would eliminate the need to determine which privilege law applies to a particular communication (i.e., U.S.

⁴ See <https://www.news.admin.ch/message/index.html?lang=en&msg-id=39087> (last visited February 13, 2015).

⁵ See WIPO Standing Committee on the Law of Patents, *Confidentiality of Communications Between Clients and Their Patent Advisors: Compilation of Laws, Practices and Other Information*, Twentieth Session, Geneva, January 27-31, 2014, Annex III, p. 10.

⁶ See EPC, Rule 153 (covering any communication or document relating to: (a) the assessment of the patentability of an invention; (b) the preparation or prosecution of a European patent application; (c) any opinion relating to the validity, scope of protection or infringement of a European patent or a European patent application).

law or non-U.S. law via the “touching base” test) and to analyze whether the privilege applies (i.e., must the licensed patent practitioner be working under the control and supervision of an attorney; do all other privilege requirements need to be met). Clarifying and simplifying this analysis will help avoid the often burdensome and artificial behaviors typically required to preserve privilege of communications with licensed patent practitioners.⁷

3. Conclusion

IPO supports efforts to clarify laws regarding privilege in communications with licensed patent practitioners. In particular, the protections and obligations of the attorney-client privilege should apply with the same force and effect to confidential communications between licensed patent practitioners (attorneys and agents) and their clients. This protection should extend to patent practitioners admitted or licensed to practice before their local or regional patent and trademark offices. This protection should apply to either legal or technical communications, provided that the communication is within the area in which the licensed patent practitioner is licensed to practice. Clarifying the laws of privilege in communications with licensed patent practitioners will promote complete and open communication between clients and licensed patent practitioners, which is critical for the effective operation of the legal system.

We thank you for considering IPO’s comments and would welcome any further dialogue or opportunity to provide additional information to assist your efforts on this important issue.

Sincerely,



Philip S. Johnson
President

⁷ Many companies implement various policies to attempt to address the inconsistencies of privilege in various jurisdictions. Such policies include, for example, requiring that: U.S. in-house counsel be assigned to direct and supervise non-attorney U.S. or foreign patent practitioners; non-attorney patent practitioners must be placed organizationally in the same general department (the IP department or legal department) as the U.S. in-house counsel who is supervising them; non-attorney patent practitioners working on U.S. patent matters direct all in-house communications concerning legal advice, including legal issues relating to patentability, the scoping of the underlying invention, and clearance to supervising U.S. in-house counsel; and confidential in-house emails and written communications between non-attorney patent practitioners working on U.S. patents and company employees other than supervising U.S. in-house counsel must (i) copy supervising U.S. in-house counsel, and (ii) expressly state that the purpose of the communication is to aid supervising U.S. in-house counsel in giving legal advice.