
Application of Privilege Law to Patent Agent and Attorney Communications

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Overview

- Elements of Attorney-Client Privilege.
- Whose Communications Are Protected.
- What Communications Are Protected.

Elements of Attorney-Client Privilege

- Holder of privilege is or sought to be a client.
- Communication made to member of the bar of a court or a subordinate.
- Confidential.
- Purpose of securing legal advice or services.
- No crime or tort.
- Not waived.

United States v. United Shoe Machinery Corp., 89 F. Supp. 357, 358-9
(D. Mass. 1950)



Purpose of Attorney-Client Privilege

- “[T]o 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.”

Upjohn Co. v. United States, 449 U.S. 383, 389 (1981).

Application to Patent Agents

- U.S. Patent Agents.
- Foreign Patent Agents.

U.S. Patent Agent Privilege

- No uniform rule regarding whether there is a U.S. patent agent–client privilege.
- Some courts view the “attorney” prong literally.
- Courts opposing an attorney-client privilege for communications with registered U.S. patent agents reason that patent agents are not members of a bar of any court.

U.S. Patent Agent Privilege

- Federal Circuit has not addressed.
- “We decline to consider that question [of patent agent-client privilege], because [patentee] has failed to demonstrate that the district court’s failure to recognize such a privilege constituted reversible error. . .”

McClarín Plastic, Inc. v. LRV Acquisition Corp.,
1999 U.S. App. Lexis 15491, *11 (Fed. Cir. July 12,
1999).

U.S. Patent Agent Privilege

- Some district courts recognize a *de facto* attorney-client privilege for U.S. patent agents.
- Quasi-attorney status of U.S. patent agents supported by *Sperry v. Florida*, 373 U.S. 379 (1963) (disciplinary case which found that patent preparation and prosecution constitutes the practice of law).

U.S. Patent Agent Privilege

- Issue only arises for non-supervised U.S. patent agents.
 - If patent agent is a subordinate of, or is supervised by, a U.S. attorney, then the attorney-client privilege applies (assuming all other conditions are met) based on status of the attorney supervisor not the patent agent.
- Patent agent-client privilege applies only for those tasks within scope of agent's registration.

Foreign Patent Agent Privilege

- In most foreign countries patent preparation and prosecution services are performed by “patent attorneys.”
- Usually foreign “patent attorney” is not an “attorney at law” generally.
- Status of a foreign patent agent/attorney is akin to U.S. registered patent agent.

Foreign Patent Attorney Privilege

- Qualifications to become a foreign patent attorney/agent are generally quite rigorous.
 - Usually a technical background is needed.
 - Apprenticeship with on the job training may be required as condition to take patent exam.
 - Must pass examination.
 - Not easy process.
 - Japan pass rate is currently approx. 6%.
 - EPO under 50%.

Foreign Patent Agent Privilege

- Whether privilege applies to foreign patent attorneys/agents “has not always been easy or consistent.”
- No Federal Circuit case on point.
 - Some courts refuse to recognize a privilege for foreign patent agents.
 - Most district courts do not have a blanket rejection of privilege.

Foreign Patent Agent Privilege

- Typical three step analysis:
 - ❑ What country's laws apply?
 - ❑ Does that country's laws recognize an evidentiary privilege for communications with patent agents?
 - ❑ What is the scope of that country's laws on privilege and how does that apply to the communication in issue?

Foreign Patent Agent Privilege

- First prong involves choice of law. No standard test.
- “Touch base” approach:
 - Communication *touching base* with the United States governed by federal discovery rules.
 - Communications related to matters solely involving foreign country governed by applicable law of the foreign country.

Golden Trade S.r.L. v. Lee Apparel Co., 143 F.R.D. 514, 520 (S.D.N.Y. 1992).

Foreign Patent Agent Privilege

Choice of Law Analysis:

Communications by foreign client with foreign patent agents “relating to assistance in prosecuting patent applications in the United States” governed by American privilege law.

Golden Trade, 143 F.R.D. at 520.

Foreign Patent Agent Privilege

Choice of Law Analysis:

Communications relating to preparing or prosecuting patent applications in foreign country governed by privilege law of the foreign country in which patent application is filed.

Id.

Foreign Patent Agent Privilege

- Traditional “Balancing” Test:
 - If no connection to U.S. or only an incidental connection, then foreign law controls.
 - If there is more than an incidental connection to the United States, then look at law of privilege of nation having most direct and compelling interest in the communication

VLT Corp. v. Unitrode Corp., 194 F.R.D. 8, 16 (D. Mass. 2000)

Foreign Patent Agent Privilege

- What is a “direct and compelling” interest?
- Consider:
 - ❑ The parties and substance of the communication.
 - ❑ Place where relationship was centered at time of communication.
 - ❑ Needs of the international system.
 - ❑ Will application of foreign privilege law be inconsistent with important policies embedded in federal law.

VLT Corp., 194 F.R.D. at 16.

Foreign Patent Agent Privilege

- **Practice Tip:** Be prepared to prove the law of the foreign country that has the most direct and compelling interest:
 - ❑ Burden of Proof on party asserting privilege.
 - ❑ May require submission of expert testimony or affidavits on foreign law.
 - ❑ May require alternative analyses under laws of multiple jurisdictions.

Foreign Patent Agent Privilege

- **Practice Tip:** Assess whether the communications in question are worth the cost of the fight.
- **Practice Tip:** If litigating these issues try to appeal to court's sense of fairness:
 - ❑ Is purpose of privilege met?
 - ❑ Is it fair that a communication is privileged for one side because it occurred on U.S. soil, but similar communication not privileged if overseas?

What is Protected by the Privilege

- “Some of the most difficult discovery questions presented in patent litigation relate to the assertion of attorney-client privilege with respect to communications containing primarily or exclusively technical information.”

Knogo Corp. v. United States, 213 U.S.P.Q.
935, 940 (Ct. Cl. 1980)

What is Protected by the Privilege

- Typical patent case discovery seeks documents/communications concerning:
 - ❑ Testing, design and development by inventors.
 - ❑ Consideration of third party patent rights.
 - ❑ Patentability of invention.
 - ❑ Study of prior art.
 - ❑ Invention disclosures.
 - ❑ Draft applications and notes.
 - ❑ Prosecution of patent application.

What is Protected by the Privilege

Knogo line of cases:

- Technical information from client to attorney may be privileged.
- Client must make communication intending that it be kept confidential.
- Fact that communication consists of information from public domain does not negate privilege.

Knogo, 213 U.SP.Q. at 940-41.

What is Protected by the Privilege

Jack Winter line of cases:

- Communications between patent lawyer and client concerning technical information needed for patent application generally not privileged.
 - Attorney a “mere conduit.”
 - Business advice not legal advice.
 - No expectation of confidentiality by client – duty of disclosure.

Jack Winter, Inc. v. Koratron Company, Inc. 54 F.R.D. 44, 47 (N.D. Cal. 1971).

What is Protected by the Privilege

Federal Circuit critical of *Jack Winter* rationale:

- *In re Spalding* involved whether invention record prepared by inventor for in-house counsel was privileged.
- Privilege issue decided as matter of Federal Circuit law.

In re Spalding, 203 F.3d 800, 803-04 (Fed. Cir. 2000).

What is Protected by the Privilege

- Invention record in *Spalding* privileged:
 - Communication to in-house counsel.
 - Purpose to determine patentability.
- Not necessary for document to expressly request legal assistance.
- Look at “overall tenor” of document.

203 F.3d at 806

What is Protected by the Privilege

- Some district courts have extended rationale of *Spalding* to other types of communications and documents.
- The *Jack Winter* decision has never been expressly overruled.
 - No post-*Spalding* cases follow it.

What is Protected by the Privilege

- **Practice Tip:** Apply reasoning of *Spalding* when determining if privilege applies to patent-related communications.
- **Practice Tip:** Include privilege claw-back and non-waiver provision in protective order.

What is Protected by the Privilege

- Effective document retention and control policy may moot some of these issues.
 - Policy must be for legitimate purpose.
 - Can not destroy documents if you know or believe that they are relevant to an actual or potential litigation.

What is Protected by the Privilege

- **Practice Tip:** Speak with your client about whether they have, or can implement, a document retention policy that encompasses their patent prosecution files.