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Oblon patent interference practitioners contend that the PTO's new rule on privilege for communications in post-grant opposition proceedings should apply to interferences as well.

Patent Agent, Foreign Attorney Privilege Rule for Interferences?

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Effective Dec. 12, 2017, we will have a new rule (37 C.F.R. § 42.57, ''Privilege for patent practitioners'') which ''clarifies situations where [attorney-client] privilege is recognized for communications between clients and their domestic or foreign patent attorneys and patent agents.'' Specifically, the purpose of the new rule is to give clients involved in at least certain types of trial proceedings in the Patent and Trademark Office attorney-client privilege protection for communications involving foreign (i.e., non-U.S.) patent professionals.

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The views expressed herein are those of the authors and are not necessarily shared by their employer or its clients.

Unfortunately for the U.S. practitioners handling the remaining 30-plus patent interferences and the additional interferences that will inevitably be declared in the future, neither the rule itself nor the commentary published with the new rules ''clarifies'' whether the new rule applies to interferences.

In the first place, the new rule, 82 Fed. Reg. 51,570, is placed in 37 C.F.R. Part 42—specifically governing inter partes reviews, post-grant reviews, the transitional program for covered business method patents, and derivation proceedings—not 37 C.F.R. Part 41, ''Practice Before the Board of Patent Appeals and Interferences,'' Subpart E, ''Patent Interferences'' or a generic location, such as 37 C.F.R. Part 41, ''Practice Before the Board of Patent Appeals and Interferences,'' Subpart A, ''General Provisions.'' In the second place, the ''Summary'' of the new rule states that:

''This final rule on attorney-client privilege amends the existing rules relating to the United States Patent and Trademark Office (Office or USPTO) trial practice *for inter partes review, post-grant review, the transitional program for covered business method patents, and derivation proceedings* that implemented provisions of the Leahy-Smith America Invents Act ('AIA') providing for trials before the Office.'' [Emphasis supplied.]

In the third place, under ''Rulemaking Considerations,'' Section A, ''Administrative Procedure Act,'' the publication of the new rule reiterates:

''This final rule revises the rules relating to Office trial practice *for inter partes review, post-grant review, the transitional program for covered business method patents, and derivation proceedings*.'' [Emphasis supplied.]

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In all three places, reference to interferences is conspicuous by its absence. But does that mean that the new rule does not apply (or can't be made to apply) to interferences?

Would Anyone *Want* the New Rule to Apply to Interferences?

Before we get all lathered up over the question of whether a rule the authors of which apparently never contemplated would apply to interferences nevertheless applies to interferences or by brute force or lawyerly legerdemain can be made to apply to interferences, a reasonable preliminary question is who would want the rule to apply to interferences?

The purpose of reliance on attorney-client privilege is ordinarily to prevent the opposing party from obtaining access to a communication between an attorney or other individual covered by the privilege and that individual's client or, at a minimum, to prevent the opposing party from relying on the contents of the communication in the litigation in which the issue is raised. However, in interferences (or, at least, in the second, or priority, phase of two-phase interferences), the attorney or other practitioner who might conceivably want to rely on the attorney-client privilege is normally desperately looking for any scrap of evidence that he, she, or his or her predecessor as counsel for his or her client was doing *something* related to the invention at issue on as many days as possible during what is often a lengthy diligence period. Communications back and forth between individuals working for the same client, including American patent attorneys or agents and foreign patent attorneys or agents, discussing issues including the scope of potential claims and the adequacy of the disclosure in a draft application on which those individuals are all working, can obviously both be evidence of attorney diligence and be the subject of claims of attorney-client privilege.

Regrettably, a practitioner handling an interference can't have it both ways. If he or she relies on the communications as evidence of attorney diligence, he or she has waived the attorney-client privilege (if any), and his or her adversary will do whatever he or she can to use the evidence against him or her. And, if the practitioner *doesn't* rely on the communications as evidence of attorney diligence, the practitioner's diligence case may have a fatal hole in it.

This, however, is just evidence in support of Judge Giles S. Rich's famous dictum that ''The life of a patent solicitor has always been a hard one.'' *In re Ruschig*, 379 F.2d 990, 993, 154 U.S.P.Q. 118, 121 (C.C.P.A. 1967). For present purposes, the point is that sometimes each of us will decide that shielding the communication from hostile eyes is more important than relying on the communication as evidence of attorney diligence—even if that means that we are likely to lose the interference.

Accordingly, the authors of this article believe that there will be both practitioners and their clients who will want the new rule to apply to interferences.

So, Does the New Rule Apply to Interferences?

We don't think so. We think that the location of the new rule and its ''legislative history'' are overwhelming evidence that the individuals responsible for the new rule did not intend it to apply to interferences. After all, they made sure that it would apply to derivation proceedings under post-AIA 35 U.S.C. § 135, which many people think of as present-day derivation interferences, but they didn't make equally sure that it would apply to the remaining interferences under pre-AIA 35 U.S.C. § 135(a).

Clearly, the individuals responsible for the new rule knew how to make it apply to interferences if they had wanted to do so. Whether they failed to make the new rule apply to interferences because they made a reasoned decision that, for some reason that escapes us, it would not appropriately apply to interferences, because they were unaware that there are still interferences pending, or because they thought that there were few enough interferences still pending so that it simply wasn't worth the extra work to make the new rule apply to interferences, the fact is that the new rule wasn't made to apply to interferences.

But, Can the New Rule Be Made to Apply to Interferences?

We think that the answer to that question is: Clearly yes!

In the first place, as explained in the ''Background'' section of the promulgation of the new rule:

''When the issue [of whether or not there is an attorney-client privilege for a given communication] arises before [the] PTAB, Administrative Law Judges [sic; Administrative Patent Judges] make legal determinations as to which communications may be protected from disclosure on a case-by-case basis, based on the Federal Rules of Evidence and common law. *See 37 CFR 42.62(a); see also GEA Process Engineering, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, Paper 117 (PTAB 2014).''

Regrettably, as the authors demonstrate in the following list of exemplary, publicly-available, nonprecedential board opinions, those case-by case determinations were not only inconsistent, but confusing:

- *GEA Process Engineering, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, Paper 117 (P.T.A.B. 2014). Invoices asserted as privileged were ordered to be produced in redacted form.
- *Schott Gemtron Corp. v. SSW Holding Co.*, IPR2013-00358, Paper 52 (P.T.A.B. 2014). Information related to documents obtained from counsel and included in a declaration and discussions involving said documents between attorney and retained expert was found not to be protected by attorney-client privilege.
- *Amneal Pharms. LLC v. Jazz Pharms., Inc.*, IPR2015-00545, Paper 38 (P.T.A.B. 2015). Nonprivileged information contained in attorney billing records and employment agreements was to be produced.
- *Prong, Inc. v. Yeoshua Sorias*, IPR2015-01317, Paper 17 (P.T.A.B. 2016). Granting motion for discovery of materials related to licensing objected to as privileged.
- *Askeladden LLC v. Purple Leaf, LLC*, IPR2016-01720, Paper 14 (P.T.A.B. 2017). Counsel for patent owner allowed to file a motion to withdraw, with board noting nothing in their decision should be interpreted as requiring disclosure of any privileged communications.

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Although few cases have addressed attorney-client privilege in a substantive way, this is an important issue. Accordingly, the fact that those case-by-case determinations were inconsistent and confusing was a major motivator for the promulgation of the new rule, which will hopefully minimize inconsistent and confusing determinations on this issue in the AIA proceedings. And, of relevance here, the fact that different panels of the board made such determinations is certainly evidence that the panels of the board handling the remaining interferences can do likewise.

Moreover, the fact that the PTO will soon have a formal rule dictating consistency of the case-by-case determinations in at least the AIA trial proceedings will likely have a salutary, consistency-inducing effect on the case-by-case determinations in the remaining interferences. After all, the new rule surely embodies the official PTO policy on the overall question of whether communications involving a foreign patent practitioner should be entitled to attorney-client privilege.