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From: Peter Franke
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Subject: **Submissions as to what Australia's position should be on the Questionnaire of Group B+ (GB+) nations (Attachment A) regarding cross-border aspects of client/patent attorney privilege.**

Background and Introduction

- 1 There are issues within Group B+ which are evident from the more limited definition of "intellectual property advisor" in the Swiss government draft of the multilateral agreement (the Swiss **MLA**) which is included in **Attachment C** referred to below, in the Meeting Report of GB+ nations of 6 October 2015 (**Attachment B**) and from the Questionnaire itself.
- 2 The wording of the Swiss MLA should be acceptable to Australia, except as to the omission of 'trade mark attorney or trade mark agent' from the definition of "intellectual property advisor" as compared with the definition of same proposed in the AIPPI/FICPI/AIPLA version (also included in **Attachment C**). In fact, the Swiss MLA apart from the omission in the definition, is largely the drafting of the IP NGOs. Other issues evident from the documents referred to above, relate to flexibility and implementation.
- 3 The Swiss MLA proposes to apply protection from forcible disclosure to the advice of patent attorneys by specifying them but to leave its application to trade marks attorneys at least uncertain by omitting to specify them by name.
- 4 The Swiss government (acting through the Swiss equivalent of IPA) asserts that the Swiss cannot include TMAs because they are not regulated in Switzerland. However, they are regulated in many nations of the world, including Australia. It is AIPPI's policy (Resolution Q163, **Attachment D**) that the protection should apply to the clients of patent and trade marks attorneys. It is Australia's law that the protection in Australia applies to the clients of both patent and trade marks attorneys in Australia and the clients of their equivalents overseas.
- 5 The Swiss limitation to patent attorneys plus a catch all phrase, is subjective to its position. As such, it does not take into account the needs of many other nations, including Australia. The rationale for the protection (see paragraph 19 below) applies equally to both professions. As the Swiss position (and that of any other nation in the same position mutatis) can be dealt with by the Swiss excluding Swiss trade marks attorneys under paragraph 4 of the Swiss MLA, the needs of those nations which do regulate trade marks attorneys, should be met by specifically including them in the definitions of that MLA.
- 6 AIPPI Australia notes that Article 4 of the Swiss MLA could be amended to specifically include the facility to exclude national unregulated trade marks attorneys. That could overcome any uncertainty there may be as to whether Article 4 allows that exclusion. It could also further assist Switzerland because Switzerland has regulated as well as unregulated trade marks attorneys.

- The regulated ones are lawyers who in their practice of the law relating to trade marks are undoubtedly regulated.
- 7 Nations like Switzerland should be allowed to exclude their own trade marks attorneys if that is their requirement. They should not be allowed to exclude in their nations, the protection that applies to the clients of overseas trade marks attorneys who are regulated. That would continue the present uncertainty of the application of the protection cross – border. That is the main uncertainty which the MLA is trying to overcome.
- 8 The Swiss suggest that the catch all wording in the definition of ‘intellectual property advisor’ – “... or other person where such advisor is officially recognised and certified as eligible to give professional advice concerning intellectual property rights.” – is a sufficient base for nations with regulated trade marks attorneys to extend the protection to them and to overseas regulated trade marks attorneys. However, the Swiss are also relying on their proposed omission of “or trade mark attorney and trade mark agent” as relieving them from the obligation to extend the protection to their unregulated trade marks attorneys. This does not add up.
- 9 As trade marks attorneys and agents are a profession established all around the world, the omission of them by name from the definition in the MLA makes it uncertain as to whether the catch all provision should be read as including them.
- 10 The most serious adverse effect, beyond uncertainty as to the scope of the MLA on inclusion of trade marks attorneys and agents, is the potential use of that uncertainty by Switzerland or any other nation which does not regulate its trade marks attorneys or agents, to deny the protection in Switzerland etc which applies to such regulated professionals overseas. The MLA should remove this current uncertainty. The protection itself only works where there is certainty as to its application.
- 11 Comments from the delegations referred to in paragraph 3 of the Meeting Report suggest the need to amend the draft MLA – ‘to provide more flexibility for countries with different legal backgrounds’. The Swiss MLA already allows such flexibility – see Article 4 (assuming it is amended as suggested in 6 above).
- 12 There are also comments as to the need to ‘examine the differences of existing legal systems in order to better understand the challenges faced by various countries’. This has already been done over six years in the SCP. We know that nations have their own problems in making and implementing international agreements. In the end, all nations can make treaties.
- 13 The US is reported in paragraph 4 of the Meeting Report as seeking a domestic solution first but despite that, wishes to be involved in discussions on the MLA etc going forward. The US has constitutional issues about making and implementing an MLA on the protection cross – border. Noting that the Meeting Report dates from 6 October 2015, on 7 March 2016, the US Court of Appeals for the Federal Circuit ruled by a majority of 2:1 that some communications between patent applicants and non-lawyer patent agents are privileged. See <http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/15-145.Opinion.3-3-2016.1.PDF>
- While a great step forward domestically, it does not squarely address the cross-border issues identified in the submission.
- 14 Referring back to the issue of definition above, contrast the Swiss government proposal on omitting specific reference to “trade mark attorney and trade mark agent” from the definition with the reported views of industry (ie possibly the most important stakeholders) which are reported in paragraph 6 of the Meeting Report as being that - “a multilateral agreement should be sought which should cover both patent and trade marks attorneys”.
- 15 The Questionnaire in A2 and A3 seeks answers to questions along the lines – does the putative problem really exist? For example – have you been confronted with CAP as an issue and how

often? This line of questioning reveals a failure to understand the ever present nature of the problem. IP professionals have the problem of the protection overseas every day in relation to the potential abuse overseas of their instructions and advice. Further, it fails to understand the findings of the SCP studies of the problem. These matters should be history by now after six years of work from 2008 to 2014 in the SCP in which GB+ nations were involved. Those involved in the SCP work are probably not the same government representatives as are now dealing with the GB+ proposals. This is no good reason to go into reverse.

- 16 Essentially, Australia needs to provide constructive views supporting the type of multilateral agreement referred to in paragraph 6 of the Meeting Report as being required by industry, that is covering both patent and trade marks attorneys.
- 17 AIPPI Australia urges IPA to reinforce in its response to the Questionnaire and in GB+ meetings what WIPO/SCP has already concluded from its research into the problem and the remedy. Further, IPA should urge GB+ not to duplicate the efforts of six years in WIPO but to build on what was established by that work.

WIPO/SCP – the problem of meeting the need to protect confidentiality in IP legal advice

- 18 The problem is the failure by common law nations to uphold confidentiality in IP legal advice given by non-lawyer IP professional advisors in civil law nations, cross-border. This has implications going beyond the advice given in the civil law nations. If common law advice is contained in the files of civil law IP professionals, that common law advice also becomes potentially subject to discovery in common law nations.

WIPO/SCP – conclusions on study of the problem

- 19 Protection of client legal advice exists in both of the main systems of law which apply globally – namely civil and common law. The basis of that protection (ie in both systems) is public interest in having the law enforced. The principal aspect of that public interest is the need for the client to be advised correctly. Correct legal advice is based on correct instructions from the client. To achieve that, the IP advisor and the client have to be able to confide in each other fully and frankly. That process is potentially compromised if there is fear in the client that the client's information and the IP advisor's advice, could be forcibly disclosed.

WIPO/SCP principal conclusions on the remedy

- 20 The remedy can be based on an element of the protection which is common to both systems – that is both recognise and protect confidentiality in the advising process – relevant information from the client and the legal advice relating to that information. In other words, an international agreement can be based on requiring that client information and the related legal advice be recognised as being confidential cross – border and thus not subject to disclosure cross-border. This is hardly controversial. It merely requires nations to apply cross – border what they normally apply within their own borders.

AIPPI Australia's submissions on the Questionnaire's suggestions of re-examination of the problem and the remedy

- 21 The comments of the delegations (reported in item 3 of the Meeting Report) reveal three categories of suggestion:
- (i) amending the MLA for more flexibility;
 - (ii) further examination of differences; and
 - (iii) involving stakeholders.

- 22 Each of these is a worthy of pursuit but only so if the starting point is the WIPO/SCP findings on the problem and remedy referred to above. Further there needs to be a proper understanding of what the Swiss MLA if implemented would achieve having regard to those findings. Otherwise, the GB+ nations risk going backwards in their pursuit of the problem into what has already been resolved in WIPO/SCP.

The GB+ Questionnaire

- 23 In view of the preceding points, IPA is urged by AIPPI Australia to take a line which gives effect to and builds on that background. Of course, there is more than one way of answering the Questionnaire. But no answer is justifiable that does not build on the already established background. Only if the GB+ nations follow that course can the GB+ process progress to achieve an effective and efficient outcome.
- 24 The following proposals mirror the numbering of the questions in Part A of the Questionnaire.
1. The need to have protection which applies cross-border to advising is not as to 'communications' at large. The need for the protection from forcible disclosure is to support the public interest in the law being enforced, that is, including enabling the client to be correctly advised. Failing to support that concept cross-border would mean that there is one concept within the nations and the reverse of it cross-border. In effect the national concept of supporting the public interest in achieving correct legal advice, is not applied cross-border.

As to the 'kind of communication' that should be covered, nations define this in various ways. Whichever way it is defined, it must cover the client's information on which the legal advice is based and the legal advice itself.
 2. All lawyers and patent attorneys anywhere who are asked to advise on IPR which have cross-border existence or effects, have the issue whether the instructions and legal advice may be forcibly disclosed cross-border. Thus, in every case of such advice, the potential for forcible disclosure of the instructions and advice cross-border stands in the face of having full and frank communications which provide the best prospects of getting correct legal advice.

The individual sub-questions in 2, show lack of understanding of the ubiquitous nature of the problem described above. The effect of the line of US cases in which legal advice given by European and Japanese non-lawyer patent attorneys or agents was ordered to be forcibly disclosed, cannot be denied. Whether particular clients or practitioners recognise or react to the problem or not, is about them individually. Such enquiries are irrelevant to the need to solve the problem or how it should be solved.
 3. This question is also subjective. We know from the work of the SCP that the problem exists. That is the objective position. Whether clients and IP individuals are affected by it day to day or not has to do with the quality of the practitioners. That has nothing to do with whether the problem exists or not.
 4. The Swiss MLA if amended to conform with the definition of 'intellectual property advisor' proposed in the MLA of AIPPI/FICPI/AIPLA, would provide what is essential to be regulated by a multilateral agreement. This includes the relevant professionals and the subjects of the protection (communications). Further, by Article 4 (amended as suggested above), the Swiss MLA would allow appropriate flexibility.
 5. Australia's support of the protection against forcible disclosure stems from its support of public interests including in clients being correctly advised. The Swiss MLA (amended as AIPPI Australia proposes) provides in effect for the cross-border element to be added to the protection against forcible disclosure. Australia cannot achieve for its businesses and

people overseas that cross - border element of the protection without an international agreement. As the position which AIPPI advocates by these Submissions is supported by all stakeholders in Australia, there are no reasons in Australia against Australia adopting such a multilateral agreement.

B1, 2, 3.

- 25 AIPPI Australia urges the Australian government to support the definition of "intellectual property advisor" in the draft MLA of AIPPI/FICPI/AIPLA (not as in the Swiss government proposal) **first** because it makes it clear that the MLA applies to trade marks attorneys as well as patent attorneys and **secondly**, the MLA as applied nation by nation in accordance with its terms, will in effect provide to Australian clients in those nations, the protection from forcible disclosure of their IP instructions and advice in Australia which applies to them under Australian law.
