

Abstract

Differing rules and practices governing the confidentiality of communications between clients and legal representatives present a little-known, but very real, threat to parties involved in international transactions. In some cases, these parties will become embroiled in litigation. If that litigation takes place in a legal system that allows for discovery, the party may learn that a communication she considered confidential must in fact be disclosed to an adversary. Depending on the content of the communication, such disclosure may result in significant harm.

Several unique factors make the issue of confidentiality especially problematic in the field of intellectual property. The most important is attributable to the nature of the international intellectual property system. An IP rightholder who seeks protection abroad is essentially protecting the same basic invention or trademark in multiple systems. As a result, conversations involving whether protection is available in Forum A may be relevant to whether protection is available in Forum B. Therefore, even if the communication was not subject to discovery in Forum A, the communication may have to be disclosed in Forum B.

A second feature unique to intellectual property is the use of non-attorney legal practitioners to aid in obtaining patents and trademarks in some nations. Even if a nation recognizes the classic attorney-client (solicitor-client) privilege, they may not extend protection to communications involving these non-attorney representatives.

AIPPI has set out a proposal to deal with this issue. The proposal envisions a treaty in which signatories would agree to protect all communications in connection with legal representation involving intellectual property. The treaty would apply equally to attorneys and non-attorney representatives, and would treat communications as confidential without regard to whether otherwise applicable domestic law would allow an adversary to compel disclosure. It would also provide for confidentiality for communications between legal representatives and third parties, provided that communication involved intellectual property representation.

The basic approach in the AIPPI proposal—a single, uniform standard in all nations—is preferable to other means of solving the problem. Although nations could continue to do nothing, that course would continue to expose clients to unanticipated risk. Another alternative would be to mandate choice of law rules, rather than a single substantive standard. Although a choice of law approach has much to commend it at a theoretical level, it would prove more difficult to administer, thereby presenting problems of predictability. A choice of law standard would force courts to determine which nation's law governed a particular communication.

Although the AIPPI proposal is an admirable effort, it does have its problems. First, it is currently too broad to appeal to many nations. The proposal envisions that all nations will adopt a law providing for privilege—even those nations that lack compelled discovery, and have no need for a privilege. Similarly, the proposal would mandate both confidentiality in communications between clients and legal representatives, and those between the attorney and experts or other third parties. Some nations may find the imposition of a broad and uniform rule too great an intrusion on their sovereignty, causing them to abstain from joining the treaty.

Second, the proposal fails to allow for the several exceptions that nations with well-developed privilege laws currently apply, such as the crime-fraud exception. This latter problem

could be remedied, however, by a provision authorizing limited exceptions to the confidentiality requirement, possibly something along the lines of the “three step tests” used in other international intellectual property treaties. Should these problems be rectified, the proposal may prove more palatable to a number of nations.

– *John T. Cross*

(Note: This abstract is based upon a paper written by the author concerning the prior AIPPI proposal. This paper, which goes into significantly more depth concerning some of the issues, is available at:

<https://dl.dropboxusercontent.com/u/31289537/INTA%20paper%20Cross.docx>).