



Pratt & Whitney Canada

A United Technologies Company

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Protection of Confidentiality in IP Advice (Canada)

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ENGINES

SUPPORT

INNOVATION

PEOPLE

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Status of Protection Provided in Canada

No Recent Developments

- "lawyer/solicitor-client" privilege may protect confidentiality in IP advice
 - does not extend to non-lawyer agents
 - non-lawyer agent privilege abroad not recognised
 - for lawyer-agents, availability of protection depends upon the "hat" worn
 - where "agent hat" worn, court has permitted discovery of a lawyer's file
 - no privilege for IP advice which a lawyer is not qualified to provide
- "litigation" privilege will protect confidentiality, if applicable
 - narrow scope - only applies to communications made in respect of pending litigation or contemplation of litigation
 - unlikely to apply to confidential IP advice re: securing/respecting IP rights
 - can apply to non-lawyer-client communications
- summary, in Canada:
 - no reliable protection of confidentiality in IP advice - non-lawyer IP advice not protected
 - non-lawyer IP advice, even if privileged abroad, not protected
 - protection can extend only to legal advice which a lawyer is qualified to provide

Why the Protection Matters to Business

IP Rights Promote Investment

- IP rights are valuable - patents protect the ability to exploit innovations
- investment decisions depend upon knowing what one can or cannot protect, and how to avoid what is protected by others
- at minimum, this requires a predictable system of patent laws (globally)
- this also requires the best possible advice in establishing and/or avoiding the rights created by these complex legal instruments
 - requires full and frank discussions with IP advisors
 - this encourages compliance with the law and respect for the legal rights of third parties and promotes the administration of justice
 - same fundamental basis for the existence of lawyer/solicitor-client privilege
- lack of protection of confidentiality in IP advice increases both uncertainty and inefficiency in securing/respecting IP rights
- for the same public policy reasons supporting lawyer/solicitor-client privilege, a global protection of confidentiality in IP advice should exist

Shortfalls in the Canadian Approach

Here, There, Everywhere

- communications with IP advisors anywhere may be subject to discovery in Canadian litigation
 - lack of protection not limited to communications with Canadian IP advisors
 - Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals 2006 FC 1465 (U.K. agent's privilege not recognised in Canada)
 - no privilege for legal advice re: jurisdiction in which lawyer is not qualified to practice
- communications with Canadian advisors may be subject to discovery in litigation outside of Canada
 - lack of protection in Canada may result in lack of protection in other jurisdictions which provide protection by way of judicial comity
- lack of protection in Canada may have global consequences
 - e.g. enforcing Canadian patent can expose IP advice received in Canada or abroad
 - e.g. IP advice received in Canada can be exposed in enforcement of foreign patent

On What Basis Can PCIPA Proceed?

How Would This be Implemented?

- in Canada, legislation is required - this legislation would need to protect communications between clients and their IP advisors in Canada and abroad
- solutions are readily available
- IPIC recommends amendments to Canada's Patent Act and Trade-marks Act similar to the Australian or New Zealand enactments
- Australia and New Zealand approaches are simple, and provide reciprocal protections
- even though uncontroversial, political assistance is needed to introduce and push amendments through the legislative process
- proposed statutory amendments have been presented by IPIC to the Canadian government, and discussions are ongoing

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