PROTECTING EVALUATION OF ATTORNEY CLIENT PRIVILEGE/WORK PRODUCT IMMUNITY

Prospects for Harmonization of Attorney/Client Privilege Worldwide

- Is there any need to do so?
- Is there any chance of possibly succeeding?
- Can harmonization include the work product doctrine?
- Will harmonization include protection for the patent attorneys (agents) in countries outside the United States and even patent agents in the United States?
- Is there a trend for protection?

Patent Agents/U.S. and the Privilege

- Should the patent attorney privilege be applied to patent agents in the United States and non-attorney patent attorneys worldwide?
- Is the scope for patent attorney privilege in the United States too narrow? Or too broad?
- Should attorney work product with relation to the prosecution of patent applications be protected? Or is it public information intended to be non-protected and not in anticipation of litigation?
- Do patent agents do work different from patent attorneys in the United States in prosecuting patent applications? And should that be a basis for denying them the right of privilege?

Patent Agents/U.S. and the Privilege (cont'd)

- Should work product immunity apply to patent agents in the United States?
- Should the preparation of patent applications be considered public information and merely technical in nature?

Privilege – International Concerns

- What are the International consequences of patent litigation and privilege when discovery in one country requires review of patent issues and matters of privilege in other countries?
- Standard - Does the subject matter “touch base” with the United States?
- Should comity be applied?
- What foreign patent “attorneys” should be included within the potential scope of protection in the United States?
- Are United States patent attorneys subject to non-protection of a privilege in foreign jurisdictions when a problem arises? (Defer to our European and Australian colleagues)

Work Product – International Consequences

- How is work product applied in International situations?
- Will the mental impressions of a foreign patent attorney be available for work product protection in a United States litigation?

Should BRIC/Third world countries be part of the equation for protecting the attorney/client privilege?

- Can we address the unnecessary paranoia about the attorney/client privilege in less developed countries?
- Are any of the BRIC countries prepared to advance the attorney/client privilege?
- When is the privilege needed at all in countries where there is no discovery?
- Do the courts in these less developed countries have the ability to create a legal doctrine of privilege? Work Product Immunity? Do they have a desire to?

Waiver of Privilege

- When and why should the attorney/client privilege be lost?
- Waiver by express action
- Waiver by reliance on publication
- Waiver by reliance in negotiations with a third party
- Losing the privilege in settlement communications with an adversary or with a party not within the control group of the company claiming privilege.
- Should the loss of privilege be broader than the above waiver principles?

Should the amount of discovery in a particular jurisdiction have any effect on the attorney/ client privilege?

- In the United States
- In Civil jurisdictions
- Does the type of discovery matter?
- Is there any reason to make the determination country based?

What are the effects of the Work Product Immunity on attorney's mental impressions?

- In the United States
- Domestically in other jurisdictions
- Internationally as a means for protection
- Is there really a need for the freedom to operate with respect to the work you do that you do not provide to your client?
- Should it ever be acceptable to allow attorneys' mental impressions to be produced?
- The fraud crime exception to privilege/work product. Is it the same for both doctrines? Is the burden the same for both?

Protecting the privilege – Is it worth the harm of not allowing broken confidences for public purposes?

- Is the extent of confidentiality important?
- How great is the harm of non-protection?
- Is this overblown?
- Is privilege/work product important in the scheme of all the issues involving the prosecution and litigation of a patent or is it a beauty mark on the back of an elephant?
- Who should pay for fighting the privilege in discovery disputes? Should there be a standard?

The Foundation for Privilege

1. A claim of privilege is sustained if:

   (1) the asserted holder of the privilege is or sought to be a client;

   (2) the person to whom the communication is made

   (a) is a member of the Bar of the court or his subordinate, and

   (b) in connection with the communication is acting as a lawyer

- (3) the communication related to a fact of which the attorney was informed

  (a) by his client

- (b) without the presence of strangers

The Foundation for Privilege (cont'd)

(c) for the purpose of securing primarily, either

(i) an opinion on law or
(ii) legal services, or
(iii) assistance in some legal proceeding and not

(d) for the purpose of committing a crime or tort; and

(4) the privilege has been

(a) claimed, and

(b) not waived by the client

United States v. United Shoe Machine Corporation, 89FSup357, 358-359 (DMass 1950)

Standard may vary by Federal Circuit standards: in re Spalding Sports Worldwide, Inc., 203F3rd 800, 804 (Fed. Cir. 2000) – no material difference

Waiver of Privilege

- If a party has made a voluntary disclosure of all or part of a privileged communication to a third party, the privilege is lost for **all** communications relating to the same subject matter.
  Detection Systems Inc. v. Pittway Corp., 96Frd152, 156 (WDNY 1982).
- The mere existence of the attorney/client relationship does not raise a presumption of confidentiality.
  Detection Systems Inc. Id at 154.
- Is the client asking for legal advice or business information?
  American Standard Inc. v. Pfizer Inc., 828S.Second 734, 745, (Fed. Cir. 1987).
- Copying an attorney on communications does not convert the communication into a privileged communication. Actual legal advice must be sought or requested for a privileged communication.
  Abb Kent-Taylor Inc. v. Stallings & Coe Inc., 172Frd.53, 57 (WDNY 1996).

The Other Protection: Work Product Immunity

- Work Product Immunity ("WPI") doctrine distinct from the privilege.
- WPI developed in anticipation of litigation or for trial by an attorney or on his behalf. It **must** have been prepared in anticipation of litigation or for trial.
- Definition: WPI refers to a (1) document or tangible thing, (2) that was prepared in anticipation of litigation, and (3) that was prepared by or for a party or by or for his representative.
- in re Pfohl Brothers, 175Frd. 13, 26 (WDNY 1997) quoting Hickman v. Taylor, 229 U.S.495 (1947).
- Non-litigation purposes will not qualify.
- There must be a "substantial probability" of litigation – mere possibility of future litigation usually insufficient.
- As it was for privilege WPI is confined to the narrowest possible limits consistent with logic of its motive.
- In re Grand Jury Proceeding 604(S.2nd 798, 802-803 (Third Cir. 1979).

The Protection of Invention Records: In re Spaulding

- An internal corporate invention record is a privilege communication "as long as it is provided to an attorney 'for the purpose of securing primarily a legal opinion, or legal services, or assistance in a legal proceeding'" .
  in re Spaulding 203F3rd, 800, 804 (Fed. Cir. 2000).
- It is a question under Federal Circuit law as it implicates patent law.
  Id. at 804
- Federal Circuit rejected District Court's reasoning that the document is one generally used by corporations to disclose that an invention has been made and containing spaces for information as names of inventor description and scope of invention and not privilege.
- The document included technical information but did not change the conclusion of privilege.
- Court rejected Jack Winter line of cases (Jack Winter Inc. v. Kortron Co., 50Fr.D. 225, 228 (ND California 1970), that transmission of technical information relating to prosecution are merely a conduit to the patent office.

The Protection of Invention Records: in re Spaulding (cont'd)

- Federal Circuit – those Jack Winter cases are not binding on the Federal Circuit. A better rule was the one articulated in Spaulding.
- Applying the privilege doctrine for patent prosecution in Spaulding.
- Not blanket proposition that all invention and patent prosecution-related communications are privileged. The Fed. Circuit holding limited to invention records for purposes of obtaining legal advice on patentability.
- However, general strengthening since Spaulding of a patent applicant's right to withhold as privileged a number of different type of documents and communications commonly created in a patent prosecution history.
- Prior art and the duty to disclose material information to the U.S.P.T.O. privileged even though relevant technical information was in the document.
  Martin Marietta Materials Inc. v. Bedford Reinforced Plastics Inc., 227Frd. 382 (WD Pennsylvania 2005).

The Protection of Invention Records: in re Spaulding (cont'd)

- Preparation of priority of patent applications at issue prepared by outside counsel in response to request is privilege.
  Innogenetics N.V. v. Abbott Laboratories, 2006 U.S. District Lexus 57560 (WD Wisconsin August 14, 2006)
- Draft patent applications, invention control reports, inventor questionnaires and a duty of disclosure reminder form all found privileged.
  McCook Metals LLC v. Alcoa Inc., 192Frd.242, 251 (ND Illinois 2000).

Limits on the Spaulding Privilege

- Being merely a conduit without a request or response to request for legal advice, then no privilege will attach.
  Softview Computer Products Corp. v. Hayworth Inc., 97Siv, 8815, 2000 U.S. District Lexus 4254 at 29 (SDNY March 31, 2000).
- No per se rules
- Public information and information from a third party may not be privileged.
  Hickman v. Taylor, 329 U.S.495, 508 (1947).
- A summary of patent applications, patents and invention reports is not privileged.
  McCook Metals 192Frd. At 253-254
- Business matters generally not privileged.
- Results of a prior art search including a list of prior art which did not request legal advice, not privileged. However, a document which contains a prior art search would probably be privileged if primary purpose to evaluate patentability or aid counsel in preparing patent application. Spaulding 203F.3rd at 806.
- Law if issue is patent licenses would go to the regional circuit and not the Federal Circuit.

Limitation on Work Product Immunity for Patent Prosecution Documents

- Question – Would the documents prepared in the normal course of patent prosecution qualify for WPI? The answer is no by some courts for ex parte proceedings as they are not in anticipation of litigation.
  Bulk List Intern Inc. v. Flexcon & System Inc. 122Frd. 482, 491 (WD Louisiana) affirmed 122Frd. 493 (1988)
- Protected if also performed in anticipation of litigation.
  in re Minebea Corp., 143Frd. 494, 500 (SDNY 1992).

The Most Complicated Question – Communications with Foreign Patent Agents and Foreign Counsel is Privileged(?)

- First, on U.S. patent agents, greater weight of authority literally interprets "attorney" and denies privilege.
- Some courts apply privilege to a U.S. patent agent if under the supervision and control of an attorney.
- Better position: Patent agents protected under Sperry v. Florida 273 U.S.379, 383 (1963). Sperry characterized the patent agent as one performing an attorney-like function, noting a patent application is "one of the most difficult legal instruments to draw with accuracy" and frequently requires "written argument to establish the patentability of invention "under the applicable rules of law and in light of the prior art".
- Some district courts find a patent agent privilege simply a logical extension of Sperry. In Ampicillin Antitrust Litigation, 81Frd. 377, 399 (DDC 1978, stating such a privilege would necessitate "a full and free disclosure from the client".
- No blanket attorney/client privilege for patent agents in the U.S. The function legally licensed to perform does not include actions by an attorney.

Foreign Patent Agents and Foreign Patent Attorneys

- To date, no decision in the United States clearly discussing the scope of applicability of a foreign patent agent or foreign patent attorney privilege in United States litigation.
- Two part analysis – Question 1, does U.S. law or foreign law apply? Question 2, if foreign law applies, does the foreign law recognize an evidentiary privilege?
- Application of law based on the "touch base" rule: communications by foreign client with foreign patent agents in prosecuting patent applications in the United States are governed by American privilege law. Communications relating to patent applications in own foreign country on patent law of own country governed by foreign country privilege law, even if client party to an American lawsuit.
  Golden Trade, S.r. L v. Lea Falco, 143Frd. 514, 518 (SDNY 1992).
- Some U.S. courts hold party seeking to establish privilege of foreign patent agent communications must show privilege is recognized "for each and every country for which it claims privilege".
  McCook Metals, 192Frd. at 256

Foreign Patent Agents and Foreign Patent Attorneys (cont'd)

- Also true with respect to each document withheld to satisfy the requirements of that country's privilege law. Some countries information not considered confidential. McCook Metals 192Frd. At 256.
- Conduit theory still remains an issue in some countries.
- Results uncertain even for two courts, commenting on the same foreign country.

Waiver of Privilege or WPI

- Voluntary Waiver – Effect on same subject matter in different documents.
- Waiver by disclosure – lack of care in maintaining confidentiality.
- Careless document production.
- In re Seagate, 207 Lexus 19768 (Fed. Cir. August 20, 2007):

  (1) Willful infringement requires a showing of objective recklessness, rejecting "affirmative duty of care standard of proof for willfulness.

  (2) No affirmative obligation to obtain opinion of counsel.

  (3) Where opinion of attorney and trial attorney are different, waiver of privilege caused by reliance on opinion of counsel does not constitute a waiver of privilege for communications with trial counsel - does not apply to chicanery.

  (4) Waiver resulting from reliance on opinion of counsel defense to willfulness does not extend to trial counsel's work product (WPI). Federal Circuit stated "trial counsel's mental processes ..... enjoy the utmost protection from disclosure".

Waiver of Privilege or WPI (cont'd)

- Privilege ends due to Fraud
  United States v. Zolin, 491U.S. 554, 563 (1989).
- Challenger must assert prima facia showing communication made in furtherance of a crime or fraud.