

Privilege for Trade Mark and Patent Agent Communications under English Law

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Further information

If you would like further information on any aspect of Intellectual Property please contact a person mentioned below or the person with whom you usually deal.

Contact

Nicholas Macfarlane
T +44 (20) 7296 5355
nicholas.macfarlane@hoganlovells.com

Adam Cooke
T +44 (20) 7296 5244
adam.cooke@hoganlovells.com

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1. Privilege

What is privilege and why does it exist?

Privilege is the means of protection which prevents certain classes of document from having to be disclosed to a third party or to the Court. It exists to ensure that "a man [is] able to consult his lawyer in confidence, since otherwise he might hold back half the truth"¹. In other words it allows a client to consult freely with his legal advisors (and other limited professionals) without fear of having to disclose any communications (which might be detrimental to his case) to the other side or to the Court. It is important to bear this principle in mind because the case law on many of the more difficult aspects of privilege comes back to this basic right.

What benefits does privilege give?

As soon as litigation has commenced and it is determined that a particular document is one on which you rely or which supports or adversely affects another party's case (and is therefore disclosable under the standard disclosure rules), it is necessary to decide whether that document is privileged from disclosure or not. During the course of the disclosure exercise, documents protected by privilege need be listed only in general terms (in a special section of the list) so that neither their dates nor any information on their contents needs to be revealed. Where a disclosed document contains some privileged and some non-privileged material, the privileged material can be blanked out². Often this process is referred to as "redaction".

There are several types of privilege. The most important category of privilege for trade mark and patent agents is Legal Professional Privilege, which is the focus of this note.

¹ Lord Taylor CJ in *R v Derby Magistrates ex p B* [1996] 1 AC 487 at 507

² *GE Capital Corporate Finance v Bankers Trust Company* [1995] 1 WLR 172

2. Legal Professional Privilege

The two classes of legal professional privilege

Legal professional privilege ("LPP") applies to confidential communications passing between clients and their lawyers. LPP is divided into two distinct classes, which apply to different categories of documents, depending on whether or not litigation is pending or contemplated at the time the documents come into existence. The two classes of LPP, which are explained in more detail below, are:

- (1) Legal Advice Privilege ("LAP"); and
- (2) Litigation Privilege ("LP").

LPP has been extended to documents generated in connection with advice given in relation to certain types of intellectual property by patent attorneys and trade mark attorneys under s280 Copyright, Designs and Patents Act 1988 ("CDPA") and s87 of the Trade Marks Act 1994 ("TMA") respectively, (together the "Legal Provisions"). For further commentary on the Legal Provisions, see section 3 below.

Furthermore, under s190 Legal Services Act 2007 (the "LSA"), which came into force on 1 January 2010, where a CIPA registered patent attorney or ITMA registered trade mark attorney provides advocacy or litigation services, LPP is extended to any communication, document, material or information relating to the provision of those services. This is discussed in more detail at section 4 below.

In addition, certain communications made by or addressed to patent and trade mark attorneys may be privileged from disclosure in legal proceedings under other heads of privilege, for example, the privilege against self incrimination, public interest privilege and the privilege afforded to without prejudice communications. These should be borne in mind, but are not dealt with in detail in this note.

LEGAL ADVICE PRIVILEGE

LAP covers all confidential communications between lawyers and their clients whereby legal advice is sought or given. Records of communications which have passed between a party and its legal advisor (which term can include a patent or trade mark attorney if the criteria of the Legal Provisions are met, see below) for the purpose of seeking or giving advice on the party's legal position are privileged against production, even if the documents are passed through an intermediate.

This class of privilege applies whether or not legal proceedings are pending or contemplated.

The question of what constitutes "legal advice" and is therefore protected by LAP is an important one, which is considered in more detail below ("What is Legal Advice").

LITIGATION PRIVILEGE

LP covers all confidential documents or communications brought into being for the purposes of litigation. LP attaches to documents which are communications between a lawyer (or an appropriately qualified patent or trade mark attorney when either of the Legal Provisions is satisfied, or when the attorney is providing advocacy or litigation services) and a non-professional agent or third party, whether communicated directly or through an agent, provided that these documents have come into existence for the sole or dominant purpose³ of:

- obtaining or giving advice in relation to pending or contemplated proceedings;
- obtaining or collecting evidence to be used in such proceedings; or
- obtaining information which may lead to the obtaining of such evidence.

As with LAP, the communications must be confidential. However, for LP to apply, proceedings must have started, be pending, or be "reasonably in prospect" and not a mere possibility⁴.

Following the House of Lords in *Re L*⁵, the proceedings must be adversarial and not merely investigative, inquisitorial or merely fact-gathering. However, it should be noted that the House of Lords in *Three Rivers* said that the decision in *Re L* not to extend LP to non-adversarial inquiries "warrants ... a new look" and it may be that LP is extended to cover all inquiries in the future.

The dividing line between legal advice and litigation privilege is important. Unlike LAP, communications with third parties (such as correspondence with a potential expert witness with regard to a patent application) are covered by LP.

Section 103 of the Patents Act 1977 (the "1977 Act") extends LP for solicitors to communications made for the purpose of any pending or contemplated proceedings before the Comptroller of Patents or Courts designated under the EPC, PCT or CPC and includes pending or contemplated proceedings relating to an application for a patent. By the round about route of the Legal Provisions, this class of privilege and the extension to international courts is also applicable where the relevant communications are to or from a patent or trade mark attorney.

³ *Waugh v British Railways Board* HL [1980] AC 521

⁴ *USA v Philip Morris Inc and British American Tobacco (Investments) Ltd* [2003] All ER (D) 191 (Dec) approved by the Court of Appeal, [2004] All ER (D) 448 (Mar)

⁵ *Re L (A Minor) (Police Investigation: Privilege)* [1977] AC 16

WHAT IS LEGAL ADVICE?

Privilege will attach to confidential communications between lawyers and clients for the purposes of giving or obtaining legal advice and will include communications forming part of the "continuum of communications between lawyer and client with the aim of keeping both informed so that advice may be sought and given as required" and "advice as to what should prudently and sensibly be done in the relevant legal context".

The term "legal advice" has been construed broadly⁶, and can include advice or assistance (including presentational advice) to parties whose conduct, reputation or integrity may be the subject of criticism by an inquiry⁷. However, not all communications with a legal advisor fall under this head. The legal advisor must have been acting in his professional capacity. Where the advisor is an employed trade mark or patent attorney, certain advice may have been given whilst he was acting merely in an executive or business capacity and therefore will not be protected. This issue is developed further ("In-House Counsel and Legal Context").

The House of Lords in *Three Rivers* clarified what is meant by "relevant legal context" and said that it could include public law rights and advice or assistance (including presentational advice) to parties whose conduct, reputation or integrity may be the subject of criticism by an inquiry. These communications need not contain legal advice.

Communications not strictly for the purpose of obtaining legal advice, but made for the purpose of keeping both sides informed so that legal advice can be sought and given will be privileged. This might include, for example, a memo from a patent agent listing the documents he proposes to examine in assessing the validity of a patent. Advice on what should be done in the relevant legal context, as opposed to strict legal advice, will also be privileged. For example, a note from a patent attorney stating that manufacture should be stopped in light of a competitor's newly published patent would be privileged although not strictly legal advice. Documents which communicate business or other non legal advice or documents which do nothing but acknowledge receipt of legal documents, or similar, will not be privileged. Of course, it is likely that these documents would be irrelevant to any proceedings and therefore would not have to be disclosed.

The House of Lords said that for difficult cases on the margins, the test to be applied is whether, objectively speaking, it was reasonable to expect privilege to apply in the dealings between lawyer and client.

Thus, privilege will apply to communications concerning a matter on which it is normal for lawyers to advise their clients.

The privilege extended to patent attorneys and trade mark attorneys under the Legal Provisions only applies to advice given in relation to certain subject matter. This is examined more closely in section 3 below.

IN-HOUSE COUNSEL AND LEGAL CONTEXT

In-house patent or trade mark attorneys must take care to determine whether their work is legal or administrative. Privilege will not attach to communications from in-house counsel where the in-house counsel is acting outside his legal professional role (for example, giving free-standing business advice). This can be of particular importance to an in-house lawyer, who often has a dual role extending beyond that of a legal adviser to include providing free-standing business advice to their clients.

Company personnel should be encouraged to include a statement that they are requesting legal advice in any notes to in-house patent or trade mark attorneys. This should be in the title or first sentence of the memo. In turn, in-house patent or trade mark attorneys should include in their reply a statement such as "in response to your request for legal advice..."

This will assist in ensuring that the advice is not seen as having been given purely as free-standing business advice.

It is also sensible to avoid including business advice in a document that also contains legal advice.

IDENTIFYING THE CLIENT

As discussed above, LPP attaches to lawyer/client communications and to certain communications between lawyers, clients and third parties.

It should be remembered that privilege belongs to the client and therefore that it is only the client (and not the patent or trade mark attorney without the client's consent) who may waive or refuse to waive privilege.

An important issue for in-house patent and trade mark attorneys is identifying the client.

Prior to the Court of Appeal's judgment in *Three Rivers (No 5)*⁸, lawyers and clients had understood that, for the purposes of LAP, when dealing with an organisation, the "client" was the organisation itself, and its employees acted as agents when communicating with lawyers.

Following the Court of Appeal's judgment, the definition of the "client" has been drastically narrowed. The "client" is now restricted to those individuals specifically tasked with seeking and obtaining legal advice.

Although the House of Lords was invited to consider this definition in a later *Three Rivers* case in 2004, it declined to do so, and the Court of Appeal's judgment is therefore the leading authority on this point.

The identity of the "client" is not necessarily all those persons who might be involved in a matter, or located in a specific department, and nor will it be the same each time an organisation seeks legal advice.

Therefore, it is necessary to identify which employees of an organisation constitute the "client" at the outset of each new matter, and to review this as the matter progresses.

DISSEMINATION OF PRIVILEGED MATERIAL WITHIN GROUPS OF COMPANIES

When disseminating privileged material within an organisation, it is important to be aware of exactly when it is leaving the client team. This may involve passing the material outside the client team within a particular company, or even distributing the material to another company in the same group.

Circulation outside the client team should be strictly controlled to preserve confidentiality and to ensure that privilege is not waived inadvertently. If documents are passed outside the client team, they should be clearly marked as privileged and personnel should avoid creating any new documents commenting on or referring to the privileged material, as this could jeopardise the privileged status of the original document.

Where the patent or trade mark attorney is employed by a parent company, or by a number of companies in the same group, then passing privileged material from the parent company to subsidiaries in the former case, or between the various companies in the latter case, will probably not constitute a waiver of privilege, as the companies would be likely to be able to establish that they have joint privilege in the privileged documents. It should be noted that where two parties establish joint privilege, whilst the parties may pass privileged materials to each other without losing privilege in them, they cannot withhold privileged material from each other.

Where a patent or trade mark attorney is employed by one company within a group, the attorney or his client may be able to pass privileged material to other companies within the group without waiving privilege where it can be established that the other companies share a common interest in the material and that common interest privilege thus applies. Common interest privilege is a head of privilege distinct to LAP or LP and is an area of law which is still developing. In his authoritative book "Documentary Evidence", Charles Hollander QC does not envisage a problem in companies within the same group claiming common interest privilege, provided that the information is confidential.

LITIGATION PRIVILEGE

Litigation privilege has been extended to cover communications between patent or trade mark attorneys and their clients and between those attorneys or their clients and third parties by the Legal Provisions and by the Legal Services Act 2007. The extension under the Legal Provisions is dealt with in section 3 below and that under the Legal Services Act in section 4.

The pre 1988 cases on the old s 104 PA (which did not provide for legal advice privilege for patent agent communications) discuss the boundaries of litigation privilege. In helping to define current litigation privilege that case law is still relevant⁹. It was said in *Rockwell International Corporation v Serck Industries Limited* that proceedings are not contemplated when there is only a mere fear (without reason) that proceedings may be brought, and communications seeking advice as to whether a particular course of action would or would not infringe a patent will not fall under litigation privilege. However, in *Southco Inc v Dzus Fastener Europe Limited* (unreported) Aldous J (as he then was) indicated that he was not bound by the decision in *Rockwell*, and was not persuaded that it was correct, although he was not in the end asked to reach a conclusion on the point.

On the basis of *Rockwell* (albeit doubted by Aldous J), for proceedings to be contemplated, there has to be some positive threat of legal proceedings.

To maximise the protection available, patent and trade mark agents should label any communications relating to contemplated proceedings as such. For example, they might include words along the lines of "... in view of the contemplated legal proceedings ...".

Under this head of privilege, communications between a patent or trade mark attorney and a solicitor will be privileged whether or not these fall within the criteria set out in the Legal Provisions or in s190 LSA because the communication will be a solicitor's document.¹⁰

WAIVER OF PRIVILEGE

The principle is that once a document is disclosed, privilege is waived. If part of a privileged document is disclosed, privilege to the whole document is waived, unless a clear distinction can be made between sections of text and the document can, in effect, be divided into two or more distinct documents. If privilege is expressly waived in one document then it may also be waived in any other documents dealing with the same subject area. It is possible to waive privilege unintentionally, and it is therefore important to remember that service of witness statements and expert reports is likely to waive privilege in any documents mentioned in them. It is possible that privilege in documents mentioned in pleadings would also be waived on service.

PATENT AGENT PRIVILEGE DURING THE PROCEDURE FOR AMENDMENT OF PATENTS

It is permissible to amend patents in the course of litigation under s 75 of the 1977 Act. The patentee must show the Court that the amendment is a permissible one under the Act.

Historically, the UK's attitude towards amendment was much stricter than most, if not all other members of the EPC. The Patents Act 2004 brought the practice in the UK into line with the procedure in the EPO and Europe generally.

Under the old procedure, an opponent of the amendment could challenge the patentee's proposed amendment in particular by suggesting a lack of good of faith or deliberate maintenance of what was known to be an invalid patent. A practice grew up whereby often all patent prosecution files, including privileged documents, were disclosed to prevent the Court from drawing adverse inferences from any failure to disclose documents.

However, this practice was criticised by the Court of Appeal in *Oxford Gene Technology Limited v Affymetrix Inc (No. 2)*¹¹. In *Oxford Gene Technology*, the Court of Appeal held that there was no obligation on a patentee seeking to amend his patent to waive privilege in documents in order to disclose material facts to the court, and furthermore, that the court was not entitled to draw adverse inferences against a patentee who chose to maintain privilege in documents. The decision on whether to waive privilege is one for the patentee, and not for the court.

WITHOUT PREJUDICE CORRESPONDENCE

Communications between the parties to a dispute, conducted on a without prejudice basis, are privileged and can be disclosed to the Court only in reserved circumstances, for example, on costs issues or in relation to the terms of a settlement. Patent and trade mark attorneys should ensure that any correspondence with the other side which could be construed as pointing towards a potential settlement is marked "without prejudice".

CONFIDENTIALITY AS AN ALTERNATIVE TO LPP

Communications that are confidential should be marked confidential, and kept confidential by controlling their circulation. Often where a potential invention is not patentable the concepts of confidential information and know-how can be useful tools in protecting the idea or work. However, the mere fact that a document contains confidential information is not a basis for a claim to privilege and does give rise to any reason not to produce the document.

Where trade secrets are involved, a Court may restrict inspection of disclosed documents. The onus is on the disclosing party to seek a special Confidentiality Order. If it is satisfied, the Court will limit inspection of documents to legal and independent advisors. It may also be permissible to blank out those portions of documents which contain the confidential matter which is irrelevant for the purposes of the proceedings.

Therefore, even when a document is not privileged, if it can be "cloaked" in confidentiality and therefore only disclosed to, for example, patent agents, solicitors and Counsel (perhaps with the Court "sitting in camera" at the relevant stages). This can help at least to prevent the information getting into competitors' hands.

⁶ *Balabel -v- Air India* [1988] 2 WLR 1036

⁷ *Three Rivers District Council v Bank of England (Disclosure) (No 4)* [2004] UKHL 48

⁸ *Three Rivers District Council v Governor and Company of the Bank of England* (No. 5) EWCA Civ 474 (03 April 2003); [2003] QB 1556

⁹ [1987] RPC 89

¹⁰ *Cooper Mechanical Joints' Application* [1958] RPC 459. *Hydroplan v Naan Metal Works* (Israel) [1985] FSR 255.

¹¹ [2001] RPC 9

3. The Legal Provisions

The Legal Provisions have been amended by sections 75-80 and 109-115 of Schedule 21 to the Legal Services Act 2007, which came into force on 1 January 2010.

THE LEGISLATION

Section 280 of the Copyright, Designs and Patents Act 1988

Section 280 of the Copyright, Designs and Patents Act ("CDPA") contains the main provision under English law to extend legal professional privilege to communications with **patent attorneys**. Many of the points to make about privilege in respect of patent attorneys communications arise from the wording of this section.

The full text of s 280 CDPA reads (emphasis added):

- (1) This section applies to
 - (a) communications as to any matter relating to the **protection of any invention, design, technical information or trade mark**, or as to any matter involving **passing off**, and
 - (b) documents, material or information relating to any matter mentioned in paragraph above.
- (2) Where a patent attorney acts for a client in relation to a matter mentioned in subsection (1), any communication, document, material or information to which this section applies is privileged from disclosure in like manner as if the patent attorney had at all material times been acting as the client's solicitor.
- (3) In subsection (2) "patent attorney" means —
 - (a) a **registered patent attorney** or a person who is on the European list,
 - (b) a **partnership** entitled to describe itself as a firm of patent attorneys or as a firm carrying on the business of a European patent attorney, or
 - (ba) an **unincorporated body** (other than a partnership) entitled to describe itself as a patent attorney, or
 - (c) a **body corporate** entitled to describe itself as a patent attorney or as a company carrying on the business of a European patent attorney.

Section 87 of the Trade Marks Act 1994

Section 87 of the Trade Marks Act ("TMA") 1994 provides a similar protection for communications with **trade mark agents** (emphasis added).

- (1) This section applies to —
 - (a) communications as to any matter relating to the **protection of any design or trade mark**, or as to any matter involving **passing off**, and
 - (b) documents, material or information relating to any matter mentioned in the previous paragraph.
- (2) Where a trade mark attorney acts for a client in relation to a matter mentioned in subsection (1), any communication, document, material or information to which this section applies is privileged from disclosure in like manner as if the trade mark attorney had at all material times been acting as the client's solicitor.
- (3) In subsection (2) "trade mark attorney" means —
 - (a) a **registered trade mark attorney** or a person who is on the European list,
 - (b) a **partnership** entitled to describe itself as a firm of registered trade mark attorneys, or
 - (c) an **unincorporated body** (other than a partnership) entitled to describe itself as a trade mark attorney, or a **body corporate** entitled to describe itself as a registered trade mark attorney.

The Legal Provisions extend the same protection against disclosure in legal proceedings in England, Wales and Northern Ireland afforded by LPP to certain documents generated by "patent attorneys" and "trade mark attorneys" as apply to a solicitor. These are the rights to legal advice and litigation privilege which are discussed above.

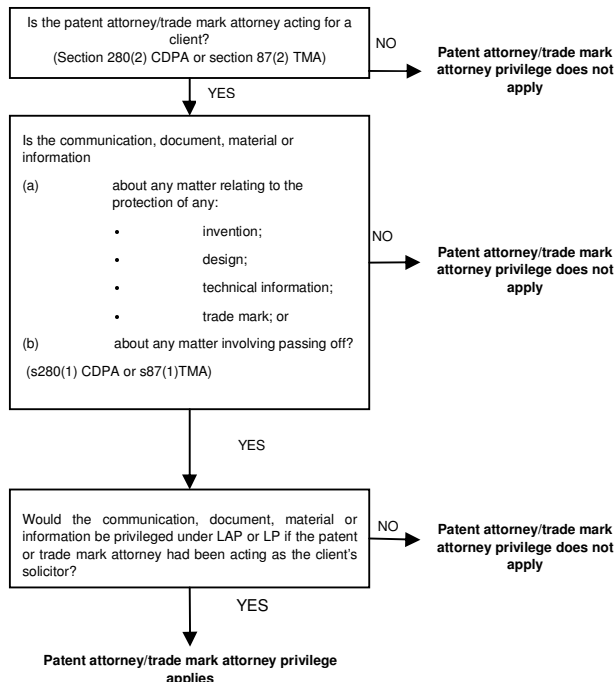
Prior to 1 January 2010, patent and trade mark attorneys were referred to in the Legal Provisions as patent and trade mark agents. They have been renamed "attorneys" in line with other European jurisdictions. In addition, the amendments to the Legal Provisions attempt to clarify the extent to which the law of privilege applies to patent and trade mark attorneys. The scope of what is protected has been widened slightly to include documents, material and information, as well as communications, relating to certain categories of advice provided by patent and trade mark attorneys. The scope of the protection is discussed further below.

INTERPRETATION OF THE LEGAL PROVISIONS

- **Scope of Privilege Protection**

- The extension of LPP provided by s 280 CDPA is limited to communications, documents, material or information relating to:

- "the protection of any invention, design, technical information, trade mark, or as to any matter involving passing off" (the "Relevant Fields").
- and that by trade mark agents in s 87 TMA is limited to communications relating to documents, material or information:
- "the protection of any design or trade mark, or as to any matter involving passing off".
- Outside these fields, communications by or to a patent or trade mark agent will not be protected by privilege¹². Therefore, although the Legal Provisions provide a considerable extension of privilege to documents generated by patent and trade mark attorneys, they fall short of the full LPP accorded to solicitors' documents.
- Prior to 1 January 2010, the privilege extended to patent and trade mark attorneys only applied to communications. The addition of documents, material or information is intended to cover preparation documents which are not actually communicated to the client.
- The following might be a good checklist to assess whether a document is privileged under the Legal Provisions:



QUALIFYING ATTORNEYS

- Section 280(3) CDPA and section 87(3) TMA of the Legal Provisions expressly limit the extension of privilege protection to patent attorneys and trade mark attorneys who are qualified in the UK or in the EU, (together, "**Qualifying Attorneys**"). The requisite qualifications are explained in more detail below. Communications with patent and trade mark attorneys ("**Non-Qualifying Attorneys**") who are not UK or EU registered are not privileged.
- **Patent Attorneys**
 - Section 280 CDPA does not include unregistered patent attorneys or unqualified patent attorneys or foreign patent attorneys qualified outside the EU or technical assistants in its definition of "patent attorney". The "patent attorneys" who are entitled to privilege, include:
 - registered patent attorneys: those on the register of patent attorneys under s 275 CDPA 1988; or
 - those on the "European list" of persons entitled to practice before the EPO ie "European Patent Attorneys".
 - Privilege is also accorded to "partnerships", "unincorporated bodies" and "bodies corporate" who are "patent attorneys" and "European Patent Attorneys". We will refer to any patent agents/attorneys who satisfy s 280 CDPA as "**Qualifying Patent Attorneys**" and others as "**Non-Qualifying Patent Attorneys**".

TRADE MARK ATTORNEYS

Similarly, section 87 TMA does not include unregistered or unqualified trade mark attorneys. The definition of "trade mark attorney" entitled to privilege includes only:

- registered trade mark attorneys: those on the register under s 282 TMA; and
- partnerships, unincorporated bodies and bodies corporate entitled to describe themselves as registered trade mark attorneys.

We will refer to any trade mark agents/attorneys who satisfy s87 TMA as "**Qualifying Trade Mark Attorneys**" and others as "**Non-Qualifying Trade Mark Attorneys**".

It is not clear whether s 280 CDPA and s87 TMA deliberately exclude unqualified patent or trade mark attorneys or whether they are to be included if supervised by a Qualifying Patent Attorney or a Qualifying Trade Mark Attorney, by analogy with the rule for solicitors.

The Relevant Fields

The Legal Provisions are worded to include "any matter relating to" one of the specified items or the Relevant Fields. On the face of it, the Legal Provisions do not apply to solely communications, documents, material or information about the protection of unspecified rights not falling within the Relevant Fields, eg free standing copyright matters and confidential information. Therefore it is possible that, for example, communications relating to copyright in press releases or advertising and sales material, would not be privileged. However, the qualifications in the Legal Provisions are drafted by reference to the nature of the item protected. Therefore it would seem that communications relating to copyright protection of a design or perhaps copyright in a document containing technical information (eg an instruction leaflet for a pharmaceutical) would be privileged.

During the passage of the Copyright, Designs and Patents Bill through the House of Commons, the Minister made a pronouncement to the effect that:

"I emphasise that we accept fully that advice given by patent agents about those - (copyright, commercial information and other intellectual property) - or any other topics should be privileged if given in the context of a question within the scope of the subjects listed in the Clause ..."

In *Pepper -v- Hart*,¹³ it was decided that the Courts could use parliamentary material, including statements by a Minister leading to the enactment of a bill, as an aid to construction of legislation where it is ambiguous or obscure. It seems that a purposive construction of the Legal Provisions is the most sensible approach. In that case we would expect that matters which are ancillary to the Relevant Fields would also be covered.

PROTECTION

What is meant by protection under the Legal Provisions?

It is important to emphasise that privilege under the Legal Provisions extends only to communications, documents, material or information relating to the protection of the Relevant Fields. The presence of this word provides an argument that in proceedings other than those of the type obviously intended to be covered (such as patent procurement, contests on validity and infringement proceedings) communications with patent/trade mark attorneys may not fall within the scope of these Legal Provisions. The Minister stated that a matter relating to the protection of one of the Relevant Fields could include communication about a competitor's marks, presumably in the context of protecting the client's own rights. Therefore, it is thought that the word protection should be construed purposively to extend to any proceedings which relate to the existence, or possible existence, or non-existence of a patent or application or trade mark or design. However, some doubt remains.

There are several areas where there is an element of doubt as to whether privilege would attach to communications. This might include communications about licences, assignments and specific contractual provisions, press releases and inter-office memoranda containing summaries of meetings. The issue of communications on licences and assignments is particularly difficult. On the one hand, the communications relate to the exploitation of the protection afforded by intellectual property rights (and could be said to fall within s 280 CDPA and s 87 TMA), but on the other hand, licences and assignments are not essential for the protection of those rights.

What types of work will be covered?

Applying a purposive approach, we consider that most types of patent/trade mark attorney work would fit in with the Relevant Fields of the Legal Provisions. These might be communications arising from the following questions from a client:

- What protection do I have or can I obtain for my invention, design, technical information or trade mark?
- Would someone else's invention, design, technical information or trade mark affect my activity or proposed activity?
- How do I enforce the protection I have for my invention, design, technical information or trade mark?
- My employee has produced an invention, design or some technical information: what protection is available to me against the outside world and against my employee?

Some examples

- The client comes to the in house patent attorney with a potential invention relating to a new anti inflammatory drug. The patent attorney gives him advice as to the availability of protection for the invention through the patent system. He also advises him on the protection of the design of the proposed packaging for the drug through registered or unregistered design rights. All this would seem to fall clearly within the patent attorney legal advice privilege, so that the client would not be obliged to disclose these communications in subsequent legal proceedings.
- A client comes to the in house patent attorney to tell him that he has discovered the existence of a parallel importer's instructions for one of the client's pharmaceuticals. The parallel importer's instructions would seem to be a copy of the client's instructions. The in house patent attorney advises him on issues relating to parallel imports of patented pharmaceuticals. These communications are covered by privilege. What about copyright in the instructions? Should the in house patent agent explain to the client that the advice he gives on this topic may not be protected by privilege and suggest that

advice comes via a solicitor? A purposive construction of s 280 CDPA would seem to cover this advice. However, there is still an element of doubt.

- A borderline example is that of a client who comes to the in house patent attorney with some new computer software. It may be an invention, in the sense that it is new and non-obvious, although not patentable because it is a computer program per se. The patent attorney may consider that it is technical information, and accordingly assert privilege in any advice he gives in relation to its protection as a copyright work, or as confidential information. Once again, however, there is an element of risk that such advice would not be privileged in proceedings.

Because of the elements of uncertainty which remain in interpreting the Legal Provisions, patent and trade mark attorneys should take their own view (before advising on matters which are not unambiguously covered by s 280 CDPA) on the risk of their client subsequently being required to disclose communications in litigation. Where a real risk exists (and such a situation will generally be unlikely), the patent attorney should ensure that the advice is channelled through a lawyer.

COMMUNICATIONS RELATING TO DESIGNS UNDER S 280 CDPA

There is a debate as to whether "design" in s 280(1) includes unregistered as well as registered designs. There is a lack of uniformity on the use of this term throughout the CDPA. The CDPA makes provisions for an unregistered design right. The definition of "design" in Part I, s 51 and Part III s 213 is "the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article". Two important requirements for a design to be registrable under the UK Registered Designs Act 1949, namely that it has "eye appeal" and is "new", are missing. Therefore, strictly speaking, the definitions in these Parts relate to an unregistered design right.

However, s 53 CDPA contains provisions in relation to registered designs. It is envisaged that a design, as defined in s 51 CDPA can be protected both as an unregistered design right and as a registered design. Although there is no definition of "design" in Part V, (the Part which includes the provisions on privilege for communications with patent agents) the sensible conclusion is to read "design" in the context of s 280 in its ordinary broader sense as including both registered designs and unregistered design rights.

¹² *Wilden Pump Engineering Co. v Fusfield* [1985] FSR 159 CA: under the old s 104 1977 Act

¹³ [1993] 1 All ER 42

4. Privilege under the Legal Services Act 2007

WORDING OF THE LEGISLATION

Section 190 of the LSA came into force on 1 January 2010 and extends LPP to certain individuals who are not qualified lawyers but who provide specified services.

The full text of s190 LSA reads (emphasis added):

- (1) Subsection (2) applies where an individual (“P”) who is not a barrister or solicitor—
- (a) provides advocacy services as an authorised person in relation to the exercise of rights of audience,
 - (b) provides litigation services as an authorised person in relation to the conduct of litigation,
 - (c) provides conveyancing services as an authorised person in relation to reserved instrument activities, or
 - (d) provides probate services as an authorised person in relation to probate activities.
- (2) **Any communication, document, material or information relating to the provision of the services in question is privileged from disclosure in like manner as if P had at all material times been acting as P’s client’s solicitor.**
- (3) Subsection (4) applies where—
- (a) a licensed body provides services to a client, and
 - (b) the individual (“E”) through whom the body provides those services—
 - (i) is a relevant lawyer, or
 - (ii) acts at the direction and under the supervision of a relevant lawyer (“the supervisor”).
- (4) Any communication, document, material or information relating to the provision of the services in question is privileged from disclosure only if, and to the extent that, it would have been privileged from disclosure if—
- (a) the services had been provided by E or, if E is not a relevant lawyer, by the supervisor, and
 - (b) at all material times the client had been the client of E or, if E is not a relevant lawyer, of the supervisor.
- (5) “Relevant lawyer” means an individual who is—
- (a) a solicitor;
 - (b) a barrister;
 - (c) a solicitor in Scotland;
 - (d) an advocate in Scotland;
 - (e) a solicitor of the Court of Judicature of Northern Ireland;
 - (f) a member of the Bar of Northern Ireland;
 - (g) a registered foreign lawyer (within the meaning of section 89 of the Courts and Legal Services Act 1990 (c. 41));
 - (h) an individual not within paragraphs (a) to (g) who is an authorised person in relation to an activity which is a reserved legal activity; or
 - (i) a European lawyer (within the meaning of the European Communities (Services of Lawyers) Order 1978 (S.I. 1978/1910)).
- (6) **In this section—**
- “*advocacy services*” means any services which it would be reasonable to expect a person who is exercising, or contemplating exercising, a right of audience in relation to any proceedings, or contemplated proceedings, to provide;
- “*litigation services*” means any services which it would be reasonable to expect a person who is exercising, or contemplating exercising, a right to conduct litigation in relation to any proceedings, or contemplated proceedings, to provide;
- “*conveyancing services*” means the preparation of transfers, conveyances, contracts and other documents in connection with, and other services ancillary to, the disposition or acquisition of estates or interests in land;
- “*probate services*” means the preparation of any papers on which to found or oppose a grant of probate or a grant of letters of administration and the administration of the estate of a deceased person.
- (7) This section is without prejudice to any other enactment or rule of law by virtue of which a communication, a document, material or information is privileged from disclosure.
- “Authorised persons” for the purposes of providing advocacy and litigation services are listed in paragraph 1 of Part 1 of Schedule 5 to the LSA, which reads:

Rights of audience and conduct of litigation

- (1) For the purposes of section 18 (authorised persons), in the case of a person who is authorised by a listed body–
- (a) to exercise a right of audience before a court in relation to any proceedings, or
 - (b) to conduct litigation in relation to any proceedings,
- it is irrelevant whether the person's authorisation was granted before or on or after the appointed day.
- (2) The “*listed bodies*” are–
- (a) The Law Society,
 - (b) The General Council of the Bar,
 - (c) The Chartered Institute of Patent Attorneys,
 - (d) The Institute of Trade Mark Attorneys,
 - (e) (The Association of Law Costs Draftsmen, and
 - (f) for the purposes of sub-paragraph (1)(a) only, The Institute of Legal Executives.
- (3) For the purposes of sub-paragraph (1), any authority conferred by section 31 of the Courts and Legal Services Act 1990 (c. 41) (barristers and solicitors deemed to have rights of audience and rights to conduct litigation) is to be disregarded (see paragraphs 4 and 7 below).

Extent of privilege

Before 1 January 2010, s190 did not extend LPP to patent and trade mark attorneys conducting litigation and the scope of LPP extended to patent and trade mark attorneys was limited to protection conferred by s280 CIPA and s87 TMA.

Under the newly amended s190 LSA, the definition of “authorised persons” (who are not solicitors or barristers) has been extended to include patent and trade mark attorneys who are authorised by the Chartered Institute of Patent Attorneys and The Institute of Trade Mark Attorneys respectively to exercise a right of audience before a court or to conduct litigation.

The scope of LPP extended to appropriately authorised patent and trade mark attorneys providing advocacy and litigation services is fully equated with that which a lawyer would enjoy when carrying out such a function.

5. International considerations: Foreign courts, documents created/received outside the UK and the European Union

QUALIFYING ATTORNEYS COMMUNICATIONS

The Legal Provisions contain no geographical limitation. Therefore, it would appear that privilege will be accorded, under English law, to documents prepared, for example, by a Qualifying Attorney in connection with foreign trade mark/patent applications. Further the proceedings which give rise to litigation privilege can be foreign proceedings. Where a Protective Order has been made prohibiting the use of documents created in the course of US litigation outside those proceedings and the documents were covered by litigation privilege in the US, an English Court has held that the documents remain privileged in the English proceedings. However, to be protected by privilege in the UK, the document must be one to which privilege properly attaches under English law. Therefore, for example, a technical document which is protected by a US Protective Order will not attract privilege in the UK unless it falls within the criteria of the Legal Provisions, or can be regarded as foreign legal advice (see below).

Although the protection to be afforded by the Legal Provisions is broad within the Relevant Fields where the attorney is acting for a foreign client, the effect may be reduced by the client being called upon to comply with an order for disclosure in his native country and against which the UK legislation is ineffective so far as his client is concerned. Thus if, for example, Company C is involved in US proceedings, whether any patent or trade mark attorney or agent communications generated or received in the UK are privileged from disclosure in the US may depend on US disclosure laws. It has been suggested that US courts should apply the principle of comity and not insist on disclosure of documents prepared by a foreign patent or trade mark attorney which are privileged according to his own laws when the communications relate solely to foreign matters. There are some helpful US decisions. For example, a US Court has held, applying the principle of comity, that a British patent agent's communications with a US patent attorney regarding prosecution of a UK or EP patent application (and which therefore relate solely to foreign matters) are privileged. Another US Court has found that privilege extends to communications between a British patent agent and a British client concerning an EP application. On the other hand, despite the fact that s 280 CDPA provides for privilege for foreign patent applications, privilege for a British patent attorney's communications has been denied in the US when the communications "touched base" with the US. US Courts have also denied privilege for communications between a British patent agent and his correspondents in other countries in relation to parallel patent applications based on the fact that the communications would not be privileged in the country of receipt.

NON-QUALIFYING ATTORNEYS' COMMUNICATIONS

Whether any Non-Qualifying Attorney communications will be privileged in any English proceedings is a difficult question. If, for example, a US patent agent advises his English client on

the validity of a US patent and the client becomes involved in UK litigation on the validity of the parallel GB patent, then strictly speaking s 280 would not apply because the patent agent would not fall within the definition in that section. On this strict approach the client would have to disclose the US patent agent's advice in the English proceedings. However, if the US patent attorney giving the advice is admitted to the local State Bar, then the patent attorney is regarded as a member of the local legal profession and the rules on privilege for foreign lawyers' advice come into play.

In the case of *IBM v. Phoenix International (Computers)*¹⁴, Aldous J (as he then was) stated that the correct approach in assessing whether the advice given by foreign lawyers was to be protected by privilege or not, was to look at the substance and reality of the document, the circumstance in which it came into existence and also its purpose. In that case, the advice was given by US lawyers in circumstances where litigation was contemplated to enable the recipient to decide what strategy to adopt, both from a legal and a business standpoint. The document was held to be privileged. Accordingly, if for example, advice is given by a US patent attorney who can be considered a member of the legal profession, then it is this test which will apply in assessing whether a particular document is privileged in English proceedings. However, the rules on foreign lawyers' advice may not be so helpful in relation to jurisdictions where local patent agents are not lawyers.

In some of the old case law (relating to s 104 of the 1977 Act and therefore limited to litigation privilege) the Court held that there was no privilege for communications relating to a pending national application abroad or to an international application once it had entered the national phase in a foreign country. However, this case law would appear to be no longer directly relevant in light of the extension of privilege offered by the Legal Provisions. For US patent or trade mark agents or other foreign agents (who are not Qualifying Attorneys) and who are not members of the local legal profession) one would hope to frame a fairly strong argument that their advice should be privileged based on an analogy with foreign lawyers, however, given that the Legal Provisions are expressly limited to UK and EU qualified patent and trade mark attorneys, there is a certain element of doubt involved. Nevertheless, in order to try to maximise the protection it would be useful if, for example, all communications generated by US patent or trade mark attorneys/agents (or other foreign non-qualifying agents) were channelled through a Qualifying Attorney rather than going direct to the client in the UK. Although there is an argument that no privilege should arise merely as a result of such an agent being used as a conduit, if the Qualifying Attorney is also involved in giving some substantive advice this mechanism should certainly serve to increase the level of protection.

¹⁴ [1994] RPC 251

PROCEEDINGS BEFORE THE EC COMMISSION, THE COURT OF FIRST INSTANCE OR THE ECJ

In a competition investigation by the European Commission, inspectors are not entitled to take legally privileged documents. However, **the rules as to which documents are privileged for the purposes of European Commission investigations in competition cases are different from the UK rules.**

The principles governing privilege under EU law have largely been developed through the case law of the Court of Justice of the European Union. The *AM&S* case¹⁵ established that a document can only be withheld from the European Commission on the grounds that it is privileged if it is a communication which is:

- made for and in the interests of the company's rights of defence,
- with an independent external lawyer, that is to say a lawyer who is not bound to the client by a relationship of employment and who is qualified to practise in a Member State of the European Economic Area (EEA).

This means that communications with in-house lawyers and non-EEA qualified lawyers are not protected).

On 14 September 2010, the CJEU issued its long-awaited for decision in *Akzo Nobel Chemicals*¹⁶. The case related to an investigation into anti-competitive practices carried out by the European Commission at Akzo Nobel's and Akcros Chemicals' premises in the UK. During the course of the investigation, the Commission seized certain documents, which the companies maintained were privileged. The parties brought proceedings before the General Court which:

- confirmed that privilege in EU investigations does not extend to communications with in-house counsel;
- extended the protection of privilege to preparatory documents drawn up exclusively for the purpose of seeking legal advice from an external lawyer in exercise of rights of defence.

Akzo Nobel and Akcros Chemicals appealed this decision, but the CJEU dismissed the appeal in its entirety and confirmed that privilege in Commission investigations only applies to documents created by external, independent, EU-qualified lawyers prepared for and in the interests of the company's rights of defence.

This case law of the Court of Justice of the European Union has not yet dealt specifically with the case of advice prepared by in-house or external patent or trade mark attorneys. However, it is worth noting that the European Commission is usually unsympathetic to claims of privilege in respect of patent agent's advice, even from external patent agents.

Companies should therefore be careful to ensure that written legal advice on matters which are sensitive from an EU competition law perspective are given by external EU-qualified lawyers.

PROCEEDINGS IN THE EUROPEAN PATENT OFFICE ("EPO")

Under Rule 153 of the European Patent Commission, all communications between a professional representative (acting in his capacity as such) and his client made for the purposes of giving or receiving advice are permanently privileged from disclosure in proceedings before the EPO, unless such privilege is expressly waived by the client.

Rule 153(2) specifies that this privilege applies, in particular, to any communication or document relating to:

- (a) the assessment of the patentability of an invention;
- (b) the preparation or prosecution of a European patent application;
- (c) any opinion relating to the validity, scope of protection or infringement of a European patent or a European patent application.

¹⁵ *AM&S v Commission* [1982] ECR 1575

¹⁶ *Akzo Nobel Chemicals Ltd and Akcros Chemicals Ltd v Commission* (C-550/07 P)

6. Practical Steps

ENSURING THAT ANY REQUESTS FOR INFORMATION ARE PROPERLY LABELLED

Communications, documents, material or information are privileged where a patent or trade mark attorney acts for a client in relation to the fields specified in s280 (1)(a) CDPA or s87(1)(a) TMA. Employees requesting legal advice from in-house patent or trade mark attorneys should clearly label their requests as such, and the attorney should label any reply "in response to your request for legal advice".

Communications, documents, material or information relating to the provision by UK registered patent or trade mark attorneys of advocacy or litigation services are privileged. Thus, employees or others making requests for information from third parties (eg a client writing to a former employee to ask about the story behind an invention) which is likely to be the subject of litigation should state clearly that any information requested is required for the purposes of contemplated proceedings. Similarly, a patent or trade mark attorney seeking information (eg a patent attorney asking for an inventor's comments on internal research and development reports) should explicitly set out that he requires the information or documents in order to advise on the contemplated proceedings.

Advising in a professional capacity and unqualified assistants

In order to ensure maximum protection under the Legal Provisions and the LSA, patent and trade mark attorneys could be advised to include their professional title under their name on any communication, including any attendance notes or memoranda.

To be absolutely sure of falling within the Legal Provisions, all written communications should be in the name of a qualified patent or trade mark attorney. If this is impractical, you could adopt a number of other procedures which might help to maximise the protection. For example, a Qualifying Patent Attorney or a Qualifying Trade Mark Attorney name could be printed at the bottom of all communications, and unqualified assistants could sign them "pp". Another option might be for an unqualified patent or trade mark attorney to sign communications and include a phrase under their name such as "acting under the supervision of [name], patent/trade mark attorney". You will need to decide what works best practically. It is hard to see how attendance notes of telephone conversations could be put in the name of anyone other than the person who made the call. Using the phrase that the assistant is acting under supervision might be the best solution in such instances.

Private Practice and In-House Attorneys

English law does not discriminate between private practice, independent and employed lawyers or trade mark/patent attorney, though an employed trade mark/patent attorney may claim privilege only for communications which have arisen in

his capacity as trade mark/patent attorney and not merely as an employee or business executive. Therefore, for matters which are covered by English law, a client should have no hesitation in using an in-house or trade mark/patent attorney rather than an independent attorney. However, where competition, anti-trust or potential ECJ matters such as parallel imports are involved, there is an important distinction between privilege for in-house and independent patent and trade mark attorney communications.

A QUICK CHECKLIST

1. Does the communication fall within s190 LSA? Was the patent or trade mark attorney UK registered and providing advocacy or litigation services? If yes, patent/trade mark attorney privilege applies. If no,
2. Does the communication fall within s 280(1) CDPA or s 87 TMA? Does it relate to the protection of any of the Relevant Fields listed there? If no, then patent/trade mark attorney privilege does not apply. If yes,
3. Does the communication fall within s 280(2)(a) or (b) CDPA or s 87 TMA? Is the communication between a person and his patent/trade mark attorney or for the purpose of instructing the patent/trade mark attorney? If no, patent/trade mark attorney privilege does not apply. If yes,
4. Does the communication fall within at least one of the two classes of legal professional privilege which attach to communications with solicitors:
 - legal advice privilege; and/or
 - litigation privilege?
5. A communication which falls into at least one of these two categories will be privileged under English law. Otherwise it will not.

7. Summary of practical points to consider

- Label all relevant patent or trade mark agent communications as "**Confidential**" and "**Strictly Privileged**."
- Patent or trade mark agents should label or state that their advice is legal advice or that the information is "**in response to your request for legal advice ...**" where relevant.
- Patent agents should label any communications relating to contemplated litigation using, for example, "**... in view of the contemplated legal proceedings ...**".
- Non-qualified employees, or others who make requests for information from third parties required for the purpose of instructing a patent or trade mark agent should expressly state that the information is required in order to instruct such an agent eg "**please let me have the documents /information so that I can instruct my patent agent ...**".
- Because of the limitations to patent agent privilege of s 280 CDP, ie the Relevant Fields, if any significant advice relates to other intellectual property rights, for example, copyright, assignment or licensing, it may be better to channel the advice through a lawyer.
- Any patent or trade mark agent communications passing from the US (or any other jurisdiction) to the UK should be exchanged between the agents and not received directly by a client.
- Qualifying Patent Agents and registered trade mark agents should include their professional title on all communications.
- Unqualified assistants should include the name of their supervising agent on all communications eg "**acting under the supervision of [name], patent attorney**".
- Internal documents which repeat advice given by independent patent or trade mark agents or lawyers should say that they do exactly that.
- Patent and trade mark agents should consider very carefully who their client is with regard to any matter. If the client is someone other than their employing company they might consider channelling the advice through an agent employed by the client. If two or more companies in the group have a common interest in the legal advice this should be expressly stated in the advice eg "**... the advice set out below relates [equally] to [Company A] and [Company B]. Therefore I am addressing this advice to [Legal Director A] and [Legal Director B]**".
- Be very careful on waiver of privilege: note that if part of a document is disclosed privilege to the whole document is waived unless a clear distinction can be made between sections of text.
- Instructions to expert witnesses in litigation are no longer privileged and any expert report must contain a statement of all material instructions whether written or oral. It is best practice to instruct experts in writing. A standard form letter may be helpful.
- Written legal advice of matters which may be sensitive from an EU competition law perspective should be given by given by external EU-qualified lawyers.

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