PRIVILEGED COMMUNICATIONS IN PATENT LAW
ROADMAP

• Attorney Client Privilege

• Complexity in analysis of patent documents

• Examples

• Foreign patent documents

• Common Interest Doctrine
WHO HOLDS THE PRIVILEGE?

• The client!
  – Presents a challenge for in-house counsel

• “A lawyer shall not knowingly reveal confidential information of a client or former client to a person that the client has instructed is not to receive the information or anyone else…”
  o Tex. Disciplinary R. Prof. Conduct 1.05 (2009).
CHOICE OF LAW - A/C PRIVILEGE

• Apply the law of the circuit in which a district court sits with respect to nonpatent issues

• Apply the law of the Federal Circuit to issues of substantive patent law
PRESUMPTION OF PRIVILEGE

• When a client communicates with outside counsel, there is a presumption that it is for seeking legal advice

• The same presumption does NOT apply for in-house counsel

• Considerations for in-house counsel:
  – Is there a “clear showing” that the communication with in-house counsel were privileged?
  – What was purpose of the communication?
  – Was the communication predominantly legal?
  – Would the communication have occurred but for providing legal advice?
PREDOMINANT TEST FOR IN-HOUSE PRIVILEGE

• Texas Rules and Federal Rules:
  – “Subject matter test”
  – Texas Rule of Evidence 503: defines representative of the client as both the corporation's control group and “any other person who, for the purpose of effecting legal representation for the client, makes or receives a confidential communication while acting in the scope of employment for the client.”
ANOTHER TEST FOR IN-HOUSE PRIVILEGE

• Few states use “control group test”
• Only protects communications made between counsel and the “upper echelon” of a corporation
  – Those with authority to make decisions, or those who play substantial role in making decisions
WHY IS ANALYSIS OF PATENT DOCUMENTS CHALLENGING?

• Communications can contain lot of technical content
• Communication may become part of the USPTO record
• Traditional notions of a scrivener or conduit
WHAT ABOUT DOCUMENTS IN PATENT LAW?

• Requests by a client for advice on:
  – filing a patent application
  – complying with patent prosecution requirements
  – claim scope
  – bringing an infringement action
  – determining the patentability of an invention
  – interpreting a patent
  – infringement clearances

• Attorney’s responses to all of the above
WORK PRODUCT PRIVILEGE

• Patent prosecution documents are not work product

• Work Product privilege requires “anticipation of litigation”

• Available for documents in
  – Reexamination Proceeding
  – Interference Proceeding
  – Post-grant Proceedings
PRIVILEGED OR NOT?

• Portions of inventor’s notebook
  – Privileged when notebook pages containing information were subsequently discussed with counsel

• Mere conveyance of a document from USPTO
  – Not Privileged

• Summary of patent applications and patents
  – Not Privileged
PRIVILEGED OR NOT?

• Drafts of inventor/employee declaration
  – Privileged

• Drafts of a declaration from a nonemployee fact witness to support a non-obviousness argument
  – Not Privileged
PRIVILEGED OR NOT?

• Results of patent searches
  – Not Privileged

• Analysis of the patent search results
  – Privileged

• Drafts of responses to PTO Office Actions
  – Privileged

• Unpublished abandoned patent application
  – Not Privileged
PRIVILEGED OR NOT?

• Client's authorization to file a patent application
  – Not Privileged

• Internal communications with its licensing agent
  – Not Privileged

• Letter setting forth fee arrangement
  – Not Privileged

• Bills
  – Probably Privileged
WHAT HAPPENS WHEN THE PRIVILEGE ISSUE IS GLOBAL?

• Communications “touching base” with the U.S. will be governed by US federal law

• Communications for matters solely involving a foreign country are governed by applicable foreign privilege law

• U.S. courts may protect non-U.S. party on public policy grounds
FOREIGN JURISDICTIONS: RECOGNIZE IN-HOUSE PRIVILEGE

- Hong Kong
- Australia
- Mexico
- Netherlands
- Belgium
- Austria
- Canada
- Brazil
- United Kingdom
- South Africa
- Finland
- Poland
- Germany
FOREIGN JURISDICTIONS: NO IN-HOUSE ATTORNEY-CLIENT PRIVILEGE

• France
• Japan
• China
• Russia
• India
  – European Union
GLOBAL ISSUES AND PRIVILEGE

• Does the attorney-client privilege apply to communications between a foreign client and a foreign attorney?

• Deference to the law of the country that has the predominant or compelling interest
  – unless that foreign law is contrary to the public policy of the US forum
GLOBAL ISSUES AND PRIVILEGE

• Germany: Communications between German client and German patent attorney are privileged

• France: Communications between US client and French patent attorney are privileged

• Korea: No statute regarding privilege but also no requirement to produce
  – communications between client and Korean patent/attorney are not discoverable in the US

• Communications with a Patent Office is not privileged

• Not translating documents or providing a summary can result in the burden of est. privilege not being met
WAIVER OF PRIVILEGE

• Waiver by disclosure
  – If the client chooses to waive
  – If disclosed to third party

• Waiver By Disclosure Without Common Interest
COMMON INTEREST DOCTRINE

• Disclosure to third party with a common interest can be an exception to the waiver of the attorney-client privilege and work product doctrines.

• The Common Interest Doctrine applies where:
  – The communication is made by separate parties in the course of a matter of common legal interest;
  – The communication is designed to further that efforts; and
  – The privilege has not been waived.

• Common interest must be a legal interest not a business interest
COMMON INTEREST DOCTRINE

• Common legal interests may include:
  – Having a strong patent issue,
  – Monetizing the assigned patents,
  – Analyzing potential infringement by third parties,
  – Ensuring the patent remain valid and enforceable, and
  – Ensuring full title to the patent.

• Diverging interests:
  – Inventorship dispute,
  – Inventor that is not cooperating,
  – No expectation of confidentiality with an individual who is acting as an adversary.
COMMON INTEREST DOCTRINE

• Often applied to protect communications between:
  – Joint defendants
  – Potential joint defendants
  – Suppliers/manufacturers and purchasers
  – Seller and buyer of a business
  – Inventors and assignee
  – Patent assignee and assignor

• Patentee and financiers of the litigation
  – Common interest protection highly depended on the jurisdiction
    o CA and EDTX favor protecting communications between patentee and financier from disclosure
COMMON INTEREST DOCTRINE—BEST PRACTICES

• Written agreement between the parties that specifically identifies the common legal interests of the parties

• Best to enter into the agreement before the exchange of privileged information

• Agreement should make it clear the expectation and duty to maintain confidential and privilege communication
COMMON INTEREST DOCTRINE—BEST PRACTICES

• Disclosure must not increase the probability that a future adversarial party would discover the documents

• Ask the questions?
  – Would the disclosure would have been made but for the sake of securing, advancing, or supplying legal advice?
  – What is the primary purpose or interest of the document at issue?
The intricacies of attorney-client privilege are funny. But not “ha-ha” funny. More “psych, you’re not protected” funny.
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