For the health of the economy and patent system: rationale and scope of patent attorney privilege

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There exists, in some countries, a 'patent attorney privilege'.[1] This privilege allows an actual or potential holder of patent rights to withhold from a court communications that it has had with its patent attorney.[2] This privilege therefore is an important aspect of the patent system as it facilitates full and open communications between the two parties. It has, however, been given scant consideration in the literature.

Further, concerns have been raised around the extent of the privilege, both in Australia and elsewhere.[3] As a result, there are moves afoot on the international stage to reform its operation.[4] This article is the first to explore the rationale for the privilege in order to see if there is a sound basis upon which to found it. The justifications for other privileges recognized in jurisdictions around the world are considered as a means of exploring the public policies that may support the patent attorney privilege. Before analysing such justifications, it is necessary to understand the role of the patent attorney in the patent system and the nature of the privilege itself.

Key issues

- There are variations in the extent of patent attorney privilege in jurisdictions around the world with some countries not recognizing the privilege at all.
- Although there are a number of justifications for the other 'relational' privileges recognized in law (such as client–legal privilege, doctor–patient privilege, and cleric–communicant privilege), there has been no analysis of the rationale for patent attorney privilege.
- This article considers the justifications for the privilege and suggests that, given the need for clients to have full and frank advice for the effective operation of the patent system, the privilege is justified and should not be unduly limited in its operation.

Role of patent attorneys in the patent system

In the first half of the nineteenth century, two different skills were required to obtain a patent: those involved with obtaining the patent deed[5] and those involved with the preparation of the specification and drawings to be filed within the time specified in that deed.[6] Those who undertook the former task—'patent agents'—included officials employed in the offices involved in the granting procedure. The latter task was entrusted to those with technical qualifications, usually in engineering, a group who referred to themselves as 'specifiers'. Generally speaking, at that time, 'since

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1 The UK, for example, has a patent agent privilege (s 280 Copyright, Designs & Patents Act 1988) as does Australia (s 200(2) Patents Act 1990 (Cth)); patent agents who appear before the EPO also have a privilege (Art 134a(1)(d) European Patent Convention). There is, however, no equivalent privilege in Switzerland. For a more complete list of the countries that do, and do not, recognize a patent attorney privilege, see E Hall *et al.*, 'Patent Attorney Privilege: Rationale, Current Concerns and Avenues for Reform', *Intellectual Property Research Institute of Australia Report 01/07* (2007).

2 The use of the term 'patent attorney' here follows the Anglo-Australian understanding. That is, a patent attorney (otherwise known as a patent agent) is not legally qualified and cannot provide legal advice to her or his client.

3 The concerns in Australia stem, to a large extent, from a Federal Court decision (*Eli Lilly v Pfizer Ireland Pharmaceuticals* (2004) 137 FCR 573) in which the court interpreted s 200(2) narrowly, excluding from its application communications with foreign patent attorneys.

4 A conference was held in May 2008 that considered concerns around the privilege. The conference was organized by the World Intellectual Property Organization in co-operation with the International Association for the Protection of Intellectual Property (AIPPI).

5 For one early commentator, patent agents did not exist as a profession 'before the year 1820': A Newton, 'On Patent Agency: Its Origins and Uses. A Retrospective Review' (1891) 9 *Proceedings of the Chartered Institute of Patent Agents* 125, Society of the Arts 494; 589; and 670.

6 B Hack, *A History of the Patent Profession in Colonial Australia* (Annual Conference of the Institute of Patent Attorneys of Australia, Brisbane, Queensland, 29–31 March, 1984) 2.

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information regarding the prior art was difficult to obtain, a specifier needed to have knowledge of the technical subject to which the invention related'.[7] The term 'patent agent' later evolved to encompass both functions.

In the later nineteenth century, patent agents performed 'the basic functions of the profession, namely, advising inventors on patentability, preparing patent specifications and drawings, and filing and prosecuting patent applications on behalf of their clients'.[8] As patent agency moved towards becoming a profession, a greater degree of regulation was required, particularly with respect to agents' qualifications. While many patent agents were also solicitors,[9] patent agents were not required to possess legal qualifications.

Today, the activities undertaken by patent attorneys[10] include the following, all of which assist the client to secure and protect its legal rights:

- advising on the acquisition and strength of patent, design, and trade mark rights;
- assisting in the transfer of technology via licensing agreements;
- assisting in IP litigation; and
- advising on IP portfolio management.[11]

A particular set of qualifications are needed in order to carry out these activities. There is still no requirement that registered patent attorneys hold a law degree. However, a patent attorney is required to study legal process as a subject and to undertake study in each of the specific IP areas of patent, design, and trade mark law (and practice).[12] Unlike a lawyer, the patent attorney must hold specific academic qualifications (usually an engineering or a science degree) in a field of technology that contains potentially patentable subject matter.[13] The preparation of a patent specification (which draws heavily on these technical qualifications and associated skills) is generally the preserve of the patent attorney.[14] It is, in large part, these specific skills and expertise that provide the justification for patent attorney privilege as a privilege protecting communications between attorney and client.

Patent attorney privilege

Privilege can be understood as an 'exemption from the normal obligation of a citizen to provide the judicial arm of the state with the information and documents which are required for the determination of litigation'.[15] Traditionally, this privilege has applied to communications between lawyer and client for the purposes of legal advice or legal proceedings. It has, however, been extended by statute to apply to communications between patent attorney and client. The UK provision reads:

> 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.[16]

In Australia, patent attorney privilege is also the creation of statute. Section 102 of the original patent legislation[17] provided for a patent attorney privilege. Temporarily omitted from the Patents Act 1952 (Cth),[18] the privilege is now located in Section 200(2) of the current Patents Act 1990 (Cth).[19]

7 ibid, 4.

8 ibid, 26.

9 Harrison, above n 5, 670–671.

10 In Australia, patent agents became known as patent attorneys under the Patents Act 1903 (Cth). Patent agents in the UK have been known as patent attorneys since 2006.

11 Taken from www.ipta.com.au, December 2007. The Institute of Patent and Trade Mark Attorneys of Australia is the professional body of Australian patent and trade mark attorneys.

12 In the UK, for example, the qualifying examinations for registration as a patent attorney (under Rule 8 of the Register of Patent Attorney Rules 1990) include an examination on UK patent law and procedure and an examination on overseas patent law and procedure: Regulations for the Examinations for the Registration of Patent Agents and Trade Mark Agents 1991, sch 1.

13 In the UK: Regulations for the Examinations for the Registration of Patent Agents and Trade Mark Agents 1991, reg 6(a); and in Australia, Patents Regulations 1991 (Cth), reg 20.3 and sch 6.

14 In Australia, only in specific circumstances can a lawyer perform this activity: s 202 Patents Act.

15 JD Heydon, *Cross on Evidence* (6th edn, 2000), 664.

16 Copyright, Designs & Patents Act 1988 s 280(2). Subsection (1) states that the 'section applies to—(a) communications as to any matter relating to the protection of any invention, design, technical information, trade mark or service mark, or as to any matter involving passing off, and (b) documents, material or information relating to any matter mentioned in paragraph (a)'.

17 The Patents Act 1903 (Cth) was largely based on the Patents Act 1883 (UK), although the latter contained no patent attorney privilege.

18 As pointed out by IP Australia, the omission was, perhaps, inadvertent: IP Australia, *Patent & Trade Mark Attorney Privilege Issues Paper* (2005) 2. In 1960, the privilege was reintroduced in s 135(1A) of the Act.

19 'A communication between a registered patent attorney and the attorney's client in intellectual property matters, and any record or document made for the purposes of such a communication, are privileged to the same extent as a communication between a solicitor and his or her client'. A 'registered patent attorney' means a person registered as a patent attorney under the Patents Act, such registration being dependent on a number of requirements including that the individual be ordinarily resident in Australia (ss 3, 198(4) and sch 1 Patents Act). 'Intellectual property matters' are defined as meaning matters relating to patents, trade marks, designs, or any related matters (s 200(4) of the Patents Act) and extends to a patent attorney's 'legitimate professional activities' (*Wundowie Foundry v Milson Foundry* (1993) 44 FCR 474, 478). Those activities include advising in relation to the alleged infringement of a registered design (*Sepa Waste Water Treatment v JMT Welding* (1986) 6 NSWLR 41) and advice given as to the registrability of a trade mark (*Pfizer v Warner*

The Australian privilege applies to no greater an extent than communications between a solicitor and a client are protected. That extent was recently reiterated by the High Court of Australia in *Daniels Corporation International v ACCC*:[20]

> It is now settled that legal professional privilege is a rule of substantive law which may be availed of by a person to resist the giving of information or the production of documents which would reveal [confidential] communications between a client and his or her lawyer made for the dominant purpose of giving or obtaining legal advice or the provision of legal services, including representation in legal proceedings . . . . Being a rule of substantive law and not merely a rule of evidence, legal professional privilege is not confined to the processes of discovery and inspection and the giving of evidence in judicial proceedings.[21]

Further, the Federal Court's decision in *Pratt Holdings v Commissioner of Taxation*[22] held that communications between a lawyer (or client) and a third party may be privileged, even if the latter was not an agent of either the lawyer or the client for the purposes of the communication, and even if litigation was not pending or contemplated.[23] As well as extending to third parties, there is a rebuttable presumption that client–lawyer privilege in Australia applies to communications between clients, their lawyers, and foreign legal practitioners.[24]

While client–lawyer privilege does not extend to advice of a purely commercial nature, it does cover more than simple formal advice as to the law. As Allsop J noted in *DSE (Holdings) v Intertan*:

> What legal advice is, however, goes beyond formal advice as to the law. This recognition does not see the privilege extend to pure commercial advice. In any given circumstance, however, it may be impossible to disentangle the lawyer's views of the legal framework from other reasons that all go to make up the 'advice as to what should prudently and sensibly be done in the relevant legal framework'.[25]

The operation in Australia of patent attorney privilege, with its reference to client–lawyer privilege, has been relatively effective. However, while purporting to apply 'to the same extent as a communication between a solicitor and his or her client', the wording of Section 200(2) of the Patents Act has been strictly interpreted. This strict interpretation prevents the privilege operating in respect of communications between clients and foreign patent practitioners[26] and also, it is expected, in respect of communications between clients or their attorneys and third parties (whether the third party acts as an agent of the client or a local patent attorney). These limitations do not sit well with the current demands on the relationship between patent attorneys and their clients, particularly given the global nature of the patent system. The next two sections of the article consider the justifications for a patent attorney privilege and whether those justifications provide a sound basis for the extension of the privilege.

Rationale for patent attorney privilege

In order to clarify the rationale for the patent attorney privilege, recourse may be made to the principles behind other privileges, like the client–lawyer, priest–penitent, and marital privileges. In each case, privilege operates to entitle a person acting in the capacity of either a witness or a party to litigation to withhold evidence or to prevent others from disclosing information.[27] Those other privileges, such as that between a client and a lawyer, have been recognized for far longer than patent attorney privilege. Having endured over time, their rationale may inform that which sup-

Lambert (1989) 24 FCR 47). Matters relating to plant breeders rights, circuit layouts, and copyright (except to the extent to which there may be copyright/design overlap issues) are not apparently covered by the privilege. The UK provision, however, is limited to 'communications as to any matter relating to any invention, design, technical information, trade mark or service mark, or as to any matter involving passing off': Copyright, Designs & Patents Act 1988 s 280(1)(a).

20 An advantage of considering Australian case law is that the courts have recently raised and discussed many of the issues relating to patent attorney privilege.

21 (2002) 213 CLR 543, 552, Gleeson CJ, Guadron, Gummow, and Hayne JJ.

22 (2004) 136 FCR 357. See Australian Law Reform Commission (ALRC), *Client Legal Privilege and Federal Investigatory Bodies*, Issues Paper 33 (2007) 50–51.

23 Traditionally, the privilege covered three kinds of communications: '(a) communications between the client or the client's agents and the client's professional legal advisers; (b) communications between the client's professional legal advisers and third parties, if made for the purpose of pending or contemplated litigation; and (c) communications between the client or the client's agent and third parties, if made for the purpose of obtaining information to be submitted to the client's professional legal advisers for the purpose of obtaining advice upon pending or contemplated litigation': Heydon, above n 15, 799.

24 See *Kennedy v Wallace* (2004) 142 FCR 185.

25 (2003) 135 FCR 151, 165, quoting Taylor LJ in *Balabel v Air India* [1988] Ch 317.

26 See *Eli Lilly v Pfizer Ireland Pharmaceuticals* (2004) 137 FCR 573. Foreign patent attorneys and agents are not included in the definition of 'registered patent attorney'.

27 A Keane, *The Modern Law of Evidence* (6th edn, 2006) 623. A privilege should be distinguished from the compellability or competency of a witness to give evidence. The term 'privilege' is usually used to describe a blanket rule or exclusion (which may be subject to explicit exceptions) rather than the situation where the court has the ability to decide whether or not in a particular case to allow a witness to withhold evidence based on various considerations such as harm to the individual. As this article is concerned with patent attorney privilege, to the extent that it considers the rationale underlying other privileges, the focus is on those privileges which apply to witnesses and parties to civil litigation rather than as they may apply to an accused in a criminal trial; and, as patent attorney privilege is dependent upon the relationship between patent attorney and client, our focus is also on other relational privileges.

ports the recognition of patent attorney privilege. This review of the relational privileges found in Australian, US, and European law reveals two main justifications constituting the requisite prevailing public interest for those privileges: the good of the person and the good of society. The two broad justifications also provide support for a patent attorney privilege. They will be considered in turn.

For the good of the person

The good of the client: effective and appropriate advice

The provision of appropriate patent advice is important for the person seeking advice. The ability to deliver appropriate advice rests both on the knowledge and expertise of the advisor and the access the advisor has to all relevant facts upon which the advice is based. A common justification for privilege, therefore, is that it encourages 'full and frank' dialogue between communicants.[28] Such dialogue results in a personal benefit to the individual entitled to claim the privilege, in terms of receiving effective and appropriate advice. With respect to the medical practitioner–patient privilege, for example, an ability to consult fully and frankly with a medical practitioner[29] without the fear that those personal communications will be required by the process of law (or otherwise) to be revealed has been seen as encouraging timely consultation of a medical practitioner in the event of illness[30] and thus enabling the patient to obtain appropriate diagnosis and treatment.

In terms of client–lawyer privilege, removing the apprehension that those confidential communications would be disclosed to the client's subsequent detriment encourages the client to seek legal advice with full confidence that its lawyer, armed with all relevant facts, may provide effective advice.[31] Stephen, Mason, and Murphy JJ of the High Court of Australia acknowledged in *Grant v Downs* the traditional rationale of the client–lawyer privilege as follows:

> It promotes the public interest because it assists and enhances the administration of justice by facilitating the representation of clients by legal advisers, the law being a complex and complicated discipline. This it does by keeping secret their communications, thereby inducing the client to retain the solicitor and seek his advice, and encouraging the client to make a full and frank disclosure of the relevant circumstances to the solicitor.[32]

In doing so, their Honours noted the interrelationship between the personal benefit ensuing to the client from full and frank disclosure and the social good which comes from the proper administration of justice in which the legal practitioner plays a central role.[33] They specifically referred to the 'law being a complex and complicated discipline', the inference being that the complexity of law means that only the legally trained can know what information is needed in order to support the most appropriate legal argument for the client; the client must therefore be able to give the lawyer as much information as possible without the risk that such information will be used against it. That is, in order to get the best legal advice, communications between client and lawyer have to be protected by the law. Patent attorneys in turn have the expertise to know what information is required to best further the interests of a client—and in many situations, patent attorneys will be the only professionals capable of giving effective advice to a client.

The good of the attorney: removing professional hardship

Another justification underpinning the patent attorney privilege relates to the removing of personal hardship for the professional, in this case the patent attorney. In the case of marital privilege, the hardship sought to be alleviated arises from the personal moral conflict a witness may experience: for example, whether to betray

28 Privilege may also promote the protection of privacy and liberty of individuals. According to one Judge of the High Court of Australia, a person should be able to seek legal advice and assistance without apprehension of prejudice, as a matter 'of fundamental importance to the protection and preservation of the rights, dignity and equality of the ordinary citizen under the law': *Baker v Campbell* (1983) 153 CLR 52, 118, Deane J. Privacy and liberty also underlie the cleric–communicant privilege. That privilege, which enables evidence of confessions made to a cleric acting in a professional capacity to be withheld from a court, has some statutory recognition in Australia and abroad: ALRC, *Evidence*, Interim Report 26 (1985) 506. To compel disclosure of such communications is an 'interference with the right of the citizen to practice his religious beliefs without interference from the law' and 'a barrier to free and unfettered practice of religion': ibid, 257–258.

29 The reference to 'medical practitioner' or 'doctor' is to a medically trained professional in the traditional sense (such as a physician or a surgeon), although privileges have been extended to allied medical professionals such as psychotherapists and psychologists: JW Strong (ed.), *McCormick on Evidence* (4th edn, 1992) 370–371.

30 Sholl J, *Pacyna v Grima* [1963] VR 421 cited in SB McNicol, *Law of Privilege* (1992), 341.

31 See *Greenough v Gaskell* (1833) 39 ER 618, 62.

32 *Grant v Downs* (1976) 135 CLR 674, 685. The Court of Justice of the European Communities expressed a similar view in *Australian Mining and Smelting Europe v EC Commission* [1982] 2 CMLR 264, [18]–[21]. The 'full and frank' justification is also the usual main justification for client–lawyer privilege in recent times in the US: Strong, above n 29, 314.

33 At 685 their Honours acknowledged that in Australia, the public interest they had identified outweighed that which requires the production of all relevant evidence before a court: 'the existence of the privilege reflects, to the extent to which it is accorded, the paramountcy of this public interest over a more general public interest, that which requires that in the interests of a fair trial litigation should be conducted on the footing that all relevant documentary evidence is available'.

a confidence or commit perjury. This conflict may arise when a spouse whose partner is involved in the court process is required to give evidence. In such cases, the rationale for privilege is based on the 'undesirability that the community should make unduly harsh demands on its members by compelling them . . . to give evidence that will bring punishment upon those they love, or betray their confidences'.[34]

It is also recognized that the trial system creates hardship for a professional who would otherwise be required to keep communications confidential, so various privileges have been justified by a need to alleviate that hardship for the good of the professional. For example, the absence of a privilege 'creates a situation in which the doctor's code of ethics and his legal obligations as a witness may come into conflict'.[35] There is a public interest in avoiding this situation. A trial system which imposes unnecessary hardship on participants, particularly where a witness is likely to choose the punishment associated with disobeying the law over breaching a patient's confidence,[36] is unlikely to be viewed with public favour. Similarly, members of the clergy are often under an ethical duty to maintain the confidentiality of communications with their parishioners. For some clerics, breach of that confidence may have significant professional consequences. Furthermore, when faced with choosing between violating a sacred religious duty (that is, holding a confession confidential) and facing the sanction of the court if the cleric disobeys the law, this ethical dilemma is likely to be resolved in favour of maintaining the confidence.[37]

With respect to the patent system, the UK maintains an express ethical requirement for patent attorneys to maintain confidentiality in dealings with their clients.[38] Australian patent attorneys, in contrast, are subject to a Code of Conduct which is aimed at maintaining an 'honourable professional relationship between attorneys and their clients'.[39] The Code does not specifically refer to an obligation to maintain the confidentiality of communications with clients. However, it does provide that '[a]n attorney must act according to, and uphold the norms of the profession'.[40] A key norm is the duty of patent attorneys to 'not improperly use or disclose confidential information which has been derived from or obtained on behalf of any client'.[41] As such, the conflict an attorney may face if required by a court to disclose confidential communications of a client may provide a further justification for the privilege.[42]

For the good of society

The 'good of society' is a key justification for all privileges because, if it was not in the public interest to maintain privilege, the courts or the legislature would no longer protect it. This justification is broad and may usefully be considered in terms of its more specific manifestations: the administration of justice, the maintenance of the economy as an institution in society generally, and the maintenance of the patent system. We now consider the relationship between the patent attorney privilege and these three subcategories.

Administration of justice

Parallels can be drawn between the role of a patent attorney and the role of a lawyer in the adversarial setting, such that the administration of justice basis for client–lawyer privilege appears equally applicable to patent attorney privilege. The proper administration of justice and the particular role that the lawyer plays in that administration is the basis of the client–lawyer privilege. That privilege, well recognized by the end of

34 ALRC, *Evidence*, Interim Report, above n 28, 291.

35 ibid, 512.

36 See McNicol, above n 30, 343, where evidence is cited of doctors refusing to divulge patient confidences out of ethical duty even if this means facing court imposed sanctions. Also, the Commissioners on Revision of the Statutes of New York (1836) believed that faced with the conflict between legal duty and professional honour, a medical practitioner would, in most cases, be overcome by the 'temptation to the perversion or concealment of truth': JH Wigmore *et al.*, *Evidence in Trials at Common Law* (1961) 829.

37 McNicol, above n 30, 330 and fn 30. In particular, the NSW Parliament in the 1989 debate on the legislative introduction of the privilege acknowledged this to be likely in the case of Catholic priests. See also Bentham, cited in Wigmore, ibid, 877, and Anon. 'Developments in the Law: Privileged Communications' (1985) 98 *Harvard Law Review* 1450, 1562, who note the justifications for the privilege based on removing this ethical dilemma faced by members of the clergy.

38 Rule VIII.a of the Rules of Professional Conduct of the Chartered Institute of Patent Attorneys: '[e]xcept properly for conduct of work on behalf of the client, a Patent Agent Litigator is under a duty to keep confidential to his or her own firm the affairs of a client and to ensure that the staff of the firm do the same'. Further, the first principle of 'professional honour' stipulated by the President of Chartered Institute of Patent Agents in 1919 was 'information of any kind imparted either verbally or in writing to an agent by a client should be treated as strictly secret and confidential and should not be disclosed': R. Ransford, 'The Profession of Patent Agency' (1919) 38 *Proceedings of the Chartered Institute of Patent Agents* 15, 28–29.

39 PSB *Code of Conduct for Patent and Trade Mark Attorneys*, 3.1: www.psb.gov.au/pdfs/code.pdf.

40 ibid, 4.2.5 i.

41 IPTA Code of Ethics Guideline 7, http://www.ipta.com.au/IPTAarticles.htm.

42 To the extent that the recognized relational privileges do not relate to confessional confidences, it is difficult to justify their operation which treats certain professionals differently to other professionals, such as journalists, who may have similar obligations of confidentiality: McNicol, above n 30, 331. The likelihood of disrepute to the judicial process as a result of a choice in favour of perjury is apparent regardless of the field of practice of the professional who is entrusted with, and has an obligation to observe, the confidentiality of particular communications.

the sixteenth century, enabled confidential communications between legal practitioner and client and related documents to be withheld from disclosure in legal proceedings.[43] A rationale for the privilege, heavily influenced by the adversarial nature of the common law trial system, developed in English law in the nineteenth century.[44] According to McNicol:

> It became apparent that for litigation to be conducted properly it was essential that any materials or information which a party or the solicitor gathered for an action should be kept from the other side. The freedom of the client and the lawyer to make investigations without being required to divulge what was turned up, needed protection and preservation.[45]

The privilege was therefore seen as necessary to the operation of a common law trial system that relied upon the parties, rather than the court, to locate and present the information favourable to their case and capable of damaging or destroying the other party's case. The information and evidence obtained by the lawyer had to be privileged and that privilege could only be waived at the discretion of its owner in accordance with how its owner chose to use that information. If it were otherwise, a party could simply rely on the other party's investment in the fact-finding process. Knowing that the results of the other party's investment could be revealed via discovery, a less diligent party could simply wait for the other party to investigate the issues and disclose the results during the discovery process, possibly resulting in 'inaccurate fact finding as the court would not be presented with all the information that would have been uncovered from a diligent search made by both parties'.[46]

The connections between the role of lawyers and the role of patent attorneys were reflected in the justifications given for the introduction of clause 15 of the Civil Evidence Bill 1968 (UK),[47] as it extended privilege to communications 'made for the purpose of pending or contemplated proceedings in the Patents Office or the Patents Appeal Tribunal to be conducted by a patent agent'.[48] During debate of the Bill in the House of Commons, reference was made to comments of the United Kingdom Law Reform Committee (UKLRC). The UKLRC considered whether a patent agent should be entitled to the same privilege as would be enjoyed if acting as a professional legal adviser, stating: '[w]e think that it is clearly right that they should and, in our view, the principle on which is based the common law rule of privilege in aid of litigation would extend to such communications'.[49] The UKLRC noted that patent agents

> ... may, and often do, initiate proceedings themselves on behalf of their clients, prepare the documents, collect evidence and conduct the oral hearing in person or instruct counsel directly to do so. In relation to these proceedings they perform the same functions as a solicitor does in proceedings in the county court.[50]

Insofar as patent attorney privilege takes the form of client–lawyer privilege, arguably it helps ensure that both parties to the patent-related proceedings undertake their own diligent investigations and preparations. It limits the ability of one party to rely upon the other to produce material that will support the first party's case. As a result, the documentation and other information upon which the decision-making body will base its decision can be expected to be of higher quality, thus promoting the administration of justice.

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Even in a non-adversarial setting, a patent attorney, like a legal practitioner, can be viewed as a collaborator in the administration of justice. Patent attorney privilege, like that of client–lawyer privilege, facilitates the role of the patent attorney. It encourages 'frank and full' disclosure by the client and enables the patent attorney to receive the information necessary to more effectively advise a client on rights and obligations in the IP law area. Importantly, by encouraging this openness, patent attorney privilege places the client in the best position to seek advice about what constitutes law-abiding conduct. The administration of justice is

43 Wigmore, above n 36, 542 and NJ Williams, 'Discovery of Civil Litigation Trial Preparation in Canada' (1980) 58 *Canadian Bar Review* 1, 38.

44 The rationale has been recognized more recently in the High Court of Australia: one of 'the purpose[s] of the privilege is ... the maintenance of the curial procedure for the determination of justiciable controversies—the procedure of adversary litigation', *Baker v Campbell* (1983) 153 CLR 52, 108, Brennan J. This rationale is also recognized as justifying the protection of the notes and materials produced by the lawyer which reveal 'the thoughts, theories and strategies of the lawyer' and concern the handling of the client's matter: ALRC, *Evidence*, Interim Report, above n 28, 497.

45 McNicol, above n 30, 48.

46 Williams, above n 43, 46.

47 The clause provided for a patent attorney privilege which put a patent attorney in the same position as a solicitor would have been if acting in the place of the patent attorney.

48 United Kingdom (1967–68) Parliamentary Debates, Vol 769, 457.

49 United Kingdom Law Reform Committee, *Privilege in Civil Proceedings*, Report 16 (1967) 11.

50 ibid.

promoted by increasing the level of respect for, and observance of, the law.[51]

Sustaining the economy

The second aspect of the 'good of society' rationale relevant to the patent attorney privilege focuses on the role of the patent system in the wider economy. An analogy may be drawn with either the medical practitioner–patient privilege or the cleric–communicant privilege. The latter facilitates the spiritual health of those in the broader community and the former assists in maintaining the physical health of those in society.[52] Specifically, the public interest in maintaining high levels of health in the general community has been identified as a justification for the medical practitioner–patient privilege. As the seeking and provision of medical assistance can depend upon the relationship, based on trust, which exists between medical practitioner and patient, a threat is posed to public health in the absence of privilege.[53] Knowing that communications with one's doctor will remain confidential, the patient is encouraged to seek treatment and be candid with the doctor. This leads to appropriate diagnosis and treatment, including appropriate education about the patient's condition.[54] The better the diagnosis and treatment of individuals, the greater are the benefits to public health overall; it is, therefore, in the public interest that people may speak candidly with doctors.

As is the case when seeking medical advice from a medical practitioner, detailed and complete instructions must be given to the patent attorney when seeking advice; this will often involve the disclosure of confidential information. Privilege that promotes full and frank communication assists an attorney to procure strong, readily enforceable patent rights just as it assists a medical practitioner to provide effective and appropriate medical advice. In both situations, the client and society benefit. In the health setting, the individual's pain and suffering is alleviated and public health issues are more readily managed. In terms of IP rights, strong rights are advantageous for the economy as research and development increases and the production of new products is encouraged.[55] These rights promote the disclosure of new knowledge, promote the dissemination of innovative material upon which others can build, and encourage firms to develop new processes and products from which consumers benefit; all for the overall benefit of society.

Maintenance of the patent system

The third aspect of the 'good of society' rationale is in part an alternative take on the previous two. This aspect sees the patent system as a separate institution of society that, in itself, is worth maintaining. The system may be seen as functioning at the intersection of the legal and scientific discourses with its 'officers'[56] necessarily being literate in both.[57] From this perspective, patent attorney privilege is necessary as it protects the patent system as an institution in its own right. In the same manner that marital privilege, exempting from production in litigation communications between spouses, reinforces the institution of marriage, patent attorney privilege reinforces the patent system as an institution.[58] Marriage has been viewed as a special complex relationship that contributes to society's overall wellbeing and thus as deserving of treatment different from that given to other relationships.[59] Given the importance of the institution of marriage in society, the public interest in supporting marriage is seen to override the public interest in ensuring reliable

51 The ALRC also considers this 'compliance rationale' 'to be a significant part of the modern basis for the doctrine of client legal privilege in serving the administration of justice': ALRC *Client Legal Privilege and Federal Investigatory Bodies*, Discussion Paper 73 (2007) 263.

52 Historically, the common law has never recognized a privilege which enables a medical practitioner to withhold confidential communications with a patient if compelled by law to disclose them. See McNicol, above n 30, 339–340 and Scholl J, *X v Y (No. 1)* [1954] VLR 708, 709. Some statutory recognition of the privilege exists today in Australia, for example, the Evidence Act 1958 (Vic) ss 28(2)–(5). There is also some recognition of the privilege in Europe. Thus, the German Civil Procedure Code provides for medical practitioners to decline to answer questions or refuse to give evidence: see § 383 *Zivilprozessordnung* cited in H Koch and F Diedrich, *Civil Procedure in Germany* (1998) 112. Further, the Court of Justice of the European Communities in *Mlle M v Commission* 1980 E. Comm. Ct. J. Rep. 1797, noted that a medical practitioner–patient privilege was recognized in Member States, although the states to varying degrees placed limits on the extent of the privilege.

53 ALRC, *Evidence*, Interim Report, above n 28, 510.

54 ibid. The encouragement of disclosure by the patient to ensure proper diagnosis and treatment is also cited as a traditional rationale for the medical privilege in the United States: Strong, above n 29, 369.

55 In terms of client–lawyer privilege, there is a debate about whether the privilege should be available to corporations, particularly where the privilege is sought to be described in terms of human rights: See ALRC, *Client Legal Privilege* Discussion Paper, above n 51, 79–82. While similar arguments may be raised in the context of patent attorney privilege, the benefits to the economic health of society which have been identified arise primarily via the corporate client. Thus, it is suggested that corporations should have the capacity to rely upon patent attorney privilege in the context of seeking patent advice.

56 In this sense, patent attorneys may be seen as officers of the patent system, in similar manner to lawyers as officers of the court.

57 For a more detailed discussion of this point see C Dent, 'To See Patents as Devices of Uncertain (But Contingent) Quality: A Foucaultian Perspective' (2007) *IPQ* 148.

58 The cleric–communicant and the medical practitioner privileges may also be seen as supporting, respectively, the institutional roles of clerics and medical practitioners.

59 See, for example, McNicol, above n 30, 309.

fact-finding by complete evidence production.[60] Patent attorney privilege, therefore, may be justified in part on the basis that the patent system is important to society as a whole because it is one of the key mechanisms for encouraging innovation.

Limits of privilege based on rationales

These justifications demonstrate that there are sound bases for the maintenance (or establishment) of patent attorney privilege. The justifications also play a role in defining the limits of the privilege. Three particular limits will be discussed here: the nature of the parties to which the privilege should extend; the nature of the attorneys to which the privilege should extend, and the subject matter that should be covered by the privilege.

Parties to be covered by patent attorney privilege

Given the above rationale for the privilege, that privilege should arguably be extended to cover communications by either the client or the client's patent attorney with third parties. This is the case whether the third parties are agents of the client or of the attorney. With respect to third parties acting as an agent, the justification of the extension of the privilege is based on the role of the third party. The need for an agent's involvement can arise for any one of a number of reasons, for example, the inability of a practitioner to be physically present in a particular location or a client's inability to understand advice provided due to a language barrier. Those third parties act as the alter ego of either the client or the patent attorney for the relevant communications. In essence, the agent and the client (or patent attorney) are the one person. Accordingly, the justifications for the operation of privilege as between client and patent attorney are equally applicable in the agency situation.[61]

With respect to non-agent third parties, the basis for extending the privilege focuses on the technical nature of the advice needed in patent litigation.[62] That is, the provision of effective and appropriate advice may require input from third parties. In the context of client–lawyer privilege, Finn J in *Pratt Holdings v Commissioner of Taxation* observed:

> A party seeking to obtain legal advice may not have the aptitude, knowledge, skill and expertise, or resources to make adequately, appropriately or at all such communications to its legal adviser as is necessary to obtain the advice required. Such is commonplace today where advice is sought on complex and technical matters. To deny that person the ability to utilise the services of a third party to remedy his or her own inability or inadequacy unless he or she is prepared to forego privilege in the documents prepared by the third party, is to disadvantage that person relative to another who is able adequately to make the desired communication to a legal adviser by relying upon his or her own knowledge, resources, etc.[63]

It is appropriate for the law, via the privilege, to provide an incentive to utilize the services of third parties to enable the acquisition of effective and appropriate advice from the lawyer. To do otherwise is 'to undercut the privilege itself' and 'would not facilitate access to effective legal advice nor . . . facilitate effective communication with legal advisers for the purpose of obtaining legal advice'.[64]

The comments of Justice Finn are equally applicable in the context of the client who seeks the services of a patent attorney. The matters in respect of which advice is commonly sought from attorneys involve complex, often technical, issues upon which specialist input is required. Thus, third party input, such as from engineers or scientists, may be necessary. Knowing that these third party communications will be privileged in the same way as will its own communications, a client is encouraged to provide the patent attorney with all the information needed in order to provide appropriate advice, regardless of whether that information emanates from the client or a third party. Accordingly, the benefits such advice offers the client, the attorney, the patent system, and, therefore, the broader economy mean that the extension of the privilege to third parties—whether they be technical experts or have

60 *Shenton v Tyler* [1939] 1 Ch 620, 628 quoting from the Common Law Commissioners Second Report which recommended that all communications between spouses be privileged (this recommendation was embodied in the Evidence Amendment Act 1853 (UK). In the US, traditional support for the privilege has reflected this view, with the emphasis being on the 'danger of causing dissention and of "disturbing the peace of families" 'and the 'natural repugnance . . . to compelling a wife or husband to be the means of the other's condemnation [and] humiliation': Wigmore, above n 36, 216–217.

61 Certainly, the operation of client–lawyer privilege in these circumstances has been long recognized: see *Trade Practices Commission v Sterling* (1979) 36 FLR 244, 245, Lockhart J.

62 The UK patent attorney privilege provision includes in its definition of protected communications those communications that are not between a 'person and his patent agent' but are 'for the purpose of obtaining, or in response to a request for, information which a person is seeking for the purpose of instructing his patent agent': Copyright, Designs & Patents Act 1988 s 280(2).

63 (2004) 136 FCR 357, 368.

64 *Pratt Holdings Pty Ltd v Commissioner of Taxation* (2004) FCR 357, 368, Finn J.

expertise in other areas—is supported by privilege's rationale.

Patent attorneys to be covered by patent attorney privilege

As noted above, a key catalyst for the re-examination of the extent of patent attorney privilege in Australia was a court decision that held the privilege did not apply to communications with foreign patent attorneys. Given the justifications for the privilege (as opposed to its statutory construction), there is a strong case for the privilege to be so extended.

In the context of client–lawyer privilege, Allsop J commented:

> Members of the community may well need to seek the assistance of foreign lawyers . . . . The multiplicity and complexity of the demands of the modern state on its citizens, the complexity of modern commercial life and the increasing global interrelationships of legal systems, commerce and human intercourse, make treatment of the privilege as a jurisdictionally specific right, in my view, both impractical and contrary to the underlying purpose of the intended protection in a modern society.[65]

These comments are equally applicable in the context of patent attorney privilege, at least where the role of the foreign patent attorney does not differ significantly, or at all, from that of a local patent attorney. The administration of justice, and the maintenance of the patent system, is assisted by the patent attorney's work regardless of whether that attorney is local or foreign.[66] Neither the patent attorney's role as an 'officer' of the globalized patent system nor the privilege's facilitation of that role is diminished simply because the patent attorney resides outside Australia.[67] The privilege will operate to promote the 'full and frank' disclosure necessary for a foreign patent attorney to provide effective patent advice to her or his client in the same way as it does for a local patent attorney.[68]

An extension to include communications with foreign patent attorneys means it is also arguable that patent attorney privilege should apply to communications with in-house patent attorneys (and, consequentially, with foreign in-house patent attorneys), subject to a couple of provisos. First, the attorney would need to be recognized as a patent attorney, for example, through registration under the relevant legislation. Second, the attorney would need to be acting as a patent attorney rather than in any commercial or technical capacity. In a recent decision on client–lawyer privilege and in-house solicitors, *Telstra v Minister for Communications, Information, Technology and the Arts (No. 2)*, Graham J reiterated that for privilege to operate the in-house lawyer needs to be acting in a legal, rather than a commercial, role. The lawyer (and thus the patent attorney) would need to be able to give impartial legal (patent attorney) advice not 'compromised by virtue of the nature of his employment relationship with his employer'.[69] Again, it is the specialized knowledge of the attorney (regardless of who provides payment for the provision of that knowledge) that gives rise to the existence and need for the privilege.

Subject matter to be covered by patent attorney privilege

Finally, what scope of the communications between patent attorney and client should be protected by patent attorney privilege? If that privilege is seen to draw upon the rules for client–lawyer privilege, then arguably matters of a purely technical nature would not be covered by patent attorney privilege. This is because the privilege is based substantially on the attorney's specialized knowledge of the patent system, rather than the attorney's own mastery of a scientific specialty. However, as Allsop J in *DSE (Holdings) v Intertan* recognized with respect to client–lawyer privilege, a narrow approach to the scope of the privilege would undermine its operation and overlook its rationale.[70] Thus, to the extent that technical matters are addressed in and form part of advice provided in the patent context (for example, to the extent it would form part of advice concerning the protection or defining of patent rights), those matters

65 *Kennedy v Wallace* (2004) 142 FCR 185, 221. For a discussion of issues with respect to foreign client–lawyer privilege, see J McCommish, 'Foreign Legal Professional Privilege: A New Problem for Australian Private International Law' (2006) 28 *Sydney Law Review* 297.

66 Further, the argument for the extension of the privilege to communications between a client and third parties was not jurisdictionally limited and there is no need for such an extension to be limited to communications with third parties in the same country. Similarly, there is little cause to restrict the protection of communications between a client and her or his patent attorney to those in the same jurisdiction as the client.

67 To see patent attorneys as officers of a globalized patent system requires that they are not the officers of any particular patent office. This perspective may have implications as to the regulation of attorneys (as there is no single institution to which they owe a duty); however, such issues are outside the scope of this article.

68 Extending the privilege to cover communications with foreign practitioners is not without problems. Given the variation in the recognition of patent professionals and the patent attorney profession between jurisdictions, it will be difficult to define clearly 'foreign patent attorney' for the purposes of the privilege. A fuller discussion of this point may be found in the IPRIA Report, above n 1, 45–46.

69 [2007] FCA 1445, [35].

70 (2003) 135 FCR 151, 168.

would fall within the patent attorney privilege and be supported by the earlier identified justifications.

Recognition, not limitation

Patent attorney privilege is a justifiable protection for communications between clients, their patent attorneys, and third parties that arise in the context of gaining, defining, or protecting patent rights. Recognition of privilege is the result of weighing competing public interests, with the public interests in support of the privilege overriding those which support full disclosure of evidence before the courts. This review of public policy interests supporting various relational privileges reveals that a number of them also support the recognition of a patent attorney privilege. In particular, the specialized knowledge and expertise of patent attorneys allows them to provide appropriate and effective advice to their clients, with that advice directly going to the maintenance and benefit of the patent system and the overall economy. This is not the place to discuss concrete proposals for the reform of the privilege in specific jurisdictions;[71] however, this recognition of the rationale for, and importance of, the patent attorney privilege reinforces the need to ensure that privilege is not unduly limited in its operation in any jurisdiction.

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71 For a discussion of some of the key issues relating to the reform of the privilege (some of which have specific relevance for Australia), see the IPRIA Report, above n 1, 45–48.