INTELLECTUAL PROPERTY INSTITUTE OF CANADA
INSTITUT DE LA PROPRIÉTÉ INTELLECTUELLE DU CANADA

The Professional Association Concerned with Patents, Trade-marks, Copyright and Industrial Designs

L'association professionnelle en matière de brevets, de marques de commerce, de droits d'auteur et de dessins industriels

August 31, 2009

Ms. Tomoko Miyamoto
Standing Committee on the Law of Patents
World Intellectual Property Organization
34, chemin des Colombettes
1211 Geneva 20
Switzerland

Dear Ms. Miyamoto:

Re: SCP/13/4 – The Client-Attorney Privilege

The Intellectual Property Institute of Canada (IPIC) is the professional association of patent agents, trade-mark agents, and lawyers practicing in all areas of intellectual property law in Canada. Our membership totals more than 1,700 individuals, consisting of practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate intellectual property professionals, government personnel, and academics. Our members' clients include most Canadian businesses, universities and other institutions that have an interest in intellectual property (e.g. patents, trade-marks, copyrights and industrial designs) in Canada or elsewhere, and also foreign companies who hold intellectual property rights in Canada.

During the September 2008 Assemblies of the Member States of the World Intellectual Property Organization, IPIC was granted the status of national non-governmental organization observer. Previously, IPIC has attended, by invitation, meetings of the Standing Committee on the Law of Patents (SCP).

IPIC is grateful for the opportunity to provide comments on SCP/13/4.

First we want to commend the Secretariat for the work on document SCP/13/4, *The Client-Attorney Privilege*. The document provides an excellent overview of the issues and interesting options worth pursuing.

We had provided comments during the consultation in preparation for SCP/13/4 and have attached those comments for ease of reference.

Secondly, we strongly encourage the SCP to continue its work on this issue. With the ever-increasing value attributed to IP assets, privilege is becoming an integral part of a

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strong IP system. It is important to resolve the issues related to privilege so that all users of the system can be on a level playing field. Unfortunately, that is not the case currently for users of the Canadian system as we outlined in our previous submission. Note that in Canada, this issue applies equally to patents and to trade-marks.

Therefore, we offer the following brief comments from a Canadian perspective on the issues that are presented under section V of SCP/13/4 and that were discussed during the March 23 to 27, 2009 meeting of the SCP, at which IPIC was represented by Ms. Joan Van Zant and Mr. John Bochnovic.

a) Different laws

The SCP is studying the differences in civil law and common law regimes in relation to privilege and professional secrecy obligation.

We are perhaps in a unique situation in Canada. Most of the country operates under a common law legal system, while the Province of Quebec has both a common law component (for matters within the Federal government's jurisdiction and also criminal proceedings) and a civil law component (for matters within the Province's jurisdiction). Under this dual system, the province has developed certain statutes that may be of interest for your research.

First, the *Professional Code*, a statute of the Province of Québec, requires all members of recognized professions, not just lawyers, to uphold professional secrecy. The relevant article is 60.4 which states:

60.4. Every professional must preserve the secrecy of all confidential information that becomes known to him in the practice of his profession.

He may be released from his obligation of professional secrecy only with the authorization of his client or where so ordered by law.

The professional may, in addition, communicate information that is protected by professional secrecy, in order to prevent an act of violence, including a suicide, where he has reasonable cause to believe that there is an imminent danger of death or serious bodily injury to a person or an identifiable group of persons. However, the professional may only communicate the information to a person exposed to the danger or that person's representative, and to the persons who can come to that person's aid. The professional may only communicate such information as is necessary to achieve the purposes for which the information is communicated.

As is indicated in the SCP document, there is a difference between professional secrecy and privilege. However, the Province of Québec took the above professional secrecy requirement one step further and included in its provincial *Charter of Human*

Rights and Freedom a provision that, while not using the term privilege, provides protection from disclosure. This provision is article 9:

9. Every person has a right to non-disclosure of confidential information.

No person bound to professional secrecy by law and no priest or other minister of religion may, even in judicial proceedings, disclose confidential information revealed to him by reason of his position or profession, unless he is authorized to do so by the person who confided such information to him or by an express provision of law.

The tribunal must, *ex officio*, ensure that professional secrecy is respected.

Currently, these two statutes apply to 45 professions. Unfortunately, patent agents and trade-mark agents are of federal (national) jurisdiction and are therefore not included with the professions covered by Québec law. Therefore, while the above information doesn't apply directly to privilege for IP matters, it does provide an example of the statutory enactment of similar protection in a civil law jurisdiction. If the Secretariat would like more information on the dual system present in Quebec, we could provide it or you may wish to consult officials from the Canadian government.

b) Who is entitled to privilege?

First, generally, the work of all lawyers in Canada is subject to solicitor-client privilege.

Secondly, in Canada, as in most other jurisdictions, it is not necessary to be a lawyer to be a patent agent or a trade-mark agent. Today, about half of the patent agents are also lawyers and a majority of trade-mark agents are also lawyers. Agents and agent-lawyers often work together and the majority of them do so in law firms.

This means that you have a situation where a client that deals with an agent who is a lawyer may see her communications regarding patent or trade-mark agency work covered by privilege but if she walked into the adjacent office belonging to a non-lawyer agent to do exactly the same work, it would not be covered by privilege. This is a situation that needs to be corrected.

Furthermore, as we pointed out in our previous submission, there are judicial decisions in Canada where the court forced a lawyer to divulge information because he was deemed to be acting as an agent and not as a lawyer. This is also a situation that needs to be corrected.

We have therefore recommended to the Government of Canada that clients of all patent agents and trade-mark agents, lawyer or not, registered with the Canadian Intellectual Property Office (CIPO) should be entitled to privilege. The government, through CIPO,

encourages clients to hire agents and provides a list of agents on its website. Clients should not find themselves disadvantaged, for example if they are involved in litigation in another jurisdiction, because they followed the advice of the government.

c) The particular situation of in-house legal advisers

The legal work done by in-house lawyers in Canada is covered by privilege. In-house lawyers in Canada remain members of the provincial Law Society and remain admitted to the bar. However, the Canadian Federal Court of Appeal has ruled that communications from an in-house counsel who is also a patent agent will be privileged only where the in-house counsel is acting in his capacity as a lawyer, *IBM Canada Ltd. v. Xerox of Canada Ltd. et al.* (1977), 32 C.P.R. (2d) 205 (Federal Court of Appeal).

In our view, any legislation designed to protect confidential communications between clients and their patent and trade-mark agents should also apply to in-house patent and trade-mark agents.

d) The scope of privilege

In addressing the scope of privilege, IPIC has proposed to the Government of Canada the following legislative text. There are a variety of ways to adopt these provisions but one way could be through simple amendments to the Canadian *Patent Act* and to the Canadian *Trade-marks Act*.

Confidential communications
(1) Subject to subsection (2), a communication, and its content, between a Patent Agent or a Trade-mark Agent and that agent's client or by a Patent Agent or a Trade-mark Agent on behalf of that agent's client is to be considered confidential and shall not be required to be disclosed by the agent or client, and they shall not be required to give evidence on the communication in legal or administrative proceedings involving the infringement, validity, use, or ownership of any intellectual property right that was the subject of any such communication, whether or not such proceedings were contemplated at the time of the communication.

Scope
(2) Communications to which subsection (1) applies are any oral, written, or electronic communications between a Patent Agent or a Trade-mark Agent and that agent's client or any person acting on behalf of the client or by a Patent Agent or a Trade-mark Agent on behalf of that agent's client in respect of intellectual property matters arising within the scope of services provided by the agent, and include any record or document made for the purposes of, or relating to, such communication.

Unfortunately, to-date, the Government of Canada has not taken steps with respect to this proposed legislative text.

e) The international dimension

The international dimension of the privilege issue is quite important as it can have an impact on the competitiveness of the Canadian economy in attracting foreign investment.

We have witnessed first-hand the international aspect of the lack of privilege in respect of non-lawyer agents in Canada. For example, in *Lilly Icos LLC v. Pfizer Ireland Pharmaceuticals* (2006), 55 C.P.R. (4th) 457, the Federal Court concluded that communications between the inventors and their U.K. patent attorneys were not privileged and were required to be produced in the Canadian litigation, despite the fact that they were considered privileged in the U.K., under Section 280 of the U.K. *Copyright, Designs and Patents Act 1988,* where the communications took place. The Canadian Court stated that judicial comity between countries does not require Canada to recognize a privilege not established in Canada.

As we stated earlier, we are pleased to continue to work with WIPO in hopefully addressing inequities of this kind.

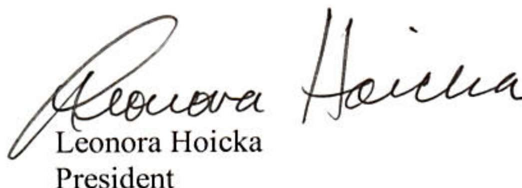
f) Options for addressing the issues

We are not ready to express at this time a preference for one option or another among those suggested in the document. We will continue to follow closely the discussions at WIPO about these options and will comment when they are further developed.

IPIC has done extensive research on the issue of privilege and we would be pleased to provide more detailed information if it can be of assistance to the SCP. You may contact our executive director, Michel Gérin, at 613-234-0516 or mgerin@ipic.ca, in this regard.

We hope that our comments will be useful to the Secretariat and to the SCP.

Sincerely,



Leonora Hoicka
President