

MEMORANDUM

Promoting Sound and Complete Professional Intellectual/Industrial Property Advice by Protecting it from Forcible Disclosure

Summary

Background

This Memorandum relates to industrial and intellectual property (IP) and the need to promote the ability of those affected by the IP system to obtain well grounded and complete professional advice about such IP. The ultimate aim of the Proposal referred to below is to contribute to making the IP system more effective, clear and transparent.

Government agencies (governments), companies and individuals are all confronted with, use or own Intellectual Property Rights (IPRs) and each of those may have to assess IPR related legal issues by obtaining the advice of IP professionals. IP professionals include lawyers in most countries but in many countries they may be specialist advisers in IP law who are not lawyers but are qualified to advise. Also, IPRs are unique in that related rights may exist in multiple countries, necessitating advice in many countries contemporaneously.

The owners of IPRs and those who are confronted by IPRs each need the best and most complete advice that they can obtain to clearly understand those rights and guide their actions regarding them. That means that the governments, companies or individuals (as the case may be) must have full and frank exchanges with their respective IP advisers.

To achieve full and frank exchanges requires that those involved know that their exchanges are confidential and will be protected from forcible disclosure, even in court. The present law (particularly internationally) does not ensure that this fundamental requirement for complete and well grounded advice is available broadly.

Proposal

The proposal is that the Member States of WIPO should mandate WIPO through the Standing Committee on Patents (SCP) to form a Working Group to study in detail how to remedy this problem. Such a study should include consideration of an appropriate international instrument under the auspices of WIPO by which minimum standards of protection against forcible disclosure of professional IP advice and mutual recognition of such protection are assured internationally. This would assist in effecting the rule of law and help render the IP system more transparent, predictable and efficient for all those assessing and using IPRs.

We urge the Member States of WIPO to initiate and promote the study by establishing such a Working Group at the next meeting of the SCP scheduled for March 23-27 2009.

Further commentary on the need for protection of IP advice from being disclosed

Existing protections from disclosure

Virtually everything relevant in deciding issues relating to any IPR, is subject to disclosure in some countries. There are some very important exceptions.

In most common law countries, there is a right not to disclose communications with IP lawyers relating to the obtaining and giving of such advice. That right is an exception to the general rule that disclosure of relevant information is required. It is called 'privilege' ie privilege from the usual requirement of disclosure. But in most countries, this privilege does not apply to IP professionals who are not lawyers, even those professionals who are qualified to render professional advice under local law.

In civil law countries, any 'right' not to disclose such communications does not widely exist. However, in some civil law countries two factors do impact such disclosure: (1) recognition of professional secrecy and confidentiality in relation to communications with certain IP advisers and (2) discovery of written communications that are relevant is not generally required. There is thus in effect some, though not complete, protection against forcible disclosure of such communications.

Privilege is a right possessed by the client and can only be waived by the client. Professional secrecy can only be waived by the professional with the consent of the client (government, company or individual).

Public and private interests in the right to protection against forcible disclosure

The public interest in having full and frank disclosure between those who seek and those who give IP professional advice has at least three objectives – **first**, ensuring all those assessing or using IPRs are properly informed of the scope and validity of those rights, **second**, promoting law enforcement (rule of law) and **third**, enabling the parties involved (government, companies and individuals), to have the best prospect of a just and efficient outcome either through private means such as negotiation or more public means such as use of the courts.

The lack of support for full and frank disclosure has adverse effects for the public interest including not supporting the provision of complete, well grounded and accurate advice.

IP professionals have to resort to devices and methods limiting the scope for their clients to be publicly examined about advice they received. Courts and professionals spend inordinate time sorting out what might, or might not be protected. This puts an unwarranted burden on the court systems which are usually publicly funded.

The foregoing devices and actions cause uncertainty, delay and cost. Frequently, those activities have little relationship to the main points in issue like ownership, validity and infringement.

The non-recognition of the protection applied to such communications in the one country under the law of the next country, is preventing the protection from disclosure in the first country being an aid to the rule of law in that country.

National laws providing rights against forcible disclosure of communications with IP advisers

Generally, where these laws exist, they may not have taken into account that all users of IP systems internationally need the advice of IP professional advisers from one country to another around the world, perhaps on very much related rights. It is inevitable that users of the IP system need to rationalise the differences between the advice so obtained from one country to the next.

The need to so rationalise advice applies no less to governments or government agencies which own IPRs than it does to other owners. It also applies to those who wish to contest that ownership including the validity or application of the IP subjects. To understand the respective positions from one country to another, the users need to compare and test the advice they so obtain.

Frequently one country does not recognise the protection against forcible disclosure which applies in another country. Where that occurs, the outcome is that the law against forcible disclosure of the particular communications in the first country becomes ineffective by disclosure in the second country of the advice obtained in the first country.

From the public point of view the loss of the effectiveness of any law against forcible disclosure means that full disclosure is discouraged. That is the opposite of what the law intended.

This Memorandum is proposing making a serious study possibly to effect national laws which achieve certain minimum standards against forcible disclosure. It is also proposing appropriate international arrangements so that national governments will both for themselves and other users of their IP systems obtain efficiencies in relation to the obtaining of IP advice, the administration of their courts, and the running of the IP systems in their respective countries including ensuring more transparency with respect to the scope and validity of IPRs.

Thus by way of summary, the Proposal of this Memorandum is to establish a Working Group in WIPO to study how to overcome the problems referred to in this Memorandum including analysing and defining the problems, what are the potential solutions, what benefits could be obtained by those solutions, and by what means those solutions could be achieved nationally and internationally.

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