Hastings Communications and Entertainment Law Journal

Volume 16 | Number 3 Article 3

1-1-1994

Confidential Communications between Clients and Patent Agents: Are They Protected under the Attorney-Client Privilege

Virginia J. Harnisch

Confidential Communications Between Clients and Patent Agents: Are They Protected Under the Attorney-Client Privilege?

by
VIRGINIA J. HARNISCH*

TABLE OF CONTENTS

* B.A. 1987, Columbia College; J.D. 1990, University of Virginia. The author is a litigation associate at the law firm of Gordon Altman Butowsky Weitzen Shalov & Wein in New York City, which has a specialty in the area of intellecal property. She thanks Richard G. Greco, New York Counsel at Kaye, Scholer, Fierman, Hays & Handler for his advice in writing this article.

Introduction

Communications between a professional legal advisor and a client made in confidence for the purpose of obtaining legal advice are protected from compelled disclosure by the attorney-client privilege.[1] The oldest of evidentiary privileges in common law, the attorney-client privilege rests on a fundamental tenet of public policy: clients must be able to confide in their counsel without fear that their confidences will be disclosed to others.[2] Typically, the privilege applies only to attorneys admitted to practice law under a state bar. However, courts have expanded the application of the attorney-client privilege to include representatives of an attorney[3] and persons reasonably believed to be attorneys.[4]

This article focuses on whether a group of specialized legal professionals—patent agents—should be included in the category of legal advisors who are entitled to the attorney-client privilege. Patent agents are licensed to handle all legal matters pertaining to the application and issuance of patents from a Patent Office. Such matters include advising their clients regarding the patentability of their inventions, drafting patent applications, arguing the merits of rejections by patent examiners, and appealing adverse decisions by the Patent Office. However, a patent agent's license is circumscribed; he is not licensed to the general practice of law.

As a practical matter, the recognition or rejection of a privilege for patent agents may be of critical importance during litigation in the United States involving patent rights. If a party is represented only by a patent agent during the process of obtaining the patent at issue, all of the party's confidential communications with his patent agent could be subject to compelled disclosure. These communications, for example, could include the patent agent's legal conclusions regarding the patentability of the invention at issue. In such cases, district courts have been divided on the issue of whether patent agents should be afforded privilege protection.[5]

This Article concludes that patent agents who function as legal practitioners should be independently recognized as attorneys for the purpose of the attorney-client privilege. Registered United States

1. 8 WIGMORE ON EVIDENCE, § 2292 (1961).
2. Upjohn Co. v. United States, 449 U.S. 383, 389 (1981).
3. United States v. Schwimmer, 892 F.2d 237 (2d Cir. 1989).
4. *See, e.g.*, United States v. Ostrer, 422 F. Supp. 93 (S.D.N.Y. 1976).
5. *See infra* text accompanying notes 26-53. This uncertainty undermines the purpose of the privilege of free communication between a client and his legal advisor. *See Upjohn*, 449 U.S. at 393.

patent agents are practitioners authorized by Congress to practice only before the United States Patent and Trademark Office. United States patent agents engage in the authorized practice of patent law before the Patent Office, perform legal services, and are required to preserve their clients' confidences and secrets. Similarly, when foreign patent agents function as legal practitioners, they too should be recognized as attorneys in United States litigations.

Part I of this Article traces the development of courts' perceptions of the work of patent agents—from their initial viewpoint that patent agents, and even attorneys who practice patent law, do not perform legal work to recognition by the United States Supreme Court that patent agents perform Congressionally authorized legal functions. Part II examines the divided case law on whether United States patent agents should be afforded the attorney-client privilege. The divided case law mirrors the diverse perceptions of the work and role of patent agents discussed in part I. Part II concludes that the better reasoned cases recognize a privilege for United States patent agents because they perform the same function as attorneys who practice patent law. Part III argues that the recognition of an attorney-client privilege for United States patent agents should lead *a fortiori* to recognition by United States courts of an attorney-client privilege for registered foreign patent agents who similarly function as legal practitioners in their respective countries.

I
The Misperception and Reality of the Work of Patent Agents

Recent opinions that have held that patent agents are not entitled to be treated as attorneys for purposes of the attorney-client privilege echo earlier cases which misperceived the legal nature of the work of patent agents as well as patent attorneys admitted to a judicial bar. Before the seminal United States Supreme Court case *Sperry v. Florida*,[6] the majority of district courts held that neither attorneys who practice patent law (otherwise known as "patent attorneys") nor patent agents performed legal work. While courts now unanimously recognize that patent attorneys perform legal work and are entitled to a privilege, courts are still divided on whether patent agents are entitled to privilege protection.

6. 373 U.S. 379 (1963).

A. Early Misperceptions of Patent Agents and Attorneys

In *United States v. United Shoe Machinery Corp.*,[7] one of the earliest cases to analyze the work of patent agents, also called "patent solicitors," the District Court of Massachusetts held that communications with both patent solicitors and patent attorneys, admitted to practice before a judicial bar, were not privileged. The court found that the work of the patent solicitors and attorneys was not true legal work:

> All the men in the department function less as detailed legal advisors than as a branch of an enterprise founded on patents. They are comparable to the employees with legal training who serve in the mortgage or trust departments of a bank or in the claims department of an insurance company.[8]

The court disparaged the patent solicitors' and attorneys' work even though it found that part of their time was spent examining "the scope of public patents and [ ] the application of patent law to developments by United and United's competitors."[9]

Similarly, in *Zenith Radio Corp. v. Radio Corp. of America*,[10] the court held that patent attorneys were not acting as lawyers when they were performing functions

> concerned with technical aspects of a business or engineering character, or competitive considerations in their companies' constant race for patent proficiency, or the scope of public patents, or even the general application of patent law to developments of their companies and competitors; when making initial office preparatory determinations of patentability based on inventor's information, prior art, or legal tests for invention and novelty; when drafting or comparing patent specifications and claims; when preparing the application for letters patent or amendments thereto and prosecuting same in the Patent Office; when handling interference proceedings in the Patent Office concerning patent applications.[11]

Judge Leahy clearly misapprehended the legal nature of this work. He found that these were not "hallmark activities of attorneys" and that the work could also be done by patent solicitors and other non-lawyers. The court stated that "[a]ny citizen although not an attorney may qualify for practice before the Patent Office"[12] and thus,

7. 89 F. Supp. 357 (D. Mass. 1950).
8. *Id.* at 360.
9. *Id.* at 360-61.
10. 121 F. Supp. 792 (D.Del. 1954).
11. *Id.* at 794.
12. *Id.*

implicitly reasoned that any work that could be done by patent agents was not legal work, even if done by a patent attorney.[13]

On the other hand, other district courts before *Sperry* found that the work of patent attorneys is legal work, and therefore, may be protected under the attorney-client privilege. In *Ellis-Foster Co. v. Union Carbide & Carbon Co.*,[14] a New Jersey district court disagreed with the court's reasoning in *Zenith Radio*, and held that even though patent agents capable of performing the same work as patent attorneys, confidential communications between a client and a patent attorney relating to legal advice may be privileged. The district court stated:

> I am not completely in accord with Judge Leahy's conclusions with reference to the work of those technicians who are both lawyers and scientific specialists. Certainly a person not an attorney could perform many of the functions referred to by Shappirio [an attorney] in his letters. . . . However, the admission of other than lawyers in the field of patent practice should not be considered reason for breaking down well recognized and soundly based rules affecting the claim of privilege.[15]

Similarly, finding that communications with patent attorneys could be privileged, the court in *Chore-Time Equipment, Inc. v. Big Dutchman, Inc.*,[16] stated: "Patent lawyers should not be banished to the status of quasi-lawyers by reason of the fact that besides being skilled in the law, they are also competent in scientific and technical areas."[17]

Thus, early decisions by district courts were split on whether the work of patent lawyers was legal work or merely technical work capable of being performed by patent agents, and, therefore, not privileged. However, even the courts that were willing to recognize that the work of patent attorneys is legal work and that patent agents perform the same work as patent attorneys, were unwilling to recognize that patent agents should be treated as attorneys for the purpose of the attorney-client privilege.[18] Implicitly, these courts appeared to be clinging to the rigid notion that communications with patent agents could not be privileged because patent agents are not members of the bar of any state, even if they do perform legal work.

13. *See also* Georgia-Pacific Plywood Co. v. U.S. Plywood Corp., 18 F.R.D. 463, 464 (S.D.N.Y. 1956) ("Communications dealing exclusively with the solicitation or giving of business advice, or with the technical engineering aspects of patent procurement or with any other matters which may as easily be handled by laymen are not privileged.").

14. 159 F. Supp. 917 (D.N.J. 1958).

15. *Id.* at 920.

16. 255 F. Supp. 1020 (W.D. Mich. 1966).

17. *Id.* at 1023.

18. *E.g.*, Chore-Time Equip., Inc. v. Big Dutchman, 255 F. Supp. 1020 (W.D. Mich. 1966); Ellis-Foster Co. v. Union Carbide & Carbon Co., 159 F. Supp. 917 (D.N.J. 1958).

B. The Supreme Court's Landmark Case—*Sperry v. Florida*

In *Sperry v. Florida*,[19] the United States Supreme Court definitively held that patent agents (and *a fortiori* patent attorneys) are engaged in the practice of law. In *Sperry*, the State of Florida enjoined a registered United States patent agent from practicing patent law on the ground that he was engaged in the unauthorized practice of law. The United States Supreme Court reversed the decision of the Florida Supreme Court, holding that while prosecuting patents was unquestionably the "practice of law," Congress had established special criteria to enable one to practice patent law before the Patent Office, and states were not permitted to interfere with the Congressional scheme.

First, under 35 U.S.C. § 231, Congress authorized the Commissioner of Patents to determine the qualifications necessary to practice in this special area of federal law.[20] The Patent Office regulations[21] allow the registration of both attorneys and patent agents, if they fulfill the requirements of title 37 section 10.6 of the Code of Federal Regulations.[22]

Second, with respect to the legal nature of patent practice, the United States Supreme Court was crystal clear that patent agents practice law:

> We do not question the determination that under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law. . . . Such conduct inevitably requires the practitioner to consider and advise his clients as to the patentability of their inventions under the statutory criteria, 35 U.S.C. §§ 101-103, 161, 171, as well as to consider the advisability of relying upon alternative forms of protection which may be available under state law. It also involves his participation in the drafting of the specification and claims of the patent application, 35 U.S.C. § 112, which this Court long ago noted "constitute[s] one of the most difficult legal instruments to draw with accuracy. . . . And upon rejection of the application, the practitioner may also assist in the preparation of amendments, 37 CFR §§ 1.117-1.126, which frequently requires written argument to establish the patentability of the claimed invention under the applicable rules of law and in light of the prior art. 37 CFR § 1.119. Nor do we doubt that Florida has a substantial interest in regulating the practice of law within the State and that, in the absence of federal legislation, it could validly prohibit nonlawyers from engaging in this circumscribed form of patent practice.[23]

19. 373 U.S. 379 (1963).

20. *Id.* at 384.

21. 37 C.F.R. § 10 (1992).

22. The requirements include demonstrating "sufficient basic training in scientific and technical matters" and "good moral character and repute" as well as passing an examination. 37 C.F.R. § 10.6 (1992).

23. Sperry v. Florida, 373 U.S. 379 at 383.

Despite this unambiguous statement by the United States Supreme Court that patent agents engage in the authorized practice of law, *Sperry v. Florida* did not immediately settle the issue of whether a client's communication with a patent lawyer and patent agent could be privileged.

Even a few years after *Sperry*, some district courts still clung to the notion that patent lawyers did not perform legal work.[24] Slowly, however, district courts, based upon the reasoning in *Sperry*, began to hold that patent attorneys should be afforded the status of an attorney for purposes of the attorney-client privilege doctrine. Today courts uniformly hold that the attorney-client privilege attaches to communications between clients and patent attorneys.[25]

Paradoxically, while the Supreme Court's decision in *Sperry* related to patent agents, many courts have been slow to realize the implication of the decision regarding the issue of the attorney-client privilege for patent agents. The status of patent agents and the attorney-client privilege has yet to be definitely resolved thirty years after *Sperry*.

II
Divided Law on Whether United States Patent Agents Should Be Afforded Attorney-Client Privilege Protection

District courts have been divided on whether patent agents registered to practice before the United States Patent Office should be treated as attorneys for purposes of privilege protection.[26] As ex-

24. *See* Chore-Time Equip., Inc. v. Big Dutchman, 255 F.Supp. 1020 (W.D. Mich. 1966); Underwater Storage, Inc. v. U.S. Rubber Co., 314 F. Supp. 546, 548 (D.D.C. 1970) (no privilege attaches to "determining patentability, drafting patent specifications, preparing and processing applications before the Patent Office"); Collins & Aickman Corp. v. J.P. Stevens & Co., 51 F.R.D. 219 (D.S.C. 1971).

25. Hercules Inc. v. Exxon Corp., 434 F. Supp. 136 (D.Del. 1977) ("Since the Supreme Court indicated in *Sperry v. State of Florida*, 373 U.S. 379, 83 S. Ct. 1322, 10 L. Ed. 2d 428 (1963) that the preparation and prosecution of patent applications are 'hallmark activities of a lawyer', courts have consistently held that confidential communications between attorney and client for the purpose of securing legal advice concerning preparation or prosecution of a patent application are protected, whether the attorney is employed as outside counsel, house counsel, or as a member of the Patent Department."); Advanced Cardiovascular Sys., Inc. v. C.R. Bard, Inc., 144 F.R.D. 372 (N.D. Cal. 1992) (attorney-client privilege presumptively attaches to communications between an inventor and his or her patent attorney); Hydraflow, Inc. v. Enidine, Inc., 145 F.R.D. 626, 632 (W.D.N.Y. 1993) ("The representation by patent counsel of an inventor in patent matters is a recognized form of the practice of law entitled to application of the attorney-client privilege. . . .").

26. Most courts now hold that when a United States or foreign registered patent agent acts as an agent for an attorney who employed him and from whom the client is seeking

plained below, the cases recognizing a privilege for patent agents because they function as legal practitioners are the better reasoned opinions, and their logic should uniformly be followed.

A. Cases Recognizing a Privilege For Patent Agents

Vernitron Medical Products, Inc. v. Baxter Laboratories Inc.[27] was the first case to hold that communications with a patent agent registered in the United States can be protected under the attorney-client privilege doctrine. In reaching its holding the court reasoned that registered patent agents function like patent attorneys in practicing before the Patent Office and should be equally entitled to claim the attorney-client privilege.

First, the court stated that the registration requirements to practice before the Patent Office are the same for patent attorneys and patent agents.[28] Applicants, whether attorneys or agents, must be of good moral character and repute. They must be possessed of legal, scientific and technical qualifications necessary to enable them to serve clients, and they must take and pass an examination.[29]

Second, both patent attorneys and patent agents must adhere to the standards of conduct set forth in the Code of Professional Responsibility adopted by the American Bar Association.[30] The court pointed out that Canon 4 of the Code directs that "[a] lawyer shall preserve the confidences and secrets of a client."[31] The court granted a privilege for registered United States patent agents because:

> [t]he substance of the function, rather than the label given to the individual registered with the Patent Office, controls the determination here. In the special field of patents, there can be no question that all of the considerations which support the basis for the privilege between a client and a general practitioner handling an automobile accident claim apply with equal force to an inventor or other applicant for a patent and the representative engaged to handle the matter for him, whether he be a "patent attorney" or a "patent agent," so long as he is registered by the Patent Office.[32]

---

advice, the communication is privileged. *See, e.g.,* Hercules, Inc. v. Exxon Corp., 434 F. Supp. 136 (D. Del. 1977); Cuno, Inc. v. Pall Corp., 121 F.R.D. 198, 204 (E.D.N.Y. 1988) ("the weight of authority holds that the privilege applies to confidential communications with patent agents acting under the authority and control of counsel."). This Article focuses on the issue of whether patent agents independently should be afforded a privilege because they function as attorneys.

27. 186 U.S.P.Q. 324 (D.N.J. 1975).
28. *Id.* at 325.
29. *See* 37 C.F.R. § 1.341 (1975).
30. *Id. See also* 37 C.F.R. § 1.344 (1975).
31. *Vernitron* 186 U.S.P.Q. at 325.
32. *Id.*

Similarly, in *In re Ampicillin Antitrust Litigation*,[33] the court held that registered United States patent agents should be afforded attorney-client privilege protection. The court, following the same reasoning as in *Vernitron*, stated that under the Congressional scheme, "in appearance and fact, the registered patent agent stands on the same footing as an attorney in proceedings before the Patent Office."[34] The court concluded "[t]hat freedom of selection, protected by the Supreme Court in *United States v. Sperry*, would, however, be substantially impaired if as basic a protection as the attorney-client privilege were afforded to communications involving patent attorneys but not to those involving patent agents."[35]

Other courts have followed the holdings of *Vernitron* and *Ampicillin* and have held that a client's confidential communication with his patent agent for the purpose of obtaining legal advice are privileged.[36] In *Dow Chemical Co. v. Atlantic Richfield Co.*,[37] the court reasoned that if communication with patent agents were not protected under an evidentiary privilege, patent agents would be in an "ethical corner."[38] Under Ethical Consideration 4-4 of the Model Code of Professional Responsibility, which patent agents are obligated to follow, "a lawyer should endeavor to act in a manner which preserves the evidentiary privilege . . . ."[39] If no privilege existed for patent agents, the agents would be required to act in a manner which preserves an evidentiary privilege that does not exist. The court concluded that Congress could not logically have intended to hinder applicants' right to representation by a patent agent, or to hinder patent agents in their specifically granted right to practice before the Patent Office.[40]

33. 81 F.R.D. 377 (D.D.C. 1978).

34. *Id.*

35. *Id.*

36. Dow Chemical Co. v. Atlantic Richfield Co., 227 U.S.P.Q. 129 (E.D. Mich. 1985). *See also* Foseco Int'l Ltd. v. Fireline, Inc., 546 F. Supp. 22, 25 (N.D. Ohio 1982) ("Communications between a patent agent and a client may be privileged, however, where the patent proceeding is before the U.S. Patent Office and the patent agent is registered with that office."); Stryker Corp. v. Intermedics Orthopedics, Inc., 24 U.S.P.Q.2d 1676, 1680 (E.D.N.Y. 1992) ("attorney-client privilege should be available equally to communications of registered United States patent agents and registered United States patent attorneys.").

37. 227 U.S.P.Q. 129 (E.D. Mich. 1985).

38. *Id.* at 134.

39. MODEL CODE OF PROFESSIONAL RESPONSIBILITY EC 4-4 (1993).

40. *Id.*

B. Cases That Do Not Recognize a Privilege for Patent Agents

Some courts have rejected the reasoning that supports the opinions of *Vernitron*, *Ampicillin* and *Dow Chemical Co.*, and have refused to recognize an attorney-client privilege for patent agents. Cases which do not recognize a privilege for United States patent agents rest on the formalistic distinction between membership in the patent bar and membership in the general legal bar. These decisions are a vestige of the incorrect perception that patent agents do not perform legal work.

In *Joh A. Benckiser G.m.b.H., Chemische Fabric v. Hygrade Food Products Corp.*,[41] the District Court of New Jersey rejected the reasoning in *Sperry* and held that a client's communications with his registered United States patent agent could never be privileged.[42] First, the court rejected the plaintiff's argument, based on *Sperry*, that Congress created an "independent bar" comprised of patent agents and attorneys who are authorized to practice before the Patent Office. Rather it narrowly defined an attorney as someone admitted to practice before some court, even as it acknowledged that a patent agent may perform a lawyer's work. Second, the court stated that the "rule is simply that communication between a client and an administrative practitioner who is not an attorney are [sic] not privileged."[43]

The district court of New Jersey's reliance on *Falsone* is misplaced. In *Falsone*, the court found that there was no privilege for a certified public accountant (CPA) enrolled before the United States Treasury Department to refuse to testify before the Tax Commission and produce documents. However, a CPA representing persons before the Treasury Department is distinguishable from a patent agent practicing before the Patent Office for three reasons. First, according to the court in *Falsone*, all preparers of tax returns, including attorneys, can be compelled to testify before the Tax Commission.[44] Thus, neither an attorney nor an agent can refuse to testify before the Tax Commission. Second, under title 31 subtitle A part 10 of the Code of Federal Regulations, an agent enrolled before the Treasury Department is not authorized to practice law. The Supreme Court, however,

41. 253 F. Supp. 999 (D.N.J. 1966).

42. This case was decided by the District Court of New Jersey more than ten years before the New Jersey court held in *Vernitron* that communications with registered patent agents were privileged. Thus, the precedential value of *Benckiser* is minimal.

43. *Benckiser*, 253 F. Supp. at 1001 (citing Falsone v. United States, 205 F.2d 734 (5th Cir. 1953)). The court also cited an older edition of McCormick, Evidence § 92, at 185, which stated that "[t]here is some conflict in the decisions as to whether the privilege is available for communications to an administrative practitioner who is not a lawyer."

44. *Falsone*, 205 F.2d at 739.

specifically stated in *Sperry* that patent agents practice law.[45] Third, unlike tax agents, patent agents must comply with the ethical canons prohibiting the disclosure of privileged information.[46] Thus, *Benckiser* was wrongly decided, as the repudiation by the New Jersey District Court in *Vernitron* indicates.

Other courts refusing to recognize a privilege for patent agents have provided scant reasoning for their decisions.[47] Additionally, the decisions appear to be based on a misunderstanding of the patent agent's role. For example, in *Sneider*, the court described the work of a patent agent as "quasi-legal service."[48] Because the Supreme Court in *Sperry v. Florida* clearly stated that patent agents perform legal work, cases which provide no reasoning or repudiated reasoning should be rejected.

Similarly, in *Status Time Corp. v. Sharp Electronics Corp.*,[49] the court refused to recognize a privilege for foreign patent agents where the communication was with a United States law firm.[50] The court rejected *Vernitron* and *Ampicillin* and seemed to follow the analysis in *Benckiser*, although the court did not cite the case. The court reasoned that the relationship between a client and a foreign patent agent is analogous to a client and his accountant, banker, or investment advisor and concluded that "the necessity for 'unrestricted and unbounded confidence' between a client and his attorney which justifies the uniquely restrictive attorney-client privilege simply does not exist in the other relationships."[51] However, the *Status Time* court failed to

45. *Sperry*, 373 U.S. at 383.

46. Under 37 CFR § 1.344 both patent attorneys and patent agents must conform to the standards of ethical and professional conduct set forth in the Code of Professional Responsibility, including Canon 4 on presentation of client confidences and secrets.

47. *See, e.g.*, Rayette-Faberge, Inc. v. John Oster Mfg. Co., 47 F.R.D. 524 (E.D. Wis. 1969) (communication between patent agent and plaintiff's counsel not privileged); Duplan Corp. v. Deering Milliken, Inc., 397 F. Supp. 1146, 1169 (D.S.C. 1974) ("adopt[ing] the rule that no communications from patent agents, whether American or foreign, are subject to an attorney-client privilege in the United States"); Detection Sys., Inc. v. Pittway Corp., 96 F.R.D. 152, 155 (W.D.N.Y. 1982) ("As a general rule, 'no communications from patent agents, whether American or foreign, are subject to an attorney-client privilege in the United States.'") (citing *Duplan*, 397 F. Supp. 1146 (D.S.C. 1974)); Sneider v. Kimberly-Clark Corp., 91 F.R.D. 1 (N.D. Ill. 1980) (no privilege for patent agents).

48. 91 F.R.D. at 4.

49. 95 F.R.D. 27 (S.D.N.Y. 1982).

50. As discussed below, where the foreign patent agent's communication does not touch base with the United States, the majority of courts hold that under principles of comity, foreign law determines if the communication is privileged. This Article argues that a functional approach should be applied in determining whether a foreign or domestic patent agent should be treated as an attorney for purposes of the privilege.

51. *Status Time*, 95 F.R.D. at 33.

explain why the relationship between a client and a patent agent is more akin to that of an accountant than an attorney.

The reasoning in *Status Time*, as in *Benckiser*, is faulty because it is premised on an erroneous view of a patent agent's work and responsibilities. Magistrate Judge Gershon acknowledged that "the general purpose of the attorney-client privilege is 'to promote freedom of consultation of legal advisers by clients.'"[52] But Gershon misconstrued the role of the patent agent by ignoring the agent's responsibility as a practitioner of patent law licensed by the United States Patent Office or a foreign patent office. The Supreme Court in *Sperry v. Florida* clearly ruled that patent agents practice law. Since patent agents practice law, they are "legal advisors" on the subject of patents and should be afforded the same privilege as other legal advisors. *Status Time* does not identify any way in which the role of a "patent practitioner" differs from one who is an attorney admitted to a bar of a state and is engaged in the work of prosecuting patents. Thus, the holding in *Status Time* is based on a misunderstanding of the function of patent agents and should be rejected.

C. Consistent Recognition of a Privilege for United States Patent Agents

Patent agents function as legal practitioners in advising and representing clients before the Patent Office. The Supreme Court has stated that patent agents, like patent attorneys, are authorized by Congress to practice before the Patent Office and to perform legal services. Moreover, patent agents, like patent attorneys, are bound by a duty to protect their clients' secrets and confidential communications. Thus, clients have a legitimate expectation of confidentiality in their communications with patent agents. The cases that do not recognize a privilege[53] are premised on inaccurate or rejected assumptions about the role of patent agents. Courts should therefore recognize an attorney-client privilege relating to legal advice pertaining to patent prosecutions (the process of obtaining a patent) for patent agents registered to practice before the United States Patent Office.

52. *Id.* at 32 (quoting *Application of John Doe*, 464 F. Supp. 757, 758 (S.D.N.Y. 1979) (citing 8 WIGMORE, EVIDENCE, § 2291, at 545 (McNaughton rev. ed. 1961))).

53. Joh A. Benckiser G.m.b.H., Chemische Fabric v. Hygrade Food Products Corp. 253 F. Supp. 999 (D.N.J. 1966); Duplan Corp. v. Deering Milliken, Inc., 397 F. Supp. 1146, 1169 (D.S.C. 1974); Detection Sys., Inc. v. Pittway Corp., 96 F.R.D. 152, 155 (W.D.N.Y. 1982); Sneider v. Kimberly-Clark Corp., 91 F.R.D. 1 (N.D. Ill. 1980); Status Time Corp. v. Sharp Electronics Corp. 95 F.R.D. 27 (S.D.N.Y. 1982).

III
Recognition of a Privilege for Foreign Patent Agents

The issue of whether foreign patent agents should be entitled to an attorney-client privilege often arises in patent litigations involving multi-national corporations. Many times the invention at issue in litigation in the United States has already been patented around the world. Courts in the United States have held that documents related to the corresponding foreign patents are discoverable because they are relevant to the United States litigation.[54] Often, however, the foreign patent prosecutions have been handled by foreign patent agents. This frequently leads to litigation on the issue of whether, although relevant, communications between foreign patent agents and their foreign clients are immune from discovery under the attorney-client privilege.

A. Role of Foreign Patent Agents

In many foreign countries patent agents are a distinct segment of the legal profession. They are the primary providers of legal services and advice for those pursuing patent rights in the foreign patent office. The patent agents are, as a practical matter, the only practitioners who handle patent prosecutions, and are often called patent attorneys.[55]

United States courts have recognized that foreign patent agents perform specialized legal services akin to attorneys at law.[56] However, despite the recognition of the unique role of foreign patent agents, United States courts have been divided on the issue of whether a privilege for a foreign patent agent should be recognized in United States litigation.

B. Privilege for Foreign Patent Agents under the Traditional Choice of Law Analysis

The majority of United States district courts in deciding whether to recognize a privilege for foreign patent agents, engage in a form of

54. *See, e.g.*, Laitram Corp. v. Depoe Bay Fish Co., 549 F. Supp. 29, 33 (D.Or. 1982) (stating a foreign patent application is evidence of the level of skill in the pertinent art and is discoverable).

55. *See* Kopacz, Note, *The European Patent Attorney Qualifying Examination: An American Perspective*, 69 J. PAT. & TRADEMARK OFF. SOC'Y 47, 51-52 (1987).

56. The court in Golden Trade, S.r.L. v. Lee Apparel Co., 143 F.R.D. 512 (S.D.N.Y. 1992), in deciding whether to find a privilege for communications between an Italian corporation and its Norwegian, German, and Israeli patent agents, concluded that the evidentiary record suggests that "the foreign patent agents, perform services akin to lawyers in their field of specialization." *Id.* at 522.

traditional choice of law analysis: communications on issues involving the United States are governed by United States law while communications relating solely to matters involving a foreign country such as communications between a foreign patent agent and a foreign investor regarding foreign patent rights, are governed by the applicable foreign statute.[57] If communications between clients and patent agents that do not touch base with the United States are recognized as privileged under the foreign statute, then the United States court will also recognize the privilege.

This approach presents an additional burden on a foreign company litigating a patent infringement action in the United States. The foreign company must provide detailed affidavits of the laws of each country in which it had a confidential communication with its patent agent, and bears the burden of proving that each of those countries recognizes a privilege for its patent agents.[58] Satisfying a district court that a foreign country recognizes a privilege is an impracticable standard, because many countries do not have open discovery as in the United States, and therefore, do not need to have explicit laws or judicial opinions recognizing a privilege for patent agents. For example, in *Alpen Computer Corp. v. Nintendo Co.*,[59] the court held that a communication between a Japanese patent agent and his client was discoverable. The court ruled that a provision of the Japanese Code of Civil Procedure which stated that a patent agent could not testify concerning confidential information obtained in the course of performing professional duties was not the equivalent of an attorney-client privilege. This ill-advised ruling failed to appreciate that in a Japanese court an explicit privilege would not be necessary because the documents would not be discoverable in the first instance. Moreover, the duty to preserve client confidences is the equivalent of a privilege designed to protect client confidences from disclosure.

57. *Id.* at 520. (citing Duplan Corp. v. Deering Milliken, Inc., 397 F. Supp. 1146, 1169-70 (D.S.C. 1974); In *Golden Trade*, the court cited the following cases that followed the choice-of-law contacts analysis: Willemijn Houdstermaatschaapij BV v. Apollo Computer Inc., 707 F. Supp. 1429 (D. Del. 1989); Chubb Integrated Sys., Ltd. v. National Bank, 103 F.R.D. 52 (D.D.C. 1984); Mendenhall v. Barber-Greene Co., 531 F. Supp. 951 (N.D. Ill. 1982); In re Ampicillin Antitrust Litig., 81 F.R.D. 377 (D.D.C. 1978); Novamont North-America Inc. v. Warner Lambert Co., 1992 WL 114507 (S.D.N.Y. 1992); Baxter Travenol Labs., Inc. v. Abbot Labs., 1987 WL 12919 (N.D. Ill. 1987). *See also* Variable-Parameter Fixture Dev. Corp. v. Morpheus Lights Inc., 1992 WL 203865 (S.D.N.Y. 1992); Burroughs Wellcome Co. v. Barr Labs, Inc., 143 F.R.D. 611 (E.D.N.C. 1992).

58. *See, e.g., Burroughs Wellcome*, 143 F.R.D. at 611; Willemijn, 707 F. Supp. at 1429; Baxter, 1987 WL 12919, in which the party claiming privilege for communications with its foreign agents could not satisfy its burden of proving that every country at issue recognized a privilege for patent agents.

59. 1992 U.S. Dist. LEXIS. 39121 (S.D.N.Y. 1992).

C. Non-Recognition of a Privilege for Foreign Patent Agents

Other United States courts appear to have renounced the choice of law approach, and have summarily rejected a privilege for foreign patent agents without even considering whether the foreign law recognizes such a privilege.[60] For example, in *Status Time*,[61] the Court denied a privilege to foreign patent agents because the plaintiff failed to show that the patent agents were either members of a bar in the United States or agents of such members.

D. A Functional Approach

A third approach, and the one advocated here, is a functional approach. Application of an attorney-client privilege to United States patent agents based upon the fact that they perform legal functions logically would compel application of the privilege to foreign patent agents, who are often the primary providers of legal services and advice for those pursuing patent rights in foreign patent offices. Under the functional approach, a party in United States litigation claiming a privilege for a foreign patent agent would have to demonstrate that the foreign patent agent performed a function equivalent to a legal practitioner in the field of patent law. If the party claiming the privilege for communications with his foreign patent agents could meet this burden, then no further inquiry into the foreign law would be required.

The court in *Vernitron*[62] advocated taking the same functional approach for determining privilege for communications with foreign patent agents as for United States patent agents:

> The same situation obviously exists in connection with the processing of patent claims in other countries, and the nature of the subject is such that patterns essentially the same as those which exist in the United States are found there. . . . Whenever applicable law limits the performance of essentially legal functions to individuals specifically authorized to that end, the underlying basis for the privilege, *i.e.*, the right to communicate on a basis of full disclosure to the end that professional service may be effectively provided, must be given its natural effect.[63]

This functional approach for determining whether to grant attorney-client privilege for foreign patent agents is similar to the one

60. *See, e.g.*, Status Time Corp. v. Sharp Electronics Corp., 95 F.R.D. 27 (S.D.N.Y. 1982); Novamont North-America Inc., v. Warner Lambert Co., 1992 WL 114507 (S.D.N.Y. 1992).

61. 95 F.R.D. 27 (S.D.N.Y. 1982). For a further discussion of *Status Time*, *see supra* notes 49-52 and accompanying text.

62. 186 U.S.P.Q. 324 (D.N.J. 1975).

63. *Id.* at 325-26.

taken for other foreign legal practitioners. For example, in *Renfield Corp. v. E. Remy Martin & Co., S.A.*,[64] the court held that a French in-house counsel, who was not a member of the French Bar, had the benefit of an attorney-client privilege in the United States.[65] The court concluded:

> Because there is no French equivalent to the American 'bar' in this context, membership in a 'bar' cannot be the relevant criterion for whether the attorney-client privilege is available. Rather, the requirement is a *functional one* of whether the individuals competent to render legal advice and is permitted by law to do so.[66]

In short, a functional approach to determining whether a foreign patent agent should be afforded an attorney-client privilege in a United States litigation would foster a fairer, simpler and more certain privilege for foreign and domestic litigants. The party claiming the privilege would have to demonstrate that the patent agent at issue was functioning as an authorized legal advisor during a confidential communication between the patent agent and client.

Conclusion

Registered patent agents in the United States are the functional equivalent of patent attorneys and should be consistently granted the status of an attorney for purposes of the attorney-client privilege. Congress has authorized both attorneys at law and patent agents to practice law before the Patent Office. Moreover, the Supreme Court held in *Sperry* that patent agents provide legal services and are required to maintain their client's confidences and secrets. Thus, there is no rational basis for denying to patent agents the attorney-client privilege merely because they are not admitted to the bar of a state.

Similarly, a determination of whether a foreign patent agent is afforded a privilege in a United States court should be based upon a functional approach. If a registered foreign patent agent is engaged in the authorized practice of patent law, in his or her own country, the agent should be considered the functional equivalent of an attorney and be entitled to the protections of the attorney-client privilege.

64. 98 F.R.D. 442 (D.Del. 1982).

65. *Id.* at 444. The court did not consider the French law on privilege for French in-house counsel to be determinative.

66. *Id.* (emphasis added). *See also* Leybold-Heraeus Technologies, Inc. v. Midwest Instrument Co., 118 F.R.D. 609, 613 (E.D. Wis. 1987) (holding that a German patent attorney "falls within definition of an attorney to which the privilege applies"); United States v. Sindona, 636 F.2d 792, 804 (2d Cir. 1980) *cert. denied*, 451 U.S. 912 (1981) (communications with a Venezuelan attorney held to be privileged without inquiry into foreign law).

In sum, when registered United States or foreign patent agents function as attorneys, they should be afforded the same privilege as attorneys.