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Recommended Citation
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THE APPLICABILITY OF THE ATTORNEY-CLIENT PRIVILEGE TO COMMUNICATIONS WITH FOREIGN LEGAL PROFESSIONALS

by Daiske Yoshida*

INTRODUCTION

Over the past decade, courts have seen a significant increase in lawsuits involving foreign and multinational corporations, particularly in intellectual property cases. Often in such lawsuits, juries award multimillion-dollar damages and plaintiffs seek to treble them for willful infringement. With such large sums at stake, discovery plays a central role in these disputes.

U.S. federal courts allow few barriers against total disclosure, the attorney-client privilege being the oldest. In contrast, discovery in

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2. See Lawrence B. Friedman & Ayala Deutsch, More Foreign Firms File IP Claims in U.S. Courts, Nat'l L., Oct. 28, 1996, at C34 (describing increased U.S. patent ownership by foreign, particularly Japanese, companies, and a subsequent increase in the number of lawsuits with foreign plaintiffs).


4. If a plaintiff can prove that a defendant willfully infringed the plaintiff's patent, the plaintiff is entitled to seek an enhancement to the damages award of up to three times the amount of actual damages. Herbert F. Schwartz, Patent Law and Practice 117-18 (2d ed. 1995).

5. One commentator suggests that the broad scope of discovery is the primary reason for the high costs associated with patent litigation in the United States. See Alfred Ewert, Is IP Litigation in the U.S. Really Worth It?, Managing Intell. Prop., June 1995, at 27.

6. See id. ("[In the United States] almost unlimited discovery is permitted.").

foreign systems is much more limited.\textsuperscript{8} In those systems, communications between a client and a lawyer, or other legal professionals, are never subject to disclosure.\textsuperscript{9} One reason is that wide-open discovery in the American style simply does not exist in other countries—for example, Japan does not even have a term in its lexicon equivalent to discovery.\textsuperscript{10} Also, and more importantly, those systems have well-established rules of professional privilege.\textsuperscript{11}

Our broad discovery rules disadvantage foreign parties facing litigation in the United States by forcing them to reveal information even when such disclosure could incur criminal penalties in their own legal regimes.\textsuperscript{12} While American courts have generally ignored such concerns and favored full discovery over any foreign secrecy interest,\textsuperscript{13}

\textsuperscript{8} Ewert, supra note 5, at 27 ("In civil law countries there is little if any discovery."); see also \textit{Société Nationale Industrielle Aerospatiale v. United States Dist. Court}, 482 U.S. 522, 563 n.21 (1987) (Blackmun, J., concurring in part and dissenting in part) (noting that at the negotiations leading to the Hague Evidence Convention, "civil-law countries revealed a 'gross misunderstanding' of the meaning of 'pre-trial discovery,' thinking that it is something used before the \textit{institution} of a suit to search for evidence that would lead to litigation.")\textsuperscript{3}; Ayako Ikeda, \textit{Practical Aspects of Patent Litigation in Japan}, Managing Intell. Prop., Feb. 1995, at 38, 40 ("[T]he Japanese system does not allow extensive pre-trial discovery. In principle each party to the litigation has to gather evidence itself.");


\textsuperscript{10} Although sometimes the term \textit{shoko kaiji} [evidence disclosure] is used, the translation has been criticized as misleadingly narrow in the context of American civil litigation. \textit{Eibeihō jiten} [Dictionary of Anglo-American Law] 258 (1991 ed.); see also Ikeda, \textit{supra} note 8, at 40 (discussing the lack of discovery tools in the Japanese legal system).


\textsuperscript{13} See, \textit{e.g.}, \textit{Société Nationale Industrielle Aerospatiale v. United States Dist. Court}, 482 U.S. 522, 542 (1987) ("It is well known that the scope of American discovery is often significantly broader than is permitted in other jurisdictions, and we are satisfied that foreign tribunals will recognize that the final decision on the evidence to be used in litigation conducted in American courts must be made by those courts."); \textit{Société Internationale pour Paticipations Industrielles et Commerciales v. McGranery}, 111 F. Supp. 435, 444-45 (D.D.C. 1953), \textit{aff'd sub nom. Société Internationale pour Paticipations Industrielles et Commerciales v. Brownell}, 225 F.2d 532 (D.C. Cir. 1955) ("[F]oreign law cannot be permitted to obstruct the investigation and discovery of facts in a case, under rules established as conducive to the proper and orderly administration of justice in the court of the United States."); \textit{In re Honda Am. Motor Co. Dealership Relations Litig.}, 168 F.R.D. 535, 539 (D. Md. 1996) ("As to the litigants themselves, it would be patently unfair to constrain plaintiffs' ability to discover facts necessary to make their case .... While the scope of plaintiffs' discovery would necessarily be limited under Japanese law, [the defendant] would have free reign to
some courts have gone even further. These courts have pursued an approach that, in effect, denies foreigners protection over their confidential legal communications. An American party that obtained legal advice abroad could find such communications subject to discovery if they were with non-lawyers, even if no other source of advice existed in the foreign system. This problem affects both American and foreign parties, defendants and plaintiffs alike.

The advisory role of legal professionals who are not "lawyers" (insofar as they are not admitted to a bar of a court) in foreign systems is much more significant than in the United States. Such professionals—specializing in fields such as patent, tax, and corporate in-house counseling—may, and are expected to, render legal advice to clients and employers. In many countries, they are substantial, if not primary, sources of legal advice.

Based on their role in society and their relationships to their clients, many types of foreign non-lawyer legal professionals act as attorneys for all purposes relevant to the policies underlying the attorney-client privilege. By not allowing attorney-client privilege to cover these communications, courts disregard the realities of legal practice beyond American borders. Even though we live in "a worldwide technologically and economic community," it is a community hindered by perilously inconsistent rules. By providing a back door through which a clever litigant may obtain the otherwise undiscoverable confidences of a client, such inconsistencies undermine not only the confidence of foreign companies in the U.S. legal system but also the very purpose of the attorney-client privilege. As the Supreme Court stated:

"If the purpose of the attorney-client privilege is to be served, the attorney and client must be able to predict with some degree of certainty whether particular discussions will be protected. An uncertain privilege, or one which purports to be certain but results in discover all relevant facts pursuant to the Federal Rules of Civil Procedure."); see also Weinstein, supra note 12, at 539 (asserting that American courts should compel disclosure where testimony is vital, even if it would expose a party to liability abroad). But see Aerospatiale, 482 U.S. at 552-53 (Blackmun, J., concurring in part and dissenting in part) (stating, for a four-judge minority, that "courts are generally ill equipped to assume the role of balancing the interests of foreign nations with that of our own," and would tend toward a pro-forum bias).

16. Id.; see also Harnisch, supra note 9, at 445 (stating that in many foreign countries, patent agents are the "primary providers of legal services and advice for those pursuing patent rights in the foreign patent office.").
17. See infra Part II.
widely varying applications by the courts, is little better than no privilege at all.\textsuperscript{19}

This Note focuses on the application of the attorney-client privilege to foreign non-lawyer legal professionals primarily in relation to patent agents and patent attorneys. The analysis, however, may be applied by analogy to other foreign legal professionals, such as in-house counsel and tax advisers. Part I reviews the attorney-client privilege in the United States, and discusses its expansion to patent agents registered in the United States Patent and Trademark Office ("USPTO"). Part II describes the role of patent advisers in foreign systems. Part III examines the case law dealing with the applicability of the attorney-client privilege to foreign patent advisers, and the divergent theoretical rationales underlying those opinions. Part IV argues that none of the existing approaches is satisfactory and proposes the use of a tempered functional approach, which calls for a standardized analysis of the role played by the foreign legal professional in advising clients. This Note concludes that American courts should recognize a privilege protecting substantive legal advice irrespective of where it is given.

\section*{I. An Overview of Attorney-Client Privilege in the United States}

The attorney-client privilege is the oldest privilege restricting disclosure in Anglo-American law, and is firmly rooted in its jurisprudence.\textsuperscript{20} It is also the only communications privilege recognized in every state.\textsuperscript{21} Dean Wigmore formulated the most traditional statement of attorney-client privilege as follows:

\begin{itemize}
  \item (1) Where legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the legal adviser, (8) except the protection be waived.\textsuperscript{22}
\end{itemize}

This definition has been the standard rule of privilege in the United States.\textsuperscript{23}

\begin{itemize}
  \item \textsuperscript{19} Upjohn Co. v. United States, 449 U.S. 383, 393 (1981).
  \item \textsuperscript{20} Id. at 389; 3 Weinstein's Federal Evidence \$ 503.03[1], at 503-9 (McLaughlin ed. 1997) [hereinafter Weinstein, Federal Evidence].
  \item \textsuperscript{21} Ford Motor Co. v. Leggat, 904 S.W.2d 643, 647 (Tex. 1995).
  \item \textsuperscript{22} 8 Wigmore on Evidence \$ 2292 (McNaughton rev. 1961).
  \item \textsuperscript{23} See Gregg F. LoCascio, Reassessing Attorney-Client Privileged Legal Advice in Patent Litigation, 69 Notre Dame L. Rev. 1203, 1207 (1994). The Wigmore standard is followed in the Second, Sixth, Seventh, Ninth and Tenth Circuits. \textit{Id.} at 1207 n.23.
\end{itemize}

In \textit{United States v. United Shoe Mach. Corp.}, 89 F. Supp. 357 (D. Mass. 1950), Judge Wyzanski of the District Court of Massachusetts offered a restatement of the Wigmore rule that is followed by the First, Third, Fourth, Fifth, Eighth, Eleventh, and District of Columbia Circuits. LoCascio, \textit{supra}, at 1209 n.30. The court defined the attorney-client privilege as follows:
While each U.S. state has its own privilege rules, federal courts are governed by Rule 501 of the Federal Rules of Evidence. Rule 501, designed by Congress to preserve the existing state of privileges as opposed to establishing specific statutory privileges, requires courts to apply the "federal common law" of privilege. As interpreted by the Supreme Court in *Upjohn Co. v. United States*, Rule 501 allows courts to decide privilege issues on a case-by-case basis. While this reading may be consistent with the legislative history of the rule, it has resulted in inconsistency and confusion at the margins of the privilege. For example, although the Supreme Court held that American

(1) the asserted holder of the privilege is or sought to become a client; (2) the person to whom the communication was made (a) is a member of the bar of a court, or his subordinate and (b) in connection with this communication is acting as a lawyer; (3) the communication relates to a fact of which the attorney was informed (a) by his client (b) without the presence of strangers (c) for the purpose of securing primarily either (i) an opinion of law or (ii) legal services or (iii) assistance in some legal proceeding, and not (d) for the purpose of committing a crime or tort; and (4) the privilege has been (a) claimed and (b) not waived by the client.

89 F. Supp. at 358-59.

The Wigmore and *United Shoe* formulations are different in several respects, particularly in the description of the legal adviser. Whereas *United Shoe* requires that the adviser be a "member of the bar of a court, or his subordinate," id. at 358, Wigmore simply says "a professional legal adviser in his capacity as such." Wigmore, supra note 22, § 2292. This difference significantly impacts the treatment of non-lawyer legal professionals for purposes of privilege. For a detailed comparison of the Wigmore and *United Shoe* standards of privilege, see LoCascio, supra note 23, at 1230-38. The *United Shoe* formulation has been criticized as being inconsistent with the purpose of the privilege. See id. at 1232.

24. For a detailed listing of state privilege rules, see Wigmore, supra note 22, § 2292, at 555 n.2.

25. Fed. R. Evid. 501. The rule reads:

Except as otherwise required by the constitution of the United States or provided by Act of Congress or in rules prescribed by the Supreme Court pursuant to statutory authority, the privilege of a witness, person, government, State, or political subdivision thereof shall be governed by the principles of the common law as they may be interpreted by the courts of the United States in the light of reason and experience. However, in civil actions and proceedings with respect to an element of a claim or defense as to which State law supplies the rule of decision, the privilege of a witness, person, government, State, or political subdivision thereof shall be determined in accordance with State law.

Id.


28. Id. at 396-97.

29. See id.

30. In *Upjohn*, the Supreme Court noted that a "case-by-case" approach may "undermine desirable certainty in the boundaries of the attorney-client privilege," but declined to establish generally fixed rules in this area. Id. This approach has been criticized as causing uncertainty. See id. at 402-04 (Burger, C.J., concurring in part and concurring in the judgment); 1 McCormick on Evidence § 87.1, at 320 (4th ed. 1992); Stanley A. Freedman, *Corporate Attorney-Client Privilege since Upjohn*, at Home and Abroad, 9 U. Dayton L. Rev. 425, 427-28 (1984).
A. Recognition of the Attorney-Client Privilege for Non-Lawyers

The rationale for attorney-client privilege is that it encourages people to provide truthful and full information, enabling their legal adviser to provide appropriate advice. At the same time, as Wigmore noted, the attorney-client privilege stands in derogation of the public's "right to every man's evidence," and is "an obstacle to the investigation of the truth." Thus, "[i]t ought to be strictly confined within the narrowest possible limits consistent with the logic of its principle."

34. Upjohn, 449 U.S. at 397.
36. Id. § 2291, at 554.
37. Wigmore, supra note 22, § 2192 at 70.
38. Id. § 2291, at 554.
39. Id.
Courts have frequently relied on this language to deny any perceived expansion of the coverage of attorney-client privilege beyond its strictest confines, i.e. certain types of communications between a member of an American bar and a client. These courts make membership in an American bar the sine qua non on whether communications are privileged.

The notion that the umbrella of attorney-client privilege may extend beyond attorneys admitted in a bar of the court, however, is far from heretical, or even novel. In terms of policy interests, some authorities place the protection of the client above the principle of open disclosure, and do not specifically require bar membership. For example, in proposing privilege rules for the Federal Rules of Evidence, the Supreme Court Advisory Committee broadly defined a "lawyer" for attorney-client privilege as "a person authorized, or reasonably believed by the client to be authorized, to practice law in any state or nation." Wigmore himself proposed that a "professional privilege"

40. See, e.g., United States v. United Shoe Mach. Corp., 89 F. Supp. 357, 361 (D. Mass. 1950) (holding that the relationship between an in-house patent attorney and his employer-corporation was "not that of attorney and client" and denying privilege). But see Upjohn, 449 U.S. at 395-96 (holding that the relationship between an in-house attorney and his employer corporation may be privileged).


(a) Definitions. As used in this rule:

(1) A "client" is a person, public officer, or corporation, association, or other organization or entity, either public or private, who is rendered professional legal services by a lawyer, or who consults a lawyer with a view to obtaining professional legal services from him.

(2) A "lawyer" is a person authorized, or reasonably believed by the client to be authorized, to practice law in any state or nation.

(3) A "representative of the lawyer" is one employed to assist the lawyer in the rendition of professional legal services.

(4) A communication is "confidential" if not intended to be disclosed to third persons other than those to whom disclosure is in furtherance of the rendition of professional legal services to the client or those reasonably necessary for the transmission of the communication.

(b) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of facilitating the rendition of professional legal services to the client, (1) between himself or his representative and his lawyer or his lawyer's representative, or (2) between his lawyer and the lawyer's representative, or (3) by him or his lawyer to a lawyer representing another in a matter of common interest, or (4) between representatives of the client or between the client and a representative of the client, or (5) between lawyers representing the client.

Id. at 306-307.
be recognized for non-lawyer administrative practitioners on the principle that people who seek their advice would be in the position of clients.\textsuperscript{43} Wigmore, while noting that courts tend to deny such a privilege, nevertheless recommended the following approach:

A correct test for recognizing professional privilege would seem to be this: If the administrative department (bureau, board, commission, etc.) requires an oath of office and prior proof of professional qualifications and maintains a list of registered persons so qualified, or if in any other way its regulations treat the special practitioners as a licensed body having the responsibility of attorneys and subject to professional discipline, then the parties so represented are in the status of clients, and the clients are therefore entitled to the appropriate consequences, including the confidentiality of communications.\textsuperscript{44}

Despite their general reluctance to recognize such a broad privilege, courts applying the federal common law of privilege have held that the attorney-client privilege is applicable to non-lawyers in certain circumstances.\textsuperscript{45} Courts generally agree that a non-lawyer acting as an agent of an attorney may invoke the attorney-client privilege,\textsuperscript{46} and

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\textsuperscript{43} Wigmore, supra note 22, § 2300a, at 582 (stating that "[t]here is every reason... for recognizing a privilege" for communications between clients and non-lawyer representatives, such as administrative practitioners). By implication, the category of "non-lawyer representatives" includes patent agents because almost all of the cases cited in this section relate to patent agents. See id., § 2300a, at 582 n.2.

\textsuperscript{44} Id. at 582.

\textsuperscript{45} In addition to the federal cases discussed infra, state courts have extended the attorney-client privilege to lay (i.e. non-lawyer) representatives. See, e.g., Welfare Rights Org. v. Crisan, 661 P.2d 1073, 1077 (Cal. 1983) (in bank) (recognizing a privilege for communications with authorized representatives of welfare claimants); see also Julie B. Nobel, Note, Ensuring Meaningful Jailhouse Legal Assistance: The Need for a Jailhouse Lawyer-Inmate Privilege, 18 Cardozo L. Rev. 1569 (1997) (proposing the recognition of a privilege for communications with lay "jailhouse lawyers").

\textsuperscript{46} Harnisch, supra note 9, at 439 n.26. In \textit{United States v. Kovel}, 296 F.2d 918 (2d Cir. 1961), Judge Friendly held that an accountant, when acting as an "interpreter" for
that communications between lawyers and non-lawyers, including patent agents, accountants, and foreign legal professionals, may be protected by the attorney work-product doctrine once litigation is contemplated. Beyond agency or attorney-work product doctrines, however, federal courts have extended attorney-client privilege to only one profession other than lawyers—patent agents.

B. Application of the Attorney-Client Privilege to American Patent Agents

In the United States, patent law practitioners may be divided into two broad categories: patent attorneys and patent agents. Patent attorneys are lawyers who are licensed to practice general law, but specialize in patent law. Patent agents, on the other hand, are not members of a bar, and are restricted to prosecuting patent applications and otherwise representing inventors before the USPTO. The lawyer, may be protected by the attorney-client privilege. Id. at 921-22; see also John J. Tigue, Jr. et al., The Kovel Accountant Privilege, N.Y. L.J., May 19, 1994, at 3. The Kovel privilege is the law in the Second Circuit and is even recognized in the Internal Revenue Manual, but other circuit courts have not applied the privilege under similar circumstances. Id. Courts have used the Kovel privilege to protect communications with various non-lawyers other than accountants. See, e.g., United States v. Alvarez, 519 F.2d 1036, 1045-46 (3d Cir. 1975) (psychiatrists); In re Witness-Attorney Before Grand Jury No. 83-1, 613 F. Supp. 394, 397-98 (S.D. Fla. 1984) (bail bondsmen); People v. George, 428 N.Y.S.2d 825, 827. (Sup. Ct. Bronx Co. 1980) (polygraphers). The privilege also protects patent agents acting under the authority and control of an attorney. See, e.g., Golden Trade, S.r.L. v. Lee Apparel Co., 143 F.R.D. 514, 518-19 (S.D.N.Y. 1992); Cuno, Inc. v. Pall Corp., 121 F.R.D. 198, 204 (E.D.N.Y. 1988); Hercules Inc. v. Exxon Corp., 434 F. Supp. 136, 146 (D. Del. 1977); W.R. Grace & Co. v. Pullman Inc., 446 F. Supp. 771, 776 (W.D. Okla. 1976).

Courts that recognize a privilege for foreign patent agents under an agency rationale are careful to distinguish between communications where the attorney is merely acting as a "conduit" for information to be submitted to the foreign patent office—which would not be privileged—and when the patent agent is engaged in the "lawyering process"—in which case the position of the foreign patent agent may be the same as that of co-counsel, and his communication privileged. See, e.g., Baxter Travenol Labs., Inc. v. Abbott Labs., 1987 U.S. Dist. LEXIS 10300, at *21 (N.D. Ill. June 17, 1987); Mendenhall v. Barber-Greene Co., 531 F. Supp. 951, 954 (N.D. Ill. 1982); Detection Sys. Inc. v. Pittway Corp., 96 F.R.D. 152, 156 (W.D.N.Y. 1982).


48. Evidence rules relating to patent litigation pose a unique question, in that a special court in Washington D.C.—the Court of Appeals for the Federal Circuit—has exclusive appellate jurisdiction over patent cases. Schwartz, supra note 4, at 26. Under Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1574-75 (Fed. Cir. 1984), the Federal Circuit generally defers to the evidence rules of the various circuits. It is axiomatic, however, that the other circuit courts do not have evidence rules specific to patent litigation. Where the Federal Circuit has not spoken on evidentiary questions unique to patent lawsuits, such as the issues of attorney-client privilege discussed in this Note, district courts are left with no controlling authority.


50. Harnisch, supra note 9, at 434. There is some divergence of opinion as to whether or not U.S. patent agents practice law, and whether they are therefore enti-
In order to practice before the USPTO, both patent agents and patent attorneys must first take a patent bar examination administered by the USPTO. To take the exam, usually given only once per year, an applicant must have a bachelor's degree in a recognized technical subject or equivalent scientific training. The test is given in two parts: a multiple-choice test of USPTO rules and a long-answer test. The multiple-choice questions require such skills as being able to calculate the last possible date for responding to an action by the patent examiner. The long-answer section requires the test taker to draft claims and amendments based on a long fact pattern, but does not require any technical or scientific knowledge. The entire exam has a pass rate ranging from 28% to 40%

Once admitted, the USPTO regulations require patent agents to follow ethical rules modeled on the American Bar Association's Model Code of Professional Responsibility, including Canon 4 on the attorney-client privilege. Thus, patent agents are bound by the same ethical rules as lawyers.

51. 37 C.F.R. § 10.7(b) (1996). The requirement is waived for an individual who has been a patent examiner for four years. Id.
53. Id.
54. Id.
55. Id.
56. Id.
58. 37 C.F.R. § 10.56 (1996). Under the PTO Code of Professional Responsibility, a lawyer is prohibited from knowingly revealing a confidence or secret of his client. 37 C.F.R. § 10.57(b) (1996). The code defines "confidential" as information protected by the attorney-client privilege under applicable law, and "secret" as "other information gained in the professional relationship that the client has requested be held inviolate or the disclosure of which would be embarrassing or would be likely to be detrimental to the client." 37 C.F.R. § 10.57(a) (1996). The ABA's newer ethical rules, the Model Rules of Professional Conduct (1983) [hereinafter Model Rules], no longer make this distinction and more generally prohibit lawyers from revealing information "relating to representation of a client." Model Rules, Rule 1.6.
communications with patent agents were not protected by the attorney-client privilege. More recent decisions, following the Supreme Court’s decision in *Sperry v. Florida*, have extended the privilege to American patent agents. In *Sperry*, the Court stated that while patent agents are not licensed to the general practice of law, they are engaged in the practice of law when prosecuting patent applications.

Discussing the authorized activities of patent agents, the Court noted:

Such conduct inevitably requires the practitioner to consider and advise his clients as to the patentability of their inventions under the statutory criteria... 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, ... which this Court long ago noted “constitute[s] one of the most difficult legal instruments to draw with accuracy.”

While the decision did not deal directly with attorney-client privilege, some courts concluded that *Sperry* overturned the earlier rule regarding the applicability of the privilege to patent agents and extended its protection accordingly. This view has not been embraced, however, in all post-*Sperry* decisions and sometimes has been characterized as the minority position. Thus, more than thirty years after *Sperry*, the situation has yet to be settled definitively. This uncer-

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62. See cases cited infra note 66.
63. Id. at 383, 386.
64. Id. at 383 (quoting Topliff v. Topliff, 145 U.S. 156, 171 (1892)).
65. See e.g., Hercules Inc. v. Exxon Corp., 434 F. Supp. 136, 147 (D. Del. 1977) (stating that since *Sperry*, “[t]he holding of early cases such as *Zenith Radio Corp.*... is consequently of little weight”); Garrison v. General Motors Corp., 213 F. Supp. 515, 519 (S.D. Cal. 1963) (stating that the *Sperry* case is “poles apart from the *Zenith* case”).
69. See Harnisch, supra note 9, at 439 (“The status of patent agents and the attorney-client privilege has yet to be definitely resolved thirty years after *Sperry*.”). But see Weinstein, Federal Evidence, supra note 20, § 503.07[3] at 503-30 (asserting that “[c]ommunications to a non-lawyer administrative practitioner or patent agent... are] not in themselves privileged” under proposed federal evidence rule 503(a)(2)).
tainty disadvantages both domestic patent law advisers and their prospective clients because they are unsure whether their communications are protected. The applicability of attorney-client privilege to patent agents is further complicated when the question involves foreign non-lawyer advisers specializing in the patent laws of their respective countries.

II. THE ROLE OF LEGAL PROFESSIONALS IN FOREIGN SYSTEMS

Perhaps inevitably, courts faced with determining privilege issues relating to foreign legal professionals are guided by assumptions based on American legal practice. But the status and role of lawyers in foreign systems are significantly more limited than in the United States, and non-lawyers thus perform many functions usually performed in the United States by lawyers. The distinction is particularly acute in the area of patent law. In the American legal system, parties faced with patent or other intellectual property issues may seek advice from any number of boutique law firms or general practice firms with intellectual property experience. As this section discusses, foreign legal systems, unlike the American system, do not have “patent bars” consisting of technically knowledgeable lawyers. Instead, technically proficient patent law professionals are authorized to practice patent law and provide legal advice on such substantive issues as infringement and validity even though they are not lawyers.

A. Japan

The patent representation system in Japan offers the most striking contrast to the system in the United States. Unlike American patent law...
agents, Japanese *benrishi* (patent advisers)\(^7^4\) are formally trained and authorized to provide legal advice regarding substantive legal matters such as patent invalidity and infringement, and may act as advocates in Japan Patent Office trials in appealing rejections and opposing patent applications.\(^7^5\) Despite the substantive nature of their work, however, American courts have consistently denied privilege to the communications of *benrishi* and their clients.\(^7^6\)

The “farming out” of legal duties to non-lawyers results from the extremely narrow role that *bengoshi* (attorneys-at-law) play in the Japanese legal system. This, in turn, is a consequence of a system that severely restricts the population of lawyers. Only approximately 500

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\(^7^5\) See Benrishiho, *supra* note 74, art. 9.


In contrast, some United States courts have found German and French patent agent communications to be privileged, even though their patent advisory systems are not unlike that of Japan. See, e.g., Golden Trade, S.r.L. v. Lee Apparel Co., 143 F.R.D. 514, 522-24 (S.D.N.Y. 1992) (Germany); Duplan Corp. v. Deering Milliken, Inc., 397 F. Supp. 1146, 1170 (D.S.C. 1974) (France). Compare statutes discussed *infra* notes 113 (France) and 115 (Germany), *with* *infra* notes 88-89 (Japan) The similarity of these Japanese statutes to their French and German counterparts is not accidental. Japanese laws were based on French and German models, and the Japanese Code of Civil Procedure “is a faithful imitation of the German Code.” See Yosiyuki Noda, *Introduction to Japanese Law* 52-55, 206 (Anthony H. Angelo trans., 1976). This similarity makes the disparate treatment by American courts even more difficult to justify.
out of 35,000 applicants pass the annual bar exam. As a result, legal advice in certain areas of law—such as patent, tax, and general corporate representation—are provided by non-lawyer specialists. Although *benrishi* are not lawyers, they are authorized to do everything that American patent agents can do and more. For example, under Japan's Patent Attorney Law, *benrishi* are authorized to advise clients on matters relating to not only patent prosecution, but also patent infringement and invalidity—both to assert patent rights, and to defend against claims. Also, *benrishi* are the only non-lawyers in Japan who may represent clients at trial as supporting counsel for *bengoshi*.

To qualify as a *benrishi*, one must take an exam in five required subjects—patent law, utility model law, design patent law, trademark law, and treaties—and choose three optional subjects out of 41. Of the subjects, eight are the same as those given in the standard Japanese bar examination—constitutional law, administrative law, civil law, commercial law, civil procedure law, criminal procedure law, international private law—and the remainder covers economics, marketing, and specific areas of science and engineering. Those who pass this stage must then take an oral examination in industrial properties. The exam, given once a year, has a pass rate of around 3% (as compared to 2% for *bengoshi*). Perhaps as a consequence of the extremely rigorous qualification requirements, the number of *benrishi* in Japan is much smaller than the number of patent agents and patent attorneys in the U.S. The Japan Patent Attorneys' Association ("JPAA")—of which all practicing *benrishi* must be a member—

79. *Benrishiho, supra* note 74, art. 1.
82. *Benrishiho shikkorei, supra* note 81, art. 8.
83. *Id.*
84. Ramseyer, *supra* note 77, at 508.
85. *Id.* at 507.
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claims 3,850 members, while the USPTO had registered more than 18,000 names.  

*Benrishi* are governed by virtually the same ethical rules regarding confidentiality as *bengoshi*. Confidentiality of communications is guaranteed in two statutes: Article 281 of the Civil Procedure Code and Article 22 of the Patent Attorney Law. The Civil Procedure Code provides attorneys and patent agents the right to refuse to testify. The Patent Attorney Law provides for criminal sanctions where confidential information of the client is disclosed without the

86. See JPA* A's Internet Home Page, supra note 74. Remarkably, this small group accounts for approximately one-third of the million or so patent documents published each year around the world. Patent Information from Japan (last modified July 18, 1997) <http://www.epo.co.at/epo/patolis/index.htm>.  
87. The list of attorneys and patent agents registered with the USPTO is available at the United States Patent Office Home Page (last modified July 18, 1997) <http://www.uspto.gov/web/offices/dcom/odia/oed/roster>.  
88. Minsoho [Civil Procedure Code] (1889), translated in II EHS Law Bulletin Series Japan (1992), art. 281. The Civil Procedure Code was amended for the first time in more than 100 years through Law No. 109 of 1996 (expected to take effect January 1, 1998), in part to expand the traditionally limited scope of discovery. See generally Toshiaki Hasegawa, Shin minsoho: Bunsho kanri no yoten [The New Civil Procedure Code: Major Points in Document Management] 1-4. The new code, which has not yet been translated into English, does not deal specifically with attorney-client privilege. *Id.* at 85-86. Article 281, which remains substantially the same in Article 197 of the new code, *id.* at 148, provides that a witness may refuse to testify:  

In case a doctor, dentist, pharmacist, druggist, mid-wife, lawyer (including a foreign solicitor), patent attorney, advocate, notary public or an occupant of a post connected with religion or worship or a person who was once in such profession is questioned regarding the facts which came to his knowledge in the course of performance of his duties and which should be kept secret.

Minsoho, art. 281(2). Japanese academics generally regard this law as providing the clearest expression of communication privileges under Japanese law. See, e.g., Hideyuki Kobayashi, *Minji jiken ni okeru shoko no shushu* [Collection of Evidence in Civil Cases: General Observations], 46 Jiyu to Seigi 33, 35 (Sep. 1995). One American court, however, has interpreted this rule as stopping short of a client's right to refuse to produce documents relating to communications with a patent attorney. Alpex Computer Corp. v. Nintendo Co., No. 86 Civ. 1749, 1992 U.S. Dist. LEXIS 3129, at *6 (S.D.N.Y. Mar. 9, 1992); see infra notes 237-41 and accompanying text.  
89. Benrishiho, supra note 74, art. 22. Article 22 provides:  

Any patent attorney or any person who was a patent attorney shall, in case he has, without due reasons, divulged, or made surreptitious use of the secrets of any person which may have come to his knowledge in the course of performance of his business, be punished with penal servitude for not exceeding six months or a fine not exceeding three thousand yen.

*Id.*

90. See Minsoho, supra note 88, art. 281(2). It should be noted that under both the old and new Civil Procedure Code, parties in Japanese litigation are given broad latitude in withholding documents. See Hasegawa, supra note 88, at 22. Specifically, parties are permitted to withhold documents that are for personal use (such as notes or internal memoranda), concern technical or trade secrets, or contain information that members of certain professions—such as lawyers, patent advisers and doctors—learned in the course of their business. *Id.*
client's consent. Thus, clients seeking patent-related legal advice in Japan are justified in expecting communications with *benrishi* to be protected from disclosure in the context of litigation or otherwise.

### B. United Kingdom

Patent representation in the United Kingdom is much more similar to the United States system, but differs significantly because it provides a statutory privilege for patent agents. In Britain, it is a criminal offense to use the title of "patent agent" without being on the official list of qualified practitioners, known as the Register of Patent Agents. The Register is maintained by the Chartered Institute of Patent Agents ("CIPA"), which was granted a Royal Charter in 1891. To be registered, patent agents must spend several years in training and pass two sets of examinations. Once admitted, patent agents must adhere to CIPA's Rules of Professional Conduct. The Parliament created a statutory privilege for patent agents in 1968, which has since been repealed but remains in a different form in the Patents Act. Generally, U.S. courts have given recognition to British patent agent privilege under the principle of comity.

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91. See *Benrishiho*, *supra* note 74, art. 22.
92. *But see* Spero, *supra* note 74, at 105-06. Spero describes *benrishi* as clerks who do little more than translate and file papers, and encourages American corporations seeking patent protection in Japan to hire technically competent and bilingual *bengoshi* to prosecute the applications. *Id.* As Spero himself admits, however, finding such a *bengoshi* is prohibitively difficult and expensive. *Id.* Moreover, his description of *benrishi*’s responsibilities and abilities are unsubstantiated.
94. *Id.*
95. *Id.*
96. *Id.*

97. The Civil Evidence Act of 1968, 1968 ch. 64, § 15(1). The provision was repealed by the Patents Act of 1977, 17 Halsbury's Statutes of England 187 (4th ed. 1993), and became section 104 of the Patents Act of 1977. 1977 ch. 37, § 104. Section 104 of the Patents Act of 1977 was in turn repealed in the Copyright, Designs and Patents Act of 1988, 1988 ch. 48, § 303(2), sched. 8. Under the current Patents Act, section 103 provides for an explicit privilege for communications with solicitors relating to patent proceedings, 33 Halsbury's Statutes of England 246 (4th ed. 1993), and section 102A, enacted in the Copyright, Designs and Patents Act of 1988, states that "[a] registered patent agent ... may do, in or in connection with proceedings on an appeal under this Act from the comptroller to the Patents Court, anything which a solicitor of the Supreme Court might do, other than prepare a deed." *Id.* at 245. Thus, despite the repeal of section 15 of the Civil Evidence Act, England continues to have a statutory patent agent privilege. See also 13 Halsbury's Laws of England (4th ed. 1975) § 72 n.9, at 57-58.
C. Europe

The European Patent Office ("EPO") was established under the European Patent Convention in 1977 to provide a single source for patent protection in Europe. There are currently eighteen contracting states: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, the Netherlands, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. An applicant may file a patent application in the EPO in either English, French, or German and, once granted, the patent is valid in as many contracting countries as the applicant wishes to designate.

Patent representatives qualified to prosecute patent applications before the EPO are called European Patent Attorneys. To be eligible to take the European Patent Attorney qualifying examination, candidates must complete three years of supervised practical training in either a patent representative office or in a corporate patent department. Furthermore, candidates must possess a technical or scientific qualification from an accredited institution. Provided that these threshold requirements are met, candidates must pass a four-part examination. Part A tests the candidate's ability to draft claims; part B requires the candidate to reply to a patent office action; part C involves the drafting of an opposition against a patent application; and part D requires candidates to make legal assessments of particular questions. According to one study, the passage rate fluctuates between 36% and 66%.

Upon passing the examination, a candidate must request that his or her name be included on the List of Professional Representatives. By registering, the candidate becomes a member of the Institute of Professional Representatives before the EPO ("EPI"), and is qualified to practice before the EPO. As a member, a European Patent Attorney...

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103. Id.
104. Id.
105. Id. This requirement is waived for patent agents who were already registered in one of the contracting states at the time that the state joined the EPO system. See Kopacz, supra note 49, at 50. Most practicing European patent attorneys were admitted through this "grandfather clause" and, as of 1987, only 4% had taken the examination. Id. at 49-50.
106. How to Become a European Patent Attorney, supra note 99. But see Kopacz, supra note 49, at 51 ("Almost all patent attorneys in Europe have only a technical or scientific background and, with rare exceptions, have no legal training and are not members of the bar.").
Attorney is subject to EPI's disciplinary rules, including Article 2 on professional secrecy. The rule provides: "A professional representative shall be bound not to disclose information accepted by him in confidence in the exercise of his duties, unless he is released from this obligation."

In cases where privilege issues have arisen in relation to European Patent Attorneys, however, U.S. courts have turned to the privilege law of the patent attorney's country of practice rather than the European standard. Courts examining the privilege law of individual European countries generally tend to find that privilege laws cover patent agents in their respective countries. For example, in *Duplan Corp. v. Deering Milliken, Inc.*, the court recognized privilege for communications with a French patent agent based on a provision in the French Penal Code. Similarly, in *Golden Trade, S.r.L. v. Lee Apparel Co.*, the court extended attorney-client privilege to German patent agents based on an affidavit by a German patent attorney stating that patent attorneys may appear in court but only with an attorney-at-law, and that German law prohibits patent attorneys from disclosing communications with clients.

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110. Id.


113. Id. at 1170. The court pointed to Article 378 of the French Penal Code, which reads:

Doctors, surgeons and other health officers, as well as chemists, midwives and all other persons who are depositories, by their condition or profession or by temporary or permanent duties, of secrets which are entrusted to them, who, except in cases where the law obliges or authorizes them to be informers, shall have revealed such secrets, shall be punished by imprisonment of one month to six months and by a fine of 500 to 3,000 francs.

Id. (alteration in published opinion omitted).


115. Id. at 524. The court cited to various German statutes, including section 203 of the Penal Code, section 24 of the Guidelines for the Practicing of the Patent Attorney Profession, and sections 53 (misprinted in the published opinion as "§ 383") and 97 of the Criminal Procedure Code. Id. at 524 n.6. Penal Code section 203(3), governing violations of privacy, provides that certain professionals including patent attorneys who "without authorization, reveals another's secret . . . shall be punished by up to one year's imprisonment or by fine." § 203(1) Nr.3 Strafgesetzbuch [StGB], translated in The Penal Code of the Federal Republic of Germany (Joseph J. Darby trans., 1987). Under section 53 of the Criminal Procedure Code, "attorneys-at-law, patent attorneys, notaries, sworn accountants, sworn auditors, tax advisers and authorized tax agents, physicians, dentists, pharmacists, and midwives, as regards whatever has been confided or became known to them in this capacity" may refuse to testify. § 53 Nr.I(3) Strafprozeßordnung [StPO], translated in The German Code of Criminal Procedure (Horst Niebler trans., 1965). Section 97 excludes from seizure "written communications between the accused and persons who may refuse testimony pursuant to . . . § 53" as well as "notes, made by persons specified in § 53 . . . concerning informa-
III. APPLICATION OF THE ATTORNEY-CLIENT PRIVILEGE TO FOREIGN LEGAL PROFESSIONALS

In most of the reported cases, privilege becomes an issue when an accused patent infringer seeks discovery of communications concerning foreign patent applications that correspond to the patent-in-suit.\textsuperscript{116} The plaintiff is sometimes the accused infringer, moving to invalidate or limit the claims of the patent at issue.\textsuperscript{117} An accused infringer hopes that such communications include admissions, or statements showing inequitable conduct, fraud on the patent office, or bad faith.\textsuperscript{118} A party seeking a patent may have confided to a foreign patent representative its concern that the claims of its American patent were overbroad and unlikely to be granted in other countries. A party may have revealed that it discovered potentially invalidating prior art.\textsuperscript{119} Less common are cases where a plaintiff patent-holder demands disclosure of communications between the accused infringer and a foreign patent attorney.\textsuperscript{120} This may occur when, for example, a foreign defendant seeks advice from its long-time, local patent counsel upon learning of the patent-in-suit or a corresponding patent application.\textsuperscript{121} In any of the scenarios described above, the nature and the substance of the communication go beyond the mere processing of patent applications and indicate that the parties assumed that a privilege existed.\textsuperscript{122}

\textsuperscript{116} See, e.g., \textit{Golden Trade}, 143 F.R.D. at 517. To obtain protection worldwide, an inventor cannot just file a patent application in only one country, but must file in patent offices around the world. Schwartz, \textit{supra} note 4, at 22-23. The first application to be filed is called the "priority application," and most countries require that the corresponding application be filed within one year of the date on which the priority application was filed. \textit{Id.}

\textsuperscript{117} This may occur, for example, in the context of an antitrust suit between patent licensees and their licensor. See, e.g., \textit{In re Ampicillin Antitrust Litig.}, 81 F.R.D. 377 (D.D.C. 1978). A party threatened with a potential infringement claim may seek a declaratory judgment from a court that a patent is invalid, unenforceable, or not infringed. Schwartz, \textit{supra} note 4, at 35-36.

\textsuperscript{118} Such arguments, if proven, could defeat the patentholder's liability claims by rendering the entire patent unenforceable. Schwartz, \textit{supra} note 4, at 89-90.

\textsuperscript{119} "Prior art" refers to publicly disclosed material predating the claimed invention. \textit{Id.} at 60-61.


\textsuperscript{121} Foreign patent offices publish pending patent applications prior to examination, in contrast to the United States where the contents of a patent application remain secret until granting. See Paul A. Ragusa, Note, \textit{Eighteen Months to Publication: Should the United States Join Europe and Japan by Promptly Publishing Patent Applications?}, 26 Geo. Wash. J. Int'l L. & Econ. 143, 150-52 (1992). As a consequence, foreign patent applications based on an American priority application are often published before the American patent issues. \textit{Id.} Thus, a party could learn of its competitors' newest inventions long before their patents issue. \textit{Id.}

\textsuperscript{122} 1 Restatement (Second) Conflict of Laws § 139(2) cmt. at 388 ("[T]he fact that the communication was of a sort treated in strict confidence . . . was presumably a
In deciding whether to recognize a privilege for foreign patent agents and other types of legal professionals, a majority of courts—with some important exceptions—have turned to a conflict of laws analysis. The exact nature of that conflict of laws analysis, however, has not been analyzed by courts or scholars in sufficient detail.

As noted previously, proposed evidence rule 503(a)(2) tried to prevent "excursions into conflict of laws questions." This distaste for conflict of laws is understandable given the general view that "[c]hoice-of-law issues have always been among the most difficult legal issues." This field of law has spawned much academic debate, but with little offered in the way of practical solutions. Moreover, although many approaches to resolving conflict of laws issues have developed,

[all of the existing approaches—interest analysis, the law-of-the-forum approach of the First Restatement, the most significant relationship approach of the Second Restatement, and others—fail when applied to the attorney-client privilege. Certainty and predictability are essential if the attorney-client privilege is to serve its purpose and none of these approaches produces a certain, predictable result.]

This section reviews the various conflict of laws approaches listed above, their relationship to attorney-client privilege in the international context, and their application in various courts.

A. The "Touch Base" Approach

In Duplan Corp. v. Deering Milliken, Inc., the first decision to apply a conflict of laws methodology to the problem of foreign patent agent communications, the court sought guidance in principles of comity. Under this approach, also known as "comity of nations" or result of the existence of the privilege.

123. Discussed infra notes 244-52 and accompanying text.
124. See, e.g., Harnisch, supra note 9, at 445-46 (noting that the majority of district courts "engage in a form of traditional choice of law analysis").
125. See infra note 42 and accompanying text.
128. As one commentator noted wryly, "[t]here is a widespread belief that the conflicts of laws is different from all other legal disciplines in that practical results and workability do not matter." Id. at 911 n.21.
129. Id. at 912.
130. In addition, there is a fourth, "functional" approach, which does not follow a conflict of law doctrine, but instead looks to whether the adviser is a functional equivalent of an attorney. See infra Part IV.
132. Id. at 1170.
“international comity,” a state may recognize another state or nation’s legislative, executive, or judicial acts on the basis of friendship between nations. Comity is “neither a mere courtesy and good will on the one hand, nor a matter of absolute obligation on the other hand.”

The notion of international comity is ancient. In 1987, for example, the Supreme Court invoked comity by citing to Emory v. Grenough from 1797, which quoted the 17th century Dutch scholar Ulrich Huber, and Hilton v. Guyot from 1895. Huber’s formulation of comity was that “rights acquired within the limits of a government retain their force everywhere”—i.e., that an individual carries her “vested rights” wherever she travels. Justice Story embraced this reasoning in his Commentaries on the Conflict of Laws, but with an important exception:

[“comity of nations”] is the most appropriate phrase to express the true foundation and extent of the obligation of the laws of one nation within the territories of another. It is derived altogether from the voluntary consent of the latter, and is inadmissible, when it is contrary to its known policy, or prejudicial to its interests.

Thus, comity was subject to what became known as the “public policy exception.” Although the public policy exception is arguably neces-

135. 3 U.S. (3 Dall.) 369 (1797).
136. 159 U.S. 113 (1895).
137. Société Nationale Industrielle Aerospatiale v. United States Dist. Court, 482 U.S. 522, 543 n.27 (1987). Aerospatiale was concerned with the proper application of the Hague Convention for Taking Evidence Abroad, a treaty which the United States, along with fifteen European countries, signed. Although the treaty provides that a person may refuse to give evidence insofar as he has a privilege or duty to refuse to give the evidence, the Court stated that under the principles of comity, the Convention was only one of the factors to be considered in determining whether to recognize a French “blocking statute.” Id. at 544. Although all nine justices concurred in the holding that the disclosure of the documents could be compelled by a U.S. court, the Court split 5-4 over the majority’s view that comity required a case-by-case approach, and that the Convention’s provisions may be overridden if a district court determined that they contravened the forum state’s policy. Id. at 548. The minority expressed doubts about the ability of a district court to adjudicate a foreign government’s interests without local bias. Id. While the case makes clear that comity remains a viable principle in matters relating to international law, the majority opinion leaves unclear what factors to consider in a comity analysis, beyond the basic outlines provided by Ulrich Huber in the 17th century and Justice Story in the 19th century.
140. See id. § 38 (emphasis added) (footnote omitted).
sary to prevent potentially absurd judgments,\textsuperscript{142} the exception is self-defeating because a judge is always free to offer some domestic policy that is offended by the foreign law.\textsuperscript{143} As one commentator has criticized, "comity and the public policy exception rationales . . . lack both analytical structure and standards for determining when and how they should be applied."\textsuperscript{144} The result is that a court can always apply the law of the forum state regardless of any foreign interest, however important.\textsuperscript{145}

The \textit{Duplan} court employed the principle of international comity to analyze communications with British and French patent agents over which the plaintiff patent-holder asserted attorney-client privilege.\textsuperscript{146} Despite Sperry's recognition that patent agents engage in the practice of law,\textsuperscript{147} the court held that "no communications from patent agents, whether American or foreign, are subject to an attorney-client privilege \textit{in the United States}."\textsuperscript{148} According to the court, these foreign privileges contravened United States policy in promoting discovery, and thus would not be recognized if the communication "touched base" with the United States:

> The federal rules are designed to promote discovery whereas these two foreign statutes necessarily restrict discovery. It is thoroughly established that comity will not be extended to foreign law or rights based thereon if it opposes settled public policy of the forum nation. Therefore any communications touching base with the United States will be governed by the federal discovery rules . . . .\textsuperscript{149}

On the other hand, the court reasoned that communications regarding matters relating solely to a foreign country should be governed by the

\textsuperscript{142} See \textit{id.} at 1449.

\textsuperscript{143} See \textit{Bradford, supra} note 36, at 918 ("Courts adopting [comity of nations] have set forth no guidelines for deciding when forum public policy is strong enough to trump the otherwise applicable rule and when it is not."); see also \textit{Laker Airways, Ltd. v. Sabena, Belgian World Airlines, 731 F.2d 909, 956 (D.C. Cir. 1984) (Starr, J., dissenting) (criticizing comity as "open-ended")."}

\textsuperscript{144} \textit{Sprague, supra} note 141, at 1447.


\textsuperscript{146} \textit{Duplan Corp. v. Deering Milliken, Inc., 397 F. Supp. 1146, 1169 (D.S.C. 1974).}

\textsuperscript{147} See \textit{supra} note 63 and accompanying text.

\textsuperscript{148} \textit{Duplan}, 397 F. Supp. at 1169 (emphasis added).

\textsuperscript{149} \textit{id.} (citation omitted).
"applicable foreign statute" on the basis of comity. The court thus turned to British and French law and noted that, in the respective countries, British and French law provided a "cloak" of privilege over communications with patent agents. Based on this "touch base" analysis, the court held that the comity-based application of foreign privilege laws protects communications with French and British patent agents that did not "touch base" with the United States.

Despite these guidelines, the Duplan court did not clarify what "touching base" entailed, nor did the later courts that followed its reasoning. In re Ampicillin Antitrust Litigation, a consolidated antitrust case in which the plaintiff licensees sought documents relating to foreign patent filings by the defendant, presented a similar situation. Judge Richey of the District of Columbia Circuit applied Duplan's "touch base" analysis but arrived at the opposite conclusion, recognizing a privilege for a British patent agent. Regarding communications between defendant Beecham and British patent agent Smither, the discovery master specifically followed the United Shoe definition of attorney-client privilege, which requires that the adviser be a "member of a bar of a court".

For the privilege to attach, not only must the client's adviser be acting as an attorney, but he must be an attorney, admitted to the bar. Regardless of his training and function and the nature of the advice he renders, Mr. Smither is not a member of the bar of any court.

Upon objection by the defendant, Judge Richey modified the Special Master's ruling. Unlike Duplan, the court came in line with Sperry and held that, under United States law, patent agent-client communications are covered by attorney-client privilege, if the patent agent is registered with the USPTO. Based on statutory requirements for patent agents registered with the USPTO, such as having full and working knowledge of patent law and being governed by the same ethical standards as attorneys, the court found that "in appearance and fact, the registered patent agent stands on the same footing as an attorney in proceedings before the Patent Office." Thus, the court implied from the USPTO registration requirements a congressional

150. Id. at 1170.
151. Id. at 1169. For a discussion of the British and French laws, see supra notes 97, 113.
155. Id. at 380, 391.
156. Id. at 391.
158. 81 F.R.D. at 391 (quoting Special Master's report).
159. Id.
160. Id. at 392-94.
161. Id. at 393.
intent to extend the privilege to patent agents.\textsuperscript{162} The \textit{Ampicillin} court's emphasis on registration with the USPTO meant that when foreign communications concerned patent activities in the United States, they would be governed by the American privilege rule—that is, the patent agent, whether foreign or domestic, must be registered in the USPTO.\textsuperscript{163} On the other hand, when foreign communications did not "touch base" with the United States, the communications would be given a privilege to the extent that foreign law affords a privilege protection.\textsuperscript{164}

B. \textit{The Bright Line Approach}

Some courts rejected the comity approach, instead following a "bright line" rule articulated by Judge Gershon in \textit{Status Time Corp. v. Sharp Electronics Corp.}\textsuperscript{165} Under this rule, foreign non-lawyers would not be allowed to assert privilege regardless of the privilege law of the United States or of a foreign country.\textsuperscript{166} Although the same court eventually rejected the \textit{Status Time} analysis,\textsuperscript{167} Judge Gershon's decision was highly influential in the period immediately following its issuance. Judges lauded the opinion as "singularly erudite"\textsuperscript{168} and "seminal."\textsuperscript{169} Following \textit{Status Time}, magistrate judges refused to recognize privilege for foreign patent agents in \textit{Novamont North America, Inc. v. Warner-Lambert Co.}\textsuperscript{170} and \textit{Revlon, Inc. v. Carson Prods. Co.}\textsuperscript{171}

\textsuperscript{162} Id.
\textsuperscript{163} Id. at 391, 394. The registration requirement resolves the conundrum of a foreign patent agent who participates in a communication that "touches base" with the United States. It is worth comparing the \textit{Ampicillin} court's analysis with that of the Delaware District Court in \textit{Renfield Corp. v. E. Remy Martin & Co., S.A.}, 98 F.R.D. 442 (D. Del. 1982). The \textit{Renfield} court held that the attorney-client privilege protected communications with French in-house counsel concerning U.S. law, even though the French counsel would likely not have enjoyed a privilege in France and were not qualified to advise on U.S. law. Id. at 444-45. The court found, without discussion, that the United States had the most significant relationship with the communications and, therefore, applied the federal privilege rule, which protected communications with in-house counsel. Id. at 445. The French counsel's lack of qualification to advise on U.S. law was not relevant to the privilege analysis. Id. at 444 n.6. Moreover, the fact that the French counsel were not members of a bar was secondary to their functional equivalency to a lawyer. Id. at 444.

\textsuperscript{164} 81 F.R.D. at 391. This rule has been presented as the black letter law in some texts. See, e.g., Paul R. Rice, Attorney Client Privilege in the United States 125-26 (1993).
\textsuperscript{165} 95 F.R.D. 27 (S.D.N.Y. 1982).
\textsuperscript{166} Id. at 33.
\textsuperscript{170} No. 91 Civ. 6482, 1992 U.S. Dist. LEXIS 6622, at *6 (S.D.N.Y. May 6, 1992).
In *Duttle v. Bandler & Kass*, the court applied the bright line rule outside of the patent context and rejected an assertion of privilege covering German tax specialists.

The *Status Time* court recognized that *Sperry* changed the traditional rule regarding communications relating to patent applications, but only to the extent that such communications were with patent attorneys who were members of a bar. The court specifically refused to allow the same privilege to be extended to foreign patent practitioners. In *Status Time*, the defendant sought the production of documents relating to plaintiff patent-holder's foreign patent applications. The court asserted that *Duplan* was "inapposite to the facts at bar" on the basis that *Duplan* recognized foreign privilege for communications that related solely to a foreign patent application. The court also considered cases such as *Ampicillin* to be unconvincing. The court turned to the principle that attorney-client privilege should be narrowly construed:

Some measure of confidence may be appropriate between a client and a foreign patent agent just as it might be appropriate . . . between a client and his accountant, or for that matter, between a client and his banker or his investment adviser. However, 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.

As one commentator has noted, the court "failed to explain why the relationship between a client and a patent agent is more akin to that of an accountant than an attorney." In that respect, the decision may be faulty because it is based on an erroneous view of a patent agent's work.

In *Novamont North America, Inc. v. Warner-Lambert Co.* the defendants withheld communications between their American and Swiss
attorneys and patent agents in fifteen countries.182 The communications related to the foreign patent application prosecutions of the defendants' American patent, which was the subject matter of the lawsuit.183 The magistrate judge characterized as virtually unanimous the view that communications with foreign patent agents are not protected by the attorney-client privilege,184 dismissing the Duplan line of cases as outdated.185 The judge further attempted to distinguish the Duplan line of cases by asserting that, in this instance, the federal common law of privileges should govern under Rule 501 of the Federal Rules of Evidence.186 This distinction arguably fails, however, because the federal common law of privileges may have likewise governed the earlier cases. Furthermore, the categorical statement that federal common law "does not recognize the attorney-client privilege for communications between clients and non-attorneys" simply ignores the considerable body of law to the contrary.187 Moreover, the earlier cases, like Novamont, involved communications about foreign patent applications that corresponded to the United States patent-in-suit, and the purpose of requesting discovery of the patent agent communications was to invalidate the patent-in-suit. The court’s implication that such factors somehow make the United States the nation with the "most significant interest" seems far-fetched. If that were truly so, the comity principle would be meaningless, because the forum court could say that any issue that came before it implicates a significant policy of that forum. The Novamont court's position that "[e]xpansion of the attorney-client privilege on the basis of comity would frustrate important principles of our jurisprudence which disfavor testamentary exclusionary principles . . . because they inhibit the truth-seeking process"188 is simply not supported by the history of the attorney-client privilege.189 Federal courts have long recognized such a privilege without resorting to comity—showing that, under federal common law, there are principles that are at least as important as the truth-seeking process, if not more so.

C. "Touch Base" Redux

Status Time's challenge against Duplan and Ampicillin's comity regime was in turn criticized and rejected in Golden Trade, S.r.L. v. Lee Apparel Co.190 Golden Trade, in reasserting Duplan's "touch base"
principle, attempted to reformulate its rationale under the more modern reasoning of the Second Restatement of Conflict of Laws.\textsuperscript{191}

The Second Restatement, estimated to be followed in fourteen states\textsuperscript{192} but much maligned by scholars,\textsuperscript{193} contains a specific provision for privilege conflicts.\textsuperscript{194} Subsection 139(2) suggests that when the state with the "most significant relationship with the communication" recognizes a privilege not recognized by the forum state, the communication should be disclosed under the policy of the forum state unless the foreign state's interest overrides.\textsuperscript{195} The Second Restatement, however, is flawed generally in that its notion of "most significant relationship" is ill-defined.\textsuperscript{196} Moreover, its method for weighing the non-forum state's interest is unclear.\textsuperscript{197} The comment to subsection 139(2) lays out broad factors to be considered in the analysis, including: (1) the number and nature of the contacts that the forum state has with the parties and the transaction involved; (2) the relative materiality of the evidence that is sought to be excluded; (3) the kind of privilege involved; and (4) fairness to the parties.\textsuperscript{198} In

\textsuperscript{191} The \textit{Golden Trade} court does not explicitly state that it is following the Second Restatement, but this is apparent from the court's reasoning. \textit{See infra} notes 205-08 and accompanying text.


\textsuperscript{194} 1 Restatement (Second) Conflict of Laws § 139(2). In contrast, the First Restatement, which remains the conflicts law in at least sixteen states and the District of Columbia, Kay, \textit{supra} note 192, at 582, 591-92, does not have a specific rule for privilege conflicts. The First Restatement embodies a traditional approach to conflict of laws based on the principle of \textit{lex locus} (law of the place). Sprague, \textit{supra} note 141, at 1448-49. A court following the First Restatement would likely determine the applicable privilege law depending on whether it considers privilege to be substantive or procedural. \textit{See} Bradford, \textit{supra} note 36, at 916-17. On the principle that admissibility of evidence is procedural, such a court would likely decide that the rule should be governed by the law of the forum state. \textit{See, e.g.,} Cervantes v. Time Inc., 464 F.2d 986, 989 n.5 (8th Cir. 1972) (applying law of the forum state, Missouri, to a question of a reporter's privilege not to disclose news sources); Union Planters Nat'l Bank of Memphis v. ABC Records, Inc., 82 F.R.D. 472, 474 (W.D. Tenn. 1979) (stating that "the Tennessee courts ... would hold that in the present situation the attorney-client privilege is a question of evidence, and that in determining the scope and validity of the privilege the law of Tennessee would govern"). One problem with this extremely rigid approach is that it completely ignores the reasons for privileging certain types of communications. At the time that a communication is taking place, the forum of a potential future dispute is impossible to predict, especially in the international context.

\textsuperscript{195} 1 Restatement (Second) Conflict of Laws § 139(2).

\textsuperscript{196} \textit{See} Bradford, \textit{supra} note 36, at 938-39; \textit{see also} Kramer, \textit{supra} note 193, at 467 (calling the Second Restatement "rudderless").

\textsuperscript{197} Bradford, \textit{supra} note 36, at 940.

\textsuperscript{198} 1 Restatement (Second) Conflict of Laws § 139(2) cmt. at 387. These factors track those listed in § 6 of the Second Restatement to determine the "most significant relationship." \textit{Id.} at 10.
cases where the contacts with the forum state are few and insignificant, the comment suggests that the state with the greatest interest in having the evidence excluded should prevail. Also, a court may be more likely to give effect to a foreign privilege that is generally similar to a privilege found in its local law. The comment further explains that a court may be inclined to recognize a foreign privilege if it was relied upon, even if the parties were not actually aware of such a privilege. The awareness alone that "communications of the sort involved are treated in strict confidence in the state of the most significant relationship" may be sufficient.

The Second Restatement approach was used in Golden Trade, where the defendants moved for production of documents relating to communications between foreign patent agents and the exclusive licensee of the U.S. patent-in-suit, who handled the prosecution of foreign patent applications. Judge Dolinger, unlike Judge Gershon in Status Time, gave weight to the foreign interests at stake: "This issue is significant because many foreign countries treat their patent agents as the functional equivalent of an attorney and recognize what amounts to an attorney-client privilege for his communications with his clients." The court, after carefully examining the range of ap-

199. Id. at 387.
200. Id. at 388.
201. Id.
202. Id. In spite of these comments, the practical impact of the rule is to give judges broad discretion, ultimately providing the same "law of the forum" result as comity and the First Restatement approaches. Other conflict of laws approaches are also not particularly helpful. Under the "Governmental Interest Analysis" approach advanced by Brainerd Currie in the 1950's, an inquiry is made into whether a "true conflict"—i.e. a situation in which one state's interest is defeated while another state's interest is advanced—exists. See Sprague, supra note 141, at 1455. Where there is a true conflict, Currie advises following the forum law; where there is a false conflict, the law of the state whose interest would be harmed unless followed prevails. Id. This approach avoids the unpredictability inherent in weighing of interests by judges. In actual application, however, courts faced with true conflicts have turned to the doctrine of "comparative impairment," under which the court determines which state's interest would be more greatly impaired if its law was not applied. Id. It goes without saying that the comparative impairment doctrine is to Interest Analysis what the public policy exception is to comity—they are both prone to inconsistency and unpredictability. Another theory is Robert Leflar's "better law" approach, under which a court may apply what it determines to be the "better rule of law" among other choice-influencing considerations. Id. at 1454. Such an approach would exacerbate the problems rather than solving it.

One commentator has criticized existing conflict of laws approaches as inconsistent with the purposes of privilege, and suggests that a territorial approach based on either the attorney's state of practice or the client's domicile would offer more consistency and predictability. Bradford, supra note 36, at 948-49. According to this view, open communications between attorneys and clients will be encouraged only if the parties can be certain that future courts will respect privilege as the parties understood it at the time that the communication occurred. See infra note 234 and accompanying text.

203. 143 F.R.D. 514, 516-17 (S.D.N.Y. 1992)
204. Id. at 519. This statement indicates that the court was sensitive to the concerns addressed by the functional approach. See infra Part IV.B.
proaches, returned to Duplan's "touch base" approach, but with a choice of law analysis that looks towards the state with the "most direct and compelling interest." This approach, although unidentified by the court, is that of the Second Restatement. Though the court does not make this distinction, the analysis differs from Duplan's "touch base" test in that it balances the interests of the relevant states under the "most compelling interest" rubric. Using this analysis, the court turned to Norwegian, German, and Israeli law and found a privilege for foreign patent attorneys.

In Bayer AG v. Barr Laboratories Inc., the court-appointed Special Master likewise rejected Status Time's bright line approach and followed Golden Trade's version of the "touch base" test. The Special Master, however, developed and applied his own version of the test:

[C]ommunications with foreign patent attorneys or patent agents that concern legal advice are privileged under the following circumstances:

[1.] the subject matter of the communication primarily involves foreign law and the attorney-client privilege both exists in the country concerned and extends to patent agents/attorneys . . .
[2.] the subject matter of the communication primarily involves American law and the foreign patent agent or patent attorney was licensed with the U.S. Patent Office or a foreign equivalent . . . .
[and]
[3.] the subject matter of the communication primarily involves American law and the foreign patent agent was not licensed but was functioning as the agent or client of an attorney . . .

Based on this test, the Special Master concluded that communications with Japanese patent agents were protected by the privilege. Upon objection by the plaintiff, the court reviewed the master's approach and criticized it as "almost mechanical" and not based on proper conflict of laws principles. The court rearticulated the "touch base" rule as a test based on the Second Restatement approach, instructing the Special Master

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205. Id. at 521.
206. See supra notes 192-200 and accompanying text.
207. See supra notes 149-64 and accompanying text.
208. 143 F.R.D. at 522-24. In determining German law, the judge cited to several German laws, including the Penal Code, the Criminal Proceedings Code, and the Guidelines for the Practicing of the Patent Attorney Profession. Id. at 524 n.6. For a discussion of these laws, see supra Part II.C.
210. Id. at 1658.
211. Id. at 1660.
212. Id. at 1659.
213. Arguably, the Bayer court's recommendation points to the "center of gravity" approach used by the New York Court of Appeals. Kay, supra note 192, at 527. This approach, which has been criticized for its unpredictability and its tendency to cause
to make a threshold determination as to what consequences applying foreign privilege law under the facts before him would have upon U.S. policy. We further instruct that in determining which foreign law ought to be applied to a particular communication consideration be given to the country in which the patent agent-client relationship began or was centered at the time the purportedly privileged communication was sent.\textsuperscript{215}

\textit{Golden Trade}'s "touch base" test is now the prevailing rule in the Southern District of New York and elsewhere.\textsuperscript{216}

IV. SEEKING SOLUTIONS BEYOND THE CONFLICT OF LAWS REGIME: THE FUNCTIONAL APPROACH

As Part III demonstrated, the current body of law concerning foreign patent specialists is inconsistent and flawed. The following table summarizes the inconsistencies:

unnecessary confusion, \textit{id.} at 537, is generally viewed as having been incorporated into the Second Restatement approach. \textit{id.} at 526.

\textsuperscript{215} \textit{Id.} It should be noted that the court also endorsed the "more exacting standard" of \textit{Alpex Computer Corp. v. Nintendo Co.}, No. 86 Civ. 1749, 1992 U.S. Dist. LEXIS 3129 (S.D.N.Y. Mar. 9, 1992) (discussed \textit{infra} at notes 237-41 and accompanying text). In \textit{Alpex}, the court did not find the language of Japan's Code of Civil Procedure, quoted \textit{supra} note 88, to be sufficient to cover "the patent agent's client or ... the documents prepared in connection with the patent agent's advice." 1992 U.S. Dist. LEXIS 3129, at \*6. The \textit{Bayer} court's attempt to reconcile \textit{Alpex} (which did not recognize the privilege for Japanese benrishi) and \textit{Golden Trade} (which recognized the privilege for German patent agents), 33 U.S.P.Q.2d at 1660 \textit{n.6}, fails because the language of the German laws cited in \textit{Golden Trade} provides no more protection than does Japanese law. See \textit{supra} notes 76, 115 (discussing German statutes).


The Eastern District of New York, prior to settling on the \textit{Golden Trade} test in \textit{Saxholm}, 164 F.R.D. at 337, dealt with the same issue in \textit{Stryker Corp. v. Intermedics Orthopedics, Inc.}, 145 F.R.D. 298 (E.D.N.Y. 1992). There, a magistrate judge followed \textit{Duplan }and \textit{Ampicillin}'s "touch base" analysis in spite of his expressed discomfort at applying the British patent agent privilege, which he saw as conflating regular privilege with work-product immunity. \textit{id.} at 306 \textit{n.4}. His preferred approach was to recognize privilege for the British patent agent as the American attorney's agent. \textit{id.} Because the communication concerned a British patent application, however, and did not "touch base" with the United States, the judge felt constrained to turn to British law, and concluded that its privilege should be recognized on the basis of comity. \textit{id.} at 306-307. The magistrate judge's analysis and review of the relevant case law, however, is flawed for several reasons. First, if the patent agent was indeed acting as an agent of a lawyer, the magistrate did not need to reach the question of whether the communication "touched base" with the United States. See \textit{Mitts & Merrill, Inc. v. Shred Pax Corp.}, 112 F.R.D. 349, 352 (N.D. Ill. 1986); \textit{see also supra} note 46 (discussing the \textit{Kovel} privilege). Also, the magistrate misconstrued the relevant case law, for example describing \textit{Status Time} as using the "touch base" analysis. \textit{See} 145 F.R.D. at 305 \textit{n.3}. 


### Table 1

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Duplan(^{217})</td>
<td>NO</td>
<td>YES, if the communication does not touch base with the U.S. and a privilege exists in the foreign country</td>
</tr>
<tr>
<td>(Comity approach)</td>
<td></td>
<td>NO, if the communication touches base with the U.S. or a privilege does not exist in the foreign country</td>
</tr>
<tr>
<td>Ampicillin(^{218})</td>
<td>YES</td>
<td>YES, if the communication does not touch base with the U.S. and a privilege exists in the foreign country</td>
</tr>
<tr>
<td>(Post-Sperry comity approach)</td>
<td></td>
<td>NO, if the communication touches base with the U.S. or a privilege does not exist in the foreign country</td>
</tr>
<tr>
<td>Status Time(^{219})</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>(bright line approach)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golden Trade(^{220})</td>
<td>NO(^{221})</td>
<td>YES, if a privilege exists in the country with the most significant interest in the communication</td>
</tr>
<tr>
<td>(Second Restatement approach)</td>
<td></td>
<td>NO, if the communication touches base with the U.S. or a privilege does not exist in the foreign country</td>
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To resolve these inconsistencies, this part analyzes the inadequacy of the existing conflict of laws approaches, and turns to the functional approach, which has been employed by some courts. The functional approach, however, lacks definitive standards. Thus, this section proposes a modified or "tempered" functional approach. This approach will prevent the analysis from becoming mired in the same problems of inconsistency and unpredictability that plague the existing approaches.

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\(^{217}\) See supra notes 131-49 and accompanying text.

\(^{218}\) See supra notes 154-64 and accompanying text.

\(^{219}\) See supra notes 165-80 and accompanying text.

\(^{220}\) See supra notes 190-208 and accompanying text.

\(^{221}\) It should be noted, however, that the *Golden Trade* opinion is deeply ambivalent on the question of whether domestic patent agents are entitled to the privilege. See 143 F.R.D. 514, 519 n.3 (S.D.N.Y. 1992). Moreover, the court stated that recognizing such a privilege "would not be dramatically inconsistent with the rationale underlying the attorney-client privilege." *Id.* at 522.
While it is clear that the choice-of-law approach suggested by Duplan and modified by Golden Trade has become the prevailing approach over the years,222 the problems inherent in the rudderless application of its “touch base” test remain unresolved. A recent case highlighted these problems. In Odone v. Croda International PLC,223 plaintiff Odone moved to compel production of correspondence between the British defendant and its British patent agent.224 This correspondence purportedly discussed whether to name Odone as an inventor in the defendant’s British patent application.225 The District of Columbia District Court, claiming to follow Golden Trade, concluded that it would be “nonsensical” to find that the issue did not touch base with the United States because the would-be inventor—if his claim prevailed—was American, and the British patent application later became the priority application for the United States patent.226 The court concluded that United States law would therefore apply, and held that no privilege existed because the defendant failed to argue that the communication would be covered by a United States privilege rather than a British one.227 In dicta, the court stated that the British privilege, even if it applied, would contravene United States public policy favoring open disclosure.228

Odone represents a particularly cynical and result-oriented use of the “touch base” test. The asserted connections between the communications and the United States were extremely attenuated, because an inventor’s nationality matters little in the prosecution of patents, and the United States is just one of many countries where a foreign inventor may file for a patent claiming a priority date based on the first application. Moreover, a communication between a British client


224. Id. at 11.
225. Id.
226. Id. at 13-14.
227. Id. at 14.
228. Id.
and its British patent attorney discussing a British patent application would not likely contain any substantive reference to United States law. It is a testament to the weakness of the "touch base" standard that communications that are clearly privileged under a foreign country's statutory law can be disclosed on such a basis.

The Odone court's dictum that England's statutory patent agent privilege would contravene the American interest in open disclosure sheds light on its contrived reasoning. The concern that recognizing an expansion of privilege "would entail severe burdens on discovery and create a broad 'zone of silence'" is also a basis for the bright line rule. As the Supreme Court reasoned in Upjohn, however, such a concern should not automatically override the privilege. Indeed, the Court identified the promotion of "broader public interests in the observance of law and administration of justice" as overriding that concern. Such a policy makes little sense if it does not apply to non-lawyer legal professionals practicing in foreign countries, because denying protection has the effect of penalizing clients seeking professional legal advice outside of the United States. Making bar membership the threshold criterion does little to promote open communications in systems where the American concept of the bar simply does not apply.

If we must restrict ourselves to an approach based on conflict-of-law principles, the use of a territorial approach to resolve these conflicts may best serve the policies behind the privilege. Under this approach—which has not been applied by any court dealing with the issue—privilege would be recognized where it can be shown that the client or the legal adviser acted under the assumption that their communications were protected from disclosure. This could be proven by showing the existence of a privilege covering communications with the non-lawyer adviser in either the country where the adviser is licensed to practice or the client's domicile. Thus, party expectations would be protected and the result would be predictable at the time that the communication takes place.

230. See supra note 188 and accompanying text.
231. Upjohn, 449 U.S. at 395.
232. Id. at 389.
233. Of course, American privilege rules are not likely to impact most foreign corporations, and those faced with a potential legal problem in the United States would be well-advised to seek advice from an experienced American lawyer. The problem addressed in this Note, in contrast, relates to communications with foreign legal professionals that do not directly implicate the laws of the United States, at least at the time that the communication was made.
234. See supra note 202.
235. Or, in the case of a corporation, its place of business. See Bradford, supra note 36, at 948-49. Bradford suggests that the attorney's state of registration may be the better option, because the attorney is more likely to be aware of the privilege laws there than those of the client's domicile. Id.
This approach, however, leads to the problem of proving foreign law, especially where the problem relates to countries where explicit treatment of the attorney-client privilege does not exist, at least as the concept has developed in the United States. Even under the territorial approach, courts may make missteps similar to those taken in *Alpex Computer Corp. v. Nintendo Co., Ltd.*, where the court denied privilege protection to an infringement analysis made by Nintendo's Japanese patent adviser. In response to Nintendo's argument that Article 281 of Japan's Civil Procedure Code prevented such communications from disclosure, the court read the law narrowly as a testimonial privilege covering various professionals including patent agents, and pointed to a "gap" between such a law and a client's right to refuse to produce documents. The court failed to take into account the fact that similar laws form the basis of statutory attorney-client privilege in some American states, and the fact that courts have traditionally interpreted such language as covering clients and document production under modern justifications of privilege. Such a narrow reading is particularly troublesome in the context of foreign legal professionals, because the statute represents a typical formulation of confidentiality rules in foreign systems. Even if courts were to follow a territorial approach, courts may still be inclined to reject privilege for foreign legal professionals—merely under a different justification. Thus, one must seek a solution beyond the conflict of laws regime.

**B. The Functional Approach**

An alternative approach may be found in cases that use a "functional" analysis, which looks at whether the legal adviser was "acting

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236. See *Rice*, *supra* note 164, at 122 (describing the burden on the proponent of the privilege to establish foreign law as "often insurmountable [sic]").
238. *Id.* at *6-*7.
239. *Supra* note 88.
241. See, e.g., *In re Young's Estate*, 94 P. 731, 732 (Utah 1908) (recognizing privilege as belonging exclusively to the client, in spite of statutory language that only prohibited the attorney from disclosing client confidences); *see generally* McCormick, *supra* note 30, at 339.
242. This is true not only for non-lawyers such as patent agents, accountants and doctors, but for lawyers as well. *See* statutes discussed *supra*, notes 88 (Japan), 113 (France), 115 (Germany).
as a lawyer” in an authorized capacity, and at party expectations. 243

In Vernitron Medical Products, Inc. v. Baxter Laboratories, Inc. 244 the district court recognized privilege for documents sought by the plain-
tiff, which reflected communications with foreign patent agents. 245

The court recognized that patent law is unique, with qualification
rules different from those encountered in other legal fields. 246 Thus, it
rejected the formalistic distinction between a “patent attorney” and a
“patent agent” in determining privilege. 247 As the court stated, “[t]he
substance of the function, rather than the label given to the individual
registered with the Patent Office, controls the determination here.” 248

Vernitron’s functional approach has been revived in the Northern Dis-
trict of Illinois in two cases, Mendenhall v. Barber-Greene Co. 249 and
Heidelberg Harris, Inc. v. Mitsubishi Heavy Industries, Ltd. 250 The
Vernitron court’s approach is echoed outside of patent law in Renfield
Corp. v. E. Remy Martin & Co. 251 where the District Court of Dela-
wre extended privilege to French conseils juridique (in-house coun-
sel) by recognizing their substantive advisory work, in spite of the fact
that they were not members of a bar. 252

The functional approach, in which the court’s determination would
be based on whether the adviser was engaged in “the substantive
lawyering process,” offers a more fair and workable solution than the
existing approaches. The approach satisfies the confidentiality needs
while being relatively predictable because the analysis would be based
on the nature of the communication itself rather than on a district
court’s interpretation of foreign law. Thus, the functional test pro-
vides courts with a much more principled basis for determining privi-
lege questions. The functional approach is especially palatable in light
of the fact that each step of the predominant “touch base” approach is

243. See, e.g., Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., Ltd., No. 95 C
0673, 1996 U.S. Dist. LEXIS 19274, at *27 (N.D. Ill. Dec. 9, 1996); Mitts & Merrill,
Inc. v. Shred Pax Corp., 112 F.R.D. 349, 352 (N.D. Ill. 1986); Mendenhall v. Barber-
Baxter Labs., Inc., 186 U.S.P.Q. (BNA) 324, 325-26 (D.N.J. 1975); see also Goebel,
supra note 145 at 505-06 & 506 n.192 (citing positively to cases recognizing privilege
for foreign patent agents based on a functional analysis).
245. Id. at 325-26.
246. Id. at 325.
247. Id.
248. Id.
249. 531 F. Supp. 951 (N.D. Ill. 1982).
is discussed infra notes 255-60 infra and accompanying text. See also Mitts & Merrill,
Inc. v. Shred Pax Corp., 112 F.R.D. 349, 352 (N.D. Ill. 1986) (articulating the func-
tional approach).
251. 98 F.R.D. 442 (D. Del. 1982).
252. Id. at 444. Also, the approach taken by the Southern District of New York in
Golden Trade reflects the court’s sensitivity to the functional equivalency of foreign
non-lawyers and American lawyers. See infra note 254.
entirely subject to the discretion of the judge or the discovery master, unguided by definitive rules.

The functional approach also offers a significant practical advantage over the territorial approach. Making factual inquiries into client expectations, as well as the substance of each communication and the function played by the adviser in each instance may be a heavy burden on the courts. At the same time, however, courts are better equipped to make such an inquiry than to make a similar inquiry into foreign laws. To determine the substance of foreign laws, courts may have to turn to foreign texts and dueling expert witnesses. In contrast, to determine whether a foreign legal adviser was engaged in the "substantive lawyering process," a court could consider sworn affidavits by the advisers themselves, which describe their professional qualifications and the process of the advisory relationships. Such testimony could establish the procedural sufficiency of the communications without revealing their substance. Furthermore, because the policy underlying the attorney-client privilege is to encourage individuals to seek professional legal advice, such a review likely would be sufficient to establish whether the communications are entitled to protection.

In Heidelberg Harris, Inc. v. Mitsubishi Heavy Industries, Ltd., the District Court for the Northern District of Illinois applied the functional approach to protect communications between a corporation and its German in-house patent department staff. Defendant Mitsubishi sought unredacted production of documents created by members of the plaintiff's patent department in Germany. These patent department members consisted of a Patentassessor, an in-house patent attorney who is qualified to practice before the German Patent Office but who is not able to represent a client before the German District Court, and two Patentanwaltzkandidats studying to become Patentassessors. Reasoning that the substance of the roles assumed

253. Also, courts would have to face the fact that case reporting systems in foreign countries may be vastly less developed than in the United States. For example, Japan does not have a uniform case reporting system nor any service equivalent to Shepard's.

254. See Golden Trade, S.r.L. v. Lee Apparel Co., 143 F.R.D. 514, 523-24 (S.D.N.Y. 1992). Although the Golden Trade court followed the "touch base" test, its analysis of Norwegian, German and Israeli law have a strongly functional orientation. The court seems to have stopped short of fully adopting the functional approach, choosing to follow instead a doctrine with more precedential support within the district. As the Golden Trade court stated: "[F]oreign patent agents perform services akin to lawyers in their field of specialization. Thus . . . the invocation of a comparable privilege for patent agents—whether domestic or foreign—would not be dramatically inconsistent with the rationale underlying the attorney-client privilege. . . ." Id. at 522. It may be arguable that the Golden Trade approach incorporates the functional approach as an element of its analysis.

256. Id. at *26-*27.
257. Id. at *2.
258. Id. at *24-*25.
by the parties is more important to the analysis than the titles attached to the parties involved, the court held that their communications with the company were privileged. As the court stated, "where a party who may arguably be termed a foreign patent agent is engaged in the substantive lawyering process and communicates with his client, the communication is privileged to the same extent as a communication between an American attorney and his client." The Heidelberg court's analysis was placed squarely on the question of whether the adviser was engaged in "the substantive lawyering process."

C. The Tempered Functional Approach

Despite its workability and freedom from the difficulties of a conflict of laws analysis, the functional approach does come with a risk of overly destandardizing the boundaries of privilege. This risk, however, may be tempered with additional requirements to ensure that the communication was with a professional legal adviser, thus justifying the protection. Wigmore's standards for professional privilege can be used to determine whether a communication meets this standard. For Wigmore, the purpose of a non-disclosure privilege did not require that the adviser be a member of a bar. Instead, the crucial considerations are the function played by the legal adviser, the relationship based on trust that results from that function, and the expectations created by virtue of that relationship. Wigmore listed, as factors to consider, whether the profession: (1) requires an oath of office; (2) requires prior proof of professional qualifications; (3) maintains a list of registered persons; or (4) has regulations that in any other way "treat the special practitioners as a licensed body having the responsibility of attorneys and subject to professional discipline."

None of the factors listed by Wigmore go to the formalistic—and as we have seen, misleading—question of whether the legal adviser is a member of a bar. Instead, they focus on the professional status and duties of the licensed legal adviser and the degree of reliance that such status would create among advice-seekers. Whether the foreign country arguably has a statutory privilege may be a significant additional consideration, provided that the court understands that privilege may be based on different justifications in foreign systems.

259. Id. at *27.
260. Id. at *28.
261. Id. at *26-*27. The court also protected the substantive communications with the two Patentanwaltzskandidats, on the theory that they were acting as the Patentschlussler's agents. Id. The court's analysis allows the professional status of the non-lawyer adviser to be left open to argument, extending privilege to a party "who may arguably be termed a foreign patent agent." Id. at *28.
262. See supra notes 43-44 and accompanying text.
263. Wigmore, supra note 22, § 2300a, at 581-82.
264. Id.
This “tempered” functional approach may have the effect of broadening the privilege to apply to registered patent advisers in almost all foreign systems. In the patent cases discussed above, the privilege would protect foreign patent agent communications regarding substantive legal advice provided that the party asserting the privilege can prove that the patent agent was acting as the functional equivalent of a lawyer. For example, the Japanese patent adviser communications at issue in Alpex would be privileged because the benrishī was providing substantive legal advice concerning patent infringement, and because his professional qualifications and status justify the client's expectation that the communications are protected. Given the extremely rigorous qualification requirements in foreign systems, this result cannot be called excessive. If the attorney-client privilege can be expanded to cover U.S. patent agents on Sperry's rationale that they are engaged in a practice of law, the denial of protection to patent advisers in foreign systems—whose qualification requirements and professional duties are significantly higher than those of U.S. patent agents—is artificial and arbitrary. At the same time, the tempered functional approach would not allow the privilege to extend to communications that, for example, merely concern the prosecution of applications in a foreign patent office, or communications with an individual who is not qualified to render any type of legal advice, and in whom a client cannot have reasonable expectations of confidentiality.

The tempered functional approach might also apply to communications with other types of foreign legal professionals, such as tax advisers and corporate in-house counsel. This may affect the outcome of cases such as Duttle v. Bandler & Kass, where the court, following the bright-line rule of Status Time, rejected an assertion of privilege.

265. See supra notes 237-38 and accompanying text.
266. See supra Part II.
267. See also Golden Trade, S.r.L. v. Lee Apparel Co., 143 F.R.D. 514, 523 (S.D.N.Y. 1992) (stating that cases that extended privilege to foreign and domestic patent agents “illustrate the point that recognizing foreign law protection for foreign patent agent’s communications with their foreign clients concerning the prosecution of foreign patents will not undermine any compelling policy interest reflected in domestic law governing privilege claims”).
268. For example, a person who is studying to become a patent adviser and is not acting as an agent of a registered patent attorney or a lawyer.
269. Under the approach proposed by this Note, communications with corporate in-house counsel would be protected by attorney-client privilege only if the profession meets this Note’s standards for establishing a privileged relationship. For a Japanese article arguing that members of Japanese corporate legal departments should be protected by the U.S. attorney-client privilege, see Yasuhiro Fujita, Honsha homubu no bukacho wa Beikoku no In-House Counsel to onaji Attorney-Client Privilege o shucho dekiruka [Is a Japanese Parent Company's Legal Manager Entitled to Attorney-Client Privilege Enjoyed by U.S. Corporate Counsel?], 21 Kokusai Shoji Homu 410 (1993).
covering German tax specialists. A note taking this approach, the court would turn to the evidence provided by the party asserting the privilege to determine whether the tax adviser was acting as a functional equivalent of a lawyer, both in terms of the substantive nature of the communications and her professional qualifications. Because German statutes apply the privilege to communications with tax advisers, a court would likely recognize the privilege provided that the communication contained substantive legal advice.

The tempered functional approach would extend the attorney-client privilege to foreign legal professionals who provide limited but important advisory services within their own systems. In contrast, much of the current law in the United States tends to limit the protection of the attorney-client privilege to American lawyers, thereby casting a shadow over the purpose and meaning of the privilege itself. Such an approach is contemptuous of important and legitimate foreign interests in protecting confidential communications, and undermines the very policies that underlie the attorney-client privilege. To encourage effective representation through truthful disclosure by clients to their authorized legal advisers, courts must be prepared to adapt the doctrine to the realities of legal representation around the globe. The tempered functional approach represents a solution that gives due deference to the legal communities of both the United States and the rest of the world.

CONCLUSION

District courts dealing with the legal and cultural complexities of determining whether privilege applies to communications with foreign legal professionals have found little guidance from appellate courts or academic literature. Such courts have had to resort to varying approaches without clearly defined guideposts, with unpredictable and inconsistent results. As this Note argues, the goals of the attorney-client privilege are best served by a tempered functional analysis, which focuses on whether the foreign adviser was engaged in the “substantive lawyering process” and whether the foreign adviser possessed professional qualifications that would justify the client's expectations of privilege. While no perfect compromise exists, this approach gives due consideration to differences between American and foreign legal systems, without significantly impinging on the judicial need for open disclosure.

271. Id. at 52.
272. The German statutes which the Golden Trade court relied on to extend privilege to German patent agents similarly cover German tax advisers and authorized tax agents. See supra note 115 and accompanying text.
Notes & Observations