Published on *The National Law Review* https://natlawreview.com

The Federal Circuit Newly Recognizes Patent-Agent Privilege

Article By:

Christina Sperry

On March 7, 2016, the Court of Appeals for the Federal Circuit recognized "a patent-agent privilege extending to communications with non-attorney patent agents when those agents are acting within the agent's authorized practice of law before the Patent Office." The opinion, *In Re: Queen's University at Kingston, PARTEQ Research and Development Innovations*, authored by Judge O'Malley and joined by Judge Lourie, granted Queen's University's petition for mandamus relief and ordered the district court to withdraw its blanket order compelling the production of communications between Queen's University and its non-attorney patent agents.

Queen's University, located in Ontario, Canada, sued Samsung for patent infringement. Throughout fact discovery, Queen's University refused to produce certain documents it believed contained privileged information. The documents included communications between Queen's University employees and registered non-lawyer patent agents, which were working without attorney supervision, discussing the prosecution of the patents-in-suit. Samsung moved the district court to compel the production of these documents. The magistrate judge granted Samsung's motion, finding that the agents' communications are not subject to the attorney client privilege and that a separate patent-agent privilege does not exist.

After determining that Federal Circuit law applied because the underlying disputed materials relate to an issue of substantive patent law and that mandamus review was appropriate, the Federal Circuit found the existence of the patent-agent privilege. Exercising its authority under Rule 501 of the Federal Rules of Evidence, the Federal Circuit turned to "reason and experience" in order to determine whether a patent-agent privilege was appropriate. The Federal Circuit relied heavily upon *Sperry v. State of Florida ex rel. Florida Bar*, where the U.S. Supreme Court expressly found that "the preparation and prosecution of patent applications for others constitutes the practice of law." The traditional attorney-client privilege is justified based on the need for candor between a client and his or her legal professional. The Federal Circuit reasoned that this justification would seem to apply with equal force to patent agents since the lack of a patent-agent privilege would hinder communications between patent agents and their clients, undermining the real choice Congress and the Commissioner have concluded clients should have between hiring patent attorneys and hiring non-attorney patent agents. Further, based on *Sperry* and Congressional intent, the Federal Circuit said the *professional status* conferred on patent agents justifies the recognition of the patent-agent privilege.

The Federal Circuit also addressed the scope of the newly-recognized privilege. The scope of the patent-agent privilege is defined by the scope of a patent agent's ability to practice before the Patent Office. That is, communications between non-attorney patent agents and their clients that are in furtherance of the performance tasks "which are reasonably necessary and incident to the preparation and prosecution of patent applications or other proceeding before the Office involving a patent application or patent in which the practitioner is authorized to participate" receive the benefit of the patent-agent privilege. More specifically, 37 C.F.R. § 11.5(b)(1) provides:

> Practice before the Office in patent matters includes, but is not limited to, preparing and prosecuting any patent application, consulting with or giving advice to a client in contemplation of filing a patent application or other document with the Office, drafting the specification or claims of a patent application; drafting an amendment or reply to a communication from the Office that may require written argument to establish the patentability of a claimed invention; drafting a reply to a communication from the Office regarding a patent application; and drafting a communication for a public use, interference, reexamination proceeding, petition, appeal to or any other proceeding before the Patent Trial and Appeal Board, or other proceeding.

While the facts and circumstances of a particular communication may implicate other recognized privilege or immunity, the patent-agent privilege, said the court, does not cover communications that are not reasonably necessary and incident to the prosecution of patents before the Patent Office. For example, communications with a patent agent who is offering an opinion on the validity of another party's patent in contemplation of litigation or for the sale or purchase of a patent, or on infringement, are not "reasonably necessary and incident to the preparation and prosecution of patent applications or other proceeding before the Office."

Judge Reyna dissented. He noted that the majority's opinion is based on "the light of reason and experience" and not about the law or a statute. Judge Reyna stated that such a factor makes him leery and went on to say the presumption against the creation of new privileges had not been overcome by any showing that the public interest will be served or that there is a real need for such a privilege. He reasoned that the demand for truth is a cornerstone in the legitimacy of the U.S. system of justice and is not to be derogated lightly. The public interest purported to be found in support of the patent-agent privilege—the need for encouraging open communication—already existed. Patent agents and clients are subject to a duty of candor before the USPTO, i.e., any information believed to be material to patentability must be disclosed. Congress recognized that agents would not have the same privileges as attorneys, and no appellate court or legislature has created an agent-client privilege. An attorney-client-like privilege should not apply merely because someone is enabled to practice limited law before a single specific administrative agency.

Based on the issues raised, there very well may be an *en banc* hearing of this case by Federal Circuit. Stay tuned.

National Law Review, Volume VI, Number 71

Source URL:https://natlawreview.com/article/federal-circuit-newly-recognizes-patent-agent-privilege