# Australia

## National aspects

*Discovery procedure and how privilege protection operates against discovery*

There are two methods of discovery under the Australian High Court rules. One is the normal track discovery and another is the fast track discovery under Federal Court of Australia New Practice Note 30 (fast track) of April 2009, which aims to finalize a proceeding within five to eight months of commencement. On the fast track discovery, the court expects the parties to cooperate with and assist the court in ensuring that the case is conducted in accordance with the fast track. Under the fast track procedure, discovery is only limited to documents on which a party intends to rely and documents that have significant probative value adverse to a party's case.

Under the normal track, discovery may be made on documents on which the party relies, documents that adversely affect the party's own case, documents that affect another party's case and documents that support another party's case. Client-attorney privilege operates to entitle a client, and even an attorney in his or her role as a witness or a party to litigation, to withhold evidence, or in some cases, to prevent others from disclosing privileged information. For example, the privilege allows a client to withhold, from a court, communications that she/he has had with his or her lawyer for the purpose of obtaining legal advice.

*Professionals covered by the privilege and secrecy obligation*

Professionals covered by the privilege are qualified lawyers, including in-house qualified lawyers and patent attorneys. The term "qualified lawyers" refers to lawyers called to the Bar in each of the States and Territories of Australia. The ultimate decision to admit a person with certain qualifications to the Bar rests with the State or Territory in which one is seeking admission.

Patent attorneys are granted patent attorney privilege by statutes (Section 200 of the Patents Act 1990). The Australian Patents Act restricts patent attorneys from preparing documents to be filed in court, or transacting business or conducting proceedings in court, distinguishing it from that of lawyers who may prepare documents, transact business and conduct proceedings in court.

In comparison, Australia also provides for the same privilege to trademark attorneys as prescribed for their patent attorney counterparts. Australia's Trade Marks Act of 1995, as amended by the Intellectual Property Laws Amendment Act 1998, extends the same rights to Australian patent and trademark attorneys.

*In-House Patent Attorney*

Based on the strict interpretation of Section 200(2) of the Patents Act and the recent comments in *Telstra Corporation Limited v. Minister for Communications, Information, Technology and the Arts (No 2)* [2007] FCA 1445, regarding client-lawyer privilege, it is expected that patent attorney privilege would apply to communications with in-house patent attorneys subject to certain conditions. Firstly, the attorney would need to be registered under the Patents Act. Secondly, he or she would need to be acting in his or her capacity as a patent attorney rather than in any commercial or technical capacity. In that case, Graham J reiterated the independence required of the in-house lawyer and stated that, for privilege to

operate, the lawyer needed to be acting in a legal, rather than a commercial, role. The lawyer, and thus also the patent attorney, would need to be able to give impartial legal (patent attorney) advice not "compromised by virtue of the nature of his employment relationship with his employer".

*Scope of privilege*

The lawyer-client privilege protects communications between lawyers and clients for the purpose of legal advice. Based on the decision in *DSE (Holdings) Pty Ltd v. Intertan Inc.* (2003) 135 FCR 151, legal advice that is entitled to a privilege must go beyond formal advice as to the law. This means that client-lawyer privilege protects communications (oral or written) and documents which are confidential and pass between or are created by a lawyer and client for the dominant purpose of the lawyer providing, or the client receiving, legal advice. In Australia, client-attorney privilege extends to communications with third parties.

Following the decision of the High Court of Australia in *Daniels Corporation International v. ACCC* (2002) 213 CLR 543, it is now settled that legal professional privilege is a rule of substantive law of which a person may avail himself to resist giving information or the production of documents which would reveal communications between a client and his or her lawyer made for the dominant purpose of giving or obtaining legal advice or the provision of legal services, including representation in legal proceedings. This means that legal professional privilege is not confined to the processes of discovery and inspection and providing evidence in judicial proceedings.

According to Section 200(2) of the Patents Act, the scope of client-patent attorney privilege is narrower than client-lawyer privilege. Privileged communications are limited to those on intellectual property matters. Further, while the privilege granted to clients of solicitors is extended to communications with third parties, communications covered by client-patent attorney privilege are restricted to communications between a registered patent attorney and his or her client.

The scope of client-patent attorney privilege also appears to be narrower than for client-lawyer privilege, which extends to the categories of providing legal advice (Evidence Act 1995 (Cth), s 118), or legal services, including representation in legal proceedings (Evidence Act 1995 (Cth), s 119; *Esso Australia Resources Ltd v Federal Commissioner of Taxation* [1999] HCA 67; (1999) 201 CLR 49). ss 200(2A)-(2B) merely mention 'legal advice'.

In *Australian Mud Company Pty Ltd v Coretell Pty Ltd* [2014] FCA 200 (at [11]-[12]), referring to the Explanatory Memorandum, it was stated that s 200 of the Patents Act was intended to be consistent with s 118 of the Evidence Act. In *Titan Enterprises (Qld) Pty Ltd v Cross* [2016] FCA 1241, which dealt with an identically worded provision in the Trade Marks Act, it was observed (at [12]-[13]) that the attorney privilege was not intended by parliament to be the same as that for a lawyer, as attorneys 'do not have the same rights as lawyers do to initiate proceedings and represent parties in court'. It was held that while advice as to whether material could be used in legal proceedings was sufficient, the drafting of such documents did not constitute advice, and was not protected.

*The limitations and exceptions to the privilege*

Exceptions to the legal professional privilege in Australia take the form of common law exceptions or statutory exceptions. Common law exceptions include the name of the client (*Commissioner of Taxation v. Coombes* (1999) 92 FCR 240), the circumstances in which allowing the claim of legal professional privilege would frustrate legal processes (*R v Bell; Ex parte Lees* (1980) 146 CLR 141.) and where communication between the lawyer and the client is for the purpose of committing a crime or fraud. In *Carter v. Northmore Hale Davy*

*& Lake,* it was held that, in particular circumstances, a court could override the legal professional privilege.

Statutory exceptions to privilege are provided in different legislation. For example, legal professional privilege may be lost where a communication between the lawyer and client concerns "acts attracting the anti-avoidance measures in Pt IV A of the Income Tax Assessment Act 1936" and "in furtherance of a contravention of the Trade Practices Act 1974".

The exceptions and limitations to legal professional privilege may be express or conditional. For example, Section 37(3) of the Administrative Appeals Tribunal Act 1975 provides for an express exception which imposes an obligation on parties to lodge certain documents with the tribunal notwithstanding any rule of law relating to privilege or public interest in relation to the production of documents. On the other hand, Section 157 of the Trade Practices Act 1974 provides for a conditional limitation to the legal professional privilege, according to which a court can order the Australian competition authority to comply with a request for information but such a request may not be complied with if "the court considers it inappropriate to make the order by reason that the disclosure of the contents of the document or part of the document would prejudice any person, or for any other reason." The decision of the High Court of Australia in *Daniels Corporation International Pty Ltd v. ACCC* (2002) 213 CLR 543, suggests that a statute abrogates legal professional privilege in cases where "very clear, indeed unmistakable, provisions of legislation" exist which deny the application of privilege.

*Consequences of the loss of confidentiality and penalties for disclosure*

The loss of confidentiality or inadvertent disclosure of confidential information subject to the privilege means the confidentiality and also the privilege are lost. A patent attorney who discloses confidential information without authorization may be subject to disciplinary proceedings by the Professional Standards Board in accordance with Disciplinary Guidelines for Registered Patent and Registered Trade Marks Attorneys under Regulation 20.33 of the Patent Regulations 1991. The Guidelines set out the procedures that the Professional Standards Board will follow in investigating a registered patent attorney or a registered trademark attorney and in deciding whether or not to commence disciplinary proceedings. The Board has the power to refer any patent attorney who is in breach of confidentiality for professional misconduct to the Disciplinary Tribunal.

*Requirements/qualifications for patent advisors*

The registration of patent attorneys and trademark attorneys in Australia is governed by the Professional Standards Board for Patent and Trade Mark Attorneys, a body established under Section 227A of the Patents Act 1990. The Board administers the regulatory and disciplinary regimes for patent and trademark attorneys in Australia.

To register as a Patent and Trademark Attorney in Australia, the following conditions must be met: pass nine prescribed exams; hold a degree in a field of technology that contains potentially patentable subject matter; be ordinarily resident in Australia; have worked for a year as either a technical assistant in a patent attorney's practice, an employee in a company in Australia practicing patent matters on behalf of a company or an examiner of patents at IP Australia; and be of good repute, integrity or character, and not have been convicted within the past five years of offences against patents, trademarks and designs legislation.

## Cross-border aspects

*Recognition of Foreign Privilege in Australia*

The patent attorney privilege was not applicable to communications between clients and foreign patent attorneys who are not registered under the Australian Patents Act 1990 until 2013. In Australia, the requirement for a "registered patent attorney" was established by the Federal Court of Australia in *Eli Lilly & Co. v. Pfizer Ireland Pharmaceuticals* (2004) 137 F.C.R. 573 (Federal Court of Australia) ["*Eli Lilly & Co*"]). The privilege for communications with a registered patent attorney was confined to communications with an attorney registered in Australia. The court based its decision on the limitation of the scope of the statutory privilege to registered patent attorneys.

The Australian Government recognized that legislative changes were needed to afford a client of a non-lawyer patent attorney certainty in relation to confidentiality of intellectual property advice both in Australia and overseas. Furthermore, the privilege applicable to clients of non-lawyer patent attorneys should also apply to their communications with suitably accredited overseas non-lawyer patent attorneys. Further, many patent applicants hold global patent portfolios, including a number of patents for the same invention in different jurisdictions. This means that a dispute in relation to a single invention may be prosecuted simultaneously in a number of different jurisdictions. It is not always desirable or practical for parties to such disputes to limit their requests for advice to Australian patent attorneys.

The Intellectual Property Laws Amendment (Raising the Bar) Act extended the existing client-patent attorney privilege to foreign patent attorneys which entered into force on April 15, 2013. This was achieved by expanding the definition of 'patent attorney' to include an individual authorized to do patents work under the law of another country or region. No further criteria are mentioned in the Act. However, the privilege applies to the extent that the attorney is authorized to provide intellectual property advice. Consequently, communications with a foreign patent attorney relating to trade marks or other rights will be privileged only if the attorney is authorized to do that work in his home country in addition to patents work. Methodologically, the Act extends the principle of the client-patent attorney privilege to foreign advisors in IP law and not in evidentiary law.

The Intellectual Property Laws Amendment (Raising the Bar) Act revised subsection 200(2) of the Patents Act as follows:

> "(2) A communication made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to the same extent, as a communication made for the dominant purpose of a legal practitioner providing legal advice to a client.
>
> "(2A) A record or document made for the dominant purpose of a registered patent attorney providing intellectual property advice to a client is privileged in the same way, and to same extent, as a record or document made for the dominant purpose of a legal practitioner providing legal advice to a client.
>
> "(2B) A reference in subsection (2) or (2A) to a registered patent attorney includes a reference to an individual authorized to do patents work under a law of another country or region, to the extent to which the individual is authorized to provide intellectual property advice of the kind provided.
>
> "(2C) Intellectual property advice means advice in relation to:
> (a) patents; or
> (b) trademarks; or
> (c) designs; or
> (d) plant breeder's rights; or

(e) any related matters."

It is noted in relation to those provisions, that patents work is defined as work in relation to patents or patent applications done, on behalf of someone else, for gain. The intention is that the privilege provision captures communications between clients and foreign IP professionals who are authorized to perform work similar to the work done by their Australian counterparts. This will include not only persons authorized under the law of a nation state, but also persons registered under an international treaty, such as Article 134 of the EPC 1973, which authorizes persons to do patents work before the EPO.

The scope of the privilege is limited to the scope of a person's authority to perform the work in their home country or region. Further, the communication, record or document must be made for the 'dominant' purpose of a patent attorney providing intellectual property advice to a client in order for the communication, record or document to attract the privilege. The definition of 'intellectual property advice' in subsection 200(2) limits the scope of privilege to only those fields in which patent attorneys have specialist qualifications and knowledge.

*Summary*

The client-attorney privilege accorded to patent attorneys in Australia is part of the statutory privilege and does not originate from the common law legal professional privilege, although the patent attorney privilege closely mirrors the common law legal professional privilege. Thus, before 2013, the patent attorney privilege was only applicable to the intended beneficiary who is a registered patent attorney in Australia and not an unregistered patent attorney which includes a patent attorney registered in a foreign country but not in Australia. Since the entering into force of the Act on April 15, 2013, Australian law extends the patent attorney privilege to foreign to the extent to which the individual is authorized to provide intellectual property advice of the kind provided.