

IN SUMMARY

- The New Zealand Evidence Act 2006 came into effect on 1 August 2007
- Under section 54 of the new Act, privilege can be claimed by registered patent attorneys or overseas practitioners whose functions wholly or partly correspond to those of a registered patent attorney and his/her clients for communications relating to the obtaining or giving of information or advice concerning ‘intellectual property’
- The intent is to provide an all-encompassing protection against discovery during court proceedings
- The education syllabus for patent attorneys is being reviewed by the New Zealand Institute of Patent Attorneys as part of a broader review of the Patents Act



Extending the scope of privilege

Rosemary Wallis of Baldwins examines the extended scope of privilege protecting communications between patent attorneys and their clients

AUTHOR

Rosemary Wallis is a partner at Baldwins in Auckland, New Zealand. She is a barrister and solicitor of the High Court of New Zealand and registered as a patent attorney in New Zealand and Australia. She practices in the areas of IP litigation and licensing and advises on adversarial matters in New Zealand and elsewhere.

*I would like to acknowledge the assistance of Mark Paton formerly with Baldwins in Auckland and now with DLA Piper in London.



The most sweeping reform of the law of evidence in New Zealand’s history has recently come into force. The Evidence Act 2006, which was some 17 years in the making, came into effect on 1 August 2007. Importantly, it radically extends the scope of privilege protecting communications between patent attorneys and their clients in New Zealand. While the extended coverage already applied to Australian practitioners, due to an apparent glitch, it was not extended to other overseas practitioners. The Act also transforms the rules on admissibility of evidence, and affects the manner in which some evidence may be taken, but these aspects will not be addressed in the course of this article.

Patent attorney privilege as it was before

Prior to the new Act, patent attorney privilege was restricted to information or advice relating to any patent, design, or trademark, or to any application in respect of a patent, design, or trademark, whether or not the information or advice related to a question of law¹.

The courts took a restrictive approach to interpreting the patent attorney privilege², and deemed communications between a patent attorney and his or her client to be privileged only to the extent specified by the statute. Unless the patent attorney was also a practising lawyer, communications on copyright from a patent attorney were not privileged because copyright advice was not expressly defined as a protected communication. It was also assumed that Fair Trading Act, passing off and general commercial and regulatory advice was given without privilege.

This was an inconvenient situation. A patent attorney is commonly required to advise clients on the full range of possible protection or enforcement options available to them and clearly copyright is one of those options. Patent attorneys who were also practising as solicitors were able to claim legal professional privilege on behalf of their clients to protect communications relating to copyright, whereas those clients who obtained copyright or other related advice from patent attorneys who were not

also solicitors were potentially disadvantaged.

The new regime

Under section 54 of the new Evidence Act 2006, privilege may now be claimed by registered patent attorneys or overseas practitioners whose functions wholly or partly correspond to those of a registered patent attorney and his or her clients, for communications relating to the obtaining or giving of information or advice concerning 'intellectual property'.

'Intellectual property' is broadly defined under section 54(3) as:

- Literary, artistic, and scientific works, and copyright.
- Performances of performing artists, phonograms, and broadcasts.
- Inventions in all fields of human endeavour.
- Scientific discoveries.
- Geographical indications.
- Patents, plant varieties, registered designs, registered and unregistered trademarks, service marks, commercial names and designations, and industrial designs.
- Protection against unfair competition.
- Circuit layouts and semi-conductor chip products.
- Confidential information.
- All other rights resulting from intellectual activity in the industrial, scientific, literary, or artistic fields.

The scope of communications covered by patent attorney privilege is therefore now much more realistic. The statutory intent of section 54 is to provide an all-encompassing protection against discovery during court proceedings in relation to the giving by patent attorneys of information or advice relating to all aspects of IP.

This is a welcome recognition of the commercial reality of the role played by New Zealand patent attorneys, who must be able to advise clients freely and frankly on all various options for protecting their IP. Extending the privilege also reflects the current make-up of the patent attorney profession as most New Zealand patent attorneys have a law degree and are admitted as barristers and solicitors. The patent attorney privilege now extends to all the privilege that legally qualified patent attorneys already enjoyed.

Privilege for foreign patent attorneys

A further significant development brought about by the Evidence Act 2006 is the extent to which New Zealand patent attorney privilege now protects communications generated offshore by

overseas patent attorneys (or 'patent agents') and their clients.

Privilege now also covers communications between a client and an overseas practitioner if the practitioner's functions wholly or partly correspond to those of a registered patent attorney. Overseas practitioners include admitted Australian barristers and solicitors, Australian registered patent and trademark attorneys and any practitioners who are in a country specified by an order in council.

To date no orders in council have issued, though it is understood representations are being made that this be done. Until then, aside from Australian practitioners, no privilege can attach to the communications of overseas practitioners under the Act, and parties will need to rely on the common law which is preserved by way of section 53(5).

The new provision may merely confirm the status quo at common law³, but the amendment is intended to avoid similar problems to those that have arisen in Australia. In *Eli Lilly v Pfizer (No 2)*⁴ the federal court of Australia found that communications between a foreign patent attorney, who was not also a solicitor, and his or her clients in relation to a foreign case did not attract privilege in Australia despite related proceedings underway in Australia. This was due to a strict interpretation of section 200(2) of the Australian Patents Act 1990, by which the court held that 'patent attorney' meant only a person registered as a patent attorney under the Australian Act.

Finally, it is not clear whether an 'overseas practitioner' must be physically located overseas to be able to claim the privilege and whether a foreign qualified practitioner temporarily acting in New Zealand is covered by the privilege. It seems likely that a foreign qualified practitioner acting in New Zealand will be covered by the privilege in view of the purpose of the reform, but this remains to be determined.

Reform of educational requirements for patent attorneys

Wider privilege brings with it wider responsibilities. As the majority of practising patent attorneys in New Zealand are also barristers and solicitors, the changes to patent attorney privilege may not greatly affect many present members of the profession.

The sweeping changes to patent attorney privilege mean it is, however, appropriate to review the education syllabus for patent attorneys in New Zealand. To become a registered patent attorney in New Zealand, candidates are required to complete a course of study of six examinations administered by

the council of the New Zealand Institute of Patent Attorneys (NZIPA):

- The New Zealand law and practice relating to patents and designs (two papers).
- The New Zealand law and practice relating to trademarks.
- Foreign patent law.
- The preparation of specifications for New Zealand patents.
- Patent attorney practice in New Zealand, including the interpretation and criticism of patent specifications.


These papers are practically based. There is currently no legal ethics or legal office management requirement and only limited emphasis on copyright, performing artists' rights, the law relating to breach of confidence, contract law, competition law, and administrative law.

Legally qualified practitioners will, of course, be familiar with most if not all of these fields of law through their legal studies or during the professional examination course. Most non-legally qualified practitioners will develop a practical working knowledge of many of these matters during the minimum three-year apprenticeship period at a patent attorney firm.

Given the newly broadened scope of patent attorney privilege, however, it may be appropriate that non-legally qualified patent attorneys receive tuition in at least legal and professional ethics and aspects of commercial and contract law.

The examination syllabus is under review by the NZIPA as part of a broader review of the Patents Act, with a new patents bill due to be introduced in New Zealand before the end of the parliamentary year.

Conclusion

The Evidence Act carries out much-needed reform in a number of areas. The law relating to hearsay evidence is much revised and the Act also simplifies the process for obtaining evidence in and for overseas jurisdictions, particularly Australia, evidence by video link and the enforcement of subpoenas. For patent attorneys, however, the most significant aspect is the much-needed reform of the law on privilege. 

Notes

1. Section 34 of the former Evidence Amendment Act (No 2) 1980.
2. *Whangapirita v Allflex New Zealand Limited* (1991) 5 PRNZ 151.
3. *Yves St Laurent Perfumes v Louden Cosmetics Limited (No 3)* (1995) 6 TCLR 592, at 595.
4. (2004) 61 IPR 292.