

**BRIDGING THE GAP BETWEEN THE  
FEDERAL COURTS AND THE UNITED  
STATES PATENT & TRADEMARK  
OFFICE: THE JOURNAL OF SCIENCE  
AND TECHNOLOGY LAW  
SYMPOSIUM**

**PRIVILEGE FOR PATENT AGENTS**

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INTRODUCTION

Patent agents, in many ways, are unique operators in our legal system. They are not attorneys; yet, they are authorized by Congress to practice law before the United States Patent and Trademark Office (PTO).<sup>1</sup> This unusual status raises a host of questions, including whether communications with patent agents should be privileged and, therefore, shielded from discovery.<sup>2</sup> This question has become increasingly important in recent years with the rise of litigation at the Patent Trial and Appeal Board (PTAB)—an administrative tribunal created in 2011 by the America Invents Act (AIA)—where parties can be

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<sup>1</sup> *Sperry v. State of Florida*, 373 U.S. 379, 384-85 (1963).

<sup>2</sup> See, e.g., David Hricik, *Patent Agents: The Person You Are*, 20 GEO. J. LEGAL ETHICS 261, 263-64 (2007).

represented either by a patent attorney or a patent agent.<sup>3</sup>

Patent agents have existed in the United States for almost as long as the patent system itself, so the question of how to treat patent agent communications is not new.<sup>4</sup> To be sure, lower courts grappled with the question for close to seventy years, but still could not reach consensus.<sup>5</sup> In 2016, the United States Court of Appeals for the Federal Circuit took up the issue in *In re Queen's University at Kingston* and created a new privilege protecting patent agent communications.<sup>6</sup> While the court made clear that the new privilege is limited in scope, the exact boundaries remain undefined.<sup>7</sup>

The PTO, too, has been navigating this patent agent privilege terrain. Before *Queen's University*, the agency was meeting with stakeholders and collecting comments about how to address various privilege issues that arise before the PTO, particularly with respect to PTAB proceedings.<sup>8</sup> Once the Federal Circuit weighed in, it would have been perfectly reasonable for the PTO to take a wait-and-see approach. But that's not what happened. Instead, less than six months after *Queen's University*, the PTO forged ahead proposing its own rule on patent agent privilege that differs from the Federal Circuit's rule in potentially significant ways.<sup>9</sup>

This effort to recognize a patent agent privilege is laudable. Although the sharing of information and "search for truth" are fundamental principles of our justice system,<sup>10</sup> protecting communications between patent agents and clients ultimately inures to the public. Not only does it encourage frank conversations and legal advice similar to the attorney-client privilege, it also encourages innovation by making patent protection more accessible because patent agent fees are usually lower than lawyer fees.<sup>11</sup> In order to be effective, however, the patent agent privilege cannot be uncertain.<sup>12</sup>

The remainder of this Article proceeds as follows. Part I provides back-

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<sup>3</sup> 37 C.F.R. § 11.5 (2016).

<sup>4</sup> See *infra* Part II.

<sup>5</sup> See *id.*

<sup>6</sup> *In re Queen's Univ. at Kingston*, 820 F.3d 1287, 1294 (Fed. Cir. 2016).

<sup>7</sup> *Id.* at 1301-02.

<sup>8</sup> See *infra* Part III.B.

<sup>9</sup> See *infra* Part IV.

<sup>10</sup> See *United States v. Nixon*, 418 U.S. 683, 710 (1974).

<sup>11</sup> See, e.g., Ryan Davis, *Federal Circuit Patent Agent Privilege Rule to Lower Legal Costs*, LAW360 (Mar. 9, 2016, 11:10 PM), <https://www.law360.com/articles/768772/fed-circ-patent-agent-privilege-rule-to-lower-legal-costs> ("Including patent attorneys on communications with patent agents just to preserve attorney-client privilege drives up the cost of preparing and prosecuting patent applications.") [<https://perma.cc/2MQ3-FR4L>].

<sup>12</sup> *Upjohn v. United States*, 449 U.S. 383, 393 (1981) ("An uncertain privilege . . . is little better than no privilege at all.").

ground on the law of privilege in federal court. Part II explains the unique role patent agents play in our legal system, and how they've been treated to date. Part III then turns to recent developments regarding patent agents and privilege, including the Federal Circuit's decision in *Queen's University* and the PTO's proposed rule for patent agent privilege. Part IV concludes by highlighting some of the inconsistencies between these rules and potential issues that may consequently arise, so we can begin to consider the best path forward.

#### I. PRIVILEGE IN FEDERAL COURT

Communications between attorneys and clients are privileged, meaning they cannot be disclosed during discovery, trial, or a government investigation without permission of the client.<sup>13</sup> The purpose of this privilege is to encourage frank discussion between clients and attorneys, which results in effective and efficient representation.<sup>14</sup> In other words, the attorney-client privilege "promote[s] broader public interests in the observance of law and administration of justice [by] recogniz[ing] that sound legal advice . . . depends upon the lawyer being fully informed by the client."<sup>15</sup>

Although the attorney-client privilege has existed for centuries, questions about its application continue to arise.<sup>16</sup> Courts have struggled over the years to decide who is a "client" and who is an "attorney" for purposes of the privilege.<sup>17</sup> Whether the privilege should protect communications with non-attorney professionals is another issue that courts have frequently faced, often reaching different results. Communications with legal assistants and paralegals, for instance, tend to be protected as long as they are performing ministerial tasks and assisting the attorney in rendering legal advice.<sup>18</sup>

Courts have been far less consistent with respect to communications between clients and other non-lawyer professionals, however. Questions about whether a client's communications with accountants, public relations consultants, and—most importantly for this Article—patent agents fall within the am-

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<sup>13</sup> *Id.* at 389.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *See id.* (noting that the attorney-client privilege is "the oldest of the privileges for confidential communications known to the common law").

<sup>17</sup> *See id.* at 389-90 (announcing a new test for determining who the client is when the party is a corporation); *see also* U.S. Postal Serv. v. Phelps Dodge Refining Corp., 852 F. Supp. 156, 160 (E.D.N.Y. 1994) (holding that in-house counsel is not an "attorney" for privilege purposes when operating in a business, rather than legal, capacity).

<sup>18</sup> *United States v. Kovel*, 296 F.2d 918, 921 (2d Cir. 1961) ("[T]he government does not here dispute that the privilege covers communications to non-lawyer employees with a menial or ministerial responsibility that involves relating communications to an attorney.") (internal quotations omitted).

bit of attorney-client privilege have divided courts. Some courts have held that such communications are privileged because they facilitate “effective consultation between the client and the lawyer.”<sup>19</sup> Others have refused to extend the privilege unless the non-lawyer was acting as a “translator or interpreter” of client communications.<sup>20</sup> Still others have determined that, in some circumstances when the attorney-client privilege does not apply, a new privilege should be created to protect communications with non-lawyers.<sup>21</sup>

When federal courts grapple with matters of privilege, the first question to resolve is whose law should apply. Federal Rule of Evidence 501 says that “[t]he common law—as interpreted by United States courts in the light of reason and experience—governs a claim of privilege unless” the U.S. Constitution, a federal statute, or Supreme Court rules provide otherwise.<sup>22</sup> Rule 501 further states, however, that “in a civil case, state law governs privilege regarding a claim or defense for which state law supplies the rule of decision.”<sup>23</sup> This means that federal common law applies to privilege issues in civil matters based on federal law, while state law applies when the underlying civil claim is based on state law.<sup>24</sup> Because patent suits involve questions of federal law, any privilege issues that arise will be controlled by federal common law.<sup>25</sup>

What is more, the Supreme Court has made clear that, under Rule 501, federal courts have the power to define or create new privileges by interpreting common law principles.<sup>26</sup> In the Court’s words, Rule 501 “did not freeze the law governing the privileges of witnesses in federal trials at a particular point in our history, but rather directed federal courts to ‘continue the evolutionary development of testimonial privileges.’”<sup>27</sup> Still, courts must be circumspect in creating new privileges because the idea that parties should openly exchange information is a cornerstone of the American justice system.<sup>28</sup> Thus, a new privilege—such as the patent agent privilege—should be recognized only if the

<sup>19</sup> *Id.* at 922.

<sup>20</sup> *United States v. Ackert*, 169 F.3d 136, 139 (2d Cir. 1999).

<sup>21</sup> *See In re Queen’s Univ. at Kingston*, 820 F.3d 1287, 1294 (Fed. Cir. 2016) (recognizing patent agent privilege); *see also Jaffee v. Redmond*, 518 U.S. 1, 8 (1996) (holding that FRE 501 authorizes federal courts to define new privileges).

<sup>22</sup> FED. R. EVID. 501.

<sup>23</sup> *Id.*

<sup>24</sup> *See Earl C. Dudley, Jr., Federalism and Federal Rule of Evidence 501: Privilege and Vertical Choice of Law*, 82 GEO. L.J. 1781, 1784 (1994).

<sup>25</sup> *In re Queen’s Univ. at Kingston*, 820 F.3d 1287, 1290-91 (Fed. Cir. 2016).

<sup>26</sup> *Jaffee*, 518 U.S. at 8.

<sup>27</sup> *Id.* at 8-9 (quoting *Trammel v. United States*, 445 U.S. 40, 47 (1980)).

<sup>28</sup> *See United States v. Nixon*, 418 U.S. 683, 710 (1974) (“[E]xceptions to the demands for every man’s evidence are not lightly created nor expansively construed, for they are in derogation of the search for truth.”).

public benefit of protecting the information outweighs the “predominant principle of utilizing all rational means for ascertaining truth.”<sup>29</sup>

## II. PATENT AGENTS

There are a number of features that set patent practice apart from other areas of the law, and patent agents are one of them. Patent agents are technically-trained non-lawyers whose primary task is prosecuting patents, meaning they draft patent applications and negotiate with the Patent Office to issue patents.<sup>30</sup> Like the patent system itself, patent agents have been around for a very long time.<sup>31</sup> The profession first took off in the 1830s thanks to the Patent Act of 1836, which marked the beginning of the modern patent examination system.<sup>32</sup>

Over the next century, various efforts were made to monitor and regulate patent agents. In the 1860s, for example, Congress granted the Commissioner of Patents the right to ban an individual from practicing before the Patent Office for “gross misconduct.”<sup>33</sup> Toward the end of the nineteenth century, the Patent Office imposed a new registration requirement, mandating that individuals who wished to prosecute patents first demonstrate certain legal and technical competence.<sup>34</sup> Ultimately, the Patent Office began requiring patent agents to pass a written test, which is currently called the Registration Examination or, more colloquially, the Patent Bar.<sup>35</sup>

Today, lawyers and non-lawyers alike continue to practice before the PTO. Both groups of practitioners—generally referred to as “patent lawyers” and “patent agents,” respectively—have passed the Registration Examination.<sup>36</sup> Unlike their lawyer counterparts, however, patent agents are not licensed by any state to practice law.<sup>37</sup> Because they have one foot in the legal world,

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<sup>29</sup> *Trammel v. United States*, 445 U.S. 40, 50 (1980) (quoting *Elkins v. United States*, 364 U.S. 206, 234 (1960) (Frankfurter, J., dissenting)).

<sup>30</sup> See Christi J. Guerrini, *The Decline of the Patent Registration Exam*, 91 NEB. L. REV. 325, 332 (2012); David Hricik, *Patent Agents: The Person You Are*, 20 GEO. J. LEGAL ETHICS 261, 263–64 (2007).

<sup>31</sup> Lisa Kennedy, *Patent Agents: Non-Attorneys Representing Inventors before the Patent Office*, 49 THE ADVOCATE 21 (2006).

<sup>32</sup> See Guerrini, *supra* note 30, at 331–32 (explaining that the 1836 Act “toughen[ed] the standards for obtaining a patent,” and thereby “created a new professional niche: the patent prosecutor”); Mark A. Lemley, *Why Do Juries Decide if Patents are Valid?*, 99 VA. L. REV. 1673, 1697 (2013) (“[T]he 1836 Act established what we know today as the Patent and Trademark Office.”).

<sup>33</sup> Act of March 2, 1861, 12 Stat. 246, ch. 88 § 8 (1861).

<sup>34</sup> See Guerrini, *supra* note 30, at 335–36.

<sup>35</sup> *Id.* at 337–38.

<sup>36</sup> Hricik, *supra* note 2, at 265.

<sup>37</sup> See *id.*

questions about about the status of patent agents, starting with whether they are engaging in the unauthorized practice of law.

*A. Patent Agents and the Practice of Law*

Patent agents are non-lawyers who undoubtedly perform legal tasks. They conduct prior art searches, prepare patent applications, present legal arguments to the PTO, and draft validity opinions.<sup>38</sup> Of course, patent agents are not the only non-lawyer professionals who undertake legal work. Paralegals,<sup>39</sup> tax consultants,<sup>40</sup> and real estate brokers<sup>41</sup> are all “legal” professionals to varying degrees. But because of their unique role in the patent system, and the extent of legal work performed, the Supreme Court ultimately had to decide in *Sperry v. State of Florida* whether patent agents in fact engage in the unauthorized practice of law.<sup>42</sup>

In *Sperry*, the Florida Bar instituted proceedings in the Florida Supreme Court against Alexander Sperry, a patent agent, seeking to enjoin him from engaging in the unauthorized practice of law.<sup>43</sup> The Florida Bar claimed that, although not a member of any state bar, Sperry (i) maintains an office in Tampa, Florida, (ii) holds himself out as a patent attorney, (iii) represents clients before the PTO, (iv) renders patentability opinions, and (v) prepares and files patent applications with the PTO.<sup>44</sup> Sperry conceded these allegations, but argued that this did not constitute unauthorized practice because he only performed work before the PTO.<sup>45</sup> The Florida Supreme Court rejected these ar-

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<sup>38</sup> *Sperry v. Florida*, 373 U.S. 379, 382–83 (1963).

<sup>39</sup> AMERICAN BAR ASSOCIATION, *Current ABA Definition of Legal Assistant/Paralegal* (2008),

[http://www.americanbar.org/groups/paralegals/resources/current\\_aba\\_definition\\_of\\_legal\\_assistant\\_paralegal.html](http://www.americanbar.org/groups/paralegals/resources/current_aba_definition_of_legal_assistant_paralegal.html) [<https://perma.cc/P4HA-5QRP>]. The ABA defines a paralegal as “a person, qualified by education, training or work experience who is employed or retained by a lawyer, law office, corporation, governmental agency or other entity and who performs specifically delegated substantive legal work for which a lawyer is responsible.”

<sup>40</sup> See *Humphreys v. Comm’r*, 88 F.2d 430, 432 (2d Cir. 1937) (stating “[h]ow any accountant doing income tax work could do his business at all without a knowledge of the statutes, decisions, and treasury rulings in income tax matters is hard to see, and we should hesitate to hold that the necessity of such knowledge would require every member of a firm of accountants to be a member of the bar”); see also 31 C.F.R. § 10.4(b) (2006) (authorizing “enrolled agents” to render legal advice concerning federal income tax laws).

<sup>41</sup> See, e.g., *Creekmore v. Izard*, 236 Ark. 558, 565 (1963) (holding that real estate brokers may complete legal forms on behalf of clients in certain circumstances).

<sup>42</sup> *Sperry*, 373 U.S. at 381.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 381-82.

guments and enjoined Sperry from continuing this work.<sup>46</sup> The U.S. Supreme Court granted certiorari and reversed.<sup>47</sup>

For starters, the U.S. Supreme Court agreed that preparing and prosecuting patent applications constitutes the practice of law.<sup>48</sup> In the Court's view, [s]uch 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 "constitutes one of the most difficult legal instruments to draw with accuracy." . . . And upon rejection of the application, the practitioner may also assist in the preparation of amendments . . . which frequently requires written argument to establish the patentability of the claimed invention under the applicable rules of law and in light of the prior art.<sup>49</sup>

*Sperry*, therefore, makes clear that patent agents "are not simply engaging in law-like activity," but are indeed practicing law.<sup>50</sup>

Contrary to the Florida Supreme Court, however, *Sperry* held that the practice of law by patent agents is *not* unauthorized.<sup>51</sup> Pursuant to 35 U.S.C. § 31, Congress provided the PTO power to "prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office."<sup>52</sup> The PTO accordingly promulgated a regulation that permitted patent applicants to be "represented by an attorney *or agent* authorized to practice before the Patent Office in patent cases."<sup>53</sup> Thus, relying on Supremacy Clause principles,<sup>54</sup> the Supreme Court

<sup>46</sup> *Id.* at 382.

<sup>47</sup> *Id.* at 383, 404.

<sup>48</sup> *Id.* at 383.

<sup>49</sup> *Id.*

<sup>50</sup> *In re Queen's Univ. at Kingston*, 820 F.3d 1287, 1296 (Fed. Cir. 2016).

<sup>51</sup> *Sperry*, 373 U.S. at 385.

<sup>52</sup> Today, this grant of authority is set out in 35 U.S.C. § 2(b), which provides: "The Office—(2) may establish regulations, not inconsistent with law, which—(D) may govern the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office." 35 U.S.C. § 2(b) (2012).

<sup>53</sup> 37 C.F.R. § 1.31 (1949) (emphasis added).

concluded that patent agents like *Sperry* may continue to practice law.<sup>55</sup> That said, the Court emphasized that a patent agent's practice must be limited to conduct before the PTO as specifically authorized by federal law.<sup>56</sup>

As is often true with landmark decisions, *Sperry* resolved certain issues while simultaneously sparking new debates. If patent agents practice law, must they comply with the same ethical rules as lawyers?<sup>57</sup> And if patent agents are allowed to represent clients, are their communications privileged and thus shielded from discovery? The Federal Circuit recently resolved the latter question in *Queen's University*.<sup>58</sup> Before discussing that decision, however, a brief explanation of the state of the law leading up to *Queen's University* is in order.

### *B. Patent Agents and the Attorney-Client Privilege*

In certain circumstances, as noted above, courts have been willing to extend the attorney-client privilege to non-lawyers.<sup>59</sup> With respect to patent agents, however, district courts were sharply divided on this issue for many years.<sup>60</sup> Even within a single district, opinions on whether to treat patent agent communications as privileged have gone both ways.<sup>61</sup>

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<sup>54</sup> U.S. CONST. art. VI, cl. 2.

<sup>55</sup> *Sperry*, 373 U.S. at 385 (“A State may not enforce licensing requirements which, though valid in the absence of federal regulation, give ‘the State’s licensing board a virtual power of review over the federal determination’ that a person or agency is qualified and entitled to perform certain functions.”).

<sup>56</sup> *Id.* at 402; Charles H. Kuck & Olesia Gorinshteyn, *Unauthorized Practice of Immigration Law in the Context of Supreme Court’s Decision in Sperry v. Florida*, 35 WM. MITCHELL L. REV. 340, 352 (2008) (“The *Sperry* ‘federal practice exception’ to the unauthorized practice rules . . . applies only where there is a federal statute specifically authorizing such practice.”).

<sup>57</sup> See Hricik, *supra* note 2, at 266 (arguing that patent agents are properly treated as lawyers for purposes of discipline by the Patent Office).

<sup>58</sup> *In re Queen’s Univ. at Kingston*, 820 F.3d 1287 (Fed. Cir. 2016).

<sup>59</sup> See *supra* Part I.

<sup>60</sup> See Gregory J. Battersby & Charles W. Grimes, *The Attorney-Client Privilege and Work Product Immunity in the Eyes of the Accused Infringer*, 15 AIPLA Q.J. 231, 239-41 (1987); Hricik, *supra* note 2, at 282-83 (“The courts disagree on even the most basic question of whether communications in the United States between patent agents and their clients can be privileged.”).

<sup>61</sup> *Compare* *Mold-Masters, Ltd. v. Husky Injection Molding Sys., Ltd.*, No. 01C1576, 2001 WL 1268587, at \*4 (N.D. Ill. 2001) (holding that patent agent communications were protected by attorney-client privilege), *with* *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 5 (N.D. Ill. 1980) (holding that patent agent communications were not protected by attorney-client privilege).



*United States v. United Shoe Machinery Corp.* was one of the first cases addressing the issue of patent agent privilege.<sup>62</sup> In *United Shoe*—which, notably, was decided before *Sperry*—the court refused to protect communications with patent agents since they are not attorneys licensed to practice law.<sup>63</sup> The court minimized the role of patent agents, likening them to “employees with legal training who serve in the mortgage or trust departments of a bank or in the claims department of an insurance company.”<sup>64</sup> The court concluded that such communications were not privileged and, therefore, must be disclosed.<sup>65</sup>

One might expect *Sperry* to have quickly turned the tides in favor of protecting communications by patent agents, but that was not the case. Instead, district courts splintered and ended up all over the map on the privilege issue.<sup>66</sup> Some courts did in fact decide that patent agent communications are shielded by the attorney-client privilege. Two cases in particular—*Vernitron Medical Prods., Inc. v. Baxter Labs., Inc.*<sup>67</sup> and *In re Ampicillin Antitrust Litigation*<sup>68</sup>—were influential in this regard. *Vernitron*, one of the earliest in this line of cases, reasoned that the underlying purpose of the attorney-client privilege “appl[ies] with equal force to an . . . applicant for a patent and the representative engaged to handle the matter for him, whether he be a ‘patent attorney’ or a ‘patent agent,’ so long as he is registered by the Patent Office.”<sup>69</sup> *Ampicillin*, by contrast, relied on the Supreme Court’s decision in *Sperry* and held that the attorney-client privilege must protect patent agents so as “not to frustrate [the] congressional scheme” that allows clients to be represented before the PTO by either a patent lawyer or a patent agent.<sup>70</sup>

On the flip side, however, many district courts continued to reject privilege

<sup>62</sup> *United States v. United Shoe Machinery Corp.*, 89 F. Supp. 357 (D. Mass. 1950).

<sup>63</sup> *Id.* at 360.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.* at 361.

<sup>66</sup> See Hricik, *supra* note 2, at 283 (explaining that courts are divided on patent agent privilege “which leads to uncertainty during prosecution as to whether communications will be privileged and extensive briefing and argument during patent litigation over whether communications claimed as privileged are properly withheld”).

<sup>67</sup> *Vernitron Medical Prods., Inc. v. Baxter Labs., Inc.*, 186 U.S.P.Q. 324 (D.N.J. 1975).

<sup>68</sup> *In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377 (D.D.C. 1978).

<sup>69</sup> *Vernitron*, 186 U.S.P.Q. at 325.

<sup>70</sup> *Ampicillin*, 81 F.R.D. at 393; see also James N. Willi, *Proposal for a Uniform Federal Common Law of Attorney-Client Privilege for Communications with U.S. and Foreign Patent Practitioners*, 13 TEX. INTELL. PROP. L.J. 279, 304 (2005) (“The court concluded that the attorney-client privilege should be extended to protect confidential communications between clients and U.S. patent agents to fulfill the congressional intent of allowing clients to choose freely between a patent attorney and a registered patent agent for representation in patent proceedings.”).

claims on the same grounds as *United Shoe*—that patent agents are not lawyers.<sup>71</sup> Others held that the attorney-client privilege didn't apply to patent agents because they work independently of lawyers, unlike other non-lawyer professionals such as paralegals.<sup>72</sup> More recent decisions have refused to extend the attorney-client privilege to patent agents because it “is rooted, both historically and philosophically, in the special role that lawyers have. . .to give legal advice.”<sup>73</sup> And finally, as discussed in the next Part, the lower court in *Queen's University* denied protection for patent agent communications because the attorney-client privilege must be “strictly construed,” and the Federal Circuit had not yet recognized a “patent agent privilege.”<sup>74</sup>

### III. THE PATENT AGENT PRIVILEGE

For more than half a century, district courts were at odds with each other over the question whether communications with patent agents should be deemed privileged. Last year, the Federal Circuit finally waded into this debate and created a new patent agent privilege in *Queen's University*.<sup>75</sup> While the Federal Circuit's decision goes a long way, questions remain about how communications with patent agents will be treated going forward. In recent months, the PTO has taken steps toward addressing some of those uncertainties, at least with respect to matters before the PTAB.<sup>76</sup>

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<sup>71</sup> See, e.g., *Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146, 1169 (D.S.C. 1974); *Burlington Indus. v. Exxon Corp.*, 65 F.R.D. 26, 40 (D. Md. 1974); *Rayette-Faberge, Inc. v. John Oster Mfg. Co.*, 47 F.R.D. 524, 526 (E.D. Wis. 1969).

<sup>72</sup> E.g., *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 5 (N.D. Ill. 1980). Courts generally agree, however, that when patent agents work in conjunction with attorneys, their communications are privileged. E.g., *In re Queen's Univ. at Kingston*, 820 F.3d 1287, 1295 (Fed. Cir. 2016) (“Samsung concedes that, where a patent agent communicates with counsel or receives communications between client and counsel, the attorney-client privilege may protect those communications from discovery.”).

<sup>73</sup> *Agfa Corp. v. Creo Prods., Inc.*, No. CIV.A. 00-10836GAO, 2002 WL 1787533, at \*2 (D. Mass. Aug. 1, 2002); see also *In re Rivastigmine Patent Litigation*, 237 F.R.D. 69, 102 (S.D.N.Y. 2006) (“It does not follow that because the agent is permitted to engage in this defined subuniverse of legal practice, his activities are therefore equivalent to those of a practicing attorney.”).

<sup>74</sup> Transcript of Motions Hearing Before the Honorable Roy S. Payne, United States Magistrate Judge, at 40, *Queen's Univ. at Kingston v. Samsung Elecs. Co., Ltd.*, 2015 WL 2250384 (E.D. Tex. 2015) (No. 2:14-cv-0053-JRG-RSP) [hereinafter “Motion to Compel Transcript”].

<sup>75</sup> *In re Queen's University at Kingston*, 820 F.3d 1287 (Fed. Cir. 2016).

<sup>76</sup> See *infra* Part III.B.

A. *In re Queen's University*

1. Lower Court Decision

The facts underlying *Queen's University* are relatively straightforward. Queen's University (QU), a Canadian university located in Ontario, is the assignee of three patents directed to Attentive User Interfaces (AUI).<sup>77</sup> AUIs "allow devices to change their behavior based on the attentiveness of a user"—e.g., a video pauses when the user loses eye contact with the device.<sup>78</sup> In 2014, QU filed a patent infringement action against Samsung in the U.S. District Court for the Eastern District of Texas alleging that Samsung's SmartPause feature on many of its newest devices infringes the AUI patents.<sup>79</sup> The case was set for trial in November 2015.<sup>80</sup>

During discovery, Samsung sought production of communications between QU and the patent agents who prosecuted the patents-in-suit.<sup>81</sup> When QU refused to produce the documents on privilege grounds, Samsung moved to compel.<sup>82</sup> Magistrate Judge Roy Payne held a hearing in June 2015, and granted Samsung's motion to compel.<sup>83</sup> In so doing, Judge Payne recognized that the lower courts were divided on the question whether patent agent communications were protected by the attorney-client privilege.<sup>84</sup> But, he opined, the attorney-client privilege must be "strictly construed,"<sup>85</sup> and thus cannot be relied upon to protect the communications at issue because the patent agents involved were not attorneys, nor were they being supervised by attorneys.<sup>86</sup> Judge Payne stated on the record that he considered the rationale of *Ampicillin*, but was not persuaded by it.<sup>87</sup> Judge Payne further explained that there may be

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<sup>77</sup> *In re Queen's University at Kingston*, 820 F.3d 1287, 1290 (Fed. Cir. 2016).

<sup>78</sup> *Id.* at 1290.

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> Motion to Compel Transcript, *supra* note 74, at 39-48.

<sup>84</sup> *Id.* at 40-42.

<sup>85</sup> *Id.* at 40.

<sup>86</sup> *Id.* at 41 ("I believe that the better view is that the courts like the Southern District of California, the Southern District of New York, the District of Massachusetts, and the District of Maryland, among others, have taken in . . . saying that patent agents who are not attorneys and are not practicing under the direct supervision of an attorney are not covered by the attorney-client privilege.")

<sup>87</sup> *Id.* at 40-41 ("I think the Congressional policy was to allow inventors the less expensive alternative of having a non-attorney patent agent prosecute their patents before the PTO if they wanted to. I don't think that means that all of the laws and policies about attorneys, therefore, apply to non-attorney patent agents.")

a need for the creation of a “patent agent privilege,” but that the Federal Circuit had not yet spoken on that question.<sup>88</sup> Accordingly, Judge Payne granted the motion to compel, but agreed to stay execution of the order while QU sought review of the decision.<sup>89</sup>

QU first filed on objection to Judge Payne’s order, which was overruled by District Judge Rodney Gilstrap.<sup>90</sup> QU then asked Judge Gilstrap to certify the issue for interlocutory appeal, which he also refused to do.<sup>91</sup> Judge Gilstrap was willing, however, to stay the production of the allegedly-privileged documents pending a petition for writ of mandamus.<sup>92</sup> Thus, on July 20, 2015, QU filed such a petition,<sup>93</sup> which the Federal Circuit ultimately granted in a 2-1 decision.<sup>94</sup>

## 2. Federal Circuit Decision

The Federal Circuit’s opinion in *Queen’s University* is three-staged. The court had to decide (1) whose law should apply to the privilege question, (2) whether mandamus was appropriate, and (3) whether patent agent communications are privileged. With respect to the choice of law question, the Federal Circuit determined it would apply its own law, rather than the law of the regional circuit, since patent agent communications “are potentially relevant to numerous substantive issues of patent law, including claim construction, validity, and inequitable conduct.”<sup>95</sup> The court then granted mandamus review because lower courts were sharply divided on whether patent agent privilege exists, and this was a matter of first impression for the Federal Circuit.<sup>96</sup>

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<sup>88</sup> *Id.* at 40-42.

<sup>89</sup> Motion to Compel Transcript, *supra* note 74, at 46-47. When QU’s attorney told Judge Payne that her client intended to seek guidance on this issue from the Federal Circuit, he said “[t]hat’d be great,” and “I would love it.”

<sup>90</sup> *In re Queen’s Univ.*, 820 F.3d at 1290.

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> Petition for Writ of Mandamus, *In re Queen’s Univ. at Kingston*, 820 F.3d 1287 (Fed. Cir. 2015) (No. 15-145).

<sup>94</sup> *In re Queen’s Univ.*, 820 F.3d at 1302.

<sup>95</sup> *In re Queen’s Univ.*, 820 F.3d at 1291. Since its creation in 1982, the Federal Circuit has grappled with what law to apply to procedural issues in patent cases—its own law or the law of the regional circuit from which the case originated. The Federal Circuit takes the position that regional circuit law should usually apply unless the procedural question is “unique to patent issues,” *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1574-75 (Fed. Cir. 1984), or “intimately involved in the substance of enforcement of the patent right,” *Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1365 (Fed. Cir. 2001) (internal quotations omitted), in which case Federal Circuit law applies.

<sup>96</sup> *In re Queen’s Univ.*, 820 F.3d at 1291-92.

Turning to the merits, the Federal Circuit decided in a 2-1 opinion that patent agent communications should be protected.<sup>97</sup> The court began by explaining that, similar to other non-lawyer professionals, the attorney-client privilege may be available to a patent agent “who communicates with counsel or receives communications between his client and counsel.”<sup>98</sup> But the more difficult question—and the one at issue in *Queen’s University*—was whether to expand the attorney-client privilege or recognize a new privilege for communications between patent agents and clients when no lawyer is involved.<sup>99</sup> The majority, which included Judges O’Malley and Lourie, determined that the time had come to create a new patent agent privilege.<sup>100</sup>

The majority justified this new privilege on several grounds. First and foremost, the court relied heavily on *Sperry* and its holding that Congress has authorized patent agents to engage in the practice of law.<sup>101</sup> Congress has established a system whereby patent applicants are given a choice to hire either a patent attorney or a patent agent to prosecute patents.<sup>102</sup> Clients who opt for patent agents have a reasonable expectation that their communications will be privileged since those agents are—as permitted by Congress—practicing law.<sup>103</sup> Holding otherwise, the majority reasoned, would “frustrate the very purpose of Congress’s design: namely to afford clients the freedom to choose between an attorney and a patent agent for representation before the Patent Of-

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<sup>97</sup> *Id.* at 1302.

<sup>98</sup> *Id.* at 1295; *see also id.* at 1305 (Reyna, J., dissenting) (“In today’s practice, patent agent communications are usually found privileged when an agent is working under the supervision of an attorney.”).

<sup>94</sup> *Id.* at 1295.

<sup>100</sup> *Id.* at 1301 (“Communications between non-attorney patent agents and their clients that are in furtherance of the performance of these tasks, or ‘which are reasonably necessary and incident to the preparation and prosecution of patent applications or other proceeding[s] 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.”) (citing 37 C.F.R. § 11.5(b)(1) (2012)). Notably, the court did not explain why it opted to create a new privilege rather than expanding the attorney-client privilege as some lower courts had done.

<sup>101</sup> *Id.* at 1295-96 (“For the reasons we explain, we find that the unique roles of patent agents, the congressional recognition of their authority to act, the Supreme Court’s characterization of their activities as the practice of law, and the current realities of patent litigation counsel in favor of recognizing an independent patent-agent privilege.”).

<sup>102</sup> *Id.* at 1298 (“Ultimately, Congress endorsed a system in which patent applicants can choose between patent agents and patent attorneys when prosecuting patents before the Patent Office.”).

<sup>103</sup> *Id.* (“To the extent Congress has authorized non-attorney patent agents to engage in the practice of law before the Patent Office, reason and experience compel us to recognize a patent-agent privilege that is coextensive with the rights granted to patent agents by Congress.”).

fice.”<sup>104</sup> Simply put, the majority’s rationale in *Queen’s University* harkens back to *Ampicillin*, a case decided almost four decades ago.<sup>105</sup>

Second, the majority cited the unique role of patent agents, and their storied history, to support the creation of this new privilege.<sup>106</sup> Patent agents have been prosecuting patents before the Patent Office for close to two centuries.<sup>107</sup> Complaints about patent agents, unsurprisingly, have arisen over the years. In 1899, for example, “non-attorney agents were found ‘particularly responsible for the deceptive advertising and victimization of inventors’ at the Patent Office.”<sup>108</sup> Instead of simply prohibiting patent agents from practice, however, Congress—through the PTO—addressed these problems by regulating patent agents’ conduct and mandating that they meet certain requirements.<sup>109</sup> This suggests that Congress and the PTO believe that patent agents, as technical experts in their field, offer valuable services to inventors and others seeking patent protection, despite not having a law license.<sup>110</sup> A patent agent privilege, in other words, is long overdue.

Finally, the *Queen’s University* majority reasoned that a patent agent privilege advances the public interest much like the attorney-client and spousal privileges.<sup>111</sup> Just as those traditional privileges are “rooted in the imperative need for confidence and trust,”<sup>112</sup> so is the patent agent privilege because, without it, clients would not engage in the frank conversations necessary to protect the public interest.<sup>113</sup> Patent agents, of course, act on behalf of their clients when prosecuting patents. Yet, “[a] patent by its very nature is affected with a public interest,”<sup>114</sup> so patent agents also have responsibilities to the

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<sup>104</sup> *Id.*

<sup>105</sup> *In re Ampicillin Antitrust Litigation*, 81 F.R.D. 377, 393 (1978) (“That freedom of selection, protected by the Supreme Court in *Sperry*, would, however, be substantially impaired if as basic a protection as the attorney-client privilege were afforded to communications involving patent attorneys but not to those involving patent agents.”).

<sup>106</sup> *In re Queen’s Univ.*, 820 F.3d at 1297.

<sup>107</sup> *Id.* at 1296 (explaining that the Patent Office has been regulating agents since the 1860s).

<sup>108</sup> *Id.* at 1297 (quoting *Sperry v. Florida*, 83 S. Ct. 1322, 1329 (1963)).

<sup>109</sup> *In re Queen’s Univ.*, 820 F.3d at 1296-97 (describing the Rules and Directions issued by the Commissioner).

<sup>110</sup> *Id.* at 1297 (citing the legislative record for the proposition that “it never occurred to” lawmakers that patent agents should be members of a state bar).

<sup>111</sup> *Id.* at 1300.

<sup>112</sup> *Jaffee v. Redmond*, 518 U.S. 1, 10 (1996).

<sup>113</sup> *In re Queen’s Univ.*, 820 F.3d at 1300 (“[T]he lack of a patent-agent privilege would hinder communications between patent agents and their clients . . .”).

<sup>114</sup> *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 816 (1945); see 37 C.F.R. § 1.56(a) (2016).

public at large.<sup>115</sup> To that end, PTO regulations require that:

The public interest is best served, and the most effective patent examination occurs when, at the time an application is examined, the Office is aware of and evaluates the teachings of all information material to patentability. Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability . . . .<sup>116</sup>

This duty of candor is supposed to help separate the inventions that are “worth to the public the embarrassment of an exclusive patent,”<sup>117</sup> from those that are not.<sup>118</sup> Recognizing a patent agent privilege will facilitate frank communication among clients and patent agents, thereby ensuring that clients receive the advice necessary to comply with the duty of candor and protect the public from invalid patents.<sup>119</sup>

Having created the patent agent privilege, the next step was for the Federal Circuit to define its scope.<sup>120</sup> The court stressed that the privilege would be limited to communications between non-attorney patent agents and their clients that are “reasonably necessary and incident to” the performance of tasks authorized by Congress.<sup>121</sup> PTO regulations provide that such tasks include, but are not limited to,

preparing and prosecuting . . . patent application[s], consulting with or giving advice to a client in contemplation of filing

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<sup>115</sup> See generally Megan M. La Belle, *Patent Law as Public Law*, 20 GEO. MASON L. REV. 41 (2012).

<sup>116</sup> 37 C.F.R. § 1.56(a) (2016).

<sup>117</sup> See Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), in 13 THE WRITINGS OF THOMAS JEFFERSON, 326, 335 (Andrew A. Lipscomb & Albert Ellery Bergh eds., 1903) (“Considering the exclusive right to invention as given not of natural right, but for the benefit of society, I know well the difficulty of drawing a line between the things which are worth to the public the embarrassment of an exclusive patent, and those which are not.”).

<sup>118</sup> See David Hricik, *Aerial Boundaries: The Duty of Candor as a Limitation on the Duty of Patent Practitioners to Advocate for Maximum Patent Coverage*, 44 S. TEX. L. REV. 205, 219-20 (2002) (“[T]he essential purpose of the Patent Office is to uncover what others had known or used before the applicant conceived of his invention and determine whether the applicant’s invention as described in the claims of his application is patentably distinct from prior inventions.”).

<sup>119</sup> *In re Queen’s Univ.*, 820 F.3d 1287, 1300 (Fed. Cir. 2016) (“[T]he lack of a patent-agent privilege would hinder communications between patent agents and their clients.”).

<sup>120</sup> *Id.* at 1301-02.

<sup>121</sup> *Id.* at 1301.

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 for the Office that may require written argument to establish the patentability of a claimed invention; drafting a reply to a communication for 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.<sup>122</sup>

The Federal Circuit explained, on the other hand, that some types of communications would not be covered by this new privilege.<sup>123</sup> Examples included communications with patent agents who offer opinions on validity or infringement in connection with either litigation or the sale or purchase of patents.<sup>124</sup>

Returning to the case at hand, the majority granted QU's mandamus petition and reversed the lower court's decision on Samsung's motion to compel.<sup>125</sup> The Federal Circuit remanded the case for the district court to assess whether the particular patent agent communications at issue should be shielded from discovery under the newly-created privilege.<sup>126</sup>

Judge Reyna wrote a lengthy dissent in *Queen's University* disagreeing with the court's decision to create a patent agent privilege.<sup>127</sup> Because some of Judge Reyna's concerns will be discussed in Part IV of this Article, I will just briefly summarize his dissent here.<sup>128</sup> Judge Reyna emphasized, as an initial matter, that there is a presumption against the creation of new privileges because of a "promise that our justice system shall remain open to the public."<sup>129</sup> The presumption was not overcome, in Judge Reyna's opinion, because patent agents and lawyers are different, there's no pressing need for the privilege, the

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<sup>122</sup> 37 C.F.R. § 11.5(b)(1) (2016).

<sup>123</sup> *In re Queen's Univ.*, 820 F.3d at 1301-02.

<sup>124</sup> *Id.*

<sup>125</sup> *Id.* at 1302.

<sup>126</sup> *Id.* The district court has not yet decided the privilege question because the case was stayed pending resolution of Samsung's inter partes review proceedings at the PTO. See Joint Status Report at 1, *Queen's Univ. at Kingston v. Samsung Elecs. Co., Ltd.*, 2015 WL 2250384 (E.D. Tex. 2016) (No. 2:14-cv-0053-JRG-RSP). In the fall of 2015, the PTO invalidated all the claims of the patents-in-suit. *Id.* Queen's University's appeal to the Federal Circuit is currently pending and will likely be heard later this year. See Brief for Appellant, *Queen's Univ. at Kingston v. Samsung Elecs. Co., Ltd.*, 2017 WL 238953, at \*1 (Fed. Cir. 2017) (Nos. 2016-2723, 2016-2725).

<sup>127</sup> *In re Queen's Univ.*, 820 F.3d at 1302-16.

<sup>128</sup> See *infra* Part IV.

<sup>129</sup> *In re Queen's Univ.*, 820 F.3d at 1303.



privilege does not advance the public interest, and the new privilege is complicated and uncertain.<sup>130</sup>

The dissent argued, first, that the fact Congress has authorized patent agents to practice before the PTO doesn't mean that patent agents are vested with all the benefits and obligations of an attorney.<sup>131</sup> Rather, both Congress and the Supreme Court (in *Sperry*) have recognized that patent agents are *not* on equal footing with patent lawyers since they aren't licensed to practice law, so it's perfectly appropriate to treat them differently for privilege purposes.<sup>132</sup> The dissent next asserted that there's no pressing need for this new privilege because most patent agents are supervised by lawyers, and therefore their communications are already protected by the attorney-client privilege.<sup>133</sup> And even where the attorney-client privilege doesn't apply, Judge Reyna claimed, clients are already incentivized to be frank with their patent agents because the duty of candor requires disclosure of information material to patentability.<sup>134</sup> Thus, the new privilege will only encourage disclosure of immaterial information—doing nothing to advance the public interest.<sup>135</sup> Finally, but perhaps most importantly, the dissent points out the many questions left unanswered by this opinion, such as the extent to which the patent agent privilege will apply in certain PTO proceedings.<sup>136</sup>

#### *B. The PTO's Proposed Privilege Rule*

Historically, the role of patent agents was limited to *ex ante* proceedings before the PTO.<sup>137</sup> Agents conducted prior art searches, advised clients about pa-

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<sup>130</sup> *Id.* at 1303-09.

<sup>131</sup> *Id.* at 1308.

<sup>132</sup> *Id.*

<sup>133</sup> *Id.* at 1305. Judge Reyna also suggests that the patent agent privilege is unnecessary because “patent agents and their clients have the opportunity to delete and destroy emails and other correspondence in the period of time between when they are exchanged and when they would be sought in litigation.” *Id.* at 1305. While this is sometimes true, patent litigation is often initiated almost immediately after issuance of a patent. *See, e.g.*, *Advanced Cardiovascular Sys. v. Medtronic, Inc.*, 265 F.3d 1294, 1298, 1301 (Fed. Cir. 2001) (patent issued one month before filing of complaint); *Nat'l Presto Indus., Inc. v. West Bend Co.*, 76 F.3d 1185, 1193 (Fed. Cir. 1996) (suit commenced on day patent issued); *Power Lift, Inc. v. Lang Tools, Inc.*, 774 F.2d 478, 482 (Fed. Cir. 1985) (patent suit filed nine days after patent issued); *State Indus. Inc. v. A.O. Smith Corp.*, 751 F.2d 1226 (Fed. Cir. 1984) (infringement action filed twenty-two days after patent issued).

<sup>134</sup> *In re Queen's Univ.*, 820 F.3d at 1303.

<sup>135</sup> *Id.* at 1304.

<sup>136</sup> *Id.* at 1305-06.

<sup>137</sup> *See* Megan M. La Belle, *Public Enforcement of Patent Law*, 96 B.U. L. REV. 1865, 1887 (2016) (explaining that, for the first 150 years of its history, the PTO's role was lim-

tentability, drafted patent applications, and negotiated with the PTO regarding issuance of the patent.<sup>138</sup> That began to change in the 1980s, however, as Congress created various *ex post* proceedings for challenging patents at the PTO.<sup>139</sup> The initial proceedings included *ex parte* reexamination (“reexam”) and *inter partes* reexamination, established in 1980 and 1999, respectively.<sup>140</sup> The passage of the AIA in 2011 introduced three new types of post-grant administrative proceedings—*inter partes* review (IPR), post-grant review (PGR), and covered business method review (CBM)—to be heard by the newly-established PTAB.<sup>141</sup>

Unlike their predecessors, PTAB proceedings have been extremely popular with 6,961 petitions filed between September 16, 2012 and May 31, 2017.<sup>142</sup> PTO regulations permit parties in PTAB proceedings to be represented by either patent lawyers or patent agents.<sup>143</sup> Although these proceedings occur before the PTO like traditional patent prosecution activities, they are adjudicative in nature and, in many ways, resemble patent litigation in federal court.<sup>144</sup> Indeed, Congress created these new post-grant proceedings, at least in part, to provide a more efficient and less expensive alternative to federal court litigation for patent disputes.<sup>145</sup> One way Congress hoped to encourage parties to use PTAB proceedings was by allowing them to engage in limited discovery.<sup>146</sup>

In a typical IPR, for instance, parties are entitled to receive “any exhibit cited in a paper or in testimony,” and depositions of the opposing party’s declar-

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ited to reviewing patents *ex ante*).

<sup>138</sup> See, e.g., *Sperry v. Florida*, 373 U.S. 379, 383 (1963) (discussing the practice of patent agents).

<sup>139</sup> See, e.g., *La Belle*, *supra* note 137, at 1887-89.

<sup>140</sup> *Id.*

<sup>141</sup> *Id.* at 1889-90.

<sup>142</sup> USPTO, PATENT TRIAL AND APPEAL BOARD STATISTICS 1, 2 (May 31, 2017), [https://www.uspto.gov/sites/default/files/documents/Trial\\_Statistics\\_2017-05-31.pdf](https://www.uspto.gov/sites/default/files/documents/Trial_Statistics_2017-05-31.pdf) [<https://perma.cc/5Z97-96M>].

<sup>143</sup> 37 C.F.R. § 11.5 (2012).

<sup>144</sup> See, e.g., Rochelle Cooper Dreyfuss, *Giving the Federal Circuit a Run for its Money: Challenging Patents in the PTAB*, 91 NOTRE DAME L. REV. 235, 243-49 (2015) (detailing each of the new PTAB proceedings).

<sup>145</sup> See, e.g., 157 Cong. Rec. S7413 (daily ed. Nov. 14, 2011) (letter of Rep. Lamar Smith) (CBM review “creates an inexpensive and speedy alternative to litigation”); H.R. Rep. No. 112-98, pt. 1, at 48 (2011) (post-grant review procedures are intended to be “quick and cost effective alternatives to litigation”); 157 Cong. Rec. S952 (daily ed. Feb. 28, 2011) (statement of Sen. Grassley) (new AIA proceedings were to provide “faster, less costly alternatives to civil litigation to challenge patents”).

<sup>146</sup> 35 U.S.C. § 316(a)(5) (2012) (“The Director shall prescribe regulations . . . setting forth standards and procedures for discovery of relevant evidence . . .”).

ants are par for the course.<sup>147</sup> Moreover, as a matter of routine discovery, parties must produce any non-privileged information that is inconsistent with their position.<sup>148</sup> By way of example, PTO regulations state: “[W]here a patent owner relies upon surprising and unexpected results to rebut an allegation of obviousness, the patent owner should provide the petitioner with non-privileged evidence that is inconsistent with the contention of unexpected properties.”<sup>149</sup> Thus, privilege questions—including whether patent agent communications are exempt from discovery—arise frequently in PTAB proceedings, and must be decided on a case-by-case basis.<sup>150</sup>

Aware of the uncertainties facing PTAB litigants, the PTO launched an effort about two years ago to explore how best to address this privilege problem. The agency began by hosting a roundtable and soliciting comments in early 2015.<sup>151</sup> Specifically, the agency sought input on whether it should treat communications with U.S. patent agents or foreign patent practitioners as privileged “to the same extent as communications between U.S. patent attorneys and patent applicants and owners.”<sup>152</sup> Close to twenty trade organizations, companies, and individuals submitted comments, and they uniformly supported the recognition of such a privilege.<sup>153</sup> Stakeholders expressed varying opinions, though, on how the privilege should be created and what its scope should be.<sup>154</sup>

The PTO’s next step was to solicit further comments in connection with a proposal to amend various rules of practice for PTAB proceedings.<sup>155</sup> In August 2015, the agency published a notice in the Federal Register and asked for

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<sup>147</sup> Discovery 37 C.F.R. § 42.51(b)(1)(i) (2014); *see also* Mary R. Henninger et al., *Navigating the Limitations on Discovery in AIA Post-Grant Proceedings*, 11 BUFF. INTELL. PROP. L.J. 135, 140-41 (2015) (discussing how discovery in PTAB proceedings typically proceeds).

<sup>148</sup> Discovery, 37 C.F.R. § 42.51(b)(1)(iii) (2014).

<sup>149</sup> Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48761 (Aug. 14, 2012).

<sup>150</sup> *See, e.g.*, GEA Process Eng’g, Inc. v. Steuben Foods, Inc., IPR2014-00041, 2014 WL 4274080 (P.T.A.B. 2014).

<sup>151</sup> *See* Notice of Roundtable and Request for Comments on Domestic and International Issues Related to Privileged Communications Between Patent Practitioners and Their Clients, 80 Fed. Reg. 3953 (Jan. 26, 2015).

<sup>152</sup> Rule Recognizing Privileged Communication between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg. 71653, 71654 (Oct. 18, 2016).

<sup>153</sup> USPTO, SUMMARY OF ROUNDTABLE AND WRITTEN COMMENTS: DOMESTIC AND INTERNATIONAL ISSUES RELATED TO PRIVILEGED COMMUNICATIONS BETWEEN PATENT PRACTITIONERS AND THEIR CLIENTS (2015).

<sup>154</sup> *Id.*

<sup>155</sup> Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 80 Fed. Reg. 50720 (Aug. 20, 2015).

comments from the public on the subject of “attorney-client privilege or other limitations on discovery in PTAB proceedings.”<sup>156</sup> All the commentators once again agreed that patent agent communications should be protected, and overwhelmingly favored the PTO promulgating such a rule.<sup>157</sup> The American Intellectual Property Law Association (AIPLA), for example, argued that “[i]f patent agents are not entitled to have their communications be considered privileged. . . then their utility—and associated cost savings for stakeholders—is lost.”<sup>158</sup>

Finally, in October 2016, the PTO published in the Federal Register a Notice of Proposed Rulemaking adopting a privilege rule for patent agents in PTAB proceedings.<sup>159</sup> The proposed rule reads as follows:

§ 42.57 Privilege for patent practitioners.

(a) *Privileged communications.* A communication between a client and a domestic or foreign patent practitioner that is reasonably necessary or incident to the scope of the patent practitioner’s authority shall receive the same protections of privilege as if that communication were between a client and an attorney authorized to practice in the United States, including all limitations and exceptions.

(b) *Definitions.* The term “domestic patent practitioner” means a person who is registered by the United States Patent and Trademark Office to practice before the agency under section 11.6. “Foreign patent practitioner” means a person who is authorized to provide legal advice on patent matters in a foreign jurisdiction, provided that the jurisdiction establishes professional qualifications and the practitioner satisfies them, and regardless of whether that jurisdiction provides privilege or an equivalent under its laws.<sup>160</sup>

The proposed rule is consistent with the privilege created in *Queen’s University* to the extent that they both protect communications that “are reasonably necessary or incident to” tasks within the practitioner’s authority.<sup>161</sup> Like the

<sup>156</sup> *Id.* at 50743.

<sup>157</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg. 71653, 71655 (Oct. 18, 2016).

<sup>158</sup> See Letter from Sharon A. Israel, President of the American Intellectual Property Law Assoc. to Michelle K. Lee, Under Secretary of Commerce for Intellectual Property and Director of the USPTO, (Oct. 21, 2015).

<sup>159</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg. 71653 (Oct. 18, 2016).

<sup>160</sup> *Id.* at 71657.

<sup>161</sup> *Id.*; *In re Queen’s Univ. at Kingston*, 820 F.3d 1287, 1301 (Fed. Cir. 2016) (“Com-

Federal Circuit in *Queen's University*, the PTO attempted to clarify the scope of the privilege by providing examples of communications that would *not* be covered: “For instance, communications between clients and U.S. patent agents relating to patent application matters would be protected as privileged under the rule, but communications between these parties regarding litigation strategies would not be protected.”<sup>162</sup>

In some important ways, however, the proposed rule goes beyond the Federal Circuit’s patent agent privilege. For example, the PTO’s rule covers communications between clients and “patent practitioners,” which includes foreign patent agents, while *Queen's University* addressed only patent agents authorized to practice before the USPTO.<sup>163</sup> Additionally, *Queen's University* did not expand the attorney-client privilege to cover patent agent communications, but instead created a new patent agent privilege.<sup>164</sup> The PTO rule, by contrast, appears to be grounded in the attorney-client privilege.<sup>165</sup>

The PTO received approximately twenty comments from some of the same organizations that provided feedback earlier in the process, including AIPLA and the Intellectual Property Owners Association.<sup>166</sup> While generally supporting adoption of a privilege rule, a number of commentators raised concerns about ambiguities in the PTO’s proposed language and confusion about how the rule would apply in various factual situations.<sup>167</sup> Many of those concerns are explored in the final Part of this Article.

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munications that are not reasonably necessary and incident to the prosecution of patents before the Patent Office fall outside the scope of the patent agent privilege.”).

<sup>162</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg., at 71655.

<sup>163</sup> See, e.g., Charles Suh, et al., *New Privilege Considerations for Korean Patent Practitioners*, LAW360 (Mar. 6, 2017), <https://www.law360.com/articles/886890/new-privilege-considerations-for-korean-patent-practitioners> (“Until additional cases shed light on what impact *In re Queen's* will have on how U.S. courts treat privilege issues involving foreign patent agents, there is risk and uncertainty in relying solely on *In re Queen's* to protect communications with a foreign patent agent.”) [<https://perma.cc/8TD3-B6FL>].

<sup>164</sup> *In re Queen's Univ.*, 820 F.3d at 1295.

<sup>165</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners and the Patent Trial and Appeal Board, 81 Fed. Reg., at 71657 (stating that patent agent communications “shall receive the same protections of privilege as if that communication were between a client and an attorney authorized to practice in the United States”).

<sup>166</sup> REGULATIONS.GOV, RULE RECOGNIZING PRIVILEGED COMMUNICATIONS BETWEEN CLIENTS AND PATENT PRACTITIONERS AT THE PATENT TRIAL AND APPEAL BOARD (Apr. 6, 2017), <https://www.regulations.gov/docketBrowser?rpp=50&so=DESC&sb=postedDate&po=0&dc=PS&D=PTO-P-2016-0029> [<https://perma.cc/ST2Z-P82T>].

<sup>167</sup> See *infra* Part IV (discussing concerns about the PTO’s proposed rule).

#### IV. THE FUTURE OF THE PATENT AGENT PRIVILEGE

The decision whether to protect patent agent communications is driven by policy considerations. In simple terms, if we want to encourage inventors and others to rely on patent agents, their communications should be privileged; if not, such communications should be subject to discovery. As with most matters of policy, however, answering the question is not nearly as easy as posing it.

There are important policy justifications for deeming patent agent communications as privileged. Although the price varies widely depending on the technology, it is expensive to patent inventions.<sup>168</sup> The patent agent privilege helps defray costs by allowing inventors and others to rely on patent agents, who generally charge lower fees than attorneys.<sup>169</sup> This makes patent protection more accessible, which seems particularly important in a post-AIA world where independent inventors and small businesses may already be disadvantaged by the transition to a first-to-file system.<sup>170</sup> What is more, like its attorney-client counterpart, the patent agent privilege should promote efficiency and predictability in litigation, and reduce costs associated with discovery disputes.<sup>171</sup>

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<sup>168</sup> See Gene Quinn, *The Cost of Obtaining a Patent in the U.S.*, IP WATCHDOG (Apr. 4, 2015), <http://www.ipwatchdog.com/2015/04/04/the-cost-of-obtaining-a-patent-in-the-us/id=56485/> [<https://perma.cc/UQ8S-PD37>].

<sup>169</sup> See, e.g., Ryan Davis, *Fed. Cir. Patent Agent Privilege Rule to Lower Legal Costs*, LAW360 (Mar. 9, 2016), <https://www.law360.com/articles/768772/print?section=appellate> [<https://perma.cc/V7KV-QMEL>] (“Including patent attorneys on communications with patent agents just to preserve attorney-client privilege drives up the cost of preparing and prosecuting patent applications.”); Stephen Key, *Should You Hire a Patent Agent Instead of a Patent Attorney?*, INC., <http://www.inc.com/stephen-key/should-you-hire-a-patent-agent-instead-of-a-patent-attorney.html> (last visited April 1, 2017) (“[T]he major advantage of working with a patent agent is most often price.”).

<sup>170</sup> See David S. Abrams & R. Polk Wagner, *Poisoning the Next Apple? The America Invents Act and Individual Inventors*, 65 STAN. L. REV. 517, 520 (2013) (stating that small inventors “are likely to be slower in turning an invention into a patent application than larger corporations”). Congress took certain countermeasures in the AIA to address the concern of independent inventors and small businesses, including mandating that the PTO (1) establish a pro bono program—see 35 U.S.C. § 41(h) (2011)—and (2) undertake a study on international patent protection for small businesses—see Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 31, 125 Stat. 284, 339 (2011).

<sup>171</sup> See *Upjohn v. United States*, 449 U.S. 383, 392-93 (1981) (discussing how attorney-client privilege should promote predictability); AMERICAN BAR ASSOCIATION, TASK FORCE ON THE ATTORNEY-CLIENT PRIVILEGE, REPORT ON THE ATTORNEY-CLIENT PRIVILEGE, at 2 (May 18, 2005), <http://www.abanet.org/buslaw/attorneyclient/materials/hod/report.pdf> (finding that the attorney-client privilege promotes “the proper and efficient functioning of the American adversary system of justice”).

Yet, there's a good argument that patent lawyers—as experts in the law—should be the ones advising and guiding inventors through the complicated patent process. Whether an invention satisfies the requirements for patentability is, after all, a legal determination.<sup>172</sup> Moreover, the Supreme Court in *Sperry* acknowledged that patent prosecution and related activities constitute the practice of law.<sup>173</sup> So, perhaps a rule that encourages the use of attorneys over agents would be the better way to go.

At the end of the day, however, we are not writing on a blank slate. Patent agents have played an integral role in the patent system for a very long time,<sup>174</sup> and the Federal Circuit has already decided that patent agent communications are entitled to some protection.<sup>175</sup> Still, these policy considerations should play a key role in delineating the patent agent privilege going forward.

As the Supreme Court has cautioned, “[a]n uncertain privilege, or one which purports to be certain but results in widely varying applications by the courts, is little better than no privilege at all.”<sup>176</sup> Not only are there a number of open questions about the patent agent privilege created by the Federal Circuit,<sup>177</sup> but the PTO has taken steps toward adopting a different rule for administrative proceedings before the PTAB.<sup>178</sup> At a time when conflicts between rules for patent litigation in federal court and at the PTAB are already creating significant confusion in patent law,<sup>179</sup> stakeholders would benefit from a harmonized approach to privilege for patent agents. The aim of this final Part is to highlight some of those inconsistencies, so we can begin to consider how best to shape this nascent legal principle.

#### *A. What Communications Are Protected By the Privilege?*

Both the Federal Circuit's and the PTO's privilege rules are addressed to

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<sup>172</sup> See, e.g., *In re Comiskey*, 554 F.3d 967, 975 (Fed. Cir. 2009) (finding patentable subject matter is a question of law); *Agrizap, Inc. v. Woodstream Corp.*, 520 F.3d 1337, 1343 (Fed. Cir. 2008) (“[The ultimate conclusion of obviousness is a question of law.”).

<sup>173</sup> *Sperry v. Florida*, 373 U.S. 379, 382-83 (1963).

<sup>174</sup> See *supra* Part 0 (discussing the history of patent agents in the U.S.).

<sup>175</sup> *In re Queen's Univ. at Kingston*, 820 F.3d 1287, 1295 (Fed. Cir. 2016).

<sup>176</sup> *Upjohn*, 449 U.S. at 393.

<sup>177</sup> *In re Queen's Univ.*, 820 F.3d at 1305-07 (Reyna, J., dissenting) (arguing that the court's newly-created privilege is complicated and uncertain).

<sup>178</sup> See *supra* Part III.0.

<sup>179</sup> See, e.g., *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131, 2146 (2016) (upholding the PTAB's use of the broadest reasonable construction standard for claim construction, even though courts use the ordinary meaning standard); *Merck & CIE v. Gnosis S.P.A.*, 820 F.3d 432, 433 (Fed. Cir. 2016) (holding that Federal Circuit reviews PTAB's findings on obviousness for substantial evidence even though it reviews the same findings by a district court for clear error).

communications that “are reasonably necessary or incident to” the agent’s performance of her authorized duties.<sup>180</sup> Recognizing the fuzziness of this standard, each entity provided examples of the types of communications that would and would not fall within the privilege.<sup>181</sup> But as Judge Reyna pointed out in his dissent—and as several commentators have informed the PTO—these attempts at clarification arguably create more confusion.<sup>182</sup>

The majority in *Queen’s University* said that “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” would not be protected by the patent agent privilege.<sup>183</sup> But the PTO itself has said that the question “whether a validity opinion involves practice before the Office depends on the circumstances in which the opinion is sought and furnished.”<sup>184</sup> It is clear, for example, that a validity opinion sought for a client contemplating reexam is related to a patent agent’s authorized practice of law before the PTO.<sup>185</sup> So, shouldn’t that communication be privileged under the Federal Circuit’s rule?<sup>186</sup> What about validity opinions provided in connection with PTAB proceedings, which usually run parallel to federal court litigation?<sup>187</sup> Are those validity opinions privileged because they are “reasonably necessary and incident to the preparation and prosecution of patent applications or other proceedings before the Office”?<sup>188</sup> Or would such validity opinions be subject to discovery because they were sought “in contemplation of litigation”?<sup>189</sup>

The PTO stated in its proposed rule that “communications between clients and U.S. patent agents relating to patent application matters would be protected as privileged under the rule, but communications between these parties regard-

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<sup>180</sup> *In re Queen’s Univ.*, 820 F.3d at 1301; Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg. 71657 (Oct. 18, 2016).

<sup>181</sup> *In re Queen’s Univ.*, 820 F.3d at 1301-02; Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeals Board, 81 Fed. Reg. 71653, 71657 (Oct. 18, 2016).

<sup>182</sup> *In re Queen’s Univ.*, 820 F.3d at 1306 (Reyna J. dissenting).

<sup>183</sup> *Id.* at 1301-02.

<sup>184</sup> Changes to Representation of Others Before the United States Patent and Trademark Office, 73 Fed. Reg. 47650, 47670 (Aug. 14, 2008).

<sup>185</sup> *Id.*

<sup>186</sup> *Id.*

<sup>187</sup> See, e.g., Paul R. Gugliuzza, *(In)valid Patents*, 92 NOTRE DAME L. REV. 271, 285 (2016) (“Parties who seek post-issuance review at the PTO are, as noted, frequently defendants in patent infringement litigation.”).

<sup>188</sup> *In re Queen’s Univ.*, 820 F.3d at 1301.

<sup>189</sup> *Id.* at 1301-02.



ing litigation strategies would not be.”<sup>190</sup> The PTO does not define “litigation strategies,” however, which raises a host of questions. Would communications between patent agents and clients about strategy in PTAB proceedings—which are “litigation-like”—be privileged or not?<sup>191</sup> Certainly, patent agents are authorized to represent clients in PTAB proceedings, so it would seem that such conversations should be privileged.<sup>192</sup> On the other hand, communications of this nature are easily characterized as “litigation strategies,” especially since PTAB proceedings are increasingly used by accused infringers as part of a broader litigation plan.<sup>193</sup> Perhaps the analysis would turn on the purpose of the discussions much like the question surrounding validity opinions.<sup>194</sup>

Finally, there are ambiguities about the underlying bases for these new privilege rules that are bound to generate further litigation. Before *Queen’s University*, lower courts had divided on the question whether patent agent communications were covered by the attorney-client privilege.<sup>195</sup> Instead of relying on the attorney-client privilege, however, the Federal Circuit recognized a *new* patent agent privilege, which it clearly had the power to do under the Federal Rules of Evidence.<sup>196</sup> For some reason, the PTO seems confused about this. In proposing its privilege rule, the PTO explained that the Federal Circuit had “recently recognized that *attorney-client privilege* applies to U.S. patent agents acting within the scope of their authorized practice,” which is

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<sup>190</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeals Board, 81 Fed. Reg. 71653, 71655 (Oct. 18, 2016).

<sup>191</sup> See, e.g., Samuel Goldstein, Comment in Response to NPRM in PTO-P-2016-0029, (Nov. 18, 2016), <https://www.regulations.gov/document?D=PTO-P-2016-0029-0008> (suggesting that the PTO specify whether the privilege would protect communications regarding strategies in instituted IPR proceedings or assessments of the validity of a patent in contemplation of an IPR proceeding) [<https://perma.cc/X7GS-THZ6>].

<sup>192</sup> 37 C.F.R. § 11.5 (2008).

<sup>193</sup> See, e.g., Saurabh Vishnubhakat et al., *Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 BERKELEY TECH. L.J. 45, 48 (2016) (“[T]he rise of the PTAB forces patent owners to factor in the strong possibility of retaliatory or even preemptive patent validity challenges at the PTAB.”).

<sup>194</sup> See *In re Queen’s Univ. at Kingston*, 820 F.3d 1287, 1306 (Fed. Cir. 2016) (Reyna, J., dissenting) (“[U]nder the Majority’s newly-created agent-client privilege, some validity opinions drafted by an agent will be privileged and others will not be, depending on the client’s intent in seeking the opinion from the agent. But how do we determine which is which, and what does such contentious activity say about the demand for truth?”).

<sup>195</sup> See *supra* Part II.B.

<sup>196</sup> *In re Queen’s Univ.*, 820 F.3d at 1302 (“We find, consistent with Rule 501 of the Federal Rules of Evidence, that a patent-agent privilege is justified ‘in the light of reason and experience.’ We therefore recognize a patent-agent privilege. . . .”) (citing *Jaffee v. Redmond*, 518 U.S. 1, 8 (1996)).

simply not accurate.<sup>197</sup> The PTO then proceeded to ground its proposed rule in the attorney-client privilege saying that patent agent communications shall receive the same protections as if they “were between a client and an attorney authorized to practice in the United States, including all limitations and exceptions.”<sup>198</sup> This approach is confusing both because it differs from the Federal Circuit’s, and because it suggests that the patent agent privilege is co-extensive with the attorney-client privilege.<sup>199</sup>

*B. Where Does the Privilege Apply?*

Privilege rules are generally a product of common law, so their applicability often depends on a choice of law analysis.<sup>200</sup> Since patent infringement actions are subject to exclusive jurisdiction in federal court,<sup>201</sup> *Queen’s University* will govern patent agent privilege questions in the vast majority of patent cases. Still, there is a small percentage of patent-related cases that are heard in state court in which patent agent communications could be the subject of discovery requests.<sup>202</sup> It is not clear in those cases whether the patent agent privilege created in *Queen’s University* would apply.

Indeed, not even six months after the Federal Circuit issued its decision in *Queen’s University*, an appellate court in Texas faced this very question in *In Re Silver*.<sup>203</sup> The case involves a contract dispute between Andrew Silver and TableTop Media LLC (TableTop).<sup>204</sup> Silver alleges that the parties entered into a patent purchase agreement, and that TableTop owes him royalties.<sup>205</sup> During the litigation, TableTop sought production of hundreds of communications between Silver and his patent agent, which Silver refused to produce on privi-

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<sup>197</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg. 71655 (proposed Oct. 18, 2016) (to be codified at 37 C.F.R. pt. 42) (emphasis added).

<sup>198</sup> *Id.* at 71657.

<sup>199</sup> Jeff Liu, Comment Letter on Proposed Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board (Dec. 5, 2016), <https://www.regulations.gov/document?D=PTO-P-2016-0029-0004> [<https://perma.cc/Q687-SQNS>].

<sup>200</sup> See, e.g., Earl C. Dudley, Jr., *Federalism and Federal Rule of Evidence 501: Privilege and Vertical Choice of Law*, 82 GEO. L.J. 1781, 1832, 1834-35 (1994).

<sup>201</sup> 28 U.S.C. § 1338 (2012).

<sup>202</sup> See, e.g., *Gunn v. Minton*, 133 S.Ct. 1059, 1068 (2013) (holding that federal courts do not have exclusive subject matter jurisdiction over state law claims alleging legal malpractice in patent cases).

<sup>203</sup> See generally *In re Silver*, 500 S.W.3d 644, 646 (Tex. App. 2016).

<sup>204</sup> *Id.* at 645.

<sup>205</sup> *Id.*

lege grounds.<sup>206</sup> When TableTop moved to compel, the court granted the motion finding that the communications were not protected.<sup>207</sup>

Silver sought mandamus review, which the Texas appellate court denied in a 2-1 decision.<sup>208</sup> The majority found that *Queen's University* was not controlling because this was a state law contract dispute, not a patent infringement action based on federal law.<sup>209</sup> Accordingly, the court reasoned, state—not federal—privilege law applies.<sup>210</sup> Because Texas does not recognize a patent agent privilege, and the court declined to create one, the majority upheld the order granting TableTop's motion to compel.<sup>211</sup>

Much like *Queen's University*, there was a long dissent in *Silver*.<sup>212</sup> Rather than advocate for the Federal Circuit's newly-created patent agent privilege, the dissent argued that the communications at issue were privileged under Texas's attorney-client privilege rules.<sup>213</sup> Specifically, Texas Rule of Evidence 503 defines "lawyers" for purposes of privilege as "a person authorized. . .to practice law in any state or nation."<sup>214</sup> Thus, because *Sperry* held that patent agents are authorized to practice law before the PTO, which is in this nation, their communications fall within the attorney-client privilege.<sup>215</sup>

Silver's appeal is currently pending before the Texas Supreme Court, so he may still be able to prevent disclosure of the communications with his patent agent.<sup>216</sup> Whatever ultimately happens in *Silver*, the case provides a prime example of the type of problem that courts are sure to face in coming years regarding the patent agent privilege.

### C. Who Is Protected by the Privilege?

A final gray area that will need clarification concerns who will be protected by the patent agent privilege. While the Federal Circuit's privilege rule is directed at domestic patent agents, the PTO's proposed rule extends to foreign practitioners as well.<sup>217</sup> Specifically, the PTO rule covers "[f]oreign patent

<sup>206</sup> *Id.* at 645-46.

<sup>207</sup> *Id.* at 646.

<sup>208</sup> *Id.*

<sup>209</sup> *Id.*

<sup>210</sup> *Id.* at 646-47.

<sup>211</sup> *Id.* at 647.

<sup>212</sup> *Id.* at 647-52.

<sup>213</sup> *Id.* at 647.

<sup>214</sup> TEX. R. EVID. 503 (emphasis added).

<sup>215</sup> *Silver*, 500 S.W.3d at 649-50.

<sup>216</sup> See generally Petition for Writ of Mandamus, *In Re Silver*, 2016 WL 4718484 (2016) (No. 16-0682).

<sup>217</sup> Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board, 81 Fed. Reg. 71657 (proposed Oct. 18, 2016)

practitioner[s]” who are individuals “authorized to provide legal advice on patent matters in a foreign jurisdiction, provided that the jurisdiction establishes professional qualifications and the practitioner satisfies them, and regardless of whether that jurisdiction provides privilege or an equivalent under its laws.”<sup>218</sup>

The PTO has been applauded for expanding the scope of privilege in this way given the global nature of patent practice.<sup>219</sup> But what will it mean if a foreign patent agents’ communications are protected at the PTO but not in a U.S. federal court? And what implications might there be if the U.S. protects a foreign practitioner’s communications that wouldn’t be protected in her home country?<sup>220</sup> More fundamentally, is there any basis for the PTO to protect the communications of foreign practitioners when *Sperry* and *Queen’s University* only addressed the status of patent agents authorized by Congress to practice before the Patent Office in *this* country?

#### CONCLUSION

The patent litigation landscape has changed markedly over the past few years with the passage of the AIA. Whereas patent cases used to be adjudicated exclusively in federal court, a significant portion of patent litigation is now occurring on two fronts—in district courts and at the PTAB. Oftentimes, different rules govern adjudication in the two forums, which is causing a good deal of confusion for parties, lawyers, and the courts. Because the patent agent privilege is a new doctrine, policymakers have the opportunity to avoid further confusion and, instead, aim for a uniform approach to protecting communications between patent agents and their clients that appropriately balances competing policy concerns.

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(to be codified at 37 C.F.R. pt. 42).

<sup>218</sup> *Id.*

<sup>219</sup> See, e.g., Federation Internationale Des Conseils En Propriete Intellectuelle (FICPI), Comment Letter on Proposed Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial and Appeal Board (Dec. 19, 2016), <https://www.regulations.gov/document?D=PTO-P-2016-0029-0018> [<https://perma.cc/UE8G-6852>].

<sup>220</sup> To date, U.S. federal courts have generally recognized a privilege for foreign patent agents only when the communications would be protected in the agent’s home country. See, e.g., *Smithkline Beecham Corp. v. Apotex Corp.*, 193 F.R.D. 530, 535 (N.D. Ill. 2000) (“[I]n essence, the court will recognize the application of the privilege if the foreign nation extends the privilege to communications with patent agents and, with respect to those communications, the agents are more or less functioning as attorneys.”); *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, No. 95 Civ. 8833, 1998 WL 158958, at \*1 (S.D.N.Y. Apr. 2, 1998) (“[I]f a communication with a foreign patent agent involves a foreign patent application, then as a matter of comity, the law of that foreign country is considered regarding whether the law provides a privilege comparable to the attorney/client privilege.”).

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