19 December 2016

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property &
Director of the United States Patent and Trademark Office
Mail Stop CFO
P.O. Box 1450
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*Via email: acprivilege@uspto.gov*
Attn: Soma Saha

**Re: Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial & Appeal Board**

Intellectual Property Owners Association (IPO) submits these comments in response to the *Federal Register* notice entitled "Rule Recognizing Privileged Communications Between Clients and Patent Practitioners at the Patent Trial & Appeal Board," 81 Fed. Reg. 71653 (Oct. 18, 2016) (FRN).

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes about 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans more than 50 countries. IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members, including supporting member interests relating to legislative and international issues; analyzing current intellectual property issues; information and educational services; and disseminating information to the general public on the importance of IP rights.

The FRN requests comments concerning a proposed rule codifying privilege for confidential communications between clients and both U.S. and non-U.S. patent practitioners. We appreciate the USPTO's diligence and leadership on this issue. We would like to incorporate by reference our 25 February 2015 submission on this topic (attached), in addition to the comments provided below. As the FRN indicates, whether privilege applies to confidential client communications with patent practitioners (as defined in the notice) has led to conflicting and confusing legal precedent. A rule codifying privilege for proceedings within the USPTO would be a significant improvement. We support adoption of the proposed rule.

The FRN recognizes the effect of *In re Queens Univ. at Kingston*, 2016 WL 860311, 820 F.3d 1287 (Fed. Cir. 2016) in moving toward a resolution of this issue, but that panel decision (by a vote of 2 to 1) is neither compelling nor necessarily controlling when state law is enforced in state courts. In the recent case of *In re Silver*, 2016 BL 267270, 119 U.S.P.Q.2d 1758 (Tex. App. Aug. 17, 2016), the Fifth District of Texas Court of Appeals considered *Queens Univ.* in a contract-related case and refused to recognize privilege for confidential client-patent practitioner communications under Texas law. According to the *Silver* court, *Queens Univ.*

created a common law privilege, and Texas does not recognize common law privilege—"[o]nly privileges grounded in the Texas Constitution, statutes, the Texas Rules of Evidence, *or other rules established pursuant to statute* are recognized in Texas" (emphasis added).[1]

Proposed Rule 42.57 should, at a minimum, meet the Texas standard of being "established pursuant to statute" and therefore would establish privilege both within the USPTO and state courts. Both the Constitution[2] and Congress' delegation of responsibility to the USPTO[3] justify treating patent professionals as having a specialized privilege under federal law. *See* James Will, *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, 343 (2005) ("According to Dean Wigmore, where an administrative tribunal had the power to create its own bar, courts should extend the attorney-client privilege to members of that bar."); *see also Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429-431 (1984), and *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (Courts afford deference towards Congress regarding the Patent Clause).

We support the USPTO's efforts to clarify the law concerning privilege in communications between licensed patent practitioners and their clients, including the adoption of the proposed rule as a first step towards clarifying that confidential client communications with patent practitioners should remain confidential and protected as privileged to the same extent as attorney-client privilege.

We welcome further dialogue or opportunity to provide additional information or otherwise assist the Office in its efforts on this important issue.

Sincerely,

Mark Lauroesch
Executive Director

[1] *E.g.*, Texas R. Evid. 503(a)(3) ("*A 'lawyer' is a person authorized*, or who the client reasonably believes is authorized**,** *to practice law in any* state or *nation*.") (emphasis added); *Sperry v. Florida*, 373 U.S. 379, 383 (1963) ("We do not question the determination that under Florida law *the preparation and prosecution of patent applications for others constitutes the practice of law*.") (emphasis added); *id.* ("Nor do we doubt that Florida has a substantial interest in regulating the practice of law within the State and that, *in the absence of federal legislation, it could validly prohibit nonlawyers from engaging in this circumscribed form of patent practice*.") (emphasis added).

[2] U.S. Constitution, Art. I, sec. 8, cl. 8: "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive right to their respective Writings and Discoveries."

[3] 35 U.S.C. § 2(b): "The Office … (2) may establish regulations, not inconsistent with law, which— (A) shall govern the conduct of proceedings in the Office; … (D) may govern the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office."