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# Update On Discovery Of Patent Prosecution Communications

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In general, communications between an attorney and his client relating to the filing and prosecution of a patent application are privileged. Last year, the Federal Circuit found that such communications between a patent agent and his client are also privileged.[1] But under the joint attorney-client privilege or the common interest doctrine, communications between attorneys and two or more clients may not be privileged in a later dispute between these clients. This article discusses the challenges that courts and companies continue to face in determining whether a party can access these patent prosecution communications in disputes: (1) between two joint owners; (2) between an employer-owner and an employee-inventor; and (3) with respect to a patent agent, in other Circuits and state courts.


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**Do Joint Owners Share a Joint Attorney-Client Privilege During Patent Prosecution?**

When a dispute arises between two joint owners, one owner may seek to access the other owner's communications with the patent attorney relating to the patent prosecution process. In that case, a court would look at a few factors to decide. One factor would be whether the patent prosecution process was handled by only one attorney (e.g., an in-house attorney), or by two attorneys separately representing the two owners.

Here, if only one attorney handled the patent prosecution for the two joint owners, a court would need to determine whether they share a joint attorney-client privilege with that attorney. One circuit described that the joint attorney-client privilege applies "when multiple clients hire the same counsel to represent them on a matter of common interest."[2] Under such a privilege, "'communications between a client and the attorney may be privileged as to outsiders, [but] they are not privileged' between clients in a community of interest relationship."[3]

Significantly, a court may find that the two owners have a joint privilege even if only one of the owners directly interacted with the patent attorney. For example, in Merck v. ProThera, the district court held that a joint privilege between the two corporations and the patent attorney existed even though the patent attorney received compensation from, took direction from, and communicated with only one of the corporations.[4] The court explained that "where two

parties are jointly prosecuting a patent application, they are commonly considered to be joint clients," and "[i]t is at least equally likely that one representative will interact with the attorney on behalf of all of the clients."[5] And in Regents, the Federal Circuit held that the inventor/patentee and the optionee shared "the same interest in obtaining strong and enforceable patents" and thus held a joint attorney-client privilege with the optionee's attorneys.[6]

Other courts, however, have placed a greater emphasis on the amount of interaction between the patent attorney and each of the interested parties. They analyzed additional factors including: (1) whether there was "more than one discussion between the putative client and the lawyer about the legal matter at hand"; and/or (2) "whether a fee arrangement was entered into or a fee paid" in determining whether a joint attorney-client relationship exists.[7]

On the other hand, if the two joint owners were represented by two separate attorneys during patent prosecution, a court would likely find that no joint attorney-client privilege exists. Accordingly, one owner would not have access to the other's communications shared only with its respective patent counsel. But the two owners would have access to the communications shared among them on patent prosecution, and can protect these communications as privileged with respect to third parties, under the common interest doctrine. The common interest privilege "comes into play when clients with separate attorneys share otherwise privileged information in order to coordinate their legal activities."[8]

Notably, not all states recognize a common interest privilege in the absence of a pending and/or an active litigation. In Texas, the common interest privilege applies only when there is an active litigation.[9] In New York, the common interest privilege applies only when there is a pending or anticipated litigation.[10] So in cases applying those state laws, the common interest privilege would not apply to typical patent prosecution communications. And if a patent has two or more joint owners represented by separate attorneys, any communications shared among them relating to patent prosecution would be discoverable by any third party.

**Can an Employee-Inventor Have a Common-Interest Privilege?**

Another challenge that courts and companies may face in the future is whether an employee-inventor can access his own communications with his employer's patent counsel during patent prosecution in a later litigation. In general, if an employee-inventor was obligated to assign all of his rights in a patent to his employer, a court would likely find that the inventor did not share in the employer's attorney-client privilege with the employer's patent counsel.[11] In that case, the inventor would not be able to access even his own communications with the patent counsel unless his employer consents to disclosure.[12]

Yet in Shukh v. Seagate Technology LLC, the Federal Circuit found that an employee-inventor's concrete and particularized reputational injury can confer standing to correct the inventorship of a patent under 35 U.S.C. § 256 even when an employee has assigned all of his interests in an invention.[13] This decision potentially opens up a question of whether, to prove his inventorship, the employee-inventor can access his own communications with his employer's patent counsel under the common interest doctrine. Particularly, the Federal Circuit has found that a common legal interest may arise between the parties when both parties have the same interest in obtaining strong and enforceable patents.[14] Thus, in future employee-inventorship cases, courts may need to decide whether an employee-inventor can have a common legal interest in obtaining a strong patent to preserve his reputation and future employment opportunities.

**Can a Patent-Agent Privilege Be Asserted in Other Circuits and State Courts?**

Last year, the Federal Circuit held that communications between a patent agent and his client relating to the prosecution of a patent are privileged.[15] Because the Federal Circuit applies its own law to determine whether privilege applies to a party's communications with his patent agent, courts will recognize the patent-agent privilege in most patent cases.[16] But in nonpatent cases, other circuits and state courts will need to determine whether they recognize the patent-agent privilege.

Thus far, a Texas appeals court has held that under Texas state law, such a "patent-agent privilege" does not exist.[17] In the underlying breach-of-contract case, the patentee sought to protect communications to his patent agent relating to the prosecution of his patents. But the trial court refused to recognize a patent-agent privilege because Texas courts are barred from recognizing new common-law discovery privileges. The Texas appeals court agreed with the trial court, and concluded that Texas courts lack the authority to adopt the new patent-agent privilege.

This case is currently on appeal to the Texas Supreme Court. Amicus briefs submitted by the National Association of Patent Practitioners, the Intellectual Property Owners Association and several law professors, among others, call for the Texas Supreme Court to recognize the patent-agent privilege. They insist that the patent-agent privilege should be included in the existing attorney-client privilege under the Texas Rules of Evidence. They also note that rejecting the patent-agent privilege in Texas courts could lead to forum shopping among state and federal courts.

**Conclusion**

As courts continue to navigate through these foregoing issues, companies should consider a choice of law provision over patent prosecution communications in agreements, such as a joint venture agreement or employment agreement. Moreover, to avoid unintentionally creating an attorney-client relationship with other parties during patent prosecution, a patent attorney may need to provide an express disclaimer about the scope of representation in his communications with these parties.

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[1] See In re Queen's Univ. at Kingston, 820 F.3d 1287, 1294-302 (Fed. Cir. 2016).

[2] In re Teleglobe Communic'ns Corp., 493 F.3d 345, 359 (3d Cir. 2007).

[3] In re US, 590 F.3d 1305, 1310 (Fed. Cir. 2009) (reversed and remanded on other grounds by U.S. v. Jicarilla Apache Nation, 564 U.S. 162 (2011)).

[4] Merck Eprova AG v. ProThera, Inc., 670 F. Supp. 2d 201, 210-12 (S.D.N.Y. 2009).

[5] Id.

[6] In re Regents of Univ. of Calif., 101 F.3d 1386, 1389-91 (Fed. Cir. 1996) (in this case, the UC Regents argued that Eli Lilly's attorney acted as an attorney for both the UC and Eli Lilly).

[7] See, e.g., DePuy Orthopaedics, Inc. v. Hospital, No. 3:12-cv-299-JVB-MGG, 2016 WL 7030400, at *2-4 (N.D. Ind. Dec. 1, 2016); Protostorm, LLC v. Antonelli, Terry, Stout & Kraus, LLP, 834 F. Supp. 2d 141, 154-55 (E.D.N.Y. 2011).

[8] In re Teleglobe Communic'ns Corp., 493 F.3d at 359.

[9] Tex. R. Evid. 503(b)(1)(C).

[10] Ambac Assur. Corp. v. Countrywide Home Loans, Op. No. 80, 2016 WL 3188989 (N.Y. June 9, 2016).

[11] See Univ. of W. Va. v. VanVoorhies, 278 F.3d 1288, 1303-04 (Fed. Cir. 2002); Telectronics Proprietary, Ltd. v. Medtronic, Inc., 836 F.2d 1332, 1336-37 (Fed. Cir. 1988).

[12] See Shukh v. Seagate Tech., LLC, 872 F. Supp. 2d 851, 855-56 (D. Minn. 2012).

[13] Shukh v. Seagate Tech., LLC, 803 F. 3d 659, 661 (Fed. Cir. 2015).

[14] In re Regents of Univ. of Calif., 101 F.3d at 1389-91.

[15] See In re Queen's Univ. at Kingston, 820 F.3d at 1294-302.

[16] See, e.g., DePuy Orthopaedics, 2016 WL 7030400 at *2-4.

[17] See In Re: Andrew Silver, No. 05-16-00774-CV (Tex. App. Aug. 17, 2016).

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