

COMMENTS

THE PATENT PRACTITIONER ATTAINS MAJORITY: AN EXAMINATION OF THE ATTORNEY-CLIENT PRIVILEGE AND WORK PRODUCT RULE AS THEY PERTAIN TO THE PATENT ATTORNEY AND AGENT

The public interest is not an absolute unyielding mandate, but rather a discretionary function of the Court to be weighed along with other factors in determining the applicability of the privilege and the "work product" rule.¹

We cannot conclude . . . that the proper application of work product [rule] and attorney-client privilege will be detrimental to the public interest or offend paramount federal patent policy whenever a patent solicitation is involved.²

INTRODUCTION

The use of the attorney-client privilege and work product rule to shield certain confidential information from discovery during litigation is a well-established practice in the law.³ While general practitioners have long had available these exclusionary mechanisms, some attorneys, particularly those involved in patent matters, have, until recently,⁴ been denied their protection.⁵ The purpose of this paper⁶ is to explore

¹ *Hogan v. Zletz*, 43 F.R.D. 308, 315, 154 U.S.P.Q. 230, 234 (N.D. Okla. 1967).

² *Natta v. E.I. du Pont de Nemours & Co.*, 410 F.2d 187, 190, 161 U.S.P.Q. 389, 391 (3d Cir. 1969) (footnote omitted).

³ *See, e.g., Republic Gear Co. v. Borg-Warner Corp.*, 381 F.2d 551, 558 (2d Cir. 1967) (documents prepared by nonparty attorney in prior litigation were protected from discovery under both the attorney-client privilege and work product rule); *CAB v. Air Transport Ass'n of America*, 201 F. Supp. 318 (D.D.C. 1961) (attorney-client privilege may be asserted by a trade association in a proceeding before the CAB where requirements of privilege are met).

⁴ *See, e.g., Natta v. E.I. du Pont de Nemours & Co.*, 410 F.2d 187, 161 U.S.P.Q. 389 (3d Cir. 1969); *Shaffer Tool Works v. Joy Mfg. Co.*, 167 U.S.P.Q. 170 (S.D. Tex. 1970); *In re Natta*, 48 F.R.D. 319, 163 U.S.P.Q. 680 (D. Del. 1969).

⁵ *See, e.g., Zenith Radio Corp. v. Radio Corp. of America*, 121 F. Supp. 792, 101 U.S.P.Q. 316 (D. Del. 1954); *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 85 U.S.P.Q. 5 (D. Mass. 1950).

⁶ This paper is directed to those with some special knowledge of patents and practice before the United States Patent Office. The following brief overview is presented to illustrate some of the general considerations involved in the practice of soliciting patents for those unfamiliar with this specialized area of the law.

The United States patent laws reward not the first person to file a patent application, as is common in many foreign countries, but rather the first inventor. The inventing

the rationale of the courts in excluding patent practitioners from the protection afforded by the attorney-client privilege and the work prod-

process is comprised of the acts of conception and reduction to practice. Great emphasis is, therefore, placed upon determining when and by whom an invention has been made.

After the invention has been reduced to practice and if it appears that the invention has both technological merit and corporate utility, a novelty study will be conducted. A novelty study involves searching for and examining pertinent patents and technical literature in order to determine what, if any, feature of the invention is patentably novel. This search and examination process may be done by in-house corporate patent attorneys or agents, but is most often done by outside searching services.

Once the results of the search are at hand, the patent attorney or agent will review the results and render a legal judgment as to whether the invention is patentable under the patent statute, 35 U.S.C. §§ 100 *et seq.* (1971). This statute requires not only that the invention have utility, 35 U.S.C. § 101 (1971), and be novel, 35 U.S.C. § 102 (1971), but also that the subject-matter be non-obvious in view of the prior art, 35 U.S.C. § 102 (1971). If the invention is judged to be unpatentable, no application for a patent will be filed. However, if the invention is deemed to be patentable, the patent attorney or agent weighing the technical and the business aspects of the invention determines whether the novelty and commercial potential of the invention merit the filing of a patent application.

A patent application is not only a technical document, but is also a legal document which describes the invention and sets out by formal claims the essence of the invention. Standards for the contents of an application are set forth in 35 U.S.C. § 112 (1971) which in pertinent part provides:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

In the United States, patent applications are examined in the Patent Office to determine if they meet the legal requirements of patentability. Upon receiving the application, the examiner assigned to the application makes another independent search of the prior art. If he finds that the invention *as described by the claims* is taught by a prior art reference, he will reject the claims under 35 U.S.C. § 102 (1971); if he finds the invention as claimed is obvious in view of one or more references, then he will reject the claims on the basis of 35 U.S.C. § 103 (1971).

The applicant's patent attorney or agent then attempts to overcome these rejections by raising legal arguments which assert, in part, that the statutory requirements of 35 U.S.C. §§ 102 and 103 (1971) have, in fact, been met. In the alternative, he may also amend the rejected claims so that they do not read upon the prior art.

The examiner then reexamines the amended application to determine if the applicant's claims are allowable. If they are, the application is passed to issue. If not, the claims are finally rejected and the applicant is faced with the decision of whether to appeal the examiner's decision or abandon the application. If a final rejection of the application is entered by the examiner, the applicant has a right to appeal the decision to the Patent Office Board of Appeals under 35 U.S.C. § 134 (1971). Should the applicant decide to appeal, an appeal brief, propounding the legal arguments, is submitted to the Board for consideration. If an unfavorable decision is rendered by the Board, a further appeal may be perfected to the United States District Court for the District of Columbia under 35 U.S.C. § 145 (1971) or to the United States Court of Customs and Patent Appeals (C.C.P.A.) under 35 U.S.C. § 144 (1971).

The examination procedure is kept confidential within the Patent Office and the records are not open to the public until such time as the patent has issued. 35 U.S.C. § 122

uct rule and to analyze the current trends in this area in each of the federal circuits.

The attorney-client privilege first arose in the English law during the reign of Elizabeth I and was premised on a theory quite different from that usually invoked today.⁷ The original theory was objective and based on "a consideration for *the oath and the honor* of the attorney rather than for the apprehensions of his client. . . . 'The first duty of an attorney,' it has been said, 'is to keep the secrets of his clients.'"⁸ Gradually, however, a new theory developed which

looked to the necessity of *providing subjectively for the client's freedom of apprehension* in consulting his legal adviser.⁹

In order to promote freedom of consultation of legal advisers by clients, the apprehension of compelled disclosure by the legal

(1971), 18 U.S.C. § 2071 (1971), and 37 C.F.R. § 1.11 (1972). Should the application become abandoned, it is retained as confidential and is not available to the public. 37 C.F.R. § 1.14(b) (1972). Once a patent has issued, the public may inspect the complete file of the application and its prosecution history. 37 C.F.R. § 1.11 (1972). Thus, the public may have access to all documents which have passed between the patent attorney or agent and the Patent Office during the prosecution of a patent application, *provided* that the application matures into a patent. It is important to note, however, that private communications between the inventor and his attorney or agent are *not* a part of this record.

During the prosecution of an application, an interference will be declared pursuant to 35 U.S.C. § 135 (1971), whenever the applicant appears to have made the same claims as another party who is either prosecuting a similar application or has an issued patent which discloses and claims the same invention. Once an interference is declared, a quasi-judicial, *inter parte* proceeding occurs within the Patent Office to determine which of the inventors is the first inventor and is, therefore, entitled to the patent. Motions and other documents raising various points of law are filed by both parties in an attempt to establish priority of invention.

Discovery in an interference proceeding is of significant import and is governed by the Federal Rules of Civil Procedure. Initial determinations relating to discovery are made by the Board of Patent Interferences in the Patent Office, but, pursuant to 35 U.S.C. § 146 (1971), an applicant may appeal an unfavorable decision to the United States District Court for the District of Columbia or the United States Court of Customs and Patent Appeals.

A patent infringement action may be brought in a federal district court only after the patent has issued. 35 U.S.C. § 281 (1971). Infringement actions are often defended by a contention that the patent allegedly infringed is not valid. 35 U.S.C. § 282 (1971). This defense brings the entire patent examining procedure into question, and the same issues relating to patentability which were raised in the Patent Office, *e.g.*, the questions of novelty, utility and obviousness, are reconsidered. Access to the prosecution records and attorney-client communications, therefore, become of the utmost importance in making such a determination, and discovery sought by a party is quite often met with a claim of privilege.

⁷ 8 J. WIGMORE, EVIDENCE § 2290, at 542-43 (McNaughton rev. ed. 1961).

⁸ J. WIGMORE, *supra* note 7, § 2290, at 543 (quoting from Taylor v. Blacklow, 132 Eng. Rep. 401, 406 (C.P. 1836)).

⁹ J. WIGMORE, *supra* note 7, § 2290, at 543 (citation omitted) (emphasis added).

advisers must be removed; hence the law must prohibit such disclosure except on the client's consent.¹⁰

Wigmore has enunciated the elements of the attorney-client privilege:

(1) Where legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the legal adviser, (8) except the protection be waived.¹¹

While the attorney-client privilege has a common law origin, the work product rule is of modern vintage.¹² Basically, it grew out of the present liberal federal discovery rules which were introduced in 1938 in the Federal Rules of Civil Procedure.¹³ To prevent a party in an action from conducting a mere "fishing expedition" into the private affairs of the opposing party, the United States Supreme Court in *Hickman v. Taylor*¹⁴ established guidelines which effectively reduced existing abuses in the application of the rules of discovery. Recognizing that "the memoranda, briefs, communications and other writings prepared by counsel for his own use in prosecuting his client's case" and those "writings which reflect an attorney's mental impressions, conclusions, opinions or legal theories"¹⁵ fall outside the attorney-client privilege, the Court deemed those writings to be the attorney's work product. Hence, they were protected from discovery, provided that such writings

¹⁰ J. WIGMORE, *supra* note 7, § 2291, at 545.

¹¹ J. WIGMORE, *supra* note 7, § 2292, at 554 (footnote omitted).

¹² See *Hickman v. Taylor*, 329 U.S. 495 (1947).

¹³ FED. R. CIV. P. 26-34. FED. R. CIV. P. 26(b)(1) states in pertinent part:

Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter.

FED. R. CIV. P. 34(a), states:

Any party may serve on any other party a request (1) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents (including writings, drawings, graphs, charts, photographs, phono-records, and other data compilations from which information can be obtained, translated, if necessary, by the respondent through detection devices into reasonably usable form), or to inspect and copy, test, or sample any tangible things

¹⁴ 329 U.S. 495, 510-13 (1947). The court stated:

[T]he deposition-discovery rules are to be accorded a broad and liberal treatment. No longer can the time-honored cry of "fishing expedition" serve to preclude a party from inquiring into the facts underlying his opponent's case.

Id. at 507 (footnote omitted).

¹⁵ *Id.* at 508.

were prepared with an eye towards litigation and provided that there was no showing of "good cause" for discovery by the party requesting production.¹⁶

In applying the attorney-client privilege and work product rule to given fact situations, the courts have been faced with difficult policy decisions. With regard to the attorney-client privilege, the courts have had to balance the need for full disclosure of all relevant evidence in the pursuit of justice with the injury that would inure to the attorney-client relationship by disclosure of confidential communications.¹⁷ When applying the work product rule, the courts have had to weigh the right of an attorney to discover relevant documents of the opposing counsel that are necessary to prepare the attorney's case with the right of the opposing counsel to have the privacy and freedom from interference which are necessary to prepare his own legal theories and plan his litigation strategy.¹⁸ With these balancing tests in mind, the courts have, nevertheless, freely allowed both of these immunities in a large variety of situations involving general practitioners.¹⁹

Unfortunately, such liberality has not, until recently, resulted in a uniform extension of the attorney-client privilege and work product rule to practitioners of patent law.²⁰ In large part, the resistance of the courts has been due to a misconception²¹ of (1) the nature of the patent practitioner's work,²² (2) the relationship between the patent practitioner and his client, particularly where the client is a corporation,²³ (3) the unique qualifications demanded of a patent practitioner who

¹⁶ *Id.* at 511-12 n.10.

¹⁷ *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 85 U.S.P.Q. 5 (D. Mass. 1950).

¹⁸ 329 U.S. at 495, 510-14.

¹⁹ See cases cited note 4 *supra*.

²⁰ See, e.g., *United States Indus., Inc. v. Norton Co.*, 174 U.S.P.Q. 513, 515 (N.D.N.Y. 1972); *United States v. United Shoe Mach. Corp.*, 89 F. Supp. 357, 361, 85 U.S.P.Q. 5, 7 (D. Mass. 1950).

²¹ For an excellent review of the attorney-client privilege and work product rule, see Kayton, *Attorney-Client Relations and Privilege, Work Product*, PAT. L. PERSP. § B.7 (1331-40 A/R 1967-68), § B.7 (1-17 Dev. 1969-70), § B.7 (1, 3, 5 1971-Dev.) § B.7 (7-14, 1972 Dev.).

²² See general discussion note 6 *supra*.

²³ For excellent reviews of the relationship of the patent attorney and patent agent to the corporation, see Redmond, *Corporate Patent Attorneys—"Privilege" and "Work Product"*, 49 J. PAT. OFF. SOC'Y 767 (1967); Simon, *The Attorney-Client Privilege As Applied to Corporations*, 65 YALE L.J. 953 (1956); Comment, *Attorney-Client Privilege For Corporate Clients: The Control Group Test*, 84 HARV. L. REV. 424 (1970); Comment, *The Lawyer-Client Privilege: Its Application to Corporations, the Role of Ethics, and Its Possible Curtailment*, 56 NW. U.L. REV. 235 (1961).

practices before the Patent Office,²⁴ and (4) the duty of the patent practitioner to resolve all questions of materiality in favor of full disclosure to the Patent Office.²⁵

THE DEVELOPING LAW

The leading case in the area of the attorney-client privilege as it relates to the patent practitioner is *United States v. United Shoe Machinery Corp.*²⁶ The court extensively discussed the question of the attorney-client privilege as it pertains to practitioners of patent law and established the following guidelines for determining whether or not a given communication falls within the purview of the privilege:

The privilege applies only if

- (1) the asserted holder of the privilege is or sought to become a client;
- (2) the person to whom the communication was made

²⁴ The qualifications of a patent practitioner eligible to practice before the Patent Office are delineated in 37 C.F.R. § 1.341 (1972):

(a) *Attorneys at law.* Any attorney at law in good standing admitted to practice before any United States Court or the highest court of any State or Territory of the United States who fulfills the requirements and complies with the provisions of these rules may be admitted to practice before the Patent Office

(b) *Agents.* Any citizen of the United States not an attorney at law who fulfills the requirements and complies with the provisions of these rules may be admitted to practice before the Patent Office

(c) *Requirements for registration.* No person will be admitted to practice and registered unless he . . . shall establish to the satisfaction of the Commissioner that he is of good moral character and of good repute and possessed of the legal and scientific and technical qualifications necessary to enable him to render applicants for patents valuable service, and is otherwise competent to advise and assist them in the presentation and prosecution of their applications before the Patent Office. In order that the Commissioner may determine whether a person . . . has the qualifications specified, satisfactory proof of good moral character and repute, and of sufficient basic training in scientific and technical matters must be submitted and an examination which is held from time to time must be taken and passed. . . .

²⁵ 35 U.S.C. § 112 (1971) requires full disclosure of the invention:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

In *Monsanto Co. v. Rohm & Haas Co.*, 312 F. Supp. 778, 164 U.S.P.Q. 556 (E.D. Pa.), *aff'd*, 456 F.2d 592, 172 U.S.P.Q. 323 (3d Cir.), *cert. denied*, 407 U.S. 934 (1972), the district court on rehearing asserted with regard to the issue of unclean hands that

[w]e believe that all questions of materiality in dealings with the Patent Office ought to be resolved in favor of disclosure. Only such a standard can protect the public from the deadening competitive effect of improvidently issued patents.

165 U.S.P.Q. 683, 684 (E.D. Pa. 1970).

²⁶ 89 F. Supp. 357, 85 U.S.P.Q. 5 (D. Mass. 1950).

- (a) is a member of the bar of a court, or his subordinate and
- (b) in connection with this communication is acting as a lawyer;
- (3) the communication relates to a fact of which the attorney was informed
 - (a) by his client
 - (b) without the presence of strangers
 - (c) for the purpose of securing primarily either
 - (i) an opinion on law or
 - (ii) legal services or
 - (iii) assistance in some legal proceeding, and not
 - (d) for the purpose of committing a crime or tort; and
- (4) the privilege has been
 - (a) claimed and
 - (b) not waived by the client.²⁷

Applying the above guidelines to letters, memoranda and the like, which were addressed either to or from the defendant corporation's patent department, the court ruled that such correspondence would not be protected by the privilege unless those communications were with outside or house counsel and pertained to legal advice sought by the corporate client.²⁸ In rationalizing its exclusion of the in-house patent practitioner from the privilege, the court asserted:

Unlike the independent lawyer they are expected to have at the forefront of their considerations business judgment, corporate policy and technical manufacturing aspects So far as the proffered evidence in this case shows, the principal topics on which they spend time are questions of business policy, [and] of competition as disclosed by facts derived from third persons

. . . [T]he *relationship* of a person in the patent department to the corporation is not that of attorney and client.²⁹

Having denied the corporate patent attorney the protection of the attorney-client privilege, the court went further and withheld the protection of the work product rule.³⁰

Some four years after the *United Shoe* decision, *Zenith Radio Corp. v. Radio Corp. of America*,³¹ while agreeing with the general principles declared in *United Shoe*, nevertheless, attempted to redefine them and render them more flexible. Although observing that a large portion of

²⁷ *Id.* at 358, 85 U.S.P.Q. at 6. It is interesting to note that no authority was cited by Judge Wyzanski in support of his construction of the elements of the privilege. Yet, the courts have generally applied his guidelines in determining the scope of the attorney-client privilege.

²⁸ *Id.* at 360, 85 U.S.P.Q. at 7.

²⁹ *Id.* at 360-61, 85 U.S.P.Q. at 7.

³⁰ *Id.* at 361, 85 U.S.P.Q. at 8.

³¹ 121 F. Supp. 792, 101 U.S.P.Q. 316 (D. Del. 1954).

patent attorneys' work involves non-legal business decisions, the court recognized that in some circumstances their work did involve the application of legal principles and would, therefore, be protected by the attorney-client privilege and work product rule.³²

In essence, the *Zenith* court adopted the position that each communication must be analyzed in the context of its own factual circumstances to determine the nature of the communication and whether, in connection with the communication, the patent practitioner was "acting as a lawyer."

They do [qualify for the privilege], for example, when in specific matters they are engaged in applying rules of law to facts known only to themselves and other employees of their client-companies, and in preparing cases for and prosecuting appeals in the Court of Customs and Patent Appeals and other like courts of record. They do not "act as lawyers" when not primarily engaged in legal activities; when largely concerned with technical aspects of a business or engineering character, or competitive considerations in their companies' constant race for patent proficiency, or the scope of public patents, or even the general application of patent law to developments of their companies and competitors; when making initial office preparatory determinations of patentability based on inventor's information, prior art, or legal tests for invention and novelty; when drafting or comparing patent specifications and claims; when preparing the application for letters patent or amendments thereto and prosecuting same in the Patent Office; when handling interference proceedings in the Patent Office concerning patent applications.³³

In considering the work product rule, the court maintained that, with the exception of documents generated by house or outside counsel, which "qualify under their derivative privileges," documents originating in the patent department of a corporation were not ordinarily deemed work product. However, it was recognized that in the preparation "for a trial of the required type," various papers pertaining to the opinions, impressions and observations of a patent attorney, made with an eye towards litigation, could be appropriately included within the scope of the work product rule. On the contrary, various papers prepared in the course of routine practice before the Patent Office, such as patent applications, amendments thereto, and papers relating to interferences, would not qualify due to the administrative nature of the Patent Office proceedings and the different qualifications for admission to Patent Office practice. The court rationalized that the preparation

³² *Id.* at 794, 101 U.S.P.Q. at 318.

³³ *Id.* (footnote omitted).

of such papers related only to a remote possibility of litigation, for example, a future infringement action; therefore, such activities were insufficient to be encompassed by the work product rule.³⁴

Later cases have sharply disagreed with the broad proscriptions laid down in the *United Shoe* and *Zenith* cases. In *Ellis-Foster Co. v. Union Carbide & Carbon Corp.*,³⁵ the court, after criticizing *Zenith*, denied Union Carbide's motion to compel Ellis-Foster to produce certain documents addressed from Ellis-Foster to an outside patent counsel. The documents in controversy related to the scope of claims to be made in a patent application, the changes necessary to make the claims acceptable to the examiner, and the advisability of pursuing an appeal of the examiner's decision if adverse to the interests of Ellis-Foster.³⁶ Even though some of the work performed by the outside counsel could have been done by non-legal individuals, it was concluded that he was, nevertheless, acting as an attorney with respect to the documents in issue and, therefore, qualified for the attorney-client privilege. The court stated that the patent attorney was not automatically deprived of the attorney-client privilege merely because he was involved in prosecution before the Patent Office.³⁷

Perhaps the pivotal case in generating the recent change in judicial attitudes regarding the application of the attorney-client privilege to patent practitioners is *Sperry v. Florida*.³⁸ In *Sperry*, the United States Supreme Court reversed the Florida supreme court,³⁹ which had enjoined Sperry, a registered patent agent, from practicing before the Patent Office because he was not a member of the Florida Bar and because, under Florida law, the preparation and prosecution of patent applications for others constituted the practice of law.⁴⁰ The Court held

³⁴ *Id.* at 795, 101 U.S.P.Q. at 319. Another reason cited by the court was the lack of discovery techniques in the Patent Office rules of practice. *Id.* This contention is no longer valid in view of 37 C.F.R. § 1.287(c) (1972) which states:

(c) Upon motion (§ 1.243) brought by a party during the period for preparation for testimony, or thereafter as authorized under § 1.245, and upon a showing that the interest of justice so requires, the Board of Patent Interferences may order additional discovery as to matters under the control of a party within the scope of the discovery rules of the Federal Rules of Civil Procedure, specifying the terms and conditions of such additional discovery. An order by the Board granting or denying a motion under this paragraph shall not be subject to review prior to a decision awarding priority.

³⁵ 159 F. Supp. 917, 116 U.S.P.Q. 576 (D.N.J. 1958), *rev'd on other grounds*, 284 F.2d 917, 127 U.S.P.Q. 297 (3d Cir. 1960), *cert. denied*, 365 U.S. 812 (1961).

³⁶ *Id.* at 918, 116 U.S.P.Q. at 576-77.

³⁷ *Id.* at 920, 116 U.S.P.Q. at 578.

³⁸ 373 U.S. 379, 137 U.S.P.Q. 578 (1963).

³⁹ *Id.* at 404, 137 U.S.P.Q. at 588.

⁴⁰ *Id.* at 381-82, 137 U.S.P.Q. at 579. The lower court decision is found in 140 So. 2d 587, 133 U.S.P.Q. 157 (Fla. 1962).

that the supremacy clause precluded a state from preventing a registered agent from practicing before a federal administrative agency, notwithstanding the fact that he was not admitted to the state bar.⁴¹ It was emphasized that a patent agent acts like a lawyer in advising his clients as to the patentability of their inventions under the federal patent statute and as to alternative forms of protection available under state law. Patent agents were also deemed to be acting like lawyers when preparing patent applications (which the Court stated was one of the most difficult of legal instruments to draft), amendments, appeal briefs, and motions in which points of law pertaining to the patentability of inventions are set forth.⁴²

⁴¹ 373 U.S. at 383-85, 137 U.S.P.Q. at 580.

⁴² *Id.* at 383, 137 U.S.P.Q. at 579-80. It is interesting to note that in New Jersey, a patent agent or a patent attorney, not admitted to the New Jersey Bar, is not able to engage in the following activities:

(a) He may not advise his client as to the ownership of an invention such as where a question of ownership arises by virtue of employment or other contractual relationship between his client and others.

(b) He may not advise his client as to what the client's rights may be under forms of legal protection available under federal or state law which are alternate to patent protection, such as trade secrets, unfair competition, trade marks [*sic*], copyrights, and anti-trust law; provided, however, that he may advise his client that there are alternate forms of legal protection on which he should seek advice from an attorney admitted to practice in this state.

(c) He may not advise a client on matters concerning the validity of a patent, except incident to the filing and prosecution of a patent application.

(d) He may not advise a client on matters concerning the infringement of a patent, except incident to the filing and prosecution of a patent application.

(e) He may not advise a client in matters concerning the scope of the monopoly granted in a patent, except incident to the filing and prosecution of a patent application.

(f) He may not prepare contracts or licenses dealing with patent rights.

(g) He may not prepare assignments of patent rights, except such assignments as are filed simultaneously with a patent application.

(h) He may not advise his client in matters concerning contracts, licenses or assignments dealing with patent rights except as the same may directly affect and be incident to the filing and prosecution of a patent application.

(i) He may not advise a client respecting litigation in the Courts of the State of New Jersey, including litigation involving issues arising under patent law.

(j) He may not advise clients concerning rights or liabilities in connection with trade marks nor may he represent clients in the assertion of trade mark rights or in defense of liability under trade mark rules.

(k) He may not represent clients in the filing and prosecution of applications for registration of trade marks nor the prosecution of oppositions to the registration of trade marks in the United States Patent Office unless and except to the extent that Congress may preempt this field of law. He may not represent clients in the filing and prosecution of applications for registration of trade marks nor in the prosecution oppositions to the registration of trade marks in the Office of the Secretary of State of New Jersey.

Certain of the proponents' questions on which an advisory opinion of this Committee is requested deal with the matter of appeals taken outside of the United States Patent Office from a decision made in the United States Patent Office. A Patent Attorney, not admitted to the practice of law in New Jersey, may

The *Sperry* decision forced the courts to reevaluate the scope of the attorney-client and work product immunities in relation to the patent practitioner and provided the courts with a basis to conclude that he should come within the purview of the immunities, provided he otherwise complied with their requirements.

The later case of *Panduit Corp. v. Burndy Corp.*⁴³ held that communications containing infringement and patentability opinions to or from house patent counsel fell within the purview of the attorney-client privilege. The impact of *Sperry* was noted:

That the activities of a patent lawyer may constitute the practice of law seems to be well settled [by *Sperry*] The question, then, becomes whether the particular activities involved in the preparation and contents of the documents in question fall within the gambit of the practice of law rather than business or technical advice.⁴⁴

Turning to the particular activity of a patent attorney, the Third Circuit Court of Appeals held in *Natta v. E.I. du Pont de Nemours & Co.*⁴⁵ that papers sent to du Pont management from du Pont patent attorneys, which analyzed the nature of du Pont's case in an interference proceeding, were protected by both the attorney-client privilege and the work product rule. The court, thus, construed the *Hickman v. Taylor* holding as not requiring a proceeding before a court of record.⁴⁶ Another Third Circuit case, *In re Natta*,⁴⁷ decided at the district court level, extended the attorney-client and work product immunities to in-

as an incident to the preparation and prosecution of a patent application before the United States Patent Office advise his client as to the availability of appeals which may be taken outside of the United States Patent Office from a decision made in the United States Patent Office and of the nature and effect of such appeals. Whether he may lawfully represent the appellant in such an appeal is a matter peculiarly within the jurisdiction of the appellate court—if he makes known to the appellate court that he is not a member of the Bar of the state in or from which he is practicing and the appellate court with such knowledge permits him to represent the appellant, his conduct certainly will not be deemed by this Committee to constitute the *unauthorized* practice of law.

9 N.J. SUP. CT. COMM. ON THE UNAUTHORIZED PRACTICE OF LAW OPINIONS 5-7 (1972), reproduced in 95 N.J.L.J. 269, 279 (1972).

⁴³ 172 U.S.P.Q. 46 (N.D. Ill. 1971).

⁴⁴ *Id.* at 47.

⁴⁵ 410 F.2d 187, 161 U.S.P.Q. 389 (3d Cir.), cert. denied sub nom. Montecatini Edison S.p.A. v. E.I. du Pont de Nemours & Co., 396 U.S. 836 (1969). In the United States Patent Quarterly, this case is entitled as it appears in the text; however, in the official federal reporter the case is entitled *In re Natta*. Hereinafter the case will be referred to as *Natta v. du Pont*.

⁴⁶ 410 F.2d at 192-94, 161 U.S.P.Q. at 391-94.

⁴⁷ 48 F.R.D. 319, 163 U.S.P.Q. 680 (D. Del. 1969).

clude documents relating to *ex parte* prosecution before the Patent Office.⁴⁸

In a continuation of the trend away from the *Zenith* and *United Shoe* decisions, *Stix Products, Inc. v. United Merchants & Manufacturers, Inc.*⁴⁹ held that, if a validity opinion was made with an eye towards litigation and prepared by a general outside patent counsel, it was protected from discovery by the work product rule, even though the subject litigation was completely prospective in nature.⁵⁰

More recently, the United States Court of Claims in *Ledex, Inc. v. United States*⁵¹ rejected both the *Zenith* and *United Shoe* holdings and held that communications relating to patentability studies and patent applications were privileged.⁵²

While substantial questions may still exist as to the scope of the attorney-client privilege and work product rule in patent matters, it is clear that *Sperry* has placed the patent attorney on a nearly equal footing with his general practitioner counterpart. Despite the impact that *Sperry* has had on the application of the attorney-client privilege and work product rule to patent practitioners, many of the courts have, unfortunately, paid mere lip service to *Sperry* in resisting the extension of these immunities to patent agents.⁵³ For example, *Joh. A. Benckiser, G.m.b.H., Chemische Fabrik v. Hygrade Products Corp.*⁵⁴ held that patent agents do not qualify for the attorney-client privilege because they are not members of a bar of any court, thereby adhering to the criteria set down in *United Shoe*.⁵⁵ The *Benckiser* holding might, however, be construed as having been modified by the later case of *Congoleum Industries, Inc. v. GAF Corp.*,⁵⁶ wherein a patent agent working directly under the control and direction of a patent attorney was held to be qualified to assert the attorney-client privilege.⁵⁷

Notwithstanding this general denial to patent agents of the protection afforded by the attorney-client and work product privileges, no less of an authority than Wigmore has asserted that the privilege should, at

⁴⁸ *Id.* at 321, 163 U.S.P.Q. at 681.

⁴⁹ 47 F.R.D. 334, 162 U.S.P.Q. 508 (S.D.N.Y. 1969).

⁵⁰ *Id.* at 337, 162 U.S.P.Q. at 510.

⁵¹ 172 U.S.P.Q. 538 (Ct. Cl. 1972).

⁵² *Id.* at 539.

⁵³ Better authority concludes that there is no reason to exclude administrative practitioners from coming within the ambit of the privilege, so long as they otherwise comply with its requirements. *See, e.g.*, 51 MICH. L. REV. 601 (1953).

⁵⁴ 253 F. Supp. 999, 149 U.S.P.Q. 28 (D.N.J. 1966).

⁵⁵ *Id.* at 1000-01, 149 U.S.P.Q. at 28.

⁵⁶ 164 U.S.P.Q. 376 (E.D. Pa. 1969).

⁵⁷ *Id.* at 377.

the very least, encompass communications between a client and an agent who is authorized to practice before an administrative agency.

A correct test for recognizing professional privilege would seem to be this: If the administrative department . . . requires an oath of office and prior proof of professional qualifications and maintains a list of registered persons so qualified, or if *in any other way* its regulations treat the special practitioners as a licensed body having the responsibility of attorneys and subject to professional discipline, then the parties so represented are in the status of *clients*, and the clients are therefore entitled to the appropriate consequences, including the confidentiality of communications. This is so whether the special practitioners are skilled in the general body of law or only in the matter peculiar to the department.⁵⁸

Equating the functions of a practitioner before an administrative agency with those of an attorney-at-law, Wigmore stated:

The proceedings before such [administrative] bodies are conducted under more or less formal rules of procedure; the hearings and the decisions are quasi-judicial in nature; the specialist, as the client's agent, has a natural and a responsible part in presenting the client's case. The client must confide in the agent precisely as he does in the attorney. There is every reason . . . for recognizing a privilege for those confidences.⁵⁹

In at least one case, *Jack Winter, Inc. v. Koratron Co.*,⁶⁰ the court held that the attorney-client privilege attached to certain communications between American patent attorneys and British patent agents.⁶¹ Nonetheless, the courts appear to be fairly consistent in excluding such communications from protection under either the attorney-client privilege or work product rule.⁶²

Turning to another aspect of the general problem, an interesting question arises when a corporation asserts the attorney-client privilege—When is the corporation, in fact, seeking legal advice? In an attempt

⁵⁸ J. WIGMORE, *supra* note 7, § 2300a, at 582.

⁵⁹ *Id.*

⁶⁰ 54 F.R.D. 44, 172 U.S.P.Q. 201 (N.D. Cal. 1971).

⁶¹ *Id.* at 48, 172 U.S.P.Q. at 203

⁶² For cases denying the extension of the attorney-client privilege and the work product rule to patent agents, *see, e.g.*, *Rayette-Faberge v. John Oster Mfg. Co.*, 163 U.S.P.Q. 373 (E.D. Wis. 1969); *Joh. A. Benkiser G.m.b.H. Chemische Fabrik v. Hygrade Food Prod. Corp.*, 253 F. Supp. 99, 149 U.S.P.Q. 28 (D.N.J. 1966); *Ledex, Inc. v. United States*, 172 U.S.P.Q. 538 (Ct. Cl. 1972). For cases extending the privilege and/or work product rule to patent agents, *see, e.g.*, *Jack Winter, Inc. v. Koratron Co.*, 54 F.R.D. 44, 172 U.S.P.Q. 201 (N.D. Cal. 1971) (privilege extended to British patent agents); *Congoleum Indus., Inc. v. GAF Corp.*, 49 F.R.D. 82, 164 U.S.P.Q. 376 (E.D. Pa. 1969) (privilege extended to patent agent supervised by patent attorney).

to answer this question, *City of Philadelphia v. Westinghouse Electric Corp.*⁶³ established what has been termed the "control group test":

[I]f the employee making the communication, of whatever rank he may be, is in a position [1] to control or even [2] to take a substantial part in a decision about any action which the corporation may take upon the advice of the attorney, or [3] if he is an authorized member of a body or group which has that authority, then, in effect, he is (or personifies) the corporation when he makes his disclosure to the lawyer and the privilege would apply. In all other cases the employee would be merely giving information to the lawyer to enable the latter to advise those in the corporation having the authority to act or refrain from acting on the advise.⁶⁴

This rule has been generally followed by the courts. However, in a recent case, *Harper & Row Publishers, Inc. v. Decker*,⁶⁵ the Court of Appeals for the Seventh Circuit concluded that

an employee of a corporation, though not a member of its control group, is sufficiently identified with the corporation so that his communication to the corporation's attorney is privileged where the employee makes the communication at the direction of his superiors in the corporation and where the subject matter upon which the attorney's advice is sought by the corporation and dealt with in the communication is the performance by the employee of the duties of his employment.⁶⁶

In so holding, the court recognized that decision-making authority should not be the *sine qua non* of the privilege when it is claimed by a corporate client.

With the latter brief overview in mind, a detailed circuit-by-circuit analysis of the state of the law in this area will now be presented.

CIRCUIT ANALYSIS

FIRST COURT

The foremost case in the First Circuit relating to the attorney-client privilege is *United States v. United Shoe Machinery Corp.*,⁶⁷ which discussed comprehensively the application of the attorney-client privilege in the area of patent law. The guidelines previously set forth,⁶⁸ for determining whether or not a given communication comes within the

⁶³ 210 F. Supp. 483 (E.D. Pa. 1962).

⁶⁴ *Id.* at 485.

⁶⁵ 423 F.2d 487 (7th Cir. 1970), *aff'd per curiam*, 400 U.S. 348, *rehearing denied*, 401 U.S. 950 (1971).

⁶⁶ 423 F.2d at 491-92.

⁶⁷ 89 F. Supp. 357, 85 U.S.P.Q. 5 (D. Mass. 1950).

⁶⁸ See note 27 *supra* and accompanying text.

purview of the attorney-client privilege, have been the subject of much litigation since they were handed down.

The documents in question in *United Shoe* fell into four categories: (1) letters to or from independent lawyers of a law partnership; (2) letters to or from the corporate defendant's legal department; (3) letters to or from the corporate defendant's patent department; and (4) working papers of those employed in the corporate defendant's patent department.⁶⁹ Applying the guidelines to the first group of letters, those to or from independent lawyers, Judge Wyzanski concluded that with respect to this class of correspondence the members of the law partnership were acting as attorneys, giving legal, not business advice. Any portions of the letters which gave opinions on the law or otherwise rendered legal services based on information furnished by an officer or employee of the defendant corporation fell within the purview of the privilege. Such information had to be given in confidence and out of the presence of third persons who would automatically destroy that confidence.⁷⁰ However, even legal advice would not be privileged when the facts upon which it was based were otherwise publicly available.⁷¹ Thus, so much of a lawyer's letter that relates to a fact gleaned from a public document, such as a patent, would not be privileged.

In reference to the second group of communications, those letters to or from the house counsel of the defendant corporation, the court held that there was no significant difference between outside counsel and house counsel. As long as the attorney and his clerks were acting as lawyers in accordance with the other requirements of the attorney-client privilege, the privilege could be invoked with respect to this class of correspondence, subject, of course, to the same restrictions imposed upon outside counsel.⁷²

Regarding those letters to or from individuals in the corporate defendant's patent department, Judge Wyzanski stated that, except where the letters were to or from outside or house counsel and their staff, the letters were not privileged since they pertained, in general, to questions of business policy.⁷³ No independent application of the privilege was held to attach because none of the patent office employees were members of the Massachusetts bar; all of the individuals freely communicated with other corporate officers and employees during the course of their duties; and the tasks performed by them generally

⁶⁹ 89 F. Supp. at 359-61, 85 U.S.P.Q. at 6.

⁷⁰ *Id.* at 359, 85 U.S.P.Q. at 6.

⁷¹ *Id.*

⁷² *Id.* at 360, 85 U.S.P.Q. at 7.

⁷³ *Id.* at 360, 85 U.S.P.Q. at 7-8.

subserviated legal considerations to business ends.⁷⁴ Finally, regarding the work product of the corporate patent attorneys, the court ruled that, because the attorneys did not qualify under the attorney-client privilege, the work product rule was also not applicable to them.⁷⁵

A more recent First Circuit case, *American Optical Corp. v. Medtronic, Inc.*,⁷⁶ was confronted with the question of whether Medtronic should be compelled to produce documents prepared by its patent counsel and by its outside counsel for which it claimed attorney-client protection and, concurrently or alternatively, work product protection. The communications involved, in part, a patent validity-infringement study. Although *United Shoe* was decided by the same court during an earlier term, *American Optical* chose to ignore it and held that documents transmitted from an outside attorney or house counsel to the corporate client were protected under both the work product rule and the attorney-client privilege.⁷⁷

While the holding of the case does not appear to contradict *United Shoe*, the court's statement of the issue before it suggests ambiguity:

[The issue is] whether Medtronic is to be forced to produce documents written by its patent counsel, for which it claims either an attorney-client privilege, a work product privilege, or both.⁷⁸

It is not clear whether the patent counsel referred to was a member of the general corporate legal department or was a house patent counsel. If the references to house counsel during the course of the opinion pertain to a house patent counsel, then *American Optical* departs rather dramatically from that portion of the *United Shoe* opinion which prohibited the applicability of the work product rule and attorney-client privilege to documents generated by in-house patent attorneys.

SECOND CIRCUIT

The general issue in *Georgia-Pacific Plywood Co. v. United States Plywood Corp.*⁷⁹ was whether communications between a house counsel and his corporate client were privileged when the house counsel was not a member of the bar of the jurisdiction where he worked. The court, citing *United Shoe*, agreed that there was no distinction between

⁷⁴ *Id.* at 360, 85 U.S.P.Q. at 7.

⁷⁵ *Id.* at 361, 85 U.S.P.Q. at 8.

⁷⁶ 175 U.S.P.Q. 635 (D. Mass. 1972).

⁷⁷ *Id.* at 637.

⁷⁸ *Id.* at 635.

⁷⁹ 18 F.R.D. 463, 108 U.S.P.Q. 294 (S.D.N.Y. 1956).

an independent practitioner and a house counsel and that both qualified for the attorney-client privilege. The major consideration with respect to a claim for the attorney-client privilege is whether the attorney was acting as a lawyer in connection with the particular communication in issue.⁸⁰ In the instant case, the house counsel was the director of both the legal and patent departments of the defendant corporation. Yet, in determining that the privilege was applicable, the court emphasized evidence indicating the attorney was acting in his capacity as director of the legal department and not in his capacity as director of the patent department.⁸¹ By implication, the court's reasoning and specific discounting of the attorney's role as a patent lawyer leads to the conclusion that had the attorney been acting as a patent attorney, he would not have been within the penumbra of the attorney-client privilege.

Communications dealing exclusively with the solicitation or giving of business advice, or with the technical engineering aspects of patent procurement or with any other matters which may as easily be handled by laymen are not privileged.

Although a substantial part of [the attorney's] duties for United States Plywood was undoubtedly non-legal, he was, nevertheless, head of the legal department maintained by United States Plywood, did participate actively in the prior litigation and argued matters in court, took depositions, etc. He is therefore, entitled to be considered a house counsel rather than a patent lawyer within the precedent cited.⁸²

As to the general issue of whether or not a house counsel who was not a member of the bar of the jurisdiction where the litigation occurred could avail himself of the privilege, the court asserted that local bar membership was not essential to claim the privilege, so long as house corporate counsel was a member of some bar.

To hold otherwise would be to place more emphasis on form rather than substance and to blind ourselves to the realities which exist in the representation of a corporation national in scope with litigation reaching into many states.⁸³

However, it appears that inasmuch as the court did not extend the privilege to "patent attorneys" per se, it honored form over substance by classifying the attorney as house counsel, thereby circumventing the

⁸⁰ *Id.* at 464, 108 U.S.P.Q. at 295.

⁸¹ *Id.* at 464-65, 108 U.S.P.Q. at 295.

⁸² *Id.* (citations omitted).

⁸³ *Id.* at 466, 108 U.S.P.Q. at 296.

issue of whether a patent attorney would be protected under similar circumstances.

In *Stix Products, Inc. v. United Merchants & Manufacturers, Inc.*,⁸⁴ it was held that a patent validity opinion prepared by a patent law firm was eligible for work product protection, even though the corporate client was not joined in the law suit and even though a restricted copy of the opinion had been given to plaintiff's legal counsel. Relying on the *Hickman* "eye-toward-litigation" test, the court concluded that the test had been met since the opinion was prompted by the issuance of a patent and there was a substantial likelihood that the client would be called upon to defend a subsequent infringement suit based upon the patent.⁸⁵ Thus, in effect, the court held that actual prospective litigation was not a prerequisite to a claim for work product protection, although there had to be an identifiable prospect of litigation. This standard, when compared with *Zenith's* exclusion of matter prepared with only a remote possibility of litigation,⁸⁶ would probably expand the availability of work product protection due to its positive emphasis on the need for only a prospect of litigation. With regard to the issue of waiver, the court held that inasmuch as there was a community of interest between the plaintiff and the client, the transmittal of the copy of the validity opinion to plaintiff's legal counsel did not constitute a waiver. "The work-product privilege should not be deemed waived unless the disclosure is inconsistent with maintaining secrecy from possible adversaries."⁸⁷

In *D & S Plug Corp. v. Colvin Motor Parts, Inc.*,⁸⁸ it was held that, although an attorney had performed the tasks in connection with a patentability determination, his determination of patentability was not protected under the attorney-client or work product immunities because those services could have been rendered by a non-attorney. The court deemed such "services" to include: (1) letters from plaintiff's attorney to a "patent expert" requesting him to conduct a patentability search; (2) a return letter from the patent expert to the attorney indicating the results of the search; (3) a letter from plaintiff's attorney to the patent expert asking whether the patentability search was thorough enough to obviate a subsequent infringement search; and (4) a return letter from the patent expert indicating that no infringement

⁸⁴ 47 F.R.D. 334, 162 U.S.P.Q. 508 (S.D.N.Y. 1969).

⁸⁵ *Id.* at 337-38, 162 U.S.P.Q. at 510.

⁸⁶ 121 F. Supp. at 795, 101 U.S.P.Q. at 319.

⁸⁷ 47 F.R.D. at 338, 162 U.S.P.Q. at 511.

⁸⁸ 166 U.S.P.Q. 391 (E.D.N.Y. 1970).

search was necessary.⁸⁹ A fifth communication, a letter from the plaintiff's attorney to the plaintiff informing him of the results of the search and expressing the attorney's opinion with regard to the patentability of the product involved, was deemed to contain an attorney's legal advice and, therefore, was protected under the work product rule or attorney-client privilege.

A close reading of the case indicates that *D & S Plug* may have advanced the attorney-client privilege in the Second Circuit. For example, in *Stix Products* the validity opinion was deemed protected only because it was made with an eye-toward litigation which, although prospective in nature, was nonetheless identifiable in view of specific infringement claims that had arisen prior to the preparation of the opinion.⁹⁰ In *D & S Plug*, however, there was no identifiable litigation at the time of the patentability opinion, but only the remote possibility of a later infringement action. Thus, it appears that *D & S Plug* may represent a broadening of the work product rule in the Second Circuit to include any legal advice given in confidence by an attorney without identifiable litigation.

United States Industries, Inc. v. Norton Co.,⁹¹ decided after *D & S Plug*, involved a request by the plaintiff for admissions concerning communications by, to, or from Norton's house patent attorneys and documents otherwise connected with activities involving Norton house patent attorneys. The court held it would not "break new ground," but would follow the "sound judicial company" represented by *United Shoe, Zenith* and *Georgia Pacific*.⁹²

In view of *Norton*, the law in the Second Circuit appears to be confused.

THIRD CIRCUIT

The Third Circuit has been quite active in the area of the attorney-client privilege and the work product rule. The leading case in the circuit is *Zenith Radio Corp. v. Radio Corp. of America*.⁹³ The question before the court pertained to Zenith's motion for production of documents. As is discussed in more detail in the foregoing overview, Judge Leahy agreed with the general principles declared in *United Shoe*

⁸⁹ *Id.* at 392.

⁹⁰ 47 F.R.D. at 337, 162 U.S.P.Q. at 510.

⁹¹ 174 U.S.P.Q. 513 (N.D.N.Y. 1972).

⁹² *Id.* at 515.

⁹³ 121 F. Supp. 792, 101 U.S.P.Q. 316 (D. Del. 1954).

relating to the application of the attorney-client privilege and the work product rule to the letters and memoranda of house and independent general counsel.⁹⁴ However, with regard to letters, memoranda, and other similar correspondence originating in a corporate patent department, the *Zenith* court attempted to redefine and render more flexible the somewhat dogmatic generalizations handed down by Judge Wyzanski in *United Shoe*. The *Zenith* court asserted that while attorneys and employees of a corporate patent department are generally engaged in non-legal activities, in unusual circumstances they might, nevertheless, deviate from this routine work and perform work of a protectable nature.

Essentially, attorneys and employees of defendants' patent departments are engaged in a type of non-legal work to which the attorney-client privilege and "work product" exemption do not attach. In unusual instances, however, they may so deviate from routine work as to qualify. Hereinafter, criteria for non-production are established which resolve the greater part of the conflict, but sufficient elasticity has been provided to encompass the exceptional patent department document. With so many documents written under varying circumstances and times, one blanket ruling on their production would unnecessarily risk inaccuracies of generalization.⁹⁵

In dealing with the attorney-client privilege, the court defined the privilege's application to patent department attorneys only by example. Thus, an attorney-employee of the patent department would be acting as a lawyer and, therefore, qualify for the privilege when analyzing facts from a legal standpoint which are known only to employees of the client companies. For example, work done preparatory to litigation or appeals in courts of record would justify application of the privilege. However by specifically excluding certain other activities from any protection, the court attempted to give working bounds by which other activities might be considered. Thus, when such employees are primarily engaged in technical and business activities or in the preparation and prosecution of patent applications, protection under the privilege would not be warranted. These activities include not only the preparation of patentability studies based upon information from the inventor, legal tests for invention and novelty, and infringement studies, but also the handling of interference proceedings in the Patent Office.⁹⁶ These activities were *not* deemed to be "hallmark activities of attorneys"

⁹⁴ *Id.* at 794, 101 U.S.P.Q. at 318. See notes 71 and 72 *supra* and accompanying text.

⁹⁵ *Id.* at 793, 101 U.S.P.Q. at 317-18.

⁹⁶ *Id.* at 794, 101 U.S.P.Q. at 318.

since patent agents and other non-lawyers may practice before the Patent Office.⁹⁷

Turning to the work product rule, the court maintained that, with the exception of documents to or from house general counsel or outside counsel, documents originating in the patent department of a corporation were not ordinarily the work product of an attorney. It was recognized, however, that in the course of preparation for trial various papers relating to the opinions, impressions, and observations of a patent attorney made in actual preparation for litigation could be protected under the work product rule.⁹⁸

The trend in recent Third Circuit cases has been away from the broad restrictions on the immunities expressed in earlier cases.⁹⁹ In *Ellis-Foster Co. v. Union Carbide & Carbon Corp.*,¹⁰⁰ Union Carbide, citing *United Shoe* and *Zenith* as authorities supporting its request, sought production of certain letters from various officers of Ellis Foster to an outside patent attorney. The letters related to two patent applications of Ellis Foster, one of which had been abandoned, and was, therefore, preserved in secrecy in the Patent Office. The letters generally concerned the prosecution of the patent in dispute and specifically related to the scope of the claims to be made, the changes deemed necessary to make the claims acceptable to the patent examiner, and, if the examiner's final decision were adverse, the advisability of taking an appeal.¹⁰¹ In denying Union Carbide's request, the court held that a patent attorney's dealings with his client are privileged if the dealings involve more than mere technical matters. In the instant case, all of the letters in question involved legal questions concerning technical matters and were deemed to have been written in strict confidence.

The trial court judge, Judge Meany, after criticizing the *Zenith* decision, concluded that even though some of the work performed by the outside patent attorney could have been done by non-legal individuals, the correspondence specifically involved here indicated that throughout the course of his activities he was "acting as an attorney."¹⁰² Presumably alluding to Judge Leahy's decision in *Zenith*, Judge Meany summed up by disapproving of those decisions which suggest that no

⁹⁷ *Id.* at 794 n.1, 101 U.S.P.Q. at 318.

⁹⁸ *Id.* at 795, 101 U.S.P.Q. at 319.

⁹⁹ *Zenith Radio Corp. v. Radio Corp. of America*, 121 F. Supp. 792, 101 U.S.P.Q. 316 (D. Del. 1954); *United States v. United Shoe Mach. Co.*, 89 F. Supp. 357, 85 U.S.P.Q. 5 (D. Mass. 1950).

¹⁰⁰ 159 F. Supp. 917, 116 U.S.P.Q. 576 (D.N.J. 1958).

¹⁰¹ *Id.* at 918, 116 U.S.P.Q. at 576.

¹⁰² *Id.* at 919-20, 116 U.S.P.Q. at 578.

attorney-client privilege was available in certain sectors of patent practice.

I find myself unable to agree with the implied contention that because an attorney happens to be engaged in the field of patents in which field non-attorneys are authorized to practice, he is ipso facto deprived of his status as a lawyer in every activity in which he operates so long as a patent prosecution is involved.¹⁰³

In *American Cyanamid Co. v. Hercules Powder Co.*,¹⁰⁴ which paid allegiance to the general guideline set down in *Zenith*¹⁰⁵ that the legal role of the house patent attorney in the preparation of the document be the basis of judgment, the court granted American Cyanamid's motion for the production of documents. The documents pertained to communications between a house patent attorney and the defendant corporation. The communications included a listing of certain patents of interest, a listing of pertinent prior art, and the results of an infringement study. Accepting the general maximum laid down in *Zenith* that employees of a corporate patent department ordinarily do not act as attorneys in the general application of patent law to developments of their companies and their competitors, the court stated that the house patent attorney involved in the case was not acting in the capacity of a lawyer since he had neither applied law to facts supplied to him by his client, nor prepared the documents in issue "in order to defend or assert a claim in court."¹⁰⁶ The court emphasized, however, that

[it did] not mean to suggest that if outside counsel were performing the same tasks they would not be "acting as lawyers." That question is not before the court. However, the "mere physical proximity of house counsel . . . and the relative ease with which he could be converted into a privileged sanctuary for corporate records" . . . suggests a basis for distinction.¹⁰⁷

Turning to Hercules' motion to produce certain letters pertaining to infringement studies that were written to American Cyanamid by outside counsel, the court held that the letters were not within the purview of the privilege since they did not rest on confidential information disclosed by the client in order to obtain legal advice. The letters contained analyses of patents, the claims therein, and products which

¹⁰³ *Id.* at 920, 116 U.S.P.Q. at 578.

¹⁰⁴ 211 F. Supp. 85, 135 U.S.P.Q. 235 (D. Del. 1962).

¹⁰⁵ 121 F. Supp. at 794, 101 U.S.P.Q. at 318.

¹⁰⁶ 211 F. Supp. at 89, 135 U.S.P.Q. at 238.

¹⁰⁷ *Id.* at 90 n.20, 135 U.S.P.Q. at 238 (relying on and quoting from Simon, *The Attorney-Client Privilege as Applied to Corporations*, 65 YALE L.J. 953, 973 (1956)).

were manufactured thereunder. Citing *United Shoe*, the court agreed that

there is no privilege for so much of a lawyer's letter, report, or opinion as relates to a fact gleaned . . . from a public document such as a patent.¹⁰⁸

In view of the fact that the letters were based completely on public documents, no attorney-client immunity was held to attach.¹⁰⁹

In *Sperti Products, Inc. v. Coca-Cola Co.*,¹¹⁰ the court construed the holding in *American Cyanamid* as approving of the rule not to extend the immunity to communications between corporate officers or employees and employee-attorneys. While the holding in *American Cyanamid* related only to in-house counsel, the court made the general statement that the documents drafted by outside counsel and communicated to their corporate client would come within the coverage of the privilege and, thus, the *Sperti* interpretation was correct.¹¹¹

American Cyanamid, if adding little to the Third Circuit law on the attorney-client privilege, nevertheless provides a striking example of a judge not practicing what he preaches. On the one hand, Judge Wright in *American Cyanamid* criticized the holding in *United Shoe* that the privilege should be accorded to the house counsel of a corporation, but not to the members of its patent department. He argued that a blanket exclusion of house patent attorneys was unjustified and that the court should determine on a case-by-case basis whether or not a house patent attorney was acting in the lawyer-like fashion required to bring him within the coverage of the privilege.¹¹² On the other hand, however, he asserted that the physical proximity of the corporate house counsel and patent counsel posed the danger of converting the latter into "a privileged sanctuary for corporate records,"¹¹³ and based part of his holding on that consideration. While perhaps only a caveat applicable to a case involving an in-house patent attorney, this comment might be construed as a retrenchment of the dual standard approach advocated in *United Shoe*.

Presented with the question of whether registered patent agents may qualify for the attorney-client privilege, even though not licensed

¹⁰⁸ *Id.* at 90, 135 U.S.P.Q. at 239 (quoting from *United States v. United Shoe Mach. Co.*, 89 F. Supp. at 359, 85 U.S.P.Q. at 6).

¹⁰⁹ 211 F. Supp. at 90, 135 U.S.P.Q. at 239.

¹¹⁰ 152 U.S.P.Q. 790 (D. Del. 1966).

¹¹¹ 211 F. Supp. at 90, 135 U.S.P.Q. at 238-39.

¹¹² *Id.* at 88-89, 135 U.S.P.Q. at 237-38.

¹¹³ *Id.* at 89-80 n.20, 135 U.S.P.Q. at 238 (quoting from Simon, *supra* note 107, at 973).

to practice law as members of the bar of any state, the court in *Joh. A. Benckiser G.m.b.H., Chemische Fabrik v. Hygrade Food Products Corp.*¹¹⁴ held that they were not entitled to any protection under the attorney-client privilege. The agents were equated with certified public accountants who, while authorized to practice before the Internal Revenue Service, nevertheless, enjoyed no privilege that an attorney might.¹¹⁵

Three years later, *Congoleum Industries, Inc. v. GAF Corp.*¹¹⁶ held that inasmuch as the attorney-client privilege extends to agents or immediate subordinates of attorneys, the mere fact that a patent agent is not an attorney-at-law does not conclusively bar a claim for the attorney-client privilege.¹¹⁷ It should be pointed out, however, that the agent involved in the case was under the control and direction of outside patent attorneys. The case is, therefore, consistent with the Wigmore position that an agent under the direct control of an attorney should qualify for the privilege.

*Sperti Products, Inc. v. Coca-Cola Co.*¹¹⁸ directly confronted the question of whether outside patent attorneys are acting as lawyers pursuant to the attorney-client privilege, or whether they are acting in a non-legal capacity when representing their clients before the Patent Office in connection with matters such as drafting claims, prosecuting patent applications, and acting with reference to interference proceedings. It was maintained that these activities might come within the purview of the attorney-client privilege since the rulings in *American Cyanamid* and *Zenith* might be inconsistent with the holding in *Sperry v. Florida*.¹¹⁹ In *Sperry*, the United States Supreme Court reversed a ruling by the Florida supreme court that banned practice before the Patent Office by anyone not a member of the Florida Bar. This, the *Sperti* court asserted, inferred "that Patent Office activities by a person duly qualified to practice in that office, [constituted] one type of practicing law."¹²⁰ *Chore-Time Equipment, Inc. v. Big Dutchman, Inc.*,¹²¹ was cited to reinforce the conclusion that, with respect to Patent Office proceedings, an outside patent attorney's communications with his

¹¹⁴ 253 F. Supp. 999, 149 U.S.P.Q. 28 (D.N.J. 1966).

¹¹⁵ *Id.* at 1001, 149 U.S.P.Q. at 29.

¹¹⁶ 49 F.R.D. 82, 164 U.S.P.Q. 376 (E.D. Pa. 1969).

¹¹⁷ *Id.* at 84, 164 U.S.P.Q. at 377.

¹¹⁸ 152 U.S.P.Q. 790 (D. Del. 1966).

¹¹⁹ 373 U.S. 379 (1963).

¹²⁰ 152 U.S.P.Q. at 792.

¹²¹ 255 F. Supp. 1020, 1022, 150 U.S.P.Q. 426, 428 (W.D. Mich. 1966).

client were immune from discovery under the attorney-client privilege. This ruling, the *Sperti* court asserted, was "eminently reasonable."¹²²

It, nevertheless, appears that the court's actual rulings concerning the individual documents in question in the case were guided by the two basic principles enunciated in *United Shoe* and *Zenith*: (1) that a document would not be privileged if it were based solely upon public documents, decisional law or information supplied by third parties or sources other than the client's disclosures; and (2) that a privilege exists when the attorney acts as a lawyer. Thus, although there is broad dicta in the case about Patent Office activities constituting the practice of law and, by inference, having a direct effect on house patent attorneys, *Sperti* could be read to exclude infringement opinions and patent validity studies from the protection of the attorney-client privilege.

*Minnesota Mining & Manufacturing Co. v. Gentex Corp.*¹²³ involved a patent infringement suit against Gentex in which a motion was made for the production of documents pertaining to novelty studies and papers relating to the filing of the patent in suit. The same court which decided *American Cyanamid* held that these documents were not within the purview of the attorney-client privilege. Citing *Zenith*, the court held that *ex parte* papers prepared in connection with the filing and prosecution of a patent application in the Patent Office do not constitute the giving of legal advice, except insofar as they may have been produced during a controversy pending in a court of record.¹²⁴ In other words, it was held that the day-to-day activities of a patent attorney engaged in patent solicitation do not constitute legal advice unless they involve the application of legal rules to facts involving pending litigation. The broad dicta enunciated in *Sperti*, with its appealing logic for extending the privilege to *ex parte* and *inter parte* prosecution before the Patent Office, were not employed.

The court also refused to grant protection under the work product rule, since the documents in question were not prepared with an eye-toward litigation, but rather were formulated in the ordinary conduct of day-to-day business. However, it was held that letters between the corporation and its patent attorney pertaining to a possible infringement of its patents did come within the privilege, since they sought professional advice regarding potential litigation.¹²⁵ Thus, *Minnesota*

¹²² 152 U.S.P.Q. at 792.

¹²³ 153 U.S.P.Q. 110, *rehearing denied*, 153 U.S.P.Q. 334 (D. Del. 1967).

¹²⁴ 153 U.S.P.Q. at 111.

¹²⁵ *Id.* at 111-12.

Mining added little to the developing law in the Third Circuit and generally followed the *Zenith* holding with respect to the application of the attorney-client privilege and the work product rule.

Beginning in 1967 and extending through 1969, the law in the Third Circuit moved toward increased protection of patent attorneys' activities. In *In re Natta*¹²⁶ the court, speaking through Judge Layton, was confronted with a motion for production of documents in a four-party patent interference proceeding that was pending before the Patent Office. Citing *Zenith* as precedent, the court specifically adopted *Zenith's* argument excluding *ex parte* and *inter parte* prosecution papers from protection under the attorney-client privilege.¹²⁷ Many of the papers in question involved applications before the Patent Office, amendments thereto, and other documents relating to the interference. Consequently, they were excluded from the protection of the privilege, since under *Zenith*, employees expediting such matters were not acting as lawyers.¹²⁸

Fortunately for patent practitioners, Judge Layton reconsidered his position in *Sperry Rand Corp. v. International Business Machine Corp.*,¹²⁹ which involved a motion for the production of certain papers during a patent interference proceeding. At least part of the communications generated by an attorney-employee of IBM involved analyses of IBM's position, the development of IBM's case for presentation to the examiner, the conduct of depositions, and the preparation of motions before the Patent Office and in the district court. After synthesizing the development in the Third Circuit of the attorney-client privilege insofar as it pertained to patent practitioners, Judge Layton departed from the *Zenith* rationale and held that

the claim of attorney-client privilege . . . [was] not without merit on its face simply because the communications [involved therein] were made in connection with a Patent Office proceeding.¹³⁰

Thus, Judge Layton modified his earlier position by removing the exclusionary threshold question of whether or not the communications involved matters before the Patent Office, and directly applied the standard elements of the attorney-client privilege to the documents in issue. If the privilege had been available in the district court had the action been there on appeal, the court could not rationalize the applica-

¹²⁶ 264 F. Supp. 734, 153 U.S.P.Q. 11 (D. Del. 1967).

¹²⁷ *Id.* at 741, 153 U.S.P.Q. at 17.

¹²⁸ *Id.* at 739-42, 153 U.S.P.Q. at 16-18.

¹²⁹ 45 F.R.D. 287, 159 U.S.P.Q. 86 (D. Del. 1968).

¹³⁰ *Id.* at 291, 159 U.S.P.Q. at 89.

tion of a different standard in the Patent Office proceeding. With regard to the application of the work product rule, the court, applying the same logic used with regard to the attorney-client privilege, again departed from the *Zenith* view that there could be no successful claim of work product when the material was prepared for the prosecution of an interference proceeding in the Patent Office.¹⁸¹

Sperry Rand constituted a major breakthrough for patent attorneys practicing in the Third Circuit, although it was consistent with the opinion in *Ellis-Foster* delivered some ten years earlier. Moreover the *Sperry Rand* decision removed a major consideration that had stood in the way of any grant of immunity for patent attorneys by stating the converse of *Zenith*: "These [patent] activities are . . . the 'hallmark activities of a lawyer.'" ¹⁸²

The precedential value of *Sperry Rand* was left in doubt, however, because the court emphasized the fact that the attorney-employee was a member of IBM's legal department, and not a member of its "patent engineering department," thereby implying that a different conclusion would have been reached had the attorney been a patent attorney.¹⁸³ Nevertheless, the court clearly indicated that the Patent Office forum was no longer a basis for the non-applicability of the attorney-client privilege.¹⁸⁴ The obvious question left unanswered by *Sperry Rand* is whether the privilege could logically be extended to an in-house patent attorney who only practices before the Patent Office.

In *Natta v. E.I. du Pont de Nemours & Co.*,¹⁸⁵ the Third Circuit Court of Appeals was confronted with reports from du Pont attorneys to du Pont management personnel analyzing du Pont's position in an interference and evaluating its prospects for success. Natta argued that the modern trend of the law rejected the idea that material relevant to a pending patent application may be withheld by either the applicant or his attorney.¹⁸⁶ The court rejected this contention and decided that while there is a conflict between the policy of full and candid disclosure to the public in all matters regarding patents and the policy of protecting confidential communications between an attorney and his client,

the proper application of work product and attorney-client privilege [would not] be detrimental to the public interest or offend para-

¹⁸¹ See note 93 *supra* and accompanying text.

¹⁸² 45 F.R.D. at 290, 159 U.S.P.Q. at 89 (footnote omitted).

¹⁸³ *Id.*

¹⁸⁴ *Id.* at 291, 159 U.S.P.Q. at 89-90.

¹⁸⁵ 410 F.2d 187, 161 U.S.P.Q. 389 (3d Cir. 1969).

¹⁸⁶ *Id.* at 190, 161 U.S.P.Q. at 391.

mount federal patent policy whenever a patent solicitation is involved.¹³⁷

In addition, the court construed *Hickman v. Taylor*¹³⁸ to hold that the work product rule is applicable in a pending interference proceeding.¹³⁹

Concluding this period of rapid law development in the Third Circuit, Judge Layton in yet another case entitled *In re Natta*¹⁴⁰ voiced a modification of the position enunciated in *Sperry Rand*¹⁴¹ by holding that "a claim of privilege can be made as to documents relating both to *ex parte* proceedings and interference proceedings."¹⁴² Judge Layton apparently reached this conclusion by what may have been a misreading of the court of appeals' holding in *Natta v. du Pont*.¹⁴³ Convinced that the court of appeals disapproved the distinction between *ex parte* and *inter parte* proceedings before the Patent Office, this second *In re Natta* stated that "documentary material relating both to *ex parte* applications for a patent, as well as patent interference proceedings, [are] subject to a claim of privilege."¹⁴⁴

While this reading of *Natta v. du Pont* appears to be an unduly broad interpretation of the law in the Third Circuit, the court nevertheless caveated its holding with the statement that "even if the Circuit Court's opinion did contain dictum, it left little doubt as to what the law should be."¹⁴⁵ Although it is believed that the Third Circuit Court of Appeals had not extended its holding to *ex parte* proceedings, it has been held, at least in the District of Delaware, that *ex parte* prosecution papers may be protected.¹⁴⁶

*Congoleum Industries, Inc. v. GAF Corp.*¹⁴⁷ involved correspondence between members of an investigative group set up to study possible conflicts with plaintiff's patent rights and a patent attorney and agent employed by him, both of whom were consulted by Ruberoid as to these potential patent problems. It was held that communications between a patent agent and his client may fall within the purview of the attorney-client privilege when the patent agent is under the direct

¹³⁷ *Id.* at 190-91, 161 U.S.P.Q. at 391 (footnote omitted).

¹³⁸ 329 U.S. 495 (1947).

¹³⁹ 410 F.2d at 192, 161 U.S.P.Q. at 393.

¹⁴⁰ 48 F.R.D. 319, 163 U.S.P.Q. 680 (D. Del. 1969).

¹⁴¹ See note 129 *supra* and accompanying text.

¹⁴² 48 F.R.D. at 321, 163 U.S.P.Q. at 681 (emphasis added).

¹⁴³ See notes 45 and 135 *supra* and accompanying text.

¹⁴⁴ 48 F.R.D. at 321, 163 U.S.P.Q. at 681 (footnote omitted) (emphasis added).

¹⁴⁵ *Id.* at 321 n.5, 163 U.S.P.Q. at 681.

¹⁴⁶ *Id.* at 321, 163 U.S.P.Q. at 681.

¹⁴⁷ 49 F.R.D. 82, 164 U.S.P.Q. 376 (E.D. Pa. 1969).

supervision of an attorney.¹⁴⁸ The court also addressed itself to the question of whether the members of the investigative group who received the communications from the patent attorneys and their agents, fell within the "control group" of the corporation and applied the "control group test" established in *City of Philadelphia v. Westinghouse Electric Corp.*:¹⁴⁹

[I]f the employee making the communication, of whatever rank he may be, is in a position to control or even to take a substantial part in a decision about any action which the corporation may take upon the advice of the attorney, or if he is an authorized member of a body or group which has that authority, then, in effect, he is (or personifies) the corporation when he makes his disclosure to the lawyer and the privilege would apply. In all other cases the employee would be merely giving information to the lawyer to enable the latter to advise those in the corporation having the authority to act or refrain from acting on the advice.¹⁵⁰

Thus, it follows that the degree of control exercised by the employee of the corporation who transmitted or received a communication is preeminent under the control group test in determining whether or not a communication falls within the attorney-client privilege. The court in *Congoleum* determined that several of the members of the study group were present only in an advisory capacity and exercised no final judgment relating to any possible conclusion or solution. Therefore, as to communications between those individuals and the patent attorney and his agent, the attorney-client privilege was held not to be applicable.¹⁵¹

However, the court failed to consider whether the study group, as a whole, had the power to render a decision and, therefore, apparently misinterpreted the test by applying it to each individual of the study group. Further, it appears as if the court's rationale is in conflict with the control group test as modified in *Harper & Row Publishers, Inc. v. Decker*.¹⁵² The modified control group test now includes any employee who

makes the communication at the direction of his superiors in the corporation and where the subject matter upon which the attorney's advice is sought by the corporation and dealt with in the communi-

¹⁴⁸ *Id.* at 84, 164 U.S.P.Q. at 377.

¹⁴⁹ 210 F. Supp. 483 (E.D. Pa. 1962).

¹⁵⁰ *Id.* at 485.

¹⁵¹ 49 F.R.D. at 85, 164 U.S.P.Q. at 378.

¹⁵² 423 F.2d 487 (7th Cir. 1970), *aff'd per curiam*, 400 U.S. 348, *rehearing denied*, 401 U.S. 950 (1971).

ation is the performance by the employee of the duties of his employment.¹⁵³

*Honeywell, Inc. v. Piper Aircraft Corp.*¹⁵⁴ reiterated the rule that where

a corporation is concerned, only communications between counsel and the corporation's 'control group,' who are in effect *the clients*, are within the purview of the privilege.¹⁵⁵

The court stressed that the "[o]ne who claims the benefit of privilege [has] the burden to demonstrate that the privilege exists" and concluded that the plaintiff in the instant case had not met this burden.¹⁵⁶ In reconciling the broader *Harper & Row* interpretation of the control group test, the *Honeywell* court maintained that even though the privilege had expended beyond the "corporate control group," for the majority of employees, it was difficult to determine whether the communications were part of their duties or were delegated by their superiors.¹⁵⁷

The court also addressed itself to the question of whether an attorney's memorandum concerning a prior terminated interference proceeding fell within the purview of the work product rule in a subsequent infringement action involving different parties. The court held that the work product rule did not shield an attorney's memorandum from a previous case involving different parties, since it was not made with the present infringement suit in mind.¹⁵⁸ *Honeywell* has been severely criticized by patent practitioners on the ground that the prosecution of a patent application is always carried on with an eye-toward a possible future infringement suit.

In view of the above, it appears that the Third Circuit has broadly extended the protection of the immunities to patent attorneys who were previously not within the purview of the protection.

FOURTH CIRCUIT

In the Fourth Circuit, the attorney-client privilege and work product rule were only recently extended to patent matters. *Deering Milliken Research Corp. v. Tex-Elastic Corp.*,¹⁵⁹ which involved an infringe-

¹⁵³ 423 F.2d at 491-92.

¹⁵⁴ 50 F.R.D. 117, 165 U.S.P.Q. 273 (M.D. Pa. 1970).

¹⁵⁵ *Id.* at 120, 165 U.S.P.Q. at 275.

¹⁵⁶ *Id.*

¹⁵⁷ *Id.* at 120 n.1, 165 U.S.P.Q. at 275.

¹⁵⁸ *Id.* at 119, 165 U.S.P.Q. at 274.

¹⁵⁹ 320 F. Supp. 806, 168 U.S.P.Q. 338 (D.S.C. 1970).

ment suit, relied upon *In re Natta*¹⁶⁰ in holding that the attorney-client privilege and work product doctrine would be honored in patent suits.¹⁶¹

In the recent case of *Collins & Aikman Corp. v. J.P. Stevens & Co.*,¹⁶² the court denied a motion for the production of documents and asserted that the "[w]ork product and attorney-client privileges exist in the field of patent law and must be respected by the court in regulating discovery."¹⁶³ Recognizing the burden that a document-by-document inspection placed upon the court, the attorney-client privilege and work product rule were granted without inspection for any document for which they were invoked. The court stated that it relied heavily upon the candor of counsel in their representation of the nature of the material for which the privilege was claimed, since most patent actions involving claims of privilege deal with voluminous amounts of documents.¹⁶⁴

FIFTH CIRCUIT

Citing *In re Natta*¹⁶⁵ and *Natta v. Hogan*,¹⁶⁶ *Shaffer Tool Works v. Joy Manufacturing Co.*¹⁶⁷ brought the Fifth Circuit in line with the modern trend on the subject by asserting that the attorney-client privilege applies in full force in patent matters. The case involved a motion to vacate deposition notices requesting that various patent examiners and attorneys be deposed with regard to earlier patent proceedings that related to the present infringement suit. The court displayed a general reluctance to allow discovery into the mental processes of government officials acting in a quasi-judicial capacity, such as a patent examiner. The inquiry was, therefore, limited to matters of fact relating to the patent prosecutions.¹⁶⁸

SIXTH CIRCUIT

The Sixth Circuit Court of Appeals denied discovery¹⁶⁹ and upheld the attorney-client privilege in connection with correspondence con-

¹⁶⁰ See note 47 *supra* and accompanying text.

¹⁶¹ 320 F. Supp. at 809, 168 U.S.P.Q. at 340.

¹⁶² 51 F.R.D. 219, 169 U.S.P.Q. 296 (D.S.C. 1971).

¹⁶³ *Id.* at 220, 169 U.S.P.Q. at 297.

¹⁶⁴ *Id.* at 221, 169 U.S.P.Q. at 297.

¹⁶⁵ See note 47 *supra* and accompanying text.

¹⁶⁶ 392 F.2d 686, 157 U.S.P.Q. 183 (10th Cir. 1968). See note 258 *infra* and accompanying text.

¹⁶⁷ 167 U.S.P.Q. 170 (S.D. Tex. 1970).

¹⁶⁸ *Id.* at 170-71.

¹⁶⁹ *Chore-Time Equip., Inc. v. Big Dutchman, Inc.*, 255 F. Supp. 1020, 1023, 150 U.S.P.Q. 426, 429 (W.D. Mich. 1966).

cerning the preparation of patent applications¹⁷⁰ in *Chore-Time Equipment, Inc. v. Big Dutchman, Inc.*¹⁷¹ Since outside patent counsel were involved,¹⁷² the court discussed the attorney-client privilege without facing the more difficult questions relating to house patent attorneys. In reviewing prior cases, the court distinguished *Zenith* on the basis that no corporate patent attorneys were involved¹⁷³ and *American Cyanamid* on the basis that the information sought was not based on facts available from a public record.¹⁷⁴ However, the court would not accept the distinction between house and outside counsel which was enunciated in *Paper Converting Machine Co. v. FMC Corp.*,¹⁷⁵ where, in a similar fact situation, house counsel were adjudged not to be attorneys for purposes of the privilege. Rather, the *Chore-Time* court relied on the *United Shoe* proposition that both house and outside counsel could claim the attorney-client privilege for communications involving legal advice.¹⁷⁶ The rationale for this holding was found in *Ellis-Foster Co. v. Union Carbide & Carbon Corp.*,¹⁷⁷ which held that patent attorneys should not be completely denied the attorney-client privilege simply because they were engaged in the field of patents.¹⁷⁸ Since outside patent counsel were involved, the case was disposed of without reaching the more difficult problems. But there appeared, nevertheless, to be a particular awareness on the part of the court of the problems that are peculiar to this area of patent law.

SEVENTH CIRCUIT

The Seventh Circuit has handled much patent litigation and is generally consistent in its treatment of the difficult questions associated with the attorney-client privilege and the work product rule as they pertain to patent matters. In order to determine when the attorney-client privilege or the work product rule is applicable, the courts have utilized *in camera* proceedings in especially close questions where the communications contain factual as well as legal information. However, the dearth of legal analysis within the opinions makes it difficult to do

¹⁷⁰ *Id.* at 1020, 150 U.S.P.Q. at 426.

¹⁷¹ 255 F. Supp. 1020, 150 U.S.P.Q. 426 (W.D. Mich. 1966).

¹⁷² *Id.* at 1021, 150 U.S.P.Q. at 427.

¹⁷³ *Id.* at 1021-22, 150 U.S.P.Q. at 427.

¹⁷⁴ *Id.* at 1022, 150 U.S.P.Q. at 427.

¹⁷⁵ 215 F. Supp. 249, 136 U.S.P.Q. 549 (E.D. Wis. 1963).

¹⁷⁶ 255 F. Supp. at 1022, 150 U.S.P.Q. at 428.

¹⁷⁷ 159 F. Supp. 917, 116 U.S.P.Q. 576 (D.N.J. 1958), *rev'd on other grounds*, 284 F.2d 917, 127 U.S.P.Q. 297 (3d Cir. 1960), *cert. denied*, 365 U.S. 813 (1961).

¹⁷⁸ 255 F. Supp. at 1021, 150 U.S.P.Q. at 428.

anything more than state the holdings and the possible reasons for them.

In *Dura Corp. v. Milwaukee Hydraulic Products Inc.*,¹⁷⁹ the court held that it would not inspect the privileged documents once the plaintiff had objected to their discovery and had made a sufficient showing of their privileged nature to justify its application.¹⁸⁰ However, this attitude was not always apparent in later cases. Thus, in *Continental Coatings Corp. v. Metco, Inc.*¹⁸¹ discovery was sought of the original patentee who had sold his patent rights to one of the litigants. The defendants contended that the sale constituted a waiver of the privilege. However, the court dismissed the contention and ordered an *in camera* inspection.¹⁸² In *Illinois Tool Works, Inc. v. Solo Cup Co.*,¹⁸³ *in camera* inspection¹⁸⁴ of certain memoranda between corporate employees and house patent counsel relating to facts involved in the lawsuit was ordered. In addition, the court, in an attempt to determine whether in fact such documents were privileged, ordered inspection of the documents which were concerned with patent solicitation.¹⁸⁵ Following the reasoning of *Natta v. Zletz*,¹⁸⁶ the court in *Beckman Instruments Inc. v. Technical Development Corp.*¹⁸⁷ held that in "appropriate circumstances" *in camera* proceedings were required to determine whether documents were privileged.¹⁸⁸ However, the court did not define what circumstances would necessitate *in camera* inspection. *Illinois Tool* gave no reason for its order, while *Continental* relied on the *Sperry Rand* rationale, but gave no reasons therefore.¹⁸⁹

The well-known Seventh Circuit case, *Harper & Row*, was previously discussed in connection with the analysis of the Third Circuit law. *Harper & Row* allowed the attorney-client privilege to be extended to communications of corporate employees who were not within the corporate control group, but who communicated information within the scope of their corporate duties to a corporate attorney. This rule has been followed in the Seventh Circuit in *Illinois Tool Works, Pan-*

179 37 F.R.D. 470, 145 U.S.P.Q. 343 (E.D. Wis. 1965).

180 *Id.* at 471, 145 U.S.P.Q. at 343

181 50 F.R.D. 382, 164 U.S.P.Q. 499 (N.D. Ill. 1970).

182 *Id.* at 383-84, 164 U.S.P.Q. at 500.

183 171 U.S.P.Q. 319 (N.D. Ill. 1971).

184 *Id.* at 320.

185 *Id.*

186 418 F.2d 633, 163 U.S.P.Q. 675 (7th Cir. 1969).

187 172 U.S.P.Q. 642 (N.D. Ill. 1972).

188 *Id.* at 644.

189 50 F.R.D. at 384, 164 U.S.P.Q. at 500.

duit Corp. v. Burndy Corp.,¹⁹⁰ and in *Rockwell Manufacturing Co., v. Chicago Pneumatic Tool Co.*¹⁹¹

In *Illinois Tool Works*, it was recognized that correspondence between a corporation and its outside patent counsel concerning the prosecution of patent applications now falls within the scope of the attorney-client privilege.¹⁹² *Harper & Row* was utilized to establish that the correspondence came within the ambit of the attorney-client privilege.¹⁹³ The same test was also employed in *Panduit*, where the court held that legal opinions by house patent counsel were protected under the attorney-client privilege. Even though these opinions were distributed to persons outside the control group, such distribution was held insufficient to constitute a waiver of the privilege.¹⁹⁴ Subsequently, the *Harper & Row* test was utilized in *Rockwell*. The *Rockwell* court dealt with a letter concerning possible patent infringement which was directed to house patent counsel from the corporate director of engineering.¹⁹⁵ Although copies were also distributed to a number of other corporate officers,¹⁹⁶ it was held that the attorney-client privilege protected them, because intra-corporate dissemination of the information to employees directly concerned with this matter was not sufficient to waive the attorney-client privilege.¹⁹⁷

While *Harper & Row* broadened the definition of "client" within the framework of the corporation, other Seventh Circuit cases broadened the definition of "attorney" in reference to the attorney-client privilege as it pertains to patent matters. In *Dura Corp.*, correspondence between outside counsel and house patent counsel that was written subsequent to the filing of the complaint was found to come within the purview of the privilege, because the documents involved the litigation in question.¹⁹⁸ The same reasons were also employed to grant the privilege to communications between outside patent counsel and the corporate counsel. However, the attorney-client privilege was not applied to communications between outside counsel, because the privilege does not encompass communications between co-counsel, but rather between an attorney and his client.¹⁹⁹ But the court obviated the necessity for

¹⁹⁰ 172 U.S.P.Q. 46 (N.D. Ill. 1971).

¹⁹¹ 176 U.S.P.Q. 21 (N.D. Ill. 1972).

¹⁹² 171 U.S.P.Q. at 320.

¹⁹³ *Id.*

¹⁹⁴ 172 U.S.P.Q. at 47.

¹⁹⁵ 176 U.S.P.Q. at 21.

¹⁹⁶ *Id.*

¹⁹⁷ *Id.*

¹⁹⁸ 37 F.R.D. at 472-73, 145 U.S.P.Q. at 344.

¹⁹⁹ *Id.* at 472, 145 U.S.P.Q. at 344.

disclosure by applying the *Hickman* work product rule and held that the documents were protected "in the absence of a strong showing of good cause" for disclosure.²⁰⁰ The attorney-client privilege was also extended to the patent drafting phases of patent solicitation in *Beckman*. There the court dealt directly with the issue of which aspects of patent solicitation are discoverable and which are protected by the privilege. It was recognized that while certain material must necessarily be disclosed to the Patent Office,²⁰¹ other material passing between attorney and client during the patent drafting and prosecution phases of patent solicitation need not be disclosed to the Patent Office. Therefore, such material might be protected,²⁰² but it is not clear from the opinion what constitutes such material.

The Seventh Circuit was also confronted with the question of whether or not the attorney-client privilege could exist in patent proceedings in view of the public policy of full disclosure in all matters respecting patents.²⁰³ The court in *Natta v. Zletz*²⁰⁴ responded negatively and extended the attorney-client privilege to correspondence between house and outside patent counsel, regardless of the legal qualifications of the house counsel.²⁰⁵

With regard to the effect of fraud and unclean hands on the application of the attorney-client privilege and work product rule, the court in *Kearney & Trecker Corp. v. Giddings & Lewis, Inc.*²⁰⁶ denied a claim for both immunities with respect to certain documents on the ground that the communications were not confidential. After an extended discussion of the protections afforded by the attorney-client privilege and the work product rule, the court concluded that the plaintiff's "unclean hands" in procuring the reissue patent, with the aid of a retired patent examiner who had handled the original application, constituted sufficient exceptional circumstances to warrant access to the attorney's work product.²⁰⁷ Inasmuch as there was no issue of fraud involving outside counsel the court found no justification for the disclosure of other docu-

²⁰⁰ *Id.* at 473, 145 U.S.P.Q. at 344.

²⁰¹ 172 U.S.P.Q. at 643.

²⁰² *Id.* at 644. By implication, however, the court would protect those communications which were not disclosed to the Patent Office and not essentially factual in nature. During prosecution, as well as prior to filing, matters may be discussed which bear on the legal issues which have been or may be raised. Such communications may be the type which the court had in mind.

²⁰³ *Natta v. Zletz*, 418 F.2d 633, 636, 163 U.S.P.Q. 675, 678 (7th Cir. 1969).

²⁰⁴ 418 F.2d 633, 163 U.S.P.Q. 675 (7th Cir. 1969).

²⁰⁵ *Id.* at 637, 163 U.S.P.Q. at 678.

²⁰⁶ 296 F. Supp. 979, 161 U.S.P.Q. 700 (E.D. Wis. 1969).

²⁰⁷ *Id.* at 982, 161 U.S.P.Q. at 702.

ments pertaining to communications with the outside counsel.²⁰⁸ Documents concerning negotiations with prospective licensees were also held discoverable on the basis that such documents were germane to the outcome of the infringement misuse and antitrust issues which were also raised in the case.²⁰⁹ Unfortunately, there is no specific discussion of the nature of these documents; therefore, it is difficult to evaluate whether this case is consistent with the other Seventh Circuit cases. Moreover, the effect of fraud on the attorney-client privilege was also discussed in *Moraine Products, Inc. v. Block Drug Co.*,²¹⁰ where communications between a corporation and its outside patent counsel²¹¹ were deemed protected under the attorney-client privilege.²¹² The court entertained but dismissed the contention that a demonstrated fraud would defeat the privilege,²¹³ but left the question open for a case in which there would be sufficient proof of fraud.

In *Fastener Corp. v. Spotnails, Inc.*,²¹⁴ certain portions of patent prosecution files which were a matter of public record in the Patent Office were held to be subject to discovery, while those portions of the files which were not a matter of public record were held to be privileged under the work product rule.²¹⁵ However, the court added a proviso that the demanding party must prove not only the relevance of the documents to the litigation, but must also show good cause for their production in order to avoid wholesale disclosure of an attorney's work product.²¹⁶ Soon after *Fastener*, the work product rule was extended in *Natta v. Zletz* to interference papers prepared by both inside and outside patent counsel.²¹⁷ However, the court did not extend the protection to letters from outside consultants, since they did not contain legal advice, but, rather, expert technical advice.²¹⁸ This type of expert advice parallels that of other prospective witnesses and exclusion from work product protection seems questionable. Since the consultant here had already testified in the interference proceedings, what reasons could there have been for permitting discovery? The court said that "Standard

²⁰⁸ *Id.* at 983, 161 U.S.P.Q. at 702-03.

²⁰⁹ *Id.*

²¹⁰ 172 U.S.P.Q. 48 (N.D. Ill. 1971).

²¹¹ *Id.*

²¹² *Id.*

²¹³ *Id.*

²¹⁴ 43 F.R.D. 204, 155 U.S.P.Q. 209 (N.D. Ill. 1967).

²¹⁵ *Id.* at 207, 155 U.S.P.Q. at 210.

²¹⁶ *Id.* at 206-07, 155 U.S.P.Q. at 210.

²¹⁷ 418 F.2d at 637-38, 163 U.S.P.Q. at 679.

²¹⁸ *Id.* at 638, 163 U.S.P.Q. at 679.

should not be able to avail itself of both the testimony of this expert and his secret technical advice."²¹⁹

The remaining issues touched upon by the Seventh Circuit pertained to foreign patent agents and patent counsel not admitted to the bar where they were employed. *Rayette-Faberge, Inc. v. John Oster Manufacturing Co.*²²⁰ concerned communications between a United States attorney and a foreign patent agent. No attorney-client privilege was granted, because the agents were not attorneys-at-law.²²¹ A better rule would have been to apply the same tests which are applied to other attorney communications rather than to automatically exclude the patent agent from the purview of the privilege. This latter rationale was applied in the Ninth Circuit in *Jack Winter, Inc. v. Koratron Co.*²²²

The *Panduit* court also touched peripherally on the problem of whether a house patent counsel not admitted to the bar of the state of his employment could claim the benefit of the attorney-client privilege.²²³ Relying on *Sperry*, the court stated that it is now well-settled that patent attorneys do practice law, and therefore, should be granted the attorney-client privilege.²²⁴

In retrospect, it appears that the Seventh Circuit has substantially liberalized the *Zenith* and the *United Shoe* rulings and is, thus, generally in agreement with the present views of the Third Circuit.

EIGHTH CIRCUIT

No reported cases involving the attorney-client privilege or the work product rule, as they apply to patent practitioners, have been discovered in the Eighth Circuit.

NINTH CIRCUIT

The issue of whether the attorney-client privilege is applicable to house patent counsel has not yet been squarely raised in the Ninth Circuit. In *Jack Winter, Inc. v. Koratron Co.*,²²⁵ the court was concerned with the discovery of patent applications filed by outside patent counsel.

²¹⁹ *Id.*

²²⁰ 47 F.R.D. 524, 163 U.S.P.Q. 373 (E.D. Wis. 1969).

²²¹ *Id.* at 527, 163 U.S.P.Q. at 374.

²²² 54 F.R.D. 44, 172 U.S.P.Q. 201 (N.D. Cal. 1971).

²²³ 172 U.S.P.Q. at 47.

²²⁴ *Id.*

²²⁵ 54 F.R.D. 44, 172 U.S.P.Q. 201 (N.D. Cal. 1971).

The court upheld the application of the privilege to documents whose primary purpose was legal guidance or business developments with an *implied* request for legal advice,²²⁶ but did not differentiate between outside and house patent counsel. Privileged communications included legal advice associated with factual information, requests for legal advice, and documents which were the direct result of attorney-client interaction.²²⁷ The court then defined those documents which it felt were not protected by the privilege. Among these documents were client authorizations to file patent applications; papers submitted to the Patent Office; compendiums of filing fees and requirements in the United States and foreign countries for various types of applications; resumes of applications filed and registrations obtained or rejected, including dates and file or registration numbers; technical information communicated to the attorney in order to facilitate the completion of patent applications, but not requiring legal advice; business advice; communications whose confidentiality was waived; and documents written or obtained from third parties which were severable from communications seeking legal advice.²²⁸ In addition, the same court had held in a prior case between these same two parties that communications between an outside patent attorney and his corporate client relating to a third-party agreement did not come within the ambit of the privilege, because the client's third-party complaint brought the agreement into issue, thereby waiving the privilege.²²⁹

Although the court was noncommittal concerning the difference between outside and house patent counsel, it took a very liberal position with regard to foreign patent agents. Contrary to the position taken by the Seventh Circuit, the *Jack Winter* court chose to treat the communications between the British agents and a Chicago patent firm as though they emanated from an attorney-client relationship.²³⁰ Thus, judgments as to the applicability of the attorney-client privilege were determined under the same criteria as every other document without the handicap of a blanket prohibition on all communications involving foreign agents.

In a prior opinion concerning the same suit,²³¹ the issue of whether the privilege should be extended to papers submitted to the Patent

²²⁶ *Id.* at 46, 172 U.S.P.Q. at 202.

²²⁷ *Id.* at 48, 172 U.S.P.Q. at 203.

²²⁸ *Id.* at 47, 172 U.S.P.Q. at 202.

²²⁹ *Jack Winter, Inc. v. Koratron Co.*, 50 F.R.D. 225, 229, 166 U.S.P.Q. 295, 298 (N.D. Cal. 1970).

²³⁰ 54 F.R.D. at 48, 172 U.S.P.Q. at 203.

²³¹ *Jack Winter, Inc. v. Koratron Co.*, 50 F.R.D. 225, 166 U.S.P.Q. 295 (N.D. Cal. 1970).

Office was decided. After emphatically stating that an attorney has no discretion as to what part of the factual information concerning patent applications should be revealed to the Patent Office, the court held that papers associated with patent solicitation which were never submitted to the Patent Office fell within the purview of the privilege.²³²

The court also considered the issue of fraud, but summarily dismissed it for lack of proof. The court, nevertheless, stated that a prima facie showing of fraud would vitiate the effect of the privilege.²³³

*Garrison v. General Motors Corp.*²³⁴ was decided before the United States Supreme Court decision in *Sperry*. Nevertheless, substantial differences were noted between the earlier Florida supreme court decision in *Sperry* and the earlier cases of *Zenith* and *American Cyanamid*, which were concerned with whether a patent attorney's work constituted the practice of law. The court recognized that it was not bound by these decisions, but still concluded that patent attorneys do indeed practice law when acting in the capacity of legal advisors and engaging primarily in legal activities.²³⁵

Garrison came down shortly after the *City of Philadelphia* case in which the control group test was formulated. The *City of Philadelphia* case was, thus, an aid to the *Garrison* court, which was squarely faced with the problem of how the attorney-client privilege relates to corporate employees, corporate officers, and in-house patent attorneys. The court concluded that officers, directors, and department heads of the corporation were members of the control group and, therefore, fell within the purview of the privilege.²³⁶ Moreover, attorneys in the corporate patent department were equated with general house counsel, who as attorneys-at-law were protected by the privilege. Thus, by inference, in-house patent counsel were held to be comparable to outside patent counsel to whom the privilege had been extended in *Zenith*.²³⁷ The court, nevertheless, considered the control group test as being a limitation on the application of the attorney-client privilege to corporate patent attorneys.²³⁸

Inasmuch as *Garrison* is the only Ninth Circuit case which dealt with this area of the law, it represents a relatively advanced position for the period in which it was decided. In view of more recent cases in other

²³² *Id.* at 228-29, 166 U.S.P.Q. at 298.

²³³ *Id.* at 229, 166 U.S.P.Q. at 298.

²³⁴ 213 F. Supp. 515, 136 U.S.P.Q. 343 (S.D. Cal. 1963).

²³⁵ *Id.* at 519-20, 136 U.S.P.Q. at 346-47.

²³⁶ *Id.* at 517-19, 136 U.S.P.Q. at 345-46.

²³⁷ *Id.* at 520-21, 136 U.S.P.Q. at 347.

²³⁸ *Id.* at 520, 136 U.S.P.Q. at 346.

circuits, it is probable that the same result would be reached today, although the control group test has since been modified in the *Harper & Row* case.

TENTH CIRCUIT

Realizing that generalized tests were not sufficient to determine which documents should be protected, the court in *Hogan v. Zletz*²³⁹ found it necessary to examine the documents one by one for earmarks which would indicate whether they were protected under the attorney-client privilege.²⁴⁰ Although it rejected arguments that the broad public interest of full disclosure in patent matters vitiated the privilege, the court followed *Zenith* by holding that documents originating in corporate patent departments are ordinarily not covered by the privilege.²⁴¹ As a result, the court ruled that the group of documents produced in defendant's corporate patent department must be produced for *in camera* inspection. Upon examination, the documents were deemed not to be protected by the attorney-client privilege and the work product rule, not because of the nature of the attorney's work, but rather because the documents were addressed to the corporate patent department in general and were not prepared with an eye-toward any possible litigation.²⁴²

The court then proceeded to define the various persons who fell within the purview of the statute. Communications among house patent counsel were held not protected by the attorney-client privilege, because the communications were between attorneys, rather than between an attorney and his client.²⁴³ However, the communications between a house patent counsel and the manager and the assistant manager of the corporate research and development department were considered protected under the attorney-client privilege when they contained legal

²³⁹ 43 F.R.D. 308, 154 U.S.P.Q. 230 (N.D. Okla. 1967).

²⁴⁰ *Id.* at 313-14, 154 U.S.P.Q. at 233.

²⁴¹ *Id.* at 315, 154 U.S.P.Q. at 234. See *Natta v. Hogan*, 392 F.2d 686, 157 U.S.P.Q. 183 (10th Cir. 1968) where the court stated:

The attorney-client privilege is designed "to facilitate the administration of justice," in order "to promote freedom of consultation of legal advisors by clients." We see no reason why this long-established principle should not be applied to patent cases. The public interest is in the development of the truth, both in patent proceedings and in ordinary litigation. The duty of full disclosure differs from the freedom of consultation with lawyers.

Id. at 693, 157 U.S.P.Q. at 187 (footnotes omitted) (quoting from *Burners, Inc. v. American Gas Ass'n*, 320 F.2d 314, 322, 318 (7th Cir.), *cert. denied*, 375 U.S. 929 (1963)).

²⁴² 43 F.R.D. at 317, 154 U.S.P.Q. at 236.

²⁴³ *Id.* at 315, 154 U.S.P.Q. at 234.

advice.²⁴⁴ But the privilege was not extended to the communications of employees at lower levels of responsibility in the corporation, since they were not deemed to be part of the control group whose responsibility was to pursue policy on the basis of the legal advice given.²⁴⁵

On appeal, the Tenth Circuit Court of Appeals affirmed that there is no automatic waiver of the attorney-client privilege in patent cases where a client gives his attorney information with which to prepare patent papers. The court also affirmed the application of the control group test to the various documents sought to be discovered.²⁴⁶ In applying the test, the court rejected Natta's allegation that certain of the communications in issue were not privileged, because they were communications from an attorney to a control group, rather than from the control group to the attorney. Citing Wigmore, the court stated that it would not accept this argument, because the protection of such communication was necessary in order to prevent the attorney's statements from becoming those of his client.²⁴⁷ This reasoning is in line with the United States Court of Claims' decision in *General Electric Co. v. United States*, where the court employed a similar rationale.²⁴⁸

With respect to the work product rule, the court asserted that the rule as enunciated in *Hickman v. Taylor* is not limited to the preparation of papers for proceedings in a court of record and granted protection to documents which contained the mental processes of an attorney.

An attorney's work in the patent law field should be as much his own as it is in other areas of the law. The work product claim cannot be brushed aside on the theory that the documents were not prepared for use in litigation.²⁴⁹

DISTRICT OF COLUMBIA CIRCUIT

In *Underwater Storage, Inc. v. United States Rubber Co.*,²⁵⁰ the court granted a motion for discovery solely on the basis of statements in previous cases, primarily *Zenith*, to the effect that no attorney-client privilege attached to activities involving the preparation and prosecution of patent applications.²⁵¹ Inasmuch as there is no reference to any

²⁴⁴ *Id.* at 315-16, 154 U.S.P.Q. at 234.

²⁴⁵ *Id.* at 314, 316-17, 154 U.S.P.Q. at 233, 235-36.

²⁴⁶ *Natta v. Hogan*, 392 F.2d 686, 692, 157 U.S.P.Q. 183, 188 (10th Cir. 1968).

²⁴⁷ *Id.* at 692-93, 157 U.S.P.Q. at 188.

²⁴⁸ 176 U.S.P.Q. 83, 85 (Ct. Cl. 1972).

²⁴⁹ 392 F.2d at 693, 157 U.S.P.Q. at 189.

²⁵⁰ 314 F. Supp. 546, 165 U.S.P.Q. 97 (D.D.C. 1970).

²⁵¹ *Id.* at 548, 165 U.S.P.Q. at 97-98.

modern cases expressing the opposing viewpoint, it must be concluded that either the judge ignored or the plaintiff's counsel failed to discern the current trends which have occurred in this area of the law. Interestingly, plaintiff's counsel in the case inadvertently submitted for examination a communication that probably would have been granted the benefit of the attorney-client privilege under the rationale of the more liberal recent cases dealing with the subject.²⁵²

THE UNITED STATES COURT OF CLAIMS

In *Ledex, Inc. v. United States*,²⁵³ the defendant, in attempting to obtain discovery of certain documents, relied principally upon the recent *Underwater Storage* case, which generally expressed the older viewpoints relating to the attorney-client privilege. After reviewing the more recent cases, the court recognized that, subsequent to *Sperry*, patent solicitation had definitely been considered to constitute the practice of law.²⁵⁴ The court, therefore, concluded that *in camera* inspection of the documents was necessary in order to determine whether they were protected. As to a claim under the work product rule, the court stated that the documents could not be protected, since they were not generated in preparation for litigation.²⁵⁵

The principles established by this case would apparently allow a court to grant protection under the attorney-client privilege for documents generated during patent prosecution, whenever the technical matters involved are intermixed with legal questions. However, it appears that the court would not extend the privilege to communications between a patent attorney and a foreign agent, because the latter is not an attorney-at-law.²⁵⁶

The court was faced with a rather unusual situation in *General Electric Co. v. United States*,²⁵⁷ for the documents in question were communications from attorneys in government agencies to the Justice Department. Plaintiff asserted numerous arguments against granting the attorney-client and the work product privileges, including the usual reasons that the documents were not made with an eye toward litigation and that there was no attorney-client relationship. However, the court disagreed with the majority of plaintiff's assertions stating that the agen-

²⁵² *Id.* at 548-49, 165 U.S.P.Q. at 98.

²⁵³ 172 U.S.P.Q. 538 (Ct. Cl. 1972).

²⁵⁴ *Id.* at 539-40.

²⁵⁵ *Id.* at 539, 541.

²⁵⁶ *Id.* at 540.

²⁵⁷ 176 U.S.P.Q. 83 (Ct. Cl. 1972).

cies acted as the client of the Department of Justice, which was pursuing evidence for the defense of the litigation. The case is analogous to the Tenth Circuit decision in *Natta v. Hogan*²⁵⁸ since the court felt that it made no real difference whether the information passed from the attorney to the client or vice versa.²⁵⁹

Plaintiff also contended that the confidentiality of the communications was violated by their passage among various agency hands. The court, nevertheless, upheld their protectability, stating that such an interpretation would cut the heart from the attorney-client privilege for large organizations.²⁶⁰

The very size of such organizations dictates that internal communications be passed through the hands of several persons before reaching their ultimate destination. To unreasonably demand that only a few people be allowed access to such communications would effectively eliminate the attorney-client privilege.²⁶¹

The court's approach in this case appears to represent the most modern thinking in this area of the law, because it required each of the documents to be produced for an *in camera* inspection in order to determine on an individual basis if either the work product rule or the attorney-client privilege was available to protect the documents.

CONCLUSION

On the basis of the above analysis, it appears clear that the courts have, in general, moved away from the broad generalizations expressed in *United Shoe* and *Zenith*, which had, for a period of time, prevented the corporate patent attorney from invoking either the attorney-client privilege and/or the work product rule. In their place, there has generally developed the far more flexible approach of ascertaining the applicability of these immunities in any given situation by analyzing the specific activity or document in question without regard to the particular specialization of the attorney.

Several important problems in this area still remain unsettled, however, and the following recommendations, hopefully consistent with the fundamental principles upon which the attorney-client privilege and work product rule rest, are offered as rational solutions:

First, neither patent agents nor patent attorneys acting within the

²⁵⁸ 392 F.2d at 692-93, 157 U.S.P.Q. at 188.

²⁵⁹ 176 U.S.P.Q. at 85.

²⁶⁰ *Id.* at 86.

²⁶¹ *Id.*

scope of their specialty should be disqualified, per se, from invoking either the attorney-client or work product immunities when they otherwise comply with the requirements, notwithstanding the fact that they are members of a corporate patent department. The distinction developed by some courts between the in-house patent counsel and the general legal counsel, both outside and in-house, is artificial and illusory at best, serving no real determinative function other than to engender much confusion in an already confused area of law. A far more relevant criterion for determining whether a patent agent or patent attorney should be protected by the attorney-client privilege is whether the agent or attorney was acting as a lawyer, that is, giving legal advice or applying legal knowledge to confidential facts supplied to him by his client. Similarly, with respect to the work product rule, the criterion should be whether the documents were prepared in contemplation of a possible litigation and whether the subject matter of the documents constitutes the application of legal principles to factual matters. This recommendation is a natural consequence of the *Sperry* ruling, which held that a patent agent's, and, therefore, a patent attorney's activities constitute the practice of law.

Second, ex parte prosecution papers transmitted to the Patent Office in the orderly prosecution of a patent application and otherwise qualifying under the attorney-client and work product immunities should not be discoverable, provided that the contents of the application to which they relate have not been made publicly available, such as where the application has been abandoned. Since such papers are kept in secrecy until the patent is granted, the immunities cannot be waived by the mere transmission of these papers to the Patent Office. Privileged status for other papers associated with the prosecution should depend upon whether they involve legal advice or are exclusively factual in nature.

Third, validity, patentability, and infringement opinions should qualify under the attorney-client and work product immunities, even though they are prepared in the absence of imminent or pending litigation. The fact that such opinions are based in part upon publicly available documents detracts from neither the confidentiality nor the basically legal nature of the opinions.

Fourth, the expansion of the control group test in *Harper & Row* constitutes a more rational approach toward defining the "corporate client." The degree of control exercised by a corporate employee to whom a communication is made is not a valid consideration, because

confidential communications pertinent to patents will of necessity often involve employees at lower levels in the corporate structure.

Fifth, and finally, confidential communications between foreign patent agents and United States patent attorneys or agents should be protected under both the work product and attorney-client privileges where the circumstances otherwise warrant it. The world-wide scope of the patent solicitation and litigation activities of today's multi-national corporations makes any other approach provincial and unrealistic. So long as foreign patent agents meet the qualifications for patent practice in their local countries, they should at least be treated on a par with United States patent agents.

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