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Attorney-Client Privilege in the United States: Recent Trends in its Application to Japanese Patent Professionals

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Introduction

Companies engaged in U.S. litigation have broad and burdensome disclosure obligations. But U.S. law recognizes the attorney-client privilege—a privilege that protects confidential communications from an attorney to his or her client for the purpose of securing legal advice. Under the attorney-client privilege, documents are also exempted from discovery if they reflect such confidential attorney-client communications.

The purpose of the attorney-client privilege is to allow attorneys and clients to be candid with one another in evaluating legal risks and possible courses of action. Such evaluations of risks and strategies occur throughout the life of a patent, whether during specification and claim drafting, amendments and patentability arguments, evaluating possible patent infringement, post-grant invalidity challenges, or during licensing activities. However, a disclosure that, for example, the company's own patent lawyer doubted the validity or infringement of a patent would be devastating to the company's position in litigation. The attorney-client privilege protects this type of communication from being disclosed in discovery.[1]

Although the attorney-client privilege is commonly invoked in U.S. litigation, its application in situations where foreign attorneys, foreign legal issues and foreign clients are involved in the communications is complicated and continuing to evolve. This article explores the current trends in applying the attorney-client privilege to Japanese legal professionals offering legal advice about U.S. and Japanese patents. It also offers some practice pointers for protecting patent-related communications as privileged in the event of U.S. litigation.

Choice of Law in U.S. Litigation

U.S. courts faced with privilege issues involving foreign legal advisors must begin their analysis by determining whether to apply U.S. law or the law of the foreign jurisdiction. In deciding this issue, a majority of U.S. courts apply the "touching base" test.[2] Under that test, if a communication has no connection—or only an incidental connection—with the United States, courts will determine the privilege issue under the law of the foreign jurisdiction.[3] If the communication has more than an incidental connection to the United States, however, then courts will apply the law of the jurisdiction with "the most direct and compelling interest in the communication."[4]

In order to determine the strength of each jurisdiction's interest, courts evaluate "the parties to and the substance of the communication, the place where the relationship was centered at the time of the communication, the needs of the international system, and whether the application of foreign privilege law would be 'clearly inconsistent with important policies embedded in [U.S.] federal law.'"[5]

1 There are exceptions to the attorney-client privilege, such as fraud and waiver, that are beyond the scope of this article.

2 *See, e.g., Golden Trade, S.r.L. v. Lee Apparel Co.,* 143 F.R.D. 514, 518-20 (S.D.N.Y. 1992); *2M Asset Mgmt. LLC v. Netmass Inc.*, No. 06-215, 2007 WL 666987, at *2-3 (E.D. Tex. Feb. 28, 2007); *Astra v. Aktiebolag v. Andrx Pharms., Inc.*, 208 F.R.D. 92, 98 (S.D.N.Y. 2002).

3 *VLT Corp. v. Unitrode Corp.*, 194 F.R.D. 8, 16 (D. Mass. 2000).

4 *Id. See also, e.g., AstraZeneca LP v. Breath Ltd.*, No. 08-1512, 2011 WL 1421800, at *5 (D.N.J. Mar. 31, 2011) (finding that foreign communications related to PCT applications that ultimately served as the basis for a U.S. patent's claim of priority were a "mere[] incidental connection" to the United States and therefore foreign privilege law applied).

5 *VLT Corp.,* 194 F.R.D. at 16.

The choice of law is a fact-intensive inquiry that will vary depending on the case. In U.S. patent cases, "[g]enerally, the privileged status of communications with foreign patent agents or attorneys that relate solely to prosecution of a foreign patent application in a foreign jurisdiction is governed by the law of the jurisdiction in which the patent application is pending."[6] Therefore, Japanese law will usually govern the privilege determination for communications with Japanese attorneys or patent agents relating to the prosecution of Japanese patents. On the other hand, if the communication relates to prosecution of a U.S. patent application in the U.S. Patent and Trademark Office (USPTO), it will likely be governed by U.S. law.

A few courts have also applied a "comity" approach, which looks "to the foreign nation's law to determine the extent to which the privilege may attach."[7] This is a two-step inquiry: (1) "the court must determine whether the foreign nation in question extends the privilege" to its attorneys or patent agents; and, if so (2) "the court must look at the specific capacity in which the agent was functioning with respect to a given document."[8] Under this approach, if the foreign attorney or patent agent was functioning as an attorney, then the privilege applies.[9]

Determining Whether A Communication Is Privileged

Once a U.S. court decides which law to apply, it will then look to that law to determine whether the attorney-client privilege should cover the communications at issue. A key factor in this inquiry is the particular qualifications of the professional offering the legal advice.

Four general categories of Japanese legal professionals can be involved in providing patent-related legal advice—a bengoshi; a benrishi who is also admitted to the U.S. patent bar; a benrishi who is not admitted to the U.S. patent bar; and a member of a Japanese corporate legal department who is not admitted to the bar in any jurisdiction. This article analyzes how a U.S. court would likely apply the attorney-client privilege to communications involving professionals in each category.

In conducting this analysis, this article simplifies the choice-of-law analysis and substantive privilege analysis by assuming the communications relate solely to U.S. patents and patent applications, or solely to Japanese patents and patent applications. Communications that relate to both Japanese and U.S. legal issues frequently arise, however—for example, in coordinating multi-jurisdiction patent prosecution, litigation or licensing efforts. The choice-of-law analysis in such circumstances will be much more complicated and highly fact specific, and it is thus beyond the scope of this article.

Generally, a U.S. court is likely to hold that bengoshi, whether or not they are admitted to the bar of a U.S. court, will always be able to claim privilege with regard to confidential communications relating to legal advice about a patent or patent application in U.S. or in Japan.

The situation with benrishi is a little bit more complicated.[10] Under Japanese law, benrishi have a privilege that is coextensive with that of bengoshi. This means that a U.S. court will likely allow benrishi to claim privilege over communications involving a Japanese patent or patent litigation. In contrast, benrishi are unlikely to be able to invoke the attorney-client privilege under U.S. law unless they are licensed under the U.S. patent bar and the communications relate to the prosecution or post-grant review of a U.S. patent.

6 *Inventio AG v. ThyssenKrupp Elevator Americas Corp.,* No. 08-874, 2010 WL 9546391, at *2 (D. Del. June 17, 2010).

7 *2M Asset,* 2007 WL 666987 at *3.

8 *Id.*

9 *Id.*

10 In this article, we will generally apply the majority rule, and highlight some recent developments. We do not discuss minority positions such as the "functional" approach to applying the attorney-client privilege, as this older approach has been criticized by numerous courts. *See, e.g., Renfield Corp. v. E. Remy Martin & Co.,* 98 F.R.D. 442, 444 (D. Del. 1982) (finding communications with unbarred French in-house counsel functionally equivalent to attorney-client communication and thus privileged because France does not have an equivalent to an American "bar"); *Vernitron Med. Prods., Inc. v. Baxter Labs., Inc.,* No. Civil 616-73, 1975 WL 21161, at *1-2 (D.N.J. Apr. 29, 1975) (applying functional approach to find communications involving U.S. patent agent privileged); *but see Honeywell, Inc. v. Minolta Camera Co.,* No. 87-4847, 1990 WL 66182, at *2-3 (D.N.J. May 15, 1990) (rejecting "functional equivalence" standard for applying attorney-client privilege); *Wultz v. Bank of China, Ltd.*, 979 F. Supp. 2d 479, 494-95 (S.D.N.Y. 2013) (rejecting "functional equivalence" test); *Louis Vuitton Malletier v. Dooney & Bourke, Inc.,* No. 04 Civ. 5316 RMB MHD, 2006 WL 3476735, at *17 (S.D.N.Y. 2006) (same).

Finally, a U.S. court will not allow individuals who are neither licensed attorneys nor registered patent agents to claim privilege under either Japanese or U.S. law.

The following chart summarizes our conclusions.

Summary Regarding Application of the Attorney-Client Privilege to Japanese Patent Professionals		
Type of Professional	**Communications concerning U.S. Patent/ Patent Application**	**Communications concerning Japanese Patent/Patent Application**
Bengoshi	✓	✓
Benrishi (Member of the U.S. Patent Bar) Concerning Patent Prosecution Issues	✓	✓
Benrishi (Not a Member of the U.S. Patent Bar)[11] Concerning Patent Prosecution Issues	✗	✓
Japanese Counsel (Not Admitted to JP or US Attorney or Patent Bar)	✗	✗

Discussion Of Privilege Claims Involving Japanese Patent Professionals

Bengoshi and Privilege

For the purposes of the attorney-client privilege, communications concerning a U.S. patent or patent application will generally be analyzed under U.S. privilege law. Under U.S. law, such communications are privileged if an attorney is "a member of the bar of a court."[12]

If the Japanese attorney is admitted to a U.S. state bar, then he or she will be considered an U.S. attorney for the privilege analysis. U.S. attorneys are able to broadly claim attorney-client privilege over communications related to requests for or provision of legal advice.[13]

11 As discussed further below, although benrishi who are not members of the U.S. patent bar are not protected by the attorney-client privilege with respect to communications concerning U.S. patents in U.S. courts, they are protected under PTAB proceedings before the USPTO.

12 *See Wultz*, 979 F. Supp.2d at 494 ("[A]ttorney client privilege requires a showing that the person to whom the communication was made is a member of the bar of a court.") (internal quotations omitted).

13 *See, In re Lidoderm Antitrust Litigation*, No. 14-md-02521-WHO, 2015 WL 7566741, *4 (N.D. Cal. Nov. 25, 2015) (attorney licensed to practice law in both U.S. and Japan).

Courts have generally viewed the "member of the bar of a court" requirement very liberally to include members of the bar of a U.S. state or a foreign country.[14] Even if the bengoshi is only admitted to the Japanese bar, U.S. courts will likely find that admission sufficient to claim the U.S. attorney-client privilege.[15] Accordingly, U.S. courts will likely extend the attorney-client privilege to cover all confidential communications that concern legal advice between that Japanese attorney and the client, whether or not the bengoshi is a member of the bar of a U.S. court.

However, at least one court has expressed some skepticism about whether communications involving foreign attorneys opining about U.S. legal issues can be protected by the attorney-client privilege. A federal district court in Texas stated that:

> Certainly not every communication between any client and foreign attorney will be entitled to the privilege in U.S. courts. To the contrary, a client cannot reasonably expect that any foreign legal professional advising on U.S. law will trigger the privilege because they are neither licensed in the U.S. nor are the necessarily held to the same standards of confidentiality and loyalty as U.S. attorneys.[16]

Although the court ultimately found that privilege protected the particular communications at issue—which involved a Canadian attorney who was also a licensed U.S. patent agent—this case illustrates that some judges apply the attorney-client privilege very narrowly. Care should therefore be exercised when communicating about solely-U.S. patent issues with a bengoshi who is not admitted to practice in any U.S. jurisdiction.

To resolve privilege issues for communications concerning Japanese patents and patent applications, typically U.S. courts will apply Japanese privilege law. In such circumstances, U.S. courts will consider whether Japanese law would allow the withholding of the documents at issue under a Japanese privilege that is comparable to the U.S. attorney-client privilege.[17] Although Japanese courts have not yet recognized a full attorney-client privilege, recent U.S. case law has nevertheless concluded that the Code of Civil Procedure of Japan includes protections that are similar an attorney-client privilege.[18] Article 220 allows parties to withhold documents on which they can refuse to testify under Article 197(1)(ii). Pursuant to Article 197(1)(ii), these documents must contain confidential facts that the Japanese attorney learned in the exercise of his or her professional duties. As a result, U.S. courts have been willing to protect communications about Japanese patent applications between Japanese attorneys and their clients to the extent that those communications satisfy the requirements of Articles 220 and 197(1)(ii).[19] Indeed, in many U.S. cases, parties will not challenge a party's assertion that bengoshi-client communications regarding legal advice are privileged.

14 *See, e.g., Keating v. McCahill,* No. 11-518, 2012 WL 2527024, at *3 (E.D. Penn. Jul. 2, 2012) (a lawyer for purposes of the attorney-client privilege includes "a lawyer admitted to practice in a foreign nation" under Pennsylvania law); *Shukh v. Seagate Tech., LLC,* 872 F. Supp. 2d 851, 857 (D. Minn. 2012) ("For purposes of the privilege, a lawyer is a person authorized, or reasonably believed by the client to be authorized to practice law in any state or nation.") (internal quotations omitted); *Dr. Reddy's Labs. Ltd. v. Nordion, Inc.,* No. 09-2398, 2012 WL 1656732, *2 (D.N.J. May 10, 2012) (materially same definition of "lawyer" under New Jersey law); *Premiere Digital Access, Inc. v. Central Tel. Co.,* 360 F. Supp. 2d 1168, 1174 (D. Nev. 2005) (materially same definition of "lawyer" under Nevada law); *Bird v. PSC Holdings I, LLC,* No. 12-1528, 2014 WL 1389327, at *2 (S.D. Cal. Apr. 8, 2014) (materially same definition of "lawyer" under California law); *Absolute Activist Value Master Fund Ltd. v. Devine,* 262 F. Supp. 3d 1312, 1318 (M.D. Fla. 2017) (material same definition of "lawyer" under Florida law); *Fin. Techs. Int'l, Inc. v. Smith,* No. 99-9351, 2000 WL 1855131, at *5 (S.D.N.Y. Dec. 19, 2000) (materially same definition of "lawyer" under New York law).

15 *See, e.g., Harmony Gold U.S.A., Inc. v. FASA Corp.,* 169 F.R.D. 113, 115-16 (N.D. Ill. 1996) (finding that correspondence between Japanese in-house counsel and Japanese outside counsel about U.S. copyright issues was privileged under U.S. law); *Keating,* 2012 WL 2527024 at *5, n.4 (finding communications with Canadian attorney privileged even though Canadian attorney was not licensed by any U.S. state bar); *Monaghan v. Telecom Italia Sparkle of N. Am., Inc.,* No. 13-646, 2013 WL 12203245, at *2 (C.D. Cal. Oct. 15, 2013) (legal advice from an Italy-licensed attorney deemed privileged under U.S. law).

16 *Mass Engineered Design, Inc. v. Ergotron, Inc.*, No. 06-272, 2008 WL 11348359, at *3 (E.D. Tex. Oct. 14, 2008).

17 *Eisei Ltd. v. Dr. Reddy's Labs., Inc.,* 406 F. Supp. 2d 341, 342-43 (S.D.N.Y. 2005).

18 *See id.*

19 *Murata Mfg. Co. v. Bel Fuse Inc.*, No. 03-2934, 2005 WL 281217, at *3 (N.D. Ill. Feb. 3, 2005).

U.S. Patent Bar-Admitted Benrishi and Privilege

The analysis for benrishi starts in the same place: for communications concerning U.S. patents, U.S. privilege law will generally apply. In 2016, the United States Court of Appeals for the Federal Circuit[20] resolved a long-standing dispute amongst district courts about whether non-attorney patent agents can claim a privilege for communications with their clients and what the scope of any such privilege should be.[21] In In re Queen's University of Kingston, the Federal Circuit held that non-attorney patent agents can claim a privilege with respect to "[c]ommunications between non-attorney patent agents and their clients that are in furtherance of [the patent agent's practice before the USPTO] or 'which are reasonably necessary and incident to the preparation and prosecution of patent applications or other proceeding before the [USPTO] involving a patent application or patent in which the practitioner is authorized to participate.'"[22] The precise scope of the privilege, however, continues to be developed in the U.S. case law and is therefore somewhat uncertain when the activities are not directly related to representing clients in the USPTO.[23]

Although this decision is binding in patent infringement cases (where federal district courts must apply federal privilege law), courts applying state privilege law (e.g., state and federal courts hearing state law disputes) do not necessarily have to follow the Federal Circuit's In re Queen's decision, and may refuse to find such patent agent-client communications privileged.[24] Still, it is likely that most U.S. courts will recognize a privilege under In re Queen's for benrishi who are admitted to the U.S. patent bar even under state law.

For communications with benrishi concerning Japanese patents, Japanese privilege law will generally apply. Japanese law provides that benrishi, who are admitted to the Japanese patent bar, can refuse to testify about information and withhold documents that are confidential and that they learned in the exercise of their professional duties pursuant to Articles 220 and 197(1)(ii) to the same extent as bengoshi.[25] Because U.S. courts respect comparable privileges in other countries, they will most likely protect communications between benrishi that satisfy the requirements under Articles 220 and 197(1)(ii).

20 In the United States, the Federal Circuit has exclusive jurisdiction over cases arising under the patent laws. Therefore, a U.S. federal court will generally look to federal common law as interpreted by the Federal Circuit when addressing the privileged status of legal advice relating to issues unique to patent law, such as patentability, patent damages and practice before the U.S. Patent and Trademark Office. *See, e.g., In re MSTG, Inc.,* 675 F.3d 1337, 1341 (Fed. Cir. 2012) ("we here apply our own law in determining whether a privilege or other discovery limitations protect disclosure of information related to reasonable royalties"); *Brigham and Women's Hosp. Inc. v. Teva Pharm. USA, Inc.,* 707 F. Supp. 2d 463, 469 (D. Del. 2010) (in dispute over whether patentee waived any privilege associated with its reasons for failing to disclose material reference in response to inequitable conduct charge, court stated "the issue of a waiver of the attorney-client privilege under the present circumstances is so closely related to the substantive issue of inequitable conduct and how it is defined that it too implicated substantive patent law"). When the legal advice relates to issues that are not unique to or do not implicate substantive patent law, a U.S. state court will typically apply state privilege law, and a U.S. federal court will apply state privilege law or the federal privilege law of the regional Circuit in which it sits. *See, e.g., Reedhycalog UK, Ltd. v. Baker Hughes Oilfield Operations Inc.,* 251 F.R.D. 238, 241 (E.D. Tex. 2008) (holding that whether an opinion of counsel letter is privileged "is not unique to patent law, and thus, regional circuit law applies to determine the privilege's existence"); *In re Silver,* 500 S.W.3d 644, 646-47 (Tex. App. 2016) (in breach of contract dispute implicating a patent, applying state privilege law to communications between relator and non-attorney patent agent). The issues addressed in this article are governed by Federal Circuit law and will likely be treated the same under both federal and state privilege laws, as discussed herein.

21 *See E.I. du Pont de Nemours & Co. v. MacDermid, Inc.,* No. 06-3383, 2009 WL 3048421, at *2 (D.N.J. Sept. 17, 2009) (surveying case law addressing the attorney-client privilege as it applies to patent agents).

22 *In re Queens Univ. at Kingston,* 820 F. 3d 1287, 1301 (Fed. Cir. 2016).

23 *See, e.g., Onyx Therapeutics, Inc. v. Cipla Ltd*., No. 16-988, 2019 WL 668846, at *2 (D. Del. Feb. 15, 2019) (analysis of patent landscape was not "reasonably necessary and incident to" patent prosecution and not privileged); *Luv N' Care, Ltd. v. Williams Intellectual Property,* No. 18-212, 2019 WL 2471318, at *3 (D. Colo. Jun. 12, 2019) (stating that "the scope of the patent-agent privilege is narrow relative to the more broadly-applied attorney-client privilege.").

24 *See In re Silver,* 500 S.W.3d at 646 (intermediate appellate court refusing to recognize patent-agent privilege for breach of contract case under Texas law); *but see In re Silver,* 540 S.W.3d 530, 536–37 (Tex. 2018) (state supreme court holding that, under Texas law, communications between a patent agent and the agent's client, when solely related to activities the agent is permitted to do, could be privileged, and remanding for further proceedings).

25 *See Inventio AG*, 2010 WL 9546391, at *3; *OKI Am., Inc. v. Advanced Micro Devices, Inc.,* No. 04-3171, 2006 WL 2547464, at *2-3 (N.D. Cal. Aug. 31, 2006); *Eisai, 406 F. Supp. 2d at 342; Knoll Pharms. Co. v. Teva Pharms. USA, Inc.,* No. 01-1646, 2004 WL 2966964, at *3 (N.D. Ill. Nov. 22, 2004); *VLT Corp. v. Unitrode Corp.,* 194 F.R.D. 8, 17-18 (D. Mass. 2000).

Prior to In re Queen's, some courts refused to recognize a foreign patent agent privilege because they believed that doing so was against the public policy of the United States.[26] With the Federal Circuit's recognition of a patent agent privilege in In re Queen's, U.S. public policy should no longer be a good argument against recognizing a foreign patent agent privilege.

Benrishi Who Are Not Registered With U.S. Patent Bar

As explained above, a U.S. court will apply U.S. privilege law in assessing communications with benrishi concerning U.S. patents and patent applications. Client communications with non-U.S.-qualified benrishi are not protected by the attorney-client privilege under U.S. law.[27] Thus, to the extent a client wishes to protect communications regarding the prosecution of U.S. patents and post-grant invalidity proceedings (e.g., inter partes reviews, post grant reviews and covered business method reviews), a bengoshi, U.S.-qualified attorney or U.S. patent agent should be involved in the communications providing legal advice to the client. Furthermore, communications relating to litigation or opinions regarding U.S. patents, a bengoshi or U.S.-licensed attorney should be involved in the communications.[28]

The rule is different in proceedings before the USPTO's Patent Trial and Appeal Board (PTAB). The USPTO has also adopted a rule that would allow the attorney-client privilege to apply to both USPTO patent practitioners and foreign jurisdiction patent practitioners, such as benrishi, in PTAB proceedings. This rule applies to any communication "between a client and a USPTO patent practitioner or foreign jurisdiction patent practitioner that is reasonably necessary and incident to the scope of the practitioner's authority."[29] Thus, the rule extends the attorney-client privilege to communications with benrishi within the types of work that a benrishi is authorized to perform. However, caution should be exercised in relying on this privilege as it may be only limited to claims of privilege made during PTAB proceedings; it is not certain that it will be recognized by U.S. courts. Further, it is uncertain whether PTAB would extend the privilege to communications in which a benrishi is providing advice regarding the patentability or infringement of a U.S. patent without the guidance or supervision of a U.S. patent agent or attorney.

For communications concerning Japanese patents, as explained above, U.S. courts recognize that Japanese law provides a privilege to benrishi that is similar to that for bengoshi under Articles 220 and 197(1)(ii). However, it is important to recognize that, unlike U.S. patent agents, benrishi are authorized to conduct activities beyond representing clients at the JPO. For example, benrishi offer legal advice concerning infringement and validity issues under Japanese patent law, send warning letters to potential infringers, and appear on behalf of clients in certain court proceedings relating to patents.[30] Although courts will likely recognize a privilege for benrishi with respect to JPO-related activities as being consistent with the In re Queen's decision, it is unclear whether these additional functions of a benrishi will be treated as privileged.[31] It would therefore be a good practice to involve a bengoshi or a U.S.-barred attorney when providing legal advice outside of USPTO- or JPO-related activities until courts provide more guidance on the issue.

26 *See, e.g., Medtronic Xomed, Inc. v. Gyrus ENT LLC,* No. 04-400, 2005 WL 8153803, at *5 (M.D. Fla. Dec. 21, 2005) (refusing to recognize British patent agent privilege).

27 *See, e.g., Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, No. 95-8833, 1998 WL 158961, at *5 (S.D.N.Y. Apr. 1, 1998) (finding privilege not applicable to communications involving French patent agent relating to U.S. application because patent agent was "not qualified to advise on U.S. law"); *Chubb Integrated Sys. Ltd. v. Nat'l Bank of Wash.,* 103 F.R.D. 52, 65-66 (D.D.C. 1984) (refusing to extend privilege to communications involving British patent agent because he was "not registered with the U.S. Patent Office").

28 *See In re Queen's,* 820 F.3d at 1301-02 ("communications with a patent agent who is offering an opinion o the validity of another party's patent in contemplation of litigation or for the sale or purchase of the patent, or on infringement, are not reasonably necessary and incident to the preparation and prosecution of patent applications or other proceedings before the [USPTO]."") (internal quotations omitted); *Onyx Therapeutics, Inc. v. Cipla Ltd.,* No. 16-988, 2019 WL 668846, at *2 (D. Del. Feb. 15, 2019) (patent agent's patent assessment to develop design-around formulation not privileged).

29 37 CFR § 42.57.

30 *See VLT Corp.,* 194 F.R.D. at 17.

31 *See Johnson Matthey, Inc. v. Research Corp.,* No. 01-8115, 2002 WL 1728566, at *7-9 (S.D.N.Y. Jul. 24, 2002) (documents concerning British non-attorney patent agent's advice in a license-related proceeding in British courts were deemed privileged).

Japanese In-House Counsel (Not Admitted to Any Bar)

U.S. companies typically restrict in-house legal roles to attorneys who are each "a member of the bar of a court."[32] In Japan, however, it is much more common for legal functions to be performed by employees who are not admitted to the bar of any court. These employees often have legal education and training, and their companies rely on them for sound legal analysis and advice. Yet without formal bar membership, and without supervision of an attorney, it is unlikely that a U.S. court will extend the privilege to cover the legal advice that these non-lawyer advisors provide.[33]

Non-lawyer advisors also face an obstacle to protecting their communications in a U.S. court under Japanese law. Article 197(1)(ii) provides that the duty of confidentiality applies to certain professions including "attorney at law . . . patent attorney, [and] defense counsel." The rule does not cover legal advice from in-house counsel who are not bengoshi or benrishi. Thus, a U.S. court applying Japanese law would most likely not extend the privilege to Japanese counsel who are not bengoshi or benrishi.

Tips for Protecting Communications Subject to the Attorney-Client Privilege

Even where a communication involves legal advice from a person who can qualify for the privilege under U.S. and Japanese law, it is possible to lose the privileged status of the communication. Companies should therefore consider the following precautions if they are concerned about protecting their privilege in later U.S. litigation.

First, ensure compliance with Articles 197(1)(ii) and 220 of the Code of Civil Procedure of Japan. If the communications have a strong connection with Japan and/or concern a Japanese patent, U.S. courts will generally apply Japanese law to determine whether or not they are privileged. Thus, if Japanese law does not protect a communication, it is unlikely that a U.S. court will protect it, either.

Second, because privilege law in the United States remains unpredictable and subject to differences among judges, attorney-client and patent agent-communications should always be treated with care and caution. Clients and legal professionals should assess early whether any legal issues involve the United States. If so, bengoshi, benrishi and U.S.-licensed professionals should be retained as appropriate for the legal needs of the client. And, to reduce risk that communications will have to be produced during discovery in a U.S. litigation, communications should only be reduced to writing where appropriate and necessary.

Of course, the other requirements of privilege must also be met. Thus, other good practices should be followed to ensure a privilege claim is possible. These include ensuring that the communication is confidential, directed to a request for legal advice, and limited in distribution to those who have a need to know about the privileged communication to assist in gathering information for obtaining legal advice or for implementing the legal advice.

Conclusion

U.S. discovery remains expensive, time-consuming and burdensome. Yet the attorney-client privilege allows U.S. litigants to keep some of their most significant—and, at times, potentially most damaging—documents beyond the reach of civil discovery. Thanks to recent trends in the U.S. and Japan, this privilege is expanding to protect many categories of attorney-client communications that involve foreign patent practitioners and communications relating to the prosecution of Japanese and U.S. patents. This means that companies that foresee U.S. litigation involving those patents can and should take steps to cloak their communications with the strongest protection that U.S. law provides.

32 *See, e.g., Wultz,* 979 F. Supp. 2d at 494.

33 *See Everlight Elecs. Co. v. Nichia Corp.*, No. 12-11758, 2013 WL 5754896, at *4 (E.D. Mich. Oct. 23, 2013); *Powertech Tech. Inc. v. Tessera, Inc.*, No. 11-6121, 2013 WL 1164966, at *1 (N.D. Cal. Mar. 20, 2013); *Honeywell v. Minolta Camera Co.,* No. 87-4847, 1990 WL 66182, at *2-4 (D.N.J. May 15, 1990). *See also Hoffmann-La Roche, Inc. v. Roxane Labs., Inc.,* No. 09-6335, 2011 WL 1792791, at *8-9 (D.N.J. May 11, 2011) (finding communications between non-attorney legal department staff were not privileged, but finding those communications with individuals under the direction and control of an U.S. attorney were privileged).