

No. 16-0682

IN THE SUPREME COURT OF TEXAS

IN RE ANDREW SILVER,
Relator.

Original Proceeding from Cause No. DC-15-02268
In the 134th District Court of Dallas County, Texas
Honorable Dale Tillery, Presiding Judge

**BRIEF OF AMICUS CURIAE
HOUSTON INTELLECTUAL PROPERTY LAW ASSOCIATION**

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TABLE OF CONTENTS

| | |
|--|----|
| INDEX OF AUTHORITIES | 3 |
| INTEREST OF AMICUS CURIAE..... | 5 |
| SUMMARY OF THE ARGUMENT | 6 |
| ARGUMENT..... | 7 |
| I. The plain language of Rule 503 protects confidential communications between patent agent and client made to facilitate rendition of professional legal services | 7 |
| II. A consistent treatment of patent agent privilege is in the public interest | 7 |
| III. Patent agent privilege promotes innovation..... | 11 |
| PRAYER | 13 |
| CERTIFICATE OF COMPLIANCE | 14 |
| CERTIFICATE OF SERVICE..... | 15 |

INDEX OF AUTHORITIES

CASES

| | |
|--|-------|
| <i>In re Queen’s Univ. at Kingston</i> , 820 F.3d 1287 (Fed. Cir. 2016) | 8, 13 |
| <i>In re Silver</i> , 500 S.W.3d 644 (Tex. App.—Dallas Aug. 17, 2016, orig. proceeding [mand. pending]) | 9 |
| <i>Santrade Ltd. v. General Elec. Co.</i> , 27 U.S.P.Q. 1446 (E.D.N.C. 1993) | 10 |
| <i>Sperry v. State of Fla. ex re. Fla. Bar</i> , 373 U.S. 379, 388 (1963) | 12 |
| <i>Topliff v. Topliff</i> , 145 U.S. 156 (1892) | 11 |
| <i>VLT Corp. v. Unitrode Corp.</i> , 194 F.R.D. 8 (D. Mass. 2000)..... | 10 |

OTHER AUTHORITIES

| | |
|--|--------|
| 35 U.S.C. § 2(b)(2)(D) | 12 |
| 35 U.S.C. § 200..... | 11 |
| 37 C.F.R. § 11.7(a)(2)..... | 12 |
| 37 C.F.R. § 11.106 | 8 |
| 81 Fed. Reg. 71653 | 8 |
| AIPLA Report of the Economic Survey 2015 | 13 |
| AIPLA response to 80 Fed. Reg. 3953 | 10, 13 |
| CIPA response to 80 Fed. Reg. 3953..... | 10 |
| Cross response to 80 Fed. Reg. 3953..... | 10 |

| | |
|---|--------|
| EPLIT response to 80 Fed. Reg. 3953..... | 10 |
| Feigelson response to 80 Fed. Reg. 3953 | 10 |
| IPIC response to 80 Fed. Reg. 3953 | 10, 11 |
| IPO response to 80 Fed. Reg. 3953 | 11 |
| Nike response to 80 Fed. Reg. 3953..... | 11 |
| Patent practitioner roster | 12, 13 |
| Tex. R. App. P. 11 | 5 |
| Tex. R. Evid. 503..... | 6, 7 |

INTEREST OF AMICUS CURIAE

The Houston Intellectual Property Law Association (“HIPLA”) is an association of hundreds of intellectual property law professionals (including law student affiliates) who predominately work in the Greater Houston area. Founded in 1961, HIPLA is one of the largest associations of intellectual property practitioners. HIPLA’s mission is to promote the development and understanding of intellectual property law; to promote and assist programs designed for discussion and idea exchange regarding trends and possible solutions to common IP law related problems; to promote friendly relations among its members; and to maintain a high standard of professional ethics within the profession. As part of that mission, HIPLA holds regular meetings, sponsors CLE opportunities, and prepares amicus briefs.

As an organization, HIPLA has no stake in any of the parties to this litigation. No party to the appeal or its counsel authored this brief in whole or in part. Further, no fee has been or will be paid for the preparation of this brief. HIPLA’s amicus committee and Board of Directors voted on the preparation and submission of this brief, and no HIPLA member voting to prepare and submit this brief has served as record counsel to any party in the subject of this appeal. HIPLA procedures require approval of positions in briefs by a majority of directors present and voting. HIPLA submits this brief in accordance with Texas Rule of Appellate Procedure 11, which

authorizes an appellate clerk to receive an amicus brief without requiring consent or leave of the court.

SUMMARY OF THE ARGUMENT

We support the adoption of the patent agent privilege.

Firstly, under the plain language of Texas Rule of Evidence 503, privilege applies to a client's confidential communications with a registered patent agent if made to facilitate rendition of legal services that the agent is authorized to perform.

Secondly, adopting an approach in Texas that is inconsistent with the established privilege for patent agent communications provided by federal courts would not be in the public interest. Such an inconsistency would impair the expectation of confidentiality that clients have with patent agents, create a trap for the unwary, incentivize forum shopping, and increase the burdens of litigants and the courts.

Lastly, patent agents are an important part of the patent system instituted by Congress to promote innovation, and denying privilege to confidential patent agent communications would undermine the benefits of this system to the detriment of Texas innovators and industry.

ARGUMENT

I. The plain language of Rule 503 protects confidential communications between patent agent and client made to facilitate rendition of professional legal services

We agree with Arguments Section I.A. from the Relator's Brief on the Merits, which states in essence Rule 503 itself provides a definition for the term "lawyer", and that definition is satisfied by patent agents both domestic and abroad. The U.S. Supreme Court has recognized the actions of registered U.S. patent agents to be the authorized practice of law, and no new privilege is created by recognizing that confidential communications between clients and their patent agents fall within the scope of Rule 503's attorney-client privilege. We further agree with Arguments Sections A.2. and A.3. of the Relator's Reply Supporting Petition for Writ of Mandamus, stating in essence that "counsel substitutes", power of attorney holders, and certified public accountants, are *not* authorized by a state or nation to practice law and hence should not be likened to registered patent agents.

II. A consistent treatment of patent agent privilege is in the public interest

We agree with Arguments Sections I.B. and I.C. from the Relator's Brief on the Merits, which state in essence the U.S. Court of Appeals for the Federal Circuit has precedence in patent-related matters and discovery associated therewith. The Federal Circuit recognizes privilege for communications between clients and non-

attorney patent agents when the agents are acting within their authorized practice of law.¹ The Patent Office is working on a regulatory change to extend this privilege to litigation before the Patent Trial and Appeal Board. The respondents to their request for comments on the patent-agent privilege issue “unanimously supported a rule recognizing such privilege”.²

As the Arguments Sections further note, this change will provide for uniform recognition of the patent agent privilege at the federal level, and clients will reasonably expect that communications with their patent agents are entitled to remain privileged. Inconsistent treatment under state law will create a trap for the unwary while discouraging the way from choosing representation by registered, but unaffiliated, patent agents. Moreover, the federal regulations demand a duty of confidentiality from all representatives, agent and attorney alike,³ yet denial of a patent agent privilege would impair the intended benefit of that duty for unaffiliated patent agents. Finally, a refusal to treat confidential communications between client and patent agent as privileged will contrast strongly with the recent *Queen’s Univ.* decision, laying out a clear roadmap to encourage forum shopping.

¹ *In re Queen’s Univ. at Kingston*, 820 F.3d 1287, 1302 (Fed. Cir. 2016).

² 81 Fed. Reg. 71653, 54.

³ 37 C.F.R. § 11.106 (“A practitioner shall not reveal information relating to the representation of a client”).

Unless Texas recognizes a patent agent privilege, plaintiffs seeking discovery of patent agent communications that would be privileged in federal court might sue in a Texas state court instead. Many patent-related disputes can be framed in terms of state law causes of action, e.g., breach of contract, deceptive trade practice, unfair competition. Even framed in this manner, however, such disputes could draw communications between a patent agent and an applicant into the scope of discoverability. For example, assertions of fraudulent inducement to enter a contract based on misrepresentation of patent strength may draw in discussions of claim scope between the patent agent and their client, which discussions could affect substantive patent issues of inventorship, enforceability, infringement, and validity. As access to the communications between a patentee and their authorized representatives seem likely to influence the outcome on such questions, caution should be exercised before taking a course of action that is likely to make those outcomes forum-dependent.⁴

The impetus for consistency even extends across national boundaries. It is common for applicants to seek patent protection in multiple countries, most of

⁴ *In re Silver*, 500 S.W.3d 644, 650 (Tex. App.–Dallas Aug. 17, 2016, orig. proceeding [mand. pending]) (Evans, J., dissenting) (“[This] decision might encourage satellite state court litigation as an opportunity to discover such communications privileged from discovery in federal court patent litigation”).

which permit non-lawyer patent practitioners to represent clients.⁵ Many such countries also recognize the need for a patent agent privilege (or its equivalent) including: Japan⁶, Israel⁷, the United Kingdom⁸, France⁹, Germany¹⁰, Sweden¹¹, Australia¹², New Zealand¹³, and the unified European Patent Court (UPC)¹⁴. The

⁵ AIPLA response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_US_AIPLA_AmericanIPLawAssociation.pdf at 10, (“In most foreign countries patent preparation and prosecution services are performed by patent attorneys, who are typically not lawyers”).

⁶ *VLT Corp. v. Unitrode Corp.*, 194 F.R.D. 8, 17 (D. Mass. 2000) (“privileged information learned by *benrishi* from clients [is treated by Japanese law] in the same manner as *bengoshi*”).

⁷ Feigelson response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/Individual_ISR_DanielFeigelson.pdf, (“Israelis engaging the services of a local [non-lawyer] patent practitioner expect the same kind of privilege in their communications that they expect in communications with their lawyers on other matters”).

⁸ CIPA response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_UK_CIPA_CharteredInstofPatentAttorneys_0.pdf, at 2, (“Patent [agents] in the UK are now considered to be ‘lawyers’”).

⁹ IPIC response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_CAN_IPIC_IPInstofCanada.pdf, at 4. (“France amended its laws about 11 years ago to provide privilege to [non-lawyer IP agents]”).

¹⁰ *Santrade Ltd. v. General Elec. Co.*, 27 U.S.P.Q. 1446 (E.D.N.C. 1993).

¹¹ IPIC response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_CAN_IPIC_IPInstofCanada.pdf, at 5. (“Sweden amended its laws in 2010 to insure that non lawyer patent agents benefited from the same privilege in IP matters as lawyers”).

¹² Cross response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/Individual_US_JohnCross.pdf, at 8, (“Australia ... recognize[es] a privilege for all attorneys and Australian patent agents ... [and extended] the privilege to foreign patent agents. New Zealand takes a similar approach, again by statute.”).

¹³ *Id.*

¹⁴ EPLIT response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_EU_EPLIT_EuropeanPatentLitigatorsAsso.pdf, at 2 (“Where a client seeks advice from a lawyer or [non-lawyer] patent attorney ... any confidential communication (whether written or oral) between them relating to the seeking

Intellectual Property Institute of Canada (IPIC) notes that, to the detriment of its innovators, Canada remains an outlier in this respect, though there is an active campaign to correct this deficiency.¹⁵ Such inconsistency is detrimental not only to the applicants, but also to the courts.^{16,17}

III. Patent agent privilege promotes innovation

Congress established the patent system, inter alia, “to promote the commercialization and public availability of inventions made in the United States by United States industry and labor”.¹⁸ Due in part to the long-recognized difficulty of patent drafting and prosecution¹⁹ and the limited supply of attorneys with

or provision of that advice is privileged”).

¹⁵ IPIC response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_CAN_IPIC_IPInstofCanada.pdf, at 6 (“Given the special relationship that exists between Canada and the USA, it is imperative that both of our countries provide certainty for all users of our respective IP systems by providing reliable legal environments in which innovators of both countries can benefit from their IP rights, as opposed to being disadvantaged by them.”).

¹⁶ Nike response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/Company_Nike.pdf, at 4-5 (“The inconsistent application of privilege to agent-client communications increases the cost of litigation and increases the burdens on the judicial system”).

¹⁷ IPO response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_US_IPO_IntellectualPropertyOwnersAsso.pdf, at 2.

¹⁸ 35 U.S.C. § 200.

¹⁹ *Topliff v. Topliff*, 145 U.S. 156, 171 (1892) (“The specification and claims of a patent, particularly if the invention be at all complicated, constitute one of the most difficult legal instruments to draw with accuracy, and in view of the fact that valuable inventions are often placed in the hands of inexperienced persons to prepare such specifications and claims, it is no matter of surprise that the latter frequently fail to describe with requisite certainty the exact invention of the patentee”).

sufficient technical and scientific knowledge, “nonlawyers have practiced before the Office from its inception, with the express approval of the Patent Office and the knowledge of Congress”.²⁰ All patent practitioners, whether lawyer or non-lawyer, must demonstrate “the legal, scientific, and technical qualifications necessary for him or her to render applicants valuable service; and [be] competent to advise and assist patent applicants in the presentation and prosecution of their applications before the Office”.²¹ Non-attorney patent agents play an important role in the patent system,²² making up about 25% of the fewer than 45,000 patent practitioners on the Patent Office roster.²³ “[T]here are quite a number of solicitors of patents who are highly qualified and who are not members of the bar, who never graduated at law and were never admitted to the bar”.²⁴

About half of the registered patent agents claim eponymous or no affiliation,²⁵ suggesting that nearly 13% of the practitioner roster are patent agents who regularly engage in their Congressionally-approved practice without attorney

²⁰ *Sperry v. State of Fla. ex re. Fla. Bar*, 373 U.S. 379, 388 (1963).

²¹ 37 C.F.R. § 11.7(a)(2).

²² 35 U.S.C. § 2(b)(2)(D).

²³ Patent practitioner roster, <https://oedci.uspto.gov/OEDCI/practitionerRoster.jsp>.

²⁴ *Sperry*, 373 U.S. at 394 (citing Statement of E.W. Bradford, Chairman of the Committee on Ethics of the American Patent Law Association, Hearings before House Committee on Patents on H.R. 699, 71st Congr., 2d Sess. 61.).

²⁵ Patent practitioner roster, <https://oedci.uspto.gov/OEDCI/practitionerRoster.jsp>.

involvement or supervision. Industry and innovators in Texas benefit from the services of over 250 such registered patent agents practicing here.²⁶ Whether or not supervised by an attorney, registered patent agents are generally more affordable than registered patent attorneys,²⁷ facilitating access of budget-constrained individuals and companies (particularly start-up companies) to the U.S. Patent Office.

“To the extent Congress has authorized non-attorney patent agents to engage in the practice of law before the Patent Office, reason and experience compel [the Court] to recognize a patent-agent privilege that is coextensive with the rights granted to patent agents by Congress”.²⁸ To hold otherwise would frustrate the very purpose of Congress’s design.²⁹

PRAYER

In accordance with the plain language of Rule 503, and to avoid creating an

²⁶ *Id.*

²⁷ AIPLA Report of the Economic Survey 2015, Appendix p. I-6, reporting a \$380 median 2014 hourly billing rate for all practitioners, as contrasted with a \$285 median 2014 hourly billing rate for patent agents.

²⁸ *In re Queen’s Univ.*, 820 F.3d at 1298.

²⁹ *Id.* (“Indeed, if we hold otherwise, we frustrate the very purpose of Congress’s design: namely to afford clients the freedom to choose between an attorney and a patent agent for representation before the Patent Office”). *See also* AIPLA response to 80 Fed. Reg. 3953 Request for Comments, https://www.uspto.gov/sites/default/files/documents/TradeGroup_US_AIPLA_AmericanIPLawAssociation.pdf Appendix at 6-7 (citing federal district court holdings in D.D.C., N.D. Ill., W.D. Mich., and C.D. Cal.).

inconsistency between the discoverability of patent-agent communications under federal and state law, HIPLA respectfully requests that this Court recognize that registered patent agents engaged in the authorized practice of law are “lawyers” for the purposes of Rule 503 of the Texas Rules of Evidence, and consequently request that the trial court’s order to compel production of such communications be vacated.

Dated: February 8, 2017

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I certify that this brief complies with the typeface and word-count requirements set forth in the Texas Rules of Appellate Procedure. This brief has been prepared, using Microsoft Word, in 14-point Calibri font for the text, and 12-point Calibri font for the footnotes. This brief contains 2241 words, as determined by Microsoft Word’s word-count feature, excluding those portions exempted by Tex. R. App. P. 9.4(i)(1).

Dated: February 8, 2017

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this amicus brief was served on all counsel of record in this case, identified below, on February 8, 2017, by the electronic filing manager.

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