

## FOCUS ON INTELLECTUAL PROPERTY

# Privilege for patent agent with inventor rejected by Federal Court

By **Arnold Ceballos**

The Federal Court has recently reaffirmed that privilege does not attach to communications between inventors and their patent agents, refusing to hold that comity dictated Canada recognize such a right as exists in the United Kingdom.

The case involved a patent dispute between drugmakers Eli Lilly and Pfizer over the drug Cialis. At the examination for discovery,

Pfizer refused to answer questions seeking disclosure and production of communications between the inventors and their U.K. patent agents on the basis that such communications were privileged in the U.K. and that the privilege should be recognized in Canada.

Justice Michael Phelan disagreed, holding that the specific U.K. legislation relied upon by Pfizer was intended only to apply in England, Wales, Northern Ire-

land and Scotland. Canada, on the other hand, had never recognized such a privilege.

“Judicial comity between countries does not require Canada to recognize a privilege not established in Canada”, wrote Justice Phalen. “This is so particularly for a privilege which has been advocated for but never adopted by legislation.”

Justice Phelan added that comity was inapplicable in the



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face of the absence of a similar type of privilege in Canada and the very specific limitations imposed on the territorial reach of the U.K. legislation, adding that “Pfizer chose to market their products in

Canada and therefore take both the benefits and burdens of the Canadian legal regime when they sue or are sued in this country.”

Pfizer had also asked the court to consider whether such a privilege should be protected under the so-called Wigmore test dealing with confidential information.

The Wigmore test requires consideration of four components: 1) the communication must originate in confidence that it will not be disclosed; 2) this element of confidentiality must be essential to the full and satisfactory maintenance of the relationship between the parties; 3) the relationship must be

*see PHELAN p. 9*

## Reluctance to extend protection

**PHELAN**

—continued from p. 8—

one which in the opinion of the community ought to be sedulously fostered; and 4) the injury resulting from disclosure must be greater than the benefit gained for the correct disposal of the litigation.

Justice Phelan noted that the application of the Wigmore test would require a factual record addressing the four points, which was lacking in this particular case. As a result, he did not rule on whether such a privilege should exist in Canada based on the Wigmore criteria.

There is no statutory or common law privilege for patent and trade-mark agents in Canada and this recent decision continues a line of court decisions that have found that communications between clients and agents are not protected by privilege. However, clients seeking the assistance of

patent and trade-mark agents routinely divulge confidential information to their agents about their inventions, trade-marks and business plans. Arguably, patent and trade-mark agents, many of whom are not lawyers, are providing legal advice which is intended to be confidential by the parties.

Nonetheless, as this recent decision illustrates, there is a judicial reluctance in Canada to extend the protection which characterizes a solicitor-client relationship to

relationships with such agents. Such protection may not exist in Canada until legislative changes are made, although the *Lilly Icos* decision does leave the door open for a future finding that such a privilege should apply based on the Wigmore criteria, given a scenario with a sufficient factual underpinning.

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*Reasons: Lilly Icos LLC and Eli Lilly Canada Inc. v. Pfizer Ireland Pharmaceuticals, [2006] F.C.J. No. 1853.*