Keywords: **Patent agent; privilege; patent agent privilege; lawyer-client privilege**

Take Away: **Patent agent privilege extends to communications between a patent agent and a client in Texas state courts when the agent is acting within the agent's authorized practice of law before the USPTO.**

In re Andrew Silver, Relator
Supreme Court of Texas
No. 16-0682
Decided: February 23, 2018

I. Background

Andrew Silver filed a lawsuit in the 13th Judicial District Court of Dallas County for breach of contract alleging that Tabletop Media ("Tabletop") had agreed to purchase a patent granted by Silver's patent application, but failed to produce payment. Tabletop argued that the agreement was invalid due to amendments that were made to the patent application before issuance. Tabletop moved to compel production of more than 300 emails between Silver and the patent agent who prepared the application for the patent in question, arguing lack of lawyer-client privilege. The trial court sided with Tabletop since Texas did not recognize privilege for agent communications when the agent was not acting under the direction of a lawyer and ordered Silver to produce the emails.

Meanwhile, Queen's University at Kingston and PARTEQ (together, "Queen's University") brought a patent infringement action against Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (together, "Samsung") in the United States District Court for the Eastern District of Texas and a writ of mandamus was sought by Queen's University with respect to an order by the district court to compel the production of Queen's University's communications with its non-lawyer patent agents (Queens's University argued that the communications were privileged). In the decision of *In re Queen's University at Kingston, PARTEQ Research and Development Innovations* (March 2016), the Federal Circuit created a patent agent privilege in the federal courts that extends to communications between a patent agent and client when the agent is acting within the agent's authorized practice of law before the Patent Office (*e.g.*, preparation and prosecution of a patent). The Federal Circuit cited Federal Rules of Evidence 501 ("Federal Rule 501") that addresses privileged subject matter and authorizes federal courts to define new privileges as well as *Sperry v. State of Florida ex rel. Florida Bar*, 373 U.S. 379 (1963), in which the United States Supreme Court found that the rights conferred to patent agents are federal rights and that Congress expressly permitted the Commissioner to promulgate regulations that give patent agents lawyer-client privilege before the USPTO in the 1952 Patent Act.

Silver moved for a rehearing at the trial court, which was denied, and Silver subsequently petitioned for mandamus relief with the Dallas Court of Appeals, arguing that the trial court abused its discretion by not granting a rehearing in light of the *Queen's University* holding. The Court of Appeals denied the relief, noting that although the Federal Rules of Evidence specifically permit federal courts to determine new discovery privileges, Texas courts can only recognize privileges grounded in the Texas constitution, statutes, Texas Rule of Evidence, or other regulations. Thus, the *Queen's University* decision at the Federal Circuit was ruled to be non-binding authority in Texas state courts and the Texas district court did not have to adopt the patent agent privilege rules set forth in the Federal Circuit's *Queen's University* decision. Further, the Court of Appeals stated that the mandamus petition sought to create an independent patent agent privilege, which the appellate court declined to do as it is not the role of an intermediate court to declare new common law discovery privileges. A dissent opinion argued that the petition instead sought to apply Texas Rule of Evidence 503's ("Texas Rule 503") lawyer-client privilege

to communications with a patent agent. Silver petitioned for mandamus relief with the Supreme Court of Texas on the grounds of lawyer-client privilege protection under Texas Rule 503, arguing that patent agents are lawyers for purposes of Texas's lawyer-client privilege.

II. Issues

1) Is patent agent privilege recognized under Texas law?
2) Should the mandamus relief for the order compelling the production of e-mails between Silver and his patent agent be granted based on patent agent privilege?

III. Holding and Reasoning

The answer to both is yes. The Supreme Court of Texas found that Silver's communications with the patent agent, which were made to facilitate the agent's provision of authorized legal services to the client, are privileged under Texas Rule 503 and thus, the Supreme Court of Texas conditionally granted the mandamus.

The Supreme Court of Texas agreed with the dissent opinion from the Dallas Court of Appeals and turned to Texas Rule 503, which states the basic elements of lawyer-client privilege, to determine whether privilege also extends to patent agents. The Supreme Court of Texas noted that the rule protects communications between lawyer and client and helpfully defines the term lawyer as "a person authorized, or who the client reasonably believes is authorized, to practice law in any state or nation." Based on federal law that allows patent agents to provide the same services as patent lawyers before the USPTO, as well as the *Sperry* and *Queen's University* decisions, patent agents are authorized to practice law in limited settings with privilege. However, neither of these cases control privilege in Texas courts and/or the meaning of Texas Rule 503. Therefore, the Supreme Court of Texas further analyzed Texas Rule 503 to determine whom the privilege rule applies to.

The first requirement for a person to qualify as a lawyer, by Texas Rule 503, is that the person must be engaged in "the practice of law." Because Texas Rule 503 does not define the phrase "practice of law," the Supreme Court of Texas turned to Black's Law Dictionary to define the phrase as pursuing the legal profession by engaging in legal services. The Supreme Court of Texas noted that the services and activities listed by Black are exactly those that the USPTO says a patent agent can perform (*e.g.*, representing a client). Further, to practice law includes providing legal services directly to the client. The Supreme Court of Texas noted that when a patent agent stays within the sphere of patent law, the agent can provide services directly to the client without supervision of a lawyer. Thus, within the scope of practicing before the USPTO, a patent agent practices law.

The second requirement is that the person must be "authorized" to perform the services in a state or nation. To understand the meaning of this phrase, the Supreme Court of Texas turned to the Federal Rule 501, whose recitations are similar to that of Texas Rule 503. The Supreme Court of Texas noted that federal authorities recognize that patent agents, who do not have a license to practice law, are still authorized to practice law before the USPTO per Federal Rule 501. Further, the Supreme Court of Texas argued that the terms authorized and licensed, while closely related, do not mean the same thing. Thus, because patent agents are authorized to practice law without a license, they fall within Texas Rule 503's definition of lawyer and lawyer-client privilege applies to patent agents in Texas state courts.

IV. Take Away

Patent agent privilege extends to communications between patent agents and clients in Texas state courts when the agent is engaged in the authorized practice of law before the USPTO.