

Legal Professional Privilege in the European Union – the role of Intellectual Property attorneys

It has been a long held principle of common law jurisdictions like England, Ireland and the United States that communications between a client and his or her attorney/lawyer are generally protected from disclosure under the doctrine of Legal Professional Privilege (“LPP”).

In the context of the provision of advice on matters with a European Union legal dimension, there may be concern that the departure of the United Kingdomⁱ (Brexit) from the European Union at the end of this month will diminish the scope and importance of LPP. This article suggests the contrary. Any supposed diminution in the scope of LPP in the European Union can be easily mitigated by securing advice from EEAⁱⁱ qualified lawyers and attorneys, including those from Ireland, on matters dealt with by EU institutions, particularly in matters relating to EU Intellectual Property law.

The role of Legal Professional Privilege in Ireland

Ireland is a country with a common law tradition as old as that of England and Irish courts have long recognised that communications between a client and his/her lawyer are exempt from disclosure in legal proceedings. This practice very much mirrored English judicial precedent developed over the course of the 19th century in cases such as *Bolton v Liverpool Corp*ⁱⁱⁱ, where the court held that legal professional privilege was necessary to serve the interests of justice.

Insofar as the provision of advice on matters relating to Intellectual Property law is concerned, LPP is also recognised in Ireland under statute. Both the Patents Act, 1992 and the Trade Marks Act, 1996 provide that communications between a client and his or her Patent and/or Trade Mark Attorney are as equally privileged as communications between a solicitor and client. A leading commentator on legal professional privilege in Ireland^{iv} has also suggested that the LPP receives protection under Article 34 of the Constitution of Ireland, 1937 concerning the administration of justice in Ireland.

Legal Professional Privilege before institutions of the European Union

While the legal instruments which govern the European Union do not contain any provisions which specifically recognise LPP, a number of rulings from the Court of Justice of the European Union (CJEU) have made clear that legal professional privilege counts as an exception to the general power of the European Commission to examine all documents in the context of EU competition law.

In 1982, the CJEU ruled in the case of *AM&S Europe Ltd v Commission (Case 155/79)* that communications between a lawyer and client in the course of dealings with the European Commission are confidential. For example, if a company is subject to an anti-competition investigation by the European Commission, any communications between that company and its lawyers are confidential and cannot be revealed to the Commission. It is however important to note the exception is only available if (i) communications between a lawyer and his/her client are for “*the purposes and in the interests of the client’s rights of defence*” and (ii) the communications are between a client and his/her external legal advisor, who must be qualified to practice in an EEA Member State.

In the case of *Akzo Nobel Chemicals Ltd and Akros Chemicals Ltd v Commission (Case C-550/07)*, the CJEU expanded the doctrine of LPP when it ruled that LPP also applied to documents which were prepared for the instruction of external counsel. It did not matter if the relevant documents were never exchanged or physically sent to the external lawyer, provided they were drafted for the purpose of seeking external advice, they would be protected by LPP.

The above mentioned cases primarily concerned issues relating to EU competition law. However, the CJEU has often had to rule on many cases involving the exercise of Intellectual Property rights and where such rights impact on competition within the European Union. By way of illustration, advice proffered on the licensing of intellectual

property within the European Union would generally take into account rules on anti-competitive clauses and behaviour by the relevant parties. Thus, any advice given to clients by external advisors on matters relating to the exercise of Intellectual Property rights within the European Union should also be covered by LPP.

The importance of external legal advisors

In relation to the provision of advice on competition investigations conducted by the European Commission, it should be noted that such advice is not privileged if given by in-house lawyers. The rationale for this exception to LPP was best enunciated by the CJEU in the *Akzo Nobel Chemicals* ruling where, at paragraph 45, the Court stated:

“... the concept of the independence of lawyers is determined not only positively, that is by reference to professional ethical obligations, but also negatively, by the absence of an employment relationship. An in-house lawyer, despite his enrolment with a Bar or Law Society and the professional ethical obligations to which he is, as a result, subject, does not enjoy the same degree of independence from his employer as a lawyer working in an external law firm does in relation to his client. Consequently, an in-house lawyer is less able to deal effectively with any conflicts between his professional obligations and the aims of his client.”

The rationale for exempting in-house lawyers from the protection of LPP must surely apply equally to matters of European Union Intellectual Property law where there may be the possibility of review by an institution of the European Union, e.g. a trademark co-existence agreement that may have competition implications. Accordingly, businesses seeking advice on matters of Intellectual Property law with a cross over into EU competition law should only do so from external counsel.

The departure of the United Kingdom from the European Union

It is almost a foregone conclusion that the United Kingdom will legally leave the European Union at the end of this month. After departure, a transition period will kick in to facilitate the negotiation of a free trade agreement between the United Kingdom and the European Union. The transition period will last until 31st December 2020, but can be extended on the joint agreement of the EU and UK. However, an extension request must be submitted by 1st July 2020. The UK Government has already indicated that it will not request an extension and has gone to the extent of incorporating this in UK statute law.

The transition period effectively allows for a standstill in relations between the United Kingdom and the European Union whereby, in return for continued financial contributions to the EU budget and commitment to be bound by EU rules, the UK will continue to receive the benefits of EU membership. This means that any advice given by external UK qualified lawyers on matters dealt with by EU institutions is likely to continue receiving the benefit of LPP during the transition period.

However, unless the European Union and the United Kingdom reach a comprehensive free trade agreement involving the provision of services by the end of the transition period, it is highly doubtful that European Union courts will continue to recognise that the provision of advice from UK qualified lawyers on matters of EU law is protected by LPP. In the circumstances, businesses seeking advice on matters of EU law and wishing to prevent the disclosure of such advice would be strongly recommended to seek advice from external EEA qualified attorneys.

The role of an Irish qualified Intellectual Property lawyer/attorney

After the UK leaves the European Union, Ireland will be the largest and oldest common law jurisdiction in the European Union. As mentioned above, legal advice provided by Irish IP qualified attorneys already gains the protection of LPP at (i) common law, (ii) under statute and (iii) arguably under the Irish Constitution.

Insofar as advice given by external Irish qualified attorneys on matters before EU institutions is concerned, such advice is also likely to be protected and recognised under EU law. Thus, businesses, in particular those from other common law jurisdictions, would be strongly recommended to obtain advice from external Irish qualified attorneys on matters dealt with, or the potential to be dealt with, by EU institutions.

Author: Niall Tierney. Niall is a qualified Irish lawyer (Barrister-at-Law) and Registered Trade Mark Attorney. All advice provided by Niall therefore gains the protection of LPP.

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ⁱ England, Scotland, Wales and Northern Ireland

ⁱⁱ 27 Member States of the European Union plus Iceland, Liechtenstein and Norway.

ⁱⁱⁱ (1883) 39 ER 614

^{iv} [Heffernan on Legal Professional Privilege](#)