In the United States, attorney-client privilege (and, to a lesser extent, work product doctrine) broadly protects communications between lawyer and client. These privilege protections cover a wide array of circumstances, including intra-corporate discussions, and discussions involving agents of counsel.

Internationally, however, many jurisdictions follow rules that protect a much narrower range of attorney-client communications. The European Union, for example, unlike the United States, does not generally

1 See Mohawk Indus., Inc. v. Carpenter, 130 S. Ct. 599, 606 (2009) (attorney-client privilege “encourages clients to make ‘full and frank’ disclosures to their attorneys, who are then better able to provide candid advice and effective representation”); Swidler & Berlin v. United States, 524 U.S. 399, 403 (1998) (attorney-client privilege is “one of the oldest recognized privileges for confidential communications”); United States v. United Shoe Mach. Corp., 89 F. Supp. 357, 358 (D. Mass. 1950) (“The social good derived from the proper performance of the functions of lawyers acting for their clients is believed to outweigh the harm that may come from the suppression of evidence in specific cases.”); see generally John Gergacz, Attorney-Corporate Client Privilege § 1.24 (2008).

2 See United States v. Adlman, 134 F.3d 1194, 1196 (2d Cir. 1998) (work product doctrine intended to “preserve a zone of privacy in which a lawyer can prepare and develop legal theories and strategies with an eye toward litigation, free from unnecessary intrusion by his adversaries.”) (quoting Hickman v. Taylor, 329 U.S. 495, 511 (1947)). The work product doctrine is embodied in Rule 26(b)(3) of the Federal Rules of Civil Procedure, and equivalent rules at the state court level.


4 U.S. courts generally do not differentiate between in-house counsel and outside counsel, in applying principles of
recognize privilege for a client’s communication with in-house counsel. The many differences in protection under foreign attorney-client privilege rules means that attorneys representing multinational clients must take special precautions to protect sensitive communications.

I. U.S. Privilege Law

In the United States, attorney-client privilege applies to communications made in confidence between attorney and client when the communications concern legal advice. Persons covered include the client, the client’s lawyer and agents of the lawyer for purposes of representation. In-house lawyers are also subject to claims of privilege. Corporations, like other clients, may avail themselves of privilege with regard to communications with outside and in-house counsel. In-house counsel may serve as the client when communicating with outside counsel, or as an “attorney-legal advisor” when communicating with personnel within the organization. Further, investigators, law clerks and others who assist counsel may come within the protections of the privilege. Moreover, communications among non-attorneys in a corporation may be subject to privilege, if “made at the direction of counsel, to gather information to aid counsel in providing legal services.”

Work product, by contrast, generally does not receive full protection unless it involves attorney “opinion.”


See Gucci America, Inc. v. Guess?, Inc., 271 F.R.D. 58, 70 (S.D.N.Y. 2010) (quoting United States v. ChevronTexaco Corp., 241 F. Supp.2d 1065, 1073-74 (N.D. Cal. 2002)); see id. (“Communications with in-house counsel in the role of attorney-advocate are afforded the same protection as outside counsel, although communications conveying business (as opposed to legal) advice are excluded from the privilege.”).


See Madanes v. Madanes, 199 F.R.D. 135, 150 (S.D.N.Y. 2001) (“Work product material that does not involve an attorney’s thought process may be ordered produced if the discovery party demonstrates a substantial need[,]” . . . By contrast, opinion work product enjoys a near absolute immunity[.]” (quotations omitted); Astra Aktiebolag v. Andrx Pharm., Inc., 208 F.R.D. 92, 104 (S.D.N.Y. 2002) (potentially discoverable factual material must be distinguished from “mental impressions, conclusions, or legal theories of a party’s attorney or
Further, documents prepared in the “ordinary course of business,” or that would have been prepared absent the prospect of litigation, receive no protection. Yet, work product (like attorney-client privilege) may protect work performed by investigators or paraprofessionals “enlisted by legal counsel” to “aid counsel in preparation for litigation.” Indeed, the protection may apply to work product produced by a client at the direction of counsel. Neither the work product doctrine, nor attorney-client privilege, however, can protect “underlying facts” from disclosure.

II. International Privilege Rules

Although almost every foreign jurisdiction recognizes attorney-client privilege in some form, the scope of protection can vary significantly. In some instances, the scope of foreign privilege protection may actually exceed U.S. protection. Perhaps the greatest difference between the scope of protection in the United States and abroad relates to communications with in-house counsel. In the United States, confidential communications between corporate employees and in-house counsel regarding legal advice are generally afforded the same attorney-client and work product protections as those involving outside independent counsel.

In foreign jurisdictions, wide variation may apply to protection of communications between employees and in-house counsel. For instance, the Court of Justice of the European Union has held that privilege does not extend to in-house counsel. Moreover, only a minority of EU countries recognize attorney-client privilege for in-house counsel. This limit on protection for communication...


29 See Suyong Kim & Matthew Levitt, *Legal Professional Privilege Under European Union Law—Navigating The Unresolved Questions Following The Akzo Judgment*, 99 Antitrust & Tr. Reg. Rep. 565 (2010) (noting "unresolved question whether waiver may occur," given "uncertainty regarding the level of compulsion required to avoid the waiver of privilege"); see also Andrew R. Nash, In-House But Out In The Cold: A Comparison Of The Attorney-Client Privilege In The United States And European Union, 43 St. Mary's L.J. 453, 489 (2012) ("The inapplicability of the privilege in an EU proceeding could be interpreted as a waiver of the privilege in a corollary case in the United States."). The rule outlined in In re Vitamins Antitrust Litig., 2002 U.S. Dist. LEXIS 25789 (D.D.C. Feb. 7, 2002), to the effect that compelled disclosure does not constitute a waiver of privilege, arguably comes into play. In that event, a court would have to determine whether the compelled production was backed by sanctions for non-compliance, and whether the producing party had properly objected to the compelled production. See id.


33 See Gucci America, Inc. v. Guess?, Inc., 271 F.R.D. 58, 73 (S.D.N.Y. 2010) (because the work product doctrine is "procedural in nature," the “rules of the forum court apply and it is therefore not subject to a choice of law analysis") (citing cases).


36 See 2M Asset Mgmt, LLC v. *NetMass*, Inc., 2007 WL 666987 at *3 (E.D. Tex. Feb. 28, 2007) (noting alternative approach, "grounded in comity"); VLT Corp. v. *Unitrode Corp.*, 194 F.R.D. 8, 16 (D. Mass. 2000) (suggesting that test should include traditional balancing of comity factors, to determine which sovereign has the “most direct and compelling interest” in the issue, and defer to the law of the foreign sovereign "unless that law is clearly inconsistent with important policies embodied in federal law"); *Bayer AG* v. *Barr Labs*, Inc., 33
have suggested that foreign patent agents are never subject to privilege protection. Yet, the "weight of authority" is to the contrary, and, where foreign law accords privilege to a patent agent's communications, then, as a matter of comity it may be respected unless an "overriding" U.S. policy intervenes. Further, a patent agent supervised by a U.S. attorney during the course of communications may be subject to privilege protection.

IV. Practical Suggestions

Given the complexities of privilege issues, the following suggestions are neither prescriptive, nor exhaustive. Each corporation must examine its own circumstances, to consider its needs and resources, in adopting and implementing policies regarding privilege protection. In determining priorities, the company may wish to consider: What are the most common forms of communications that may breach privilege provisions? What are the most common forms of civil litigations or government investigations the company faces? Where, in the past, might the company have done a better job of protecting privileged communications? What are the easiest, cheapest, fastest, most effective means to improve the company's ability to protect privilege?

A. Education and Awareness. Recognize that different privilege rules may apply in different jurisdictions (and may be applied in different ways by various government authorities). Identify potentially applicable regulating jurisdictions, and review applicable privilege law. Seek local legal advice where necessary.

maatschaapij BV v. Apollo Computer Inc., 707 F. Supp. 1429, 1444 n.21 (D. Del. 1989) (noting that patent agents in Europe “with rare exceptions, have no legal training and are not members of the bar”); see generally Daiske Ooshida, The Applicability Of The Attorney-Client Privilege To Communications With Foreign Legal Professionals, 66 Fordham L. Rev. 209, 211 (1997) (noting advisory role of legal professionals who are not "lawyers" in many foreign systems, who “act as attorneys for all purposes relevant to the policies underlying the attorney-client privilege”).


See In re Rivastigmine Patent Litig., 239 F.R.D. 351, 360 (S.D.N.Y. 2006) (remanding to Magistrate Judge for clarification) In re Rivastigmine Patent Litig., 2005 WL 2319005 at *5 (S.D.N.Y. Sept. 22, 2005) (privilege may “hinge on whether the patent agent or other non-attorney was assisting an attorney in communications with a client,” but privilege would not apply where agent was “merely acting as a conduit for information,” as in “simply convey[ing] client data to the patent office”).

Summaries of world variations in privilege law appear in many places. See, e.g., Lex Mundi, In-House Counsel And The Attorney-Client Privilege (2007), www.lexmundi.com (summarizing privilege law in more than 150 national and local jurisdic-
cate managers and staff regarding the scope of privilege protection, and best practices for maintaining privilege. Review company compliance and document management policies to ensure that they comport with the company’s practices regarding privilege protection. Consider whether separate policies should apply to communications with counsel in certain jurisdictions, based on differences in privilege law.49

B. Contracting. Although choice of law and choice of forum solutions cannot solve all problems of privilege protection, they are among the easiest and cheapest methods of risk control. Consider language in contracts that specifies choice of law in the dispute resolution section. Reference jurisdictions that offer the appropriate privilege protection to meet the company’s needs. Contracts might also state that, in the event of any dispute, persons acting in the capacity of counsel will be accorded the highest form of privilege otherwise available to any party to the transaction. Similar language might apply to the company’s human resources contracts and employee policy manuals.

Consider the use of alternative dispute resolution, as a means to help avoid conflicts issues. ADR neutrals may have more flexibility than courts in applying a “most favored nations” form of privilege protection50.

C. Corporate Counsel Operations. The structure and operations of a general counsel’s office should aim (as a primary goal) on maximizing privilege protection.51 The company may adopt specific rules regarding creation, identification and distribution of confidential communications. Written communications should be clearly marked as “privileged,” where appropriate.52 Segregate privileged communications from business communications. Tag or store privileged documents in separate files, to ensure easy identification and avoid mistaken distribution.

Establish policies regarding creation and distribution of privileged communications. For certain purposes, oral legal advice may be preferable. “Do not forward” notices (or technology solutions) may be used to ensure that privileged communications are sent to authorized recipients only.53

D. Internal Investigations. Pay special attention to the problem of internal investigations at the company.54 Often, given the volume of materials, and the need to identify witnesses and other sources of information, in-house counsel necessarily must be involved in the process.55 Such investigations, moreover, often serve as the precursors to (or operate in parallel to) government regulatory investigations. In the EU, a practice known as “dawn raids” has developed,56 in which regulators (chiefly in the antitrust/competition area) may descend upon a company’s offices and seize records.57

In this situation, the presence of documentation at the location of the seizure risks exposure of otherwise privileged information to the vagaries of government regulator views on privilege.58 Sensitive information


54 Javier Rubinstein & Britton B. Guerrine, The Attorney-Client Privilege And International Arbitration at 10 (2012), www.kluwerarbitration.com (suggesting that arbitral tribunal could use “most favored nation” system of privilege protection, to “avoid the prospect of defeated expectations” on one side or the other).

55 See E. Norman Veasey & Christine T. DiGuglielmo, The Tensions, Stresses, And Professional Responsibilities Of The Lawyer For The Corporation, 82 Bus. Law. 1, 33 (2006) (suggesting that hierarchical structure and increased consolidation with outside counsel may help enable the general counsel to ensure that professional independence is maintained).

56 See J. Triplett Mackintosh & Kristen M. Angus, Conflict In Confidentiality: How E.U. Laws Leave In-House Counsel Outside The Privilege, 38 Int’l Law. 35, 53 (2004) (suggesting use of “privileged” label as means to remind employees of nature of communication, and as means to demonstrate intention to protect confidentiality). The “privileged” marking may be added to each page of the document, as a running header or footer.


58 See Lucian E. Dervan, International White Collar Crime And The Globalization Of Internal Investigations, 39 Fordham Urb. L.J. 361, 372-73 (2011) (“While it is common for in-house counsel in the United States to perform a preliminary inquiry to determine whether outside counsel is required for a more comprehensive investigation, in some jurisdictions the materials and information collected during this initial appraisal might not be protected from compulsory disclosure. . . .While grappling with the difficulties presented by these divergent privilege rules is challenging, conducting an international internal investigation without consideration of their impact on the course and conduct of the inquiry could be fatal.”); id. at 388 (“Counsel must avoid the temptation of utilizing a standard American-style investigatory technique when undertaking multi-jurisdictional investigations.”).


60 Similar procedures may apply in other jurisdictions. See Anurag Bana, The Curious Case Of The 7 Cs—Competition, Commission, Communications, Corporate Counsel And Confidentiality In Client Attorney Privilege In India at 2 (Apr. 2010), www.globalcompetitionforum.org (noting that India’s competition law “has sought inspiration from the U.S. and EU competition laws,” and includes a procedure for “dawn raids”).


62 One problem is the fact that individual national competition authorities may take a more generous view of privilege
(such as notes of interviews and summaries of the results of internal investigations) thus may require particular care, if the company wishes to protect privilege.\(^6\) The safest course, no doubt, is to create no record of this type.\(^6\) The second safest course is to locate such records away from the company’s offices, in a jurisdiction most likely to recognize the privileged status of the records. The third safest course may be to engage local, outside counsel.\(^6\) On this approach, outside counsel might either conduct much of the internal investigation, or in-house counsel might conduct the investigation and orally report to outside counsel (who, alone, would maintain written records of the investigation and its results). Distribution of sensitive records from such investigations must be strictly limited.

**E. Use of Outside Counsel.** The engagement of outside counsel can be expensive. Thus, where the company requires such services, special care should apply, to assure that the company gets the full benefits of privilege protection associated with such engagement. Where deemed necessary (critical counseling issues, investigations, and major disputes, for example), hire outside counsel immediately, to ensure maximum potential privilege protection from the start of the problem.

Once counsel is engaged, limit the distribution of written communications with outside counsel. Avoid forwarding or copying external legal advice. Circulate on a “need-to-know” basis. Especially in the EU, do not forward or copying external legal advice. Circulate written communications with outside counsel. Avoid sending such correspondence may not be confidential, and therefore, circulating, written legal advice from outside counsel should be presented in its original form, without additional than the EU institutions themselves. Thus, depending on who participates in the seizure (EU or national authorities, or both) materials may, or may not, enjoy privilege protection. See Maciej Bernatt, *Convergence of Procedural Standards In The European Competition Proceedings*, 8 Competition L. Rev. 255 (2012) (noting need for “greater convergence” in procedural standards between EU and national authorities); *Professional Privilege Litigation Remains A Live Issue In Europe’s Courts*, www.ibanet.org (2007) (noting decisions of national courts at one with EU treatment of privilege issues).

One significant concern is the risk that, once privileged documents have been seized by foreign regulators, the materials may be shared with U.S. regulators (and even become available in U.S. litigation). See James Miller, *Globalization And The Erosion Of The In-House Attorney-Client Privilege* at 110 (Oct. 27, 2010), www.trial.com (“Privileged documents seized by relatively unfettered European investigators may be shared with U.S. regulators and prosecutors.”); see also id. at 111 (noting that, in recent years, EU regulators have conducted dawn raids “on a vast range of industries” and noting that the Akzo decision involved a “dawn raid”).

See *Association of Corporate Counsel, Member Briefing On The Akzo Decision And Related Concerns Regarding The Application Of Legal Professional Privilege To Corporate Counsel Communications at 19 (Sept. 14, 2010), www.acc.org (“A safe (but potentially inefficient) approach for in-house counsel and corporate management is to operate as if each internal communication between them could be seized by the enforcement authorities or become available to counterparties in a litigation, and the in-house attorney himself could be called as a witness in a proceeding. This approach involves limiting written communications, and being very careful about what can be put in writing.”). See Sam Widdoes, *Privilege In A Global Landscape*, www.acc.org (2013) (“When dealing in other countries, hiring local outside counsel will provide the company with the highest level of protection.”).

\(^62\) Clearly label all such communications as privileged, and ensure that they are safely (and separately) stored.

Recognize that privilege rules vary from jurisdiction to jurisdiction. Thus, use outside counsel appropriate to the particular assignment and applicable jurisdiction. Until the EU clarifies that “independent” counsel include outside counsel in non-EU jurisdictions, take note of the privilege risks associated with use of U.S. counsel for EU investigations.\(^43\)

**G. Proof of Foreign Law.** Ultimately, where challenges to privilege claims arise in the context of litigation, government investigations or regulatory proceedings, the company must be prepared to demonstrate the bases for its privilege claims. Such claims may depend on the structure and operations of the company in protecting confidential information, but almost certainly will also turn on demonstrating the law applicable to the claim.

In the United States, proof of foreign law, under the Federal Rules of Civil Procedure, is a question of federal law.\(^64\) As a result, a U.S. court may “make its own determination of foreign law based on its own research.”\(^65\) Yet, as a practical matter, most courts will expect submissions from the parties regarding choice of law questions, and the merits of claims of privilege. Preparation for such challenges, in advance of an actual dispute, may aid the efficiency and effectiveness of the company’s legal presentation when the challenge comes.\(^66\)

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\(^63\) See Paul Lefebvre, David J. Rosenberg, Matthew Zwick & Chloe Vialard, *Legal Professional Privilege: Comparing Different Approaches Within The United States And The European Union*, 79 Defense Counsel J. 49, 65 (Jan. 2012) (“[N]otes that simply copy the contents of communications with external counsel are also protected; however, notes that comment on such correspondence may not be confidential, and therefore, may not be afforded LPP protections.”).

\(^64\) See Justine N. Stefanelli, *Negative Implications Of EU Privilege Law Under Akzo Nobel At Home And Abroad*, 60 Int’l & Compar. L.Q. 545, 556 (2011) (noting that Akzo decision to exclude lawyers qualified outside the EU from application of legal professional privilege appears “anachronistic” and “does not take into account the extent to which the EU does business with third countries, including the U.S.”); id. at 554 (“If foreign clients are unable to consult U.S. lawyers without fear that their communications will later be exposed, either in the EU or in the United States through some manipulation of U.S. privilege law, the consequences for and burdens on international business could be vast.”); see also Scott Martin, *Can Anyone Keep a Secret Anymore?,* N.Y. L.J., Nov. 16, 2011, www.law.com.

\(^65\) See Fed. R. Civ. P. 44.1. The burden is on the party claiming the privilege to demonstrate a basis for the claim. See *Saxholm AS v. Dynal, Inc.*, 184 F.R.D. 331, 337-38 (E.D.N.Y. 1996) (noting failure to demonstrate that privilege applied to Danish patent agents); *Santrade, Ltd. v. G.E. Co.*, 150 F.R.D. 539, 546 (E.D.N.C. 1993) (burden to demonstrate basis for privilege applies to “each country” at issue).

\(^66\) See Curtis v. Beatrice Foods Co., 481 F. Supp. 1275, 1285 (S.D.N.Y. 1980) (judge may “reject even the uncontradicted conclusions of an expert witness” and rule “own decisions on the basis of independent examination of foreign legal authorities”); *Loebig v. Larucci*, 572 F.2d 81, 85 (2d Cir. 1978) (Rule 44.1 “permits parties to present information on foreign law,” but court may make its own determination based on research); see also *In re Nigeria Charter Flights Contract Litig.*, 520 F. Supp.2d 447 (E.D.N.Y. 2007) (reviewing cases).
Conclusion

Issues of privilege are rarely easy, even when they involve a single jurisdiction and single transaction. The international context can multiply the complexities and uncertainties of determining what law applies, and how that law should determine the specific privilege issues presented. Given these challenges, companies should address privilege protection as an essential part of their legal risk analysis and preparedness.67

Identifying potential experts to address such questions in the event of a dispute. In addition, samples of briefs and expert submissions from other proceedings may be gathered in preparation for future disputes.

67 Additional challenges, of course, await even the most conscientious of corporations. See, e.g., Jorg Rehder & Erika C. Collins, The Legal Transfer Of Employment-Related Data To Outside The EU: Is It Still Even Possible?, 39 Int’l Law. 129 (2005) (“Current [EU] data privacy laws place multinational companies in an unenviable position. On one hand, the laws are broadly worded yet strict, and on the other, a multitude of questions regarding application and enforcement remain unanswered.”).