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SUPREME COURT OF TEXAS
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No. 16-0682

IN THE SUPREME COURT OF TEXAS

IN RE ANDREW SILVER

Relator,

Original Proceeding from the
134th District Court of Dallas County, Texas,
Trial Court Cause No. DC-15-02268

REPLY SUPPORTING PETITION FOR WRIT OF MANDAMUS

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INTRODUCTION

Under the plain language of Rule 503, the communications at issue between Silver and his patent agent, Raffi Gostanian, are privileged. Gostanian engaged in the authorized practice of law under the laws of the United States. The United States is a nation. For the purposes of Rule 503, a "lawyer" is "a person authorized ... to practice law in any state or nation." TEX. R. EVID. 503(a)(3).

Tabletop—not Silver—is the party trying to rewrite Rule 503. Faced with the inescapable fact that Gostanian was acting as a "lawyer" under Rule 503's plain language, Tabletop has attempted to revise Rule 503 to replace the word "authorized" with "licensed." But unless and until this Court rewrites the rule, persons who are engaged in the *authorized* practice of law, regardless of whether they are *licensed* to practice law, are covered by Rule 503's terms.[1]

Silver is not arguing that the Federal Rules of Evidence govern here, or that this Court should create any new common-law privilege. These

[1] While the public policy of the Rule's language is not at issue here, the choice of the word "authorized," rather than "licensed," is sensible. Not only does the "authorized" practice of law reach patent agents such as Gostanian, who are authorized by the United States to engage in the limited practice of law before the USPTO, but it also reaches professionals authorized to practice law in foreign jurisdictions that, for whatever reason, do not use a licensure system. *See* MR020.

arguments by Tabletop are merely designed to obscure the fact that the plain language of Rule 503 **already covers** Gostanian's authorized practice of law before the USPTO. Silver urges this Court to apply the Rule's plain language and conditionally issue a writ of mandamus directing the trial court to vacate its order compelling the production of privileged documents.

REPLY TO TABLETOP'S "STATEMENT OF FACTS"

Tabletop devotes several pages of its response to a recitation of "facts" taken from its petition below and conclusory statements about its position on the underlying contract claim. (Response at 4-6). However, the relevant facts are the ones Tabletop does not dispute: that Gostanian is a registered patent agent who represented Silver before the USPTO, and Silver and Gostanian engaged in confidential communications relating to that representation. Because those are the only facts relevant to the question before this Court, Silver does not belabor Tabletop's remaining allegations here.

ARGUMENT

A. This Court does not need to create a "new" privilege because the plain language of Texas Rule of Evidence 503 applies to all "person[s] authorized...to practice law in any state or nation."

1. Silver relies upon the definition of "lawyer" in Rule 503, which is broader than attorneys licensed in Texas.

Tabletop's claim that Silver is seeking "the creation of a **new** privilege for communications with a patent agent" is incorrect. (Response at 6) (emphasis added). Rather, Silver's argument hinges upon the definition of "lawyer" under the Texas Rules of Evidence: the **current** privilege extends to "person[s] authorized ... to practice law in any state or nation," communicating with a client, while providing professional legal services. *See* TEX. R. EVID. 503(a)(3). And that's exactly what happened in this case: Gostanian (a patent agent authorized to practice law before the U.S. Patent and Trademark Office) provided professional legal services to Silver (his client) in the prosecution of Silver's patents. *See* MR018.

Tabletop attempts to narrow the current privilege in a way that is inconsistent with the plain language of Rule 503. (Response at 11). Had this Court or the Texas Legislature wanted to limit the privilege to attorneys licensed in Texas—or those "generally" authorized to practice law in multiple jurisdictions—it would have done so. (*See* Response at 15). It did not.

Still, Tabletop stubbornly claims that "while non-attorney patent agents may be permitted to perform certain quasi-legal services in the [USPTO], that is far different from being 'authorized ... to practice law in any state or nation.'" (Response at 15). But the U.S. Supreme Court and the U.S. Court of Appeals for the Federal Circuit do not minimize the work of patent agents as "quasi-legal." Instead, patent agents are **actually** practicing law: "*Sperry*, thus, confirms that **patent agents are not simply engaging in law-like activity, they are engaging in the practice of law itself**." *In re Queen's University*, 820 F.3d 1287, 1296 (Fed. Cir. 2016) (emphasis added) (discussing *Sperry v. State of Fla. ex rel. Florida Bar*, 373 U.S. 379, 383, 83 S. Ct. 1322 (1963)). As the U.S. Supreme Court notes, "drafting the specifications and claims of the patent application ... 'constitute(s) one of the most difficult legal instruments to draw with accuracy.'" *Sperry*, 373 U.S. at 383 (quoting *Topliff v. Topliff*, 145 U.S. 156, 171 (1892)). In this case, Gostanian is practicing law while prosecuting patents, and the privilege applies to him.

Tabletop's reliance on 88-year-old testimony by the Commissioner of Patents is misplaced. (Response at 14). *See Sperry*, 373 U.S. at 394-95. Even if the Commissioner's testimony were relevant to the interpretation of a state-law privilege, there is no suggestion the Commissioner of Patents

considered the definition of "lawyer" found in Texas Rule of Evidence 503 when providing this testimony.

Finally, Tabletop attempts to claim that *Queen's University* is not applicable, arguing that the Federal Circuit created a new privilege. (Response at 16-17).[2] However, Silver does not dispute that Federal Rules of Evidence differ from Texas Rule of Evidence 503, nor is that fact dispositive here, since the state rule controls. Moreover, if the federal rules had the same definition of "lawyer" that Texas Rule 503 does, it is likely the *Queen's University* court would have reached the same result.

2. Tabletop tries to artificially narrow the scope of Rule 503 to only traditional, licensed attorneys instead of persons authorized to practice law.

Tabletop attempts to limit the scope of Rule 503 by pointing to various cases that do not involve patent agents or "person[s] authorized...to practice law in any state or nation." *See* TEX. R. EVID. 503(a)(3). (*See also* Response at 12-13). These cases miss the mark.

First, Tabletop cites *Sanchez v. State*, which did not extend the privilege to communications between a criminal defendant and a "counsel substitute" or "advocate for the offender." (Response at 12). No. 14-07-1067-CR, 2009 WL 838223 (Tex. App.—Houston [14th Dist.] Mar. 31, 2009, no

[2] As discussed below (at 12), federal district courts have recognized this "new" privilege for at least forty years. *See Queen's University*, 820 F.3d at 1292 n.1.

pet.) (mem. op.). In *Sanchez*, there was no evidence that the "counsel substitute" was authorized to practice law, which is why the court did not extend the privilege there. *Id.* at *5-6. By contrast, Gostanian is a duly licensed patent agent who may practice before the USPTO, which the U.S. Supreme Court and Federal Circuit have recognized constitutes the authorized practice of law. MR098 at ¶¶ 2-4; *Sperry*, 373 U.S. at 383; *Queen's University*, 820 F.3d at 1296.

Second, Tabletop turns to *McDonald v. State*, a criminal case which held that a defendant could not claim privilege for a phone call with his stepmother, who had power of attorney. (Response at 12-13). No. 08-08-103-CR, 2010 WL 3910424 (Tex. App.—El Paso Sept. 30, 2010, pet. ref'd). The holding in this case is equally irrelevant, as the stepmother "could not act on Appellant's behalf in his criminal prosecution" and could not "represent[] individuals in proceedings." *Id.* at *8-9. All of these points are easily distinguished here. It is undisputed that Gostanian is authorized to represent Silver before the USPTO and act on his behalf during the patent prosecution process. MR098 at ¶¶ 2-4.

Finally, Tabletop points to *Strong v. State*, which discusses—in *dicta*—the subjective prong of Rule 503. (Response at 13). 773 S.W.2d 543, 548-49 (Tex. Crim. App. 1989). The subjective prong of Rule 503 applies to

communications between a client and someone "who the client reasonably believes is authorized, to practice law." *See* TEX. R. EVID. 503(a)(3). Silver is not invoking the subjective prong of Rule 503. Moreover, the actual holding of the case is entirely irrelevant. In *Strong*, a criminal defendant did not get to claim privilege for communications with an attorney because the attorney represented a co-defendant, and the two defendants were adversarial in the case. 773 S.W.2d at 549-52. Indeed, *Strong* centers on whether a pair of defendants shared a common interest privilege rather than on whether someone was authorized to practice law. *Id.*

Ultimately, none of the cases supports Tabletop's assertion that a person **must** be licensed as an attorney under Texas law in order to claim the privilege of Rule 503. Instead, they merely support the unremarkable conclusion that Rule 503 is typically applied in situations related to attorneys licensed in Texas. *See also* MR019-20.

3. Tabletop attempts to compare patent agents to accountants, but only patent agents are authorized to practice law.

Tabletop argues that extending Rule 503 to patent agents would "force Texas courts to apply such a privilege to communications with any variety of non-attorney professionals permitted by a state or nation to provide legal advice for limited purposes." (Response at 22). The only example Tabletop provides is "certified public accountants advising clients on the substance

and impact of federal and state tax laws." (Response at 22). But certified public accountants are not authorized to **practice law**, so it is unsurprising that Texas courts have not extended Rule 503 to them. By contrast, patent agents are authorized to practice law. Therefore, Silver does not seek to "force" Texas courts to apply the privilege to anyone except those authorized to practice law. Considering that Gostanian was authorized to practice law, this Court would keep the privilege within the logical bounds of the plain language of Rule 503.

Moreover, Tabletop suggests that applying the plain language of Rule 503 in this case would result in an "unprecedented expansion" of the attorney-client privilege. Not so. To the extent a person is engaging in the practice of law, as authorized "in any state or nation," that person is a "lawyer" under the rule. TEX. R. EVID. 503(a)(3). If that person is **not** engaging in the authorized practice of law, that person is **not** covered by the rule. That is not an "unprecedented expansion"; it is the exact result intended by the rule.

B. Tabletop implicated substantive patent law when it filed claims asserting it did not infringe Silver's patent and disputing Silver's inventorship.

Tabletop argues that substantive patent law is irrelevant by claiming that this case is solely "based on Texas state law claims." (Response at 17).

But Tabletop itself has inserted claims into this litigation that put substantive patent law at issue.

In its lawsuit, Tabletop complains that Silver "materially changed the claims" in his patent application, and the patent as written "will not cover or assist Tabletop's business." MR041. Tabletop has also disputed that Silver "was the sole inventor/owner" of his invention. MR046. In fact, Tabletop has gone so far as to allege that "Silver made material misrepresentations to Tabletop and the USPTO under oath that he was the sole inventor ... intentionally and maliciously." MR047. These are issues that directly implicate substantive patent law. While the federal rules regarding privilege are not dispositive here, it is appropriate that this Court avoid creating a gap between the privilege available in this case and what would be available if the same case were litigated in federal court, particularly since such a decision would be faithful to the plain language of the existing state rule.

Tabletop's suggestion that a patent-agent privilege did not exist until *Queen's University* is misleading. (Response at 20). The *Queen's University* decision resolved a split between the federal district courts, including many which had recognized and applied the privilege over the past forty years. *Queen's University*, 820 F.3d at 1292 n.1. As Justice Evans observed in his dissent, a rift between state and federal courts on this privilege issue "might

encourage satellite state court litigation as an opportunity to discover such communications privileged from discovery in federal court patent litigation." MR019.

C. The issue before the Court is a pure issue of law, and any application of the privilege would be decided by the trial court upon remand.

Tabletop claims that the attorney-client privilege should neither apply to "Gostanian's provision of legal services to Silver regarding this litigation" nor communications regarding "any and all legal services that could potentially be provided by a non-attorney patent agent." (Response at 16). But the application of the privilege to particular communications is not at issue here. The trial court found no privilege could apply here, and this proceeding centers entirely on the existence of the privilege, not its application.

At the trial court level, Silver had already tendered the withheld communications for *in camera* review. Should this Court agree that the privilege is available when patent agents are engaged in the authorized practice of law, this Court has completed its task. If necessary, the trial court may evaluate, on a document-by-document basis, whether the privilege applies to particular documents. *See In re Living Ctrs. of Tex., Inc.*, 175 S.W.3d 253, 261 (Tex.2005) (orig. proceeding) ("[A] trial court abuses its

discretion when it fails to conduct an adequate in camera inspection of documents when such review is critical to evaluation of a privilege claim."); *see also Polyvision Corp. v. Smart Techs. Inc.*, No. 1:03-CV-476, 2006 WL 581037, at *3 (W.D. Mich. Mar. 7, 2006) (applying this rule to patent agent-client privilege); *Dow Chem. Co. v. Atlantic Richfield Co.*, 227 U.S.P.Q. 129, 1985 WL 71991, at *7 (E.D. Mich. 1985) (same).

PRAYER

Silver respectfully requests that this Court find that the privilege in Rule 503 applies to communications between clients and their patent agents who are engaged in the authorized practice of law before the Patent Office, and therefore conditionally grant his petition for a writ of mandamus ordering the trial court to vacate its order compelling the production of privileged documents.

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 Georgia font for the text and 12-point Georgia font for any footnotes. This brief contains 2,339 words, as determined by Microsoft Word's word-count feature, excluding those portions exempted by Tex. R. App. P. 9.4(i)(1).

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CERTIFICATE OF SERVICE

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