Welcome

Thank you for attending today's webinar. Under current circumstances, a significant portion of the workforce is working remotely; the higher utilization of the internet and servers impacts bandwidth. We appreciate your patience and understanding should any unexpected technical issues arise. As always, it is our intent to give you the information you need as seamlessly as possible.

Tips for best experience:

- Turn off unused or extra internet-connected devices. (TV streaming services, smart devices, Alexa devices, etc.)
- Use a wired connection, if possible. (Ethernet connection from router to computer.)
- Do not run additional applications during presentation. (Outlook, Internet browsers...)
- Mute your audio unless you are presenting.

The presentation will begin shortly.



Subway Ethics CLE – 325 Sub Way, Milford, CT May 6, 2020



- 21,000+ Franchisees
- 41,000+ locations
- Privately held
- One of the fastest growing franchises in the world
- Close to half of locations outside USA

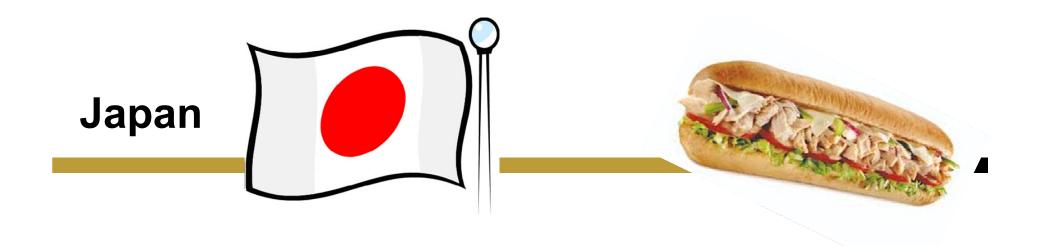




Why a Presentation on Cross-Border Privilege?

- Internal FCPA, AML and Antitrust investigations in 7 countries
- In-house counsel in US, Australia, Brazil, Germany, Canada, Netherlands, Mexico & Japan (outside counsel) involved
- Highly sensitive communications
- Detailed (and convicting) self-critical analysis
- Privilege & data privacy strategies?
- ABA MODEL RULES OF PROFESSIONAL CONDUCT 1.6 (more on this later)





- Bengoshi (licensed member of the Bar) v. Non-Bengoshi (not licensed)
- The concept of privilege exists more as an obligation than a privilege
- Bengoshi have the right and statutory obligation to hold in confidence secret information obtained during the course of their professional duties
- Confidential documents in lawyer's hands are privileged, but documents in corporation's hands are discoverable



Hypothetical Antitrust & Anticorruption Issues



Alleged collusion, concerted activity and conspiracy to fix prices and to raise prices



Contractor allegedly bribed government officials to obtain contracts and regulatory permits, rights and licenses to do business



Prepare like you've never prepared before!

- Assignment: investigate, interview & opine
- Observations re: governments' enforcement agenda
- Strategy, WEAKNESSES, diagrams, flow charts
- Witnesses names, admission statements, tons of privileged info
 - You quantify liability...doesn't look good!
 - Digitize lots of boxes of documents



FUN AND ADVENTURE AWAIT!

Let's Travel to Those Romantic Hot Spots!













Home Sweet Home!!!













Bordering on Privilege Waiver!



- "What's on your laptop, thumb drive and smart phone?
- Like a locked suitcase
- Border Search Exception to 4th Amendment

Border Searches – "Particularly Problematic"

For lawyers, invasive CBP searches are particularly problematic, as the CBP asserts that it has the authority to read any document in possession of a traveler, including those found on electronic devices, despite claims that such documents are attorney-client privileged information. A Ninth Circuit decision supports the CBP's position, holding that "reasonable suspicion is not needed for customs officials to search a laptop or other electric device at the international border" (*United States v. Arnold*, 523 F. 3d 941(9th Cir. 2008). Since, other courts have ruled similarly.

Supremes – WRIT of CERT DENIED

What 4th Amendment Rights?

No Constitutional rights against unreasonable searches and seizures

ABA Gets Lawyers Heightened Protections for Device Searches at International Borders

By Joseph J. Lazzarotti and Maya Atrakchi on January 31, 2018

U.S. Customs searches have become increasingly invasive over the years. Pursuant to Department of Homeland Security (DHS) policy, U.S. Customs and Border Protection (CBP) operates under the "broad search exception", which allows searches and seizures at international borders or an equivalent (e.g. international airports) without probable cause or a warrant. CBP's searches are deemed "reasonable" per se, and thus not a Fourth Amendment violation, which protects against "unreasonable searches and seizures". The

Bordering on Malpractice and Ethics Violations

Washington Post Staff Writer

Customs officers searching more travelers' devices

By COLLEEN LONG December 10, 2018

Travelers' Laptops May Be
No Suspicion Required Under DHS Policies

By Ellen Nakashim.

- Suspicionless "virtual strip search"
- Now in public domain
- **Looper**, other cases Customs current policy is that if a claim of privilege is made, must consult with CBP counsel
- "officials may share copies of the laptop's contents with other agencies and private entities for language translation, data decryption or other reasons."
- Some limits—LAX—*U.S. v. Kim* (USDC WDC 2015); some Fed Dist Cts say anything more than routine border search requires warrant (*Alasasd v. Nielsen* Nov. 12 2019 USDC, Mass)
- *Riley v. CA* US SCT 2014– No warrantless search of mobile telephone (outside border context
- ABA President Hilarie Bass Weighs In

Red Hot Issue







Do Warrantless Searches of Electronic Devices at the Border Violate the Fourth Amendment?

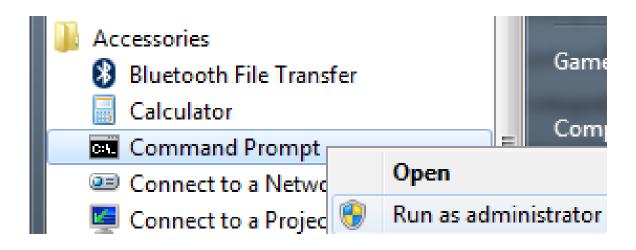
December 20, 2019

New bills recently introduced to place restrictions on searches and seizures of electronic devices at the border, e.g. Protecting Data at the Border Act



Electronic Device Advisory for Mid-Year Meeting Attendees

Don't Be An Information Hoarder at the Border!



Any lawyer that travels outside the U.S. should be aware of the DHS policy on electronic device search and seizure at international boarders, and take precautions accordingly.

What's A Traveling Lawyer To Do?







In addition, the ABA Standing Committee on Ethics and Professional Responsibility issued advice to travelling lawyers, in an <u>electronic device advisory</u>. The ABA recommends the following:

- Determining which device contains attorney-client privileged documents, and consider leaving at home.
- Consider a temporary, inexpensive device or storage device with minimum necessary information.
- Familiarizing yourself with the type and location of privileged and confidential information.
- Placing device on airplane mode, or powering off entirely.
- Identification available to demonstrate that you are a legal professional.
- Familiarizing yourself with the requirements in your jurisdiction's professional code of conduct.

What Should I Do? Put Up A Fight.

- Know what information you are carrying
- Put in "Airplane Mode" to prevent remote access
- "I am an attorney" Bar/Business Card
- "The electronic device contains privileged info"
- "Is this a request or a demand?"
- Do applicable ethics rules allow you to consent to request?
- Data Breach client notification



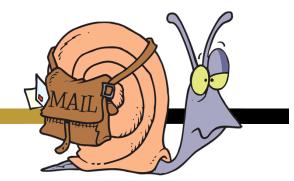
WHAT'S AN INTERNATIONAL ATTORNEY TO DO?

- Take nothing (or very little) with you
- Go low-tech a legal pad with cryptic notes
- Encrypt information
- Take empty, new tech equipment (NOT wiped clean existing hardware) in sensitive matters



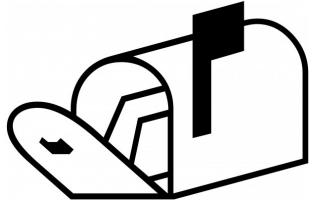


Go Old School & Mail It!



- **Snail Mail it ahead** officers may not read or permit others to read correspondence contained in sealed letter class mail (the international equivalent of First Class) without an appropriate search warrant or consent **18 U.S.C.** § **1703**
- Does NOT apply to Email or letters carried by individuals or private carriers e.g. DHL, UPS, FedEx





AML / Anti-Trust / Anti-Corruption Investigations Have Globalized

- Detection of international and cross-border corruption and anti-competition
- New cooperation between governments –
 180-degree change
- "Follow the Sun" 18-hour simultaneous dawn raids

Cross-Border Litigation is Big, Getting Bigger

Corporate Counsel

www.corpcounsel.com



- Large increase in cross-border litigation
- US companies not used to legal systems outside US
- Disputes involving multiple countries common
- Big increase in securities, commercial, contractual and IP



Is Our Legal Team in Compliance?

Put Your Business Card Here!

Who is supposed to protect your client's secrets and privileged information?

ABA MODEL RULES OF PROFESSIONAL CONDUCT 1.6(a)



A lawyer

shall not reveal information protected by the attorney-client privilege

applicable law.

Uhhh...Which Law(s) Apply?



Ask this question **BEFORE** you inadvertently waive privilege

Spoken or Written Communication

- Pick up the telephone!
- Do you really need to write it down?
- Don't write it if you don't have to!
- Tip



Defining Attorney-Client Privilege



- Know U.S. privilege law...much litigation is in the U.S.
- Generally...
 - confidentiality of all forms of communication,
 - between a lawyer and the client,
 - for the purpose of the attorney rendering legal advice.

"Lawyers are Lawyers"

- Often no equivalent of U.S. states' bar membership in other jurisdictions
- In-house counsel oftentimes are not eligible for bar membership
- Remember Japan?

"Lawyers" in Sweden

- There is no monopoly of legal services in Sweden, where Subway has 173 locations
- Any person may practice law, offering services to the public ... no need for a law license
- Any person may use the title "lawyer"
- In-house counsel may not be bar members
- Privilege only attaches to communications between clients members of the bar



Are You Rendering Legal Advice?



Press Release from Siemens

"The new worldwide general counsels will not just give legal advice.

They will have a formative role and decision-making function in business operations.

Their responsibilities in this key position will go considerably beyond merely identifying risks."



Business or Legal Advice?



- Communications with in-house counsel that seek business advice or that appear to be for informational purposes are not privileged
- A corporation cannot insulate information from discovery simply by copying in-house counsel
- What is your title?
- Having in-house counsel sit in on a meeting does not render privileged everything said at that meeting
- "I'm not a potted plant!"



"We request legal advice on the following...."



Who is the Client? Under Which Law(s)?

- Parent
- Subsidiary
- Affiliate
- Board of Directors
- Shareholders
- Directors

- Officers
- BoardCommittee
- Control Group Test
- Subject Matter Test

Easy?

Attorney-Client Privilege Across Borders

Works here, works there



GT GreenbergTraurig

Key Point #1



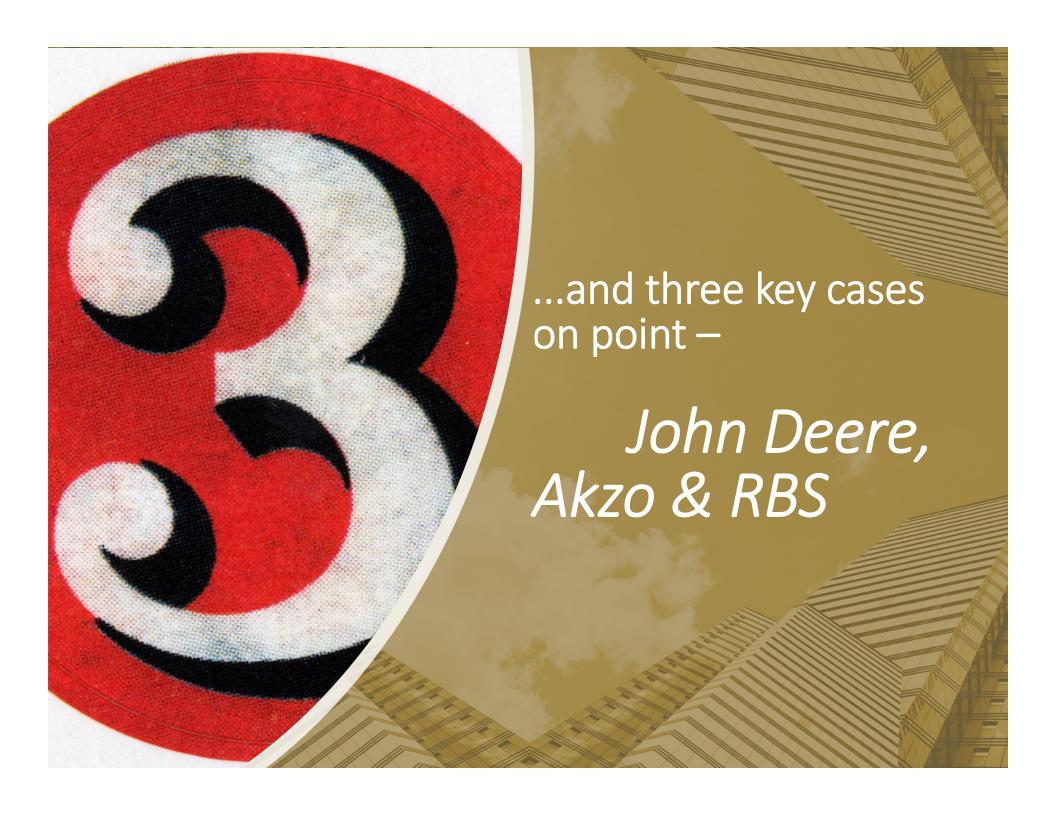
Protection of attorney-client privileged communications *primarily*

is a matter of each individual country's law

Key Point #2

Identical information receives different privilege status in different jurisdictions









TOUGH LEGAL TIMES

no.203.078

Trapping the Unwary In-House Counsel

- Since 1802

John Deere Dawn Raided in Germany



- -GC transferred from Illinois
- -Internal investigations & self-critical analysis
- -EC investigation of anticompetitive behavior
- -Documents seized

Lawyer's Writings Seized

- "Privileged" documents used at trial
- "...knowingly violated our law..."

• "Their own lawyer wrote ..."

Akzo Nobel Chemicals

2010 - UK



Akzo learns from John Deere

Move servers, etc. to England, where they have great privilege rules



Akzo Nobel Chemicals Ltd

- EC investigating Akzo (Industry) for anti-competitive behaviors
- •General Counsel's Office great source of evidence





Akzo Nobel Chemicals



- Documents seized from GC's office
- Two emails at issue
- Licensed in-house competition lawyer's opinions on competition compliance program seized

WSJ 29 April 2010:



"Bad Day For In-House Lawyers"

ECJ advisory opinion:

NO PRIVILEGE

for executive's

communications with

in-house counsel -

One Key - Financial Remuneration



Holding reflects

"a *fundamental misunderstanding* of both the role and responsibilities of in-house counsel, and the impact of financial remuneration on **any** lawyer retained by a client to represent the client's legal interests."

WSJ 14 September 2010



"Bad Day For In-House Lawyers Part Deux"



The ECJ Rejects Akzo's arguments that its employees' communications with internal lawyers should be covered by LPP

28 member states (Brexit)

European Union member countries are split on whether to recognize legal professional privilege for in-house counsel

Ireland, England, Greece, Poland, Netherlands



EU Law

High Impact



The ruling has the perverse effect of undermining ... corporate compliance in multinational companies



American corporations doing business outside U.S. are seriously adversely affected

Who's got the button?



Dawn Raid training in one easy step!





A document created in one jurisdiction may not be where an arbitrator or court will decide whether that document is privileged...or discoverable



December 2016 UK

RBS Rights Issue Litigation - UK

- RBS investors who suffered losses sue in UK
- RBS receives request for RBS' U.S. & UK outside counsel notes
- Seeking attorney notes from interviews with RBS employees and former employees from two investigations conducted by outside counsel

- Notes protected by Legal Advice Privilege/LPP/ACP
- Lawyers' work product
- Apply the law of the jurisdiction (U.S.) where the engagement / instructions were made which gave rise to the notes
- U.S. law privilege attaches - *Upjohn* (Subject Matter)



RBS Rights Issue Litigation – Lex Fori

- Privilege decided under Lex Fori (England)
- Privilege does not extend to information provided by employees / former employees (Control Group)
- Privilege covers genuine analysis and legal advice
- Privilege does not cover notes, train of inquiry...
- Facts are never privileged!

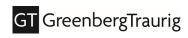
Take-Aways from RBS

- *U.S. v. UK law* identical information receives different privilege status in different jurisdictions (remember Key Point #2?)
- Lex Fori, privilege law of the forum
- Are you creating discoverable documents?
- Discoverable in other jurisdictions?
- THINK AHEAD!
- Develop powers of clairvoyance



Cautionary Notes

- Don't assume documents created in corporate investigation are privileged...even w/outside counsel
- Definition of client? ...lawyer? ... confidential?
- What test? Subject matter? Control group? Other?
- Which law applies?
- Withholding "privileged" documents will be closely scrutinized by court



CAUTION

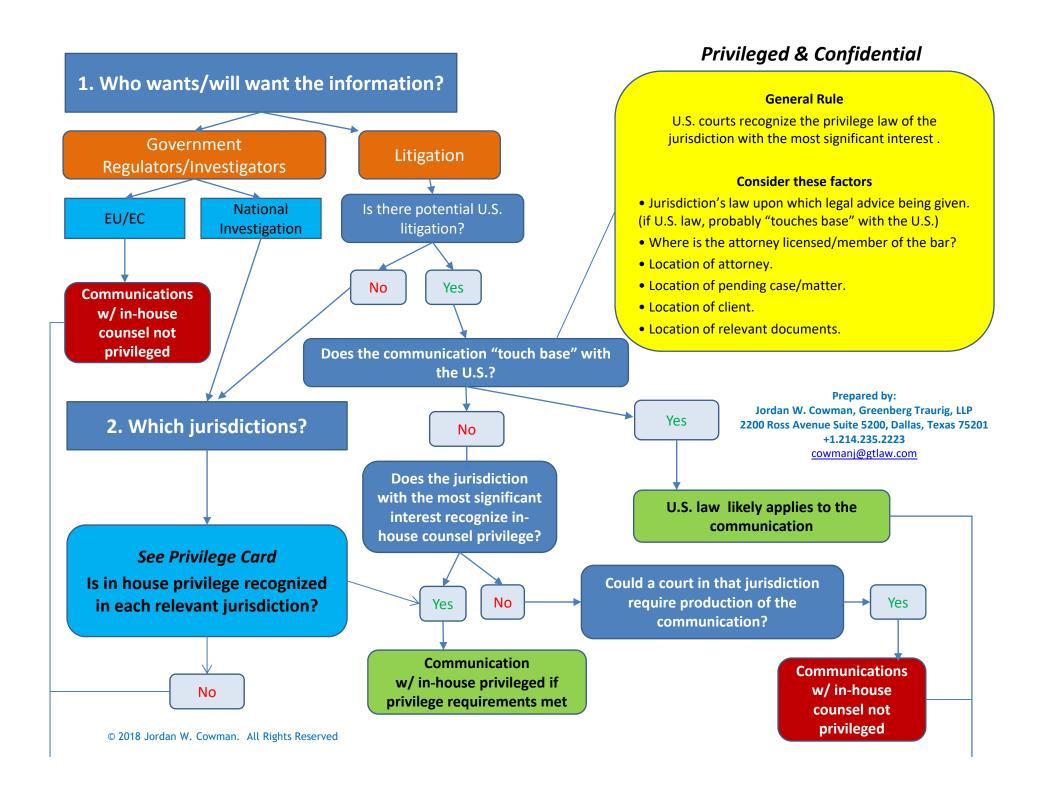
Proceed With Care

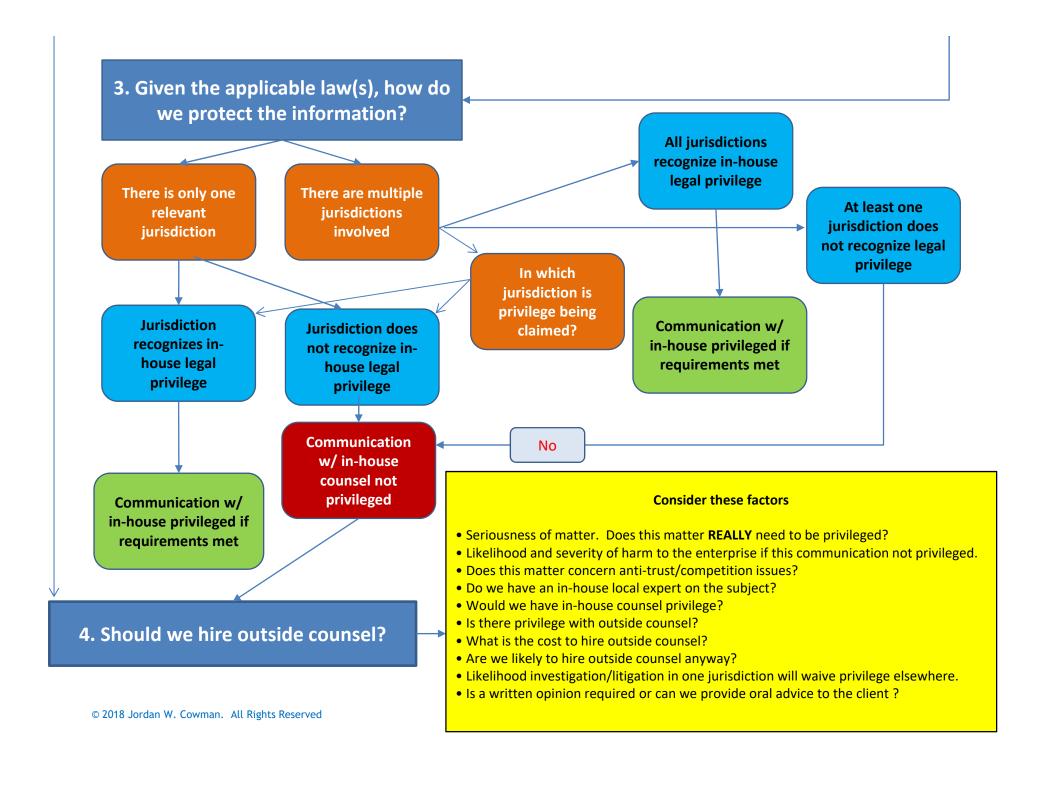
And Knowledge

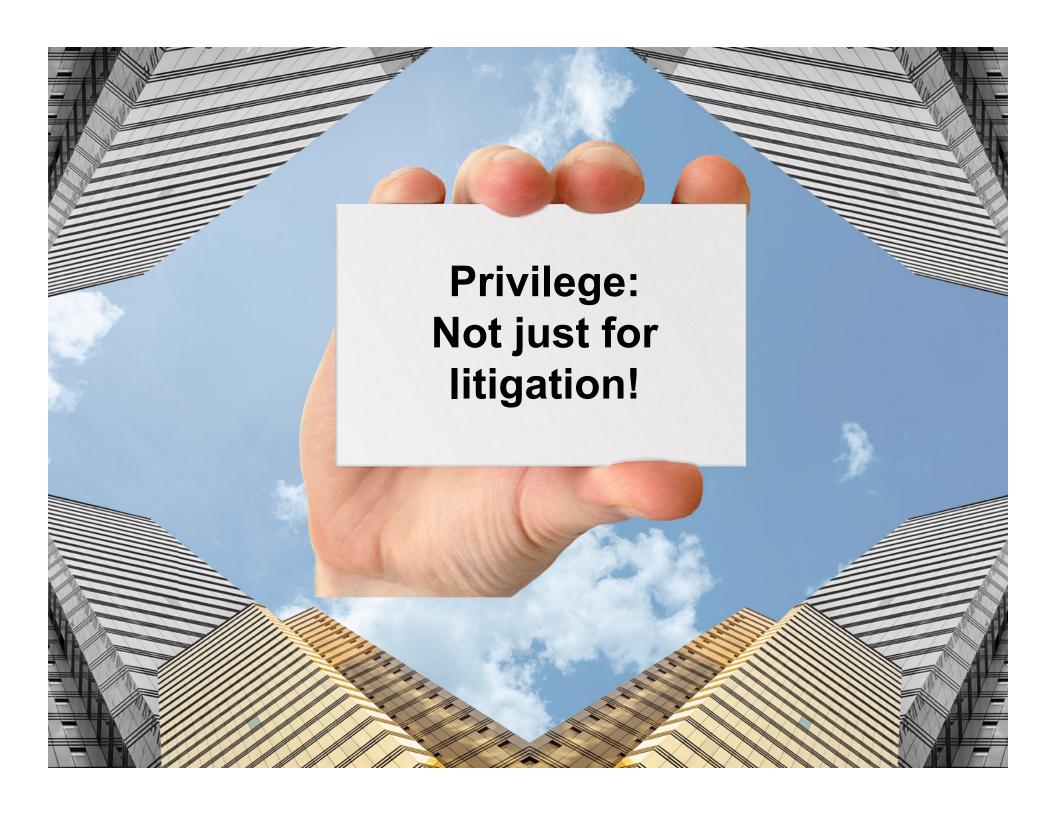
Danger &



Let's
Chart
It
Out

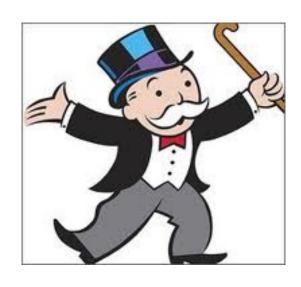




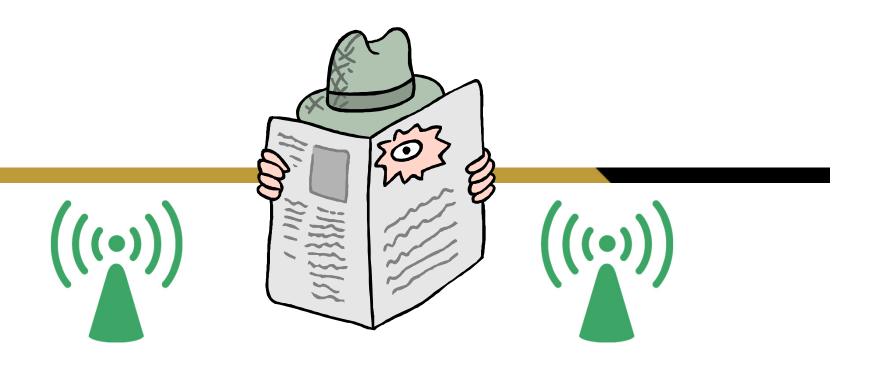


Think Ahead!

- Business Combinations / Mergers and Acquisitions
- Antitrust and other due diligence & opinions
- Recent example Two US inhouse lawyers caught in Dawn Raid in London







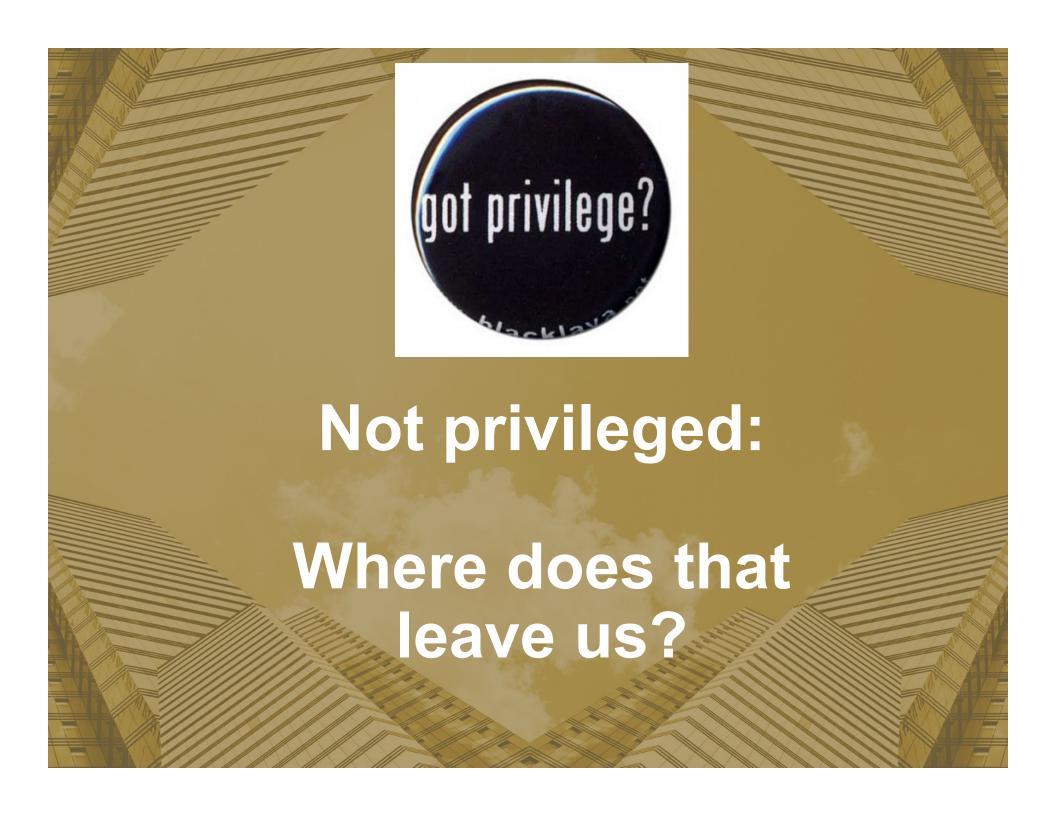
Government authorities have dawn raided business operations outside the U.S. and requested documents employees there can access from servers in U.S.,

including U.S. legal departments

Lessons Learned IT Infrastructure and Location

- Moved IT Servers to location in US
- Follow the Sun Dawn Raid in UK, Spain, Singapore, Mexico, EU, US - remote access to privileged information
- Does remote access destroy privilege?
- Big study for client





That leaves us with an abundance of risk What could possibly go wrong?

One foolproof method –





"DO NOT FORWARD!"

"I'm sure it's OK to send this trial strategy memo, legal audit and attorney-work product to our superstar in-house counsel in

[INSERT YOUR FAVORITE COUNTRY HERE],

to get her take on what we are thinking"

How could cross-border privilege issues come up in litigation in the U.S.?

- Hypothetical U.S. litigation
- Consistent positions across jurisdictions
- E.g. don't take a position in India or Germany that might have an adverse impact on U.S. litigation
- Lots of emails between lawyers
- Are communications between and among attorneys in U.S. and other countries privileged...or discoverable?

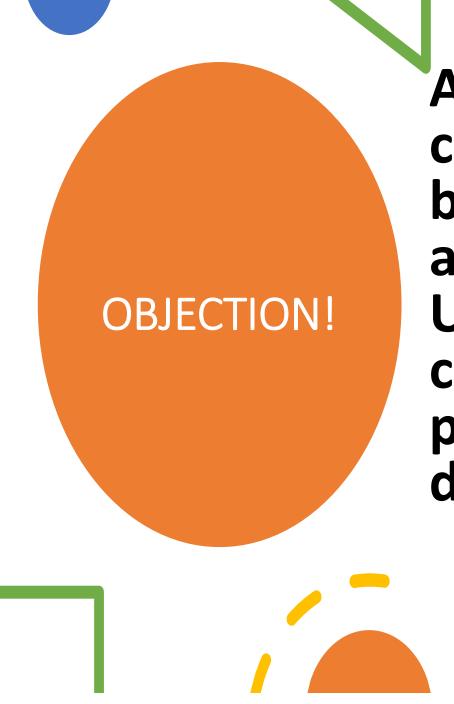
Cross-Border Privilege Issues in USA

- Lengthy discovery "American-style"
- Depositions
- •Court-enforced discovery requests

Cross-Border Privilege Issues in USA

- Request for Production of Documents #9
- "Please produce all Communications relating to this case made between or among any lawyers for the Company in the U.S. and any in-house lawyers for the Company in [insert your favorite country here]"
- **OBJECTION!** ACP/LPP/Work Product
- Privilege log for claims of ACP





Are communications between and among attorneys in **US** and other countries privileged...or discoverable?

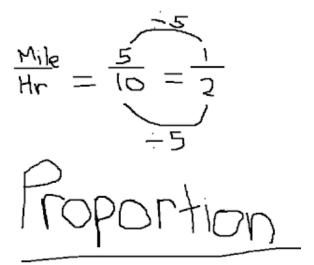


Cross-Border Privilege Issues in USA

- U.S. courts disfavor privilege – prove it or disclose it!
- Broad discovery allowed
- Must your "privileged" communications be produced?
- What is the test for discoverability?

FRCP 26(b)(1) Proportionality

- Apply proportionality to all aspects of discovery
- Importance of issues at stake
- Amount in controversy
- Parties' resources and relative access to information
- Importance of information
- Balance burden / expense v. benefit





U.S. Courts Will S- T- R- E- T- C- H



If the communication "**touches base**" with a foreign country and is privileged under that country's laws, federal courts have recognized the communication as privileged.

See, e.g., Renfield Corp. v. E. Remy Martin & Co., S.A., 98 F.R.D. 442, 444 (D. Del. 1982)

U.S. Courts Will S- T- R- E- T- C- H



If the communication "**touches base**" with a foreign country and is (**NOT**) privileged under that country's laws, federal courts have recognized the communication as (**NOT**) privileged.

See, e.g., Renfield Corp. v. E. Remy Martin & Co., S.A., 98 F.R.D. 442, 444 (D. Del. 1982)

Touching Base in U.S.:

- Taking Steps to Maintain Confidentiality
- ☑Communications involve U.S. attorneys?
- ☑Documents prepared pursuant to authority of American attorney?
- ☑Client a U.S. resident protecting rights under U.S. law?
- ✓ Proceedings in U.S.?

Establish and Preserve Privilege



Engagement Letters/Arbitrations/Contract



- choice of law re: privilege
- Obtain an opinion on privilege principles in each relevant jurisdiction
- Establish policies and protocols to establish and preserve applicable privileges
- Have a "help desk" relationship with outside counsel

Play the Privilege Card (see handout)

GT GreenbergTraurig

Does Not Cover In-House Counsel

Jordan W. Cowman

Greenberg Traurig, LLP | cowmanj@gtlaw.com 2200 Ross Avenue | #5200 | Dallas, TX 75201 | Tel +1.214.235.2223

International Compliance Card – Privilege 2019

	Country	Broad or Limited Privilege	Privilege for Licensed In-House Counsel	Privilege for Foreign Licensed Attorneys	Privilege Extends to Information in Client's Possession	Separate Litigation Privilege
1	UNITED STATES	1	Ø	②	Ø	②
()	EUROPEAN UNION	0	€	EU Licensed	②	€
*	ARGENTINA	(Ø	(3)	0	6
*	AUSTRALIA	0	Yes, subject to independence	②	②	②
-	AUSTRIA	(B)	€	EU or Swiss Licensed	8	
*	BELGIUM	0	O	EU, EEA or Swiss Licensed	0	€
(3)	BRAZIL	(O	Portuguese Licensed	(3)	6
-	BULGARIA	0	€	EU, EEA or Swiss Licensed	8	€
1	CANADA*	(Ø	Ø	0	Ø
4	CHILE	0	0	(3	₿	€
•	CHINA	(3)	€	(2)	8	
•	CZECH REPUBLIC	0	€	0	8	€
	DENMARK	(O	EU, EEA or Swiss Licensed	②	6
*	FINLAND	0	€	EEA Licensed	②	
	FRANCE	B	€9	EU, EEA or Swiss Licensed	8	€
•	GERMANY	B	€9	EU, EEA or Swiss Licensed	8	€
1	GREECE	0	Yes, except in EU issues	EU or EEA Licensed	(3)	€
0	HONG KONG	B	0	0	0	0
*	HUNGARY	<u> </u>	6	EU or EEA Licensed	②	8
*	ICELAND	0	0	EEA Licensed	6	6
4	INDIA	B	8	8	Ø	8

Establish & Preserve Privilege with Experts, Local Counsel and Internal Investigations

- Have outside counsel retain local outside counsel and experts
- Undertake fewer internal investigations/hire *CAREFUL & THOUGHTFUL* outside counsel (see RBS Rights Issue Litigation)
- In investigations consider use of U.S. outside counsel in communications to help establish that U.S. privilege law applies

CONFIDENTIAL MEMORANDUM DESTROY AFTER READING CONTAINS TRIAL & SETTLEMENT STRATEGY

Privilege Strategies

- Separate privileged electronic files
- Mark "privileged," but DON'T over-mark
- Don't "tune up " outside counsel's advice

Your To Do List



Your To Do List

- Evaluate one important country, region OR hub
- Think through the issues
- Prepare processes & communications protocol
- Customize for other countries, regions as time and budget allow



Common Law Jurisdictions

Very Similar to U.S., Canada, Australia, England & Other Common Law Jurisdictions





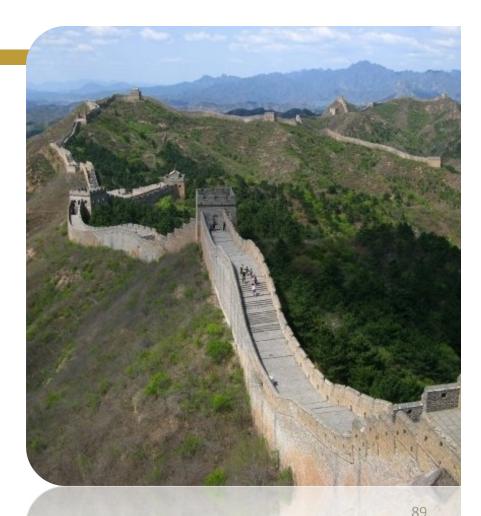






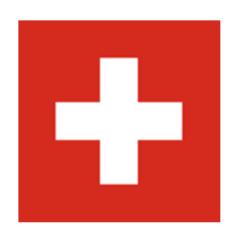
China (479 Locations)

- Attorney-client privilege is not a well established principle
- Lawyer's loyalty is to the government above the client
- Attorneys shall keep confidential trade secrets of their clients; laws silent on whether attorney-client communications shall be privileged
- No differentiation between outside and in-house counsel



Switzerland (18 Locations)

- No In-House Counsel Privilege
- Foreign-Licensed Lawyers Enjoy Privilege
- No Work Product Litigation Privilege
- Privilege Does Not Extend to Documents in Client's Hands

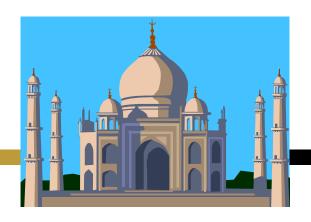


Netherlands (162 Locations)

- Privilege for in-house lawyers
- No privilege for foreign-licensed lawyers
- Privilege extends to privileged information in client's possession



India (156 Locations)



- Professional communications between attorneys and clients are protected as "privileged communications" under the Indian Evidence Act
- BUT an in-house counsel is not recognized as an "attorney" under Indian Law
- Employment contract of an in-house counsel usually contains a confidentiality clause protecting any information disclosed to such counsel during the course of his employment, but this is not similar in nature to a "privileged communication"

Singapore (112 Locations)

- Legal system is based on English common law
- Privilege for in-house counsel
- Privilege for foreign-licensed counsel
- Litigation privilege



United Arab Emirates (104 Locations)

 Privilege against revealing client information is limited to licensed "Advocates" and does not apply to legal consultants

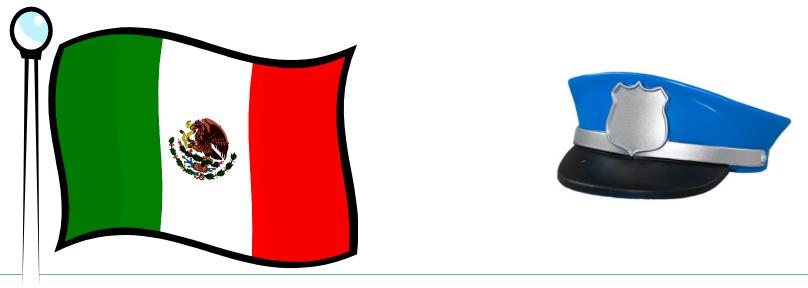


- Advocates practice before the courts; legal consultants provide basic advice
- Legal consultants' and in-house counsel advice is not protected by privilege



Mexico (676 Locations)

- Professional confidentiality is a legal obligation that is often supplemented by confidentiality agreements
- Protected information is that which is given to the lawyer by the client
- Mexican regulators may seize privileged documents in possession of client



Russia (223 Locations)

- No privilege for in-house counsel
- No privilege for foreign-licensed lawyers
- Privilege only for lawyers licensed in Russia



France (8 Locations)

Benefit of confidentiality and privilege attaches to the status of "avocat"

Cannot be attained by in-house lawyers

Criminal offense if lawyer violates "professional secrecy"





<u>IMPORTANT NOTE</u>

This document, and any accompanying exhibits and/or oral presentation, provides general information as to selected issues.

IT IS NOT LEGAL ADVICE AND SHOULD NOT BE USED AS A SUBSTITUTE FOR REVIEW OF YOUR SPECIFIC SITUATION WITH LEGAL COUNSEL.

Efforts have been made to provide accurate information; however, we advise you to seek counsel and advice from a qualified lawyer regarding legal matters. Legal obligations may vary according to the facts and circumstances as well as the jurisdiction.

Avoiding Cross-Border Attorney-Client Privilege Waiver Disasters

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Subway Ethics CLE – 325 Sub Way, Milford, CT May 6, 2020