

# Guidelines to the Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018

(Amended 15/05/2023)

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## Part 1—Preliminary

### 2 Commencement

The Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018 (“Code”) was registered on 10 January 2018, and commenced on 23 February 2018.

### 3 Authority

- 3.1 Paragraph 228(2)(r) of the *Patents Act 1990* (Cth) and paragraph 231(2)(ha) of the *Trade Marks Act 1995* (Cth) provide that the Governor-General may make regulations for the control of the professional conduct of, and the practice of the profession by, registered patent attorneys and registered trade marks attorneys, respectively. By virtue of subparagraphs 228(2)(r)(ia) and 231(ha)(ia) of those enactments, that power includes making provision for assessing the professional conduct of registered patent attorneys and registered trade marks attorneys, respectively, by reference to standards of practice established by the Trans-Tasman IP Attorneys Board (“the Board”) from time to time. The Code is a standard of practice established by the Board.
- 3.2 The *Arrangement between the Government of Australia and the Government of New Zealand Relating to Trans-Tasman Regulation of Patent Attorneys* signed in March 2013 (“the Trans-Tasman Arrangement”) gives effect to a joint regulatory framework for patent attorneys to register and practice between Australia and New Zealand. The Trans-Tasman Arrangement, which is implemented in New Zealand by Part 6 of the *Patents Act 2013* (NZ), requires the Board to maintain a trans-Tasman code of conduct for all registered patent attorneys. The Code is that trans-Tasman code.

### 4 Definitions

#### ***ancillary business***

This is a business that offers to clients services of the type ancillary to those that are the primary services provided by a patent attorney or a trade marks attorney. It includes services such as accounting, commercialisation, management and valuation of intellectual property.

#### ***associated person***

This is a person who does work for a registered attorney under a contract or other arrangement. It includes an employee of a registered attorney, except where the employee is a “staff attorney”. (A “staff attorney” is defined to be an individual who is a registered attorney and who is employed by an incorporated attorney.)

#### ***client***

This is the person on whose behalf a registered attorney acts. It is not necessarily the person from whom instructions are taken. Where, for example, the registered attorney is instructed by another attorney (whether a foreign-registered attorney or another registered

attorney) or some other authorised agent (e.g., a legal practitioner) to undertake work for a third person, the client is the third person for whom the work is undertaken, not the attorney or other authorised agent providing the instructions.

***incorporated patent attorney***

The *Patents Act 1990* (Cth) and the *Patents Act 2013* (NZ) explain that this is a company registered as a patent attorney, which must have at least one patent attorney director.

***incorporated trade marks attorney***

The *Trade Marks Act 1995* (Cth) explains that this is a company registered as a trade marks attorney, which must have at least one trade marks attorney director.

***ownership group***

This is a group of incorporated registered attorneys and incorporated ancillary businesses that are “associated entities” as explained in section 50AAA of the *Corporations Act 2001* (Cth), or any equivalent group of non-incorporated combinations of registered attorneys and ancillary businesses. In general terms, entities are “associated entities” if one is a subsidiary of or controls the other, or both are subsidiaries of or controlled by a third entity, or one has a material investment in and significant influence over the other. An ownership group thus includes both a group of incorporated registered attorneys and a group of partnerships of registered attorneys, where the members of the group have a significant degree of common ownership or common control or both.

***patent attorney director***

This expression is explained in subsection 198(11) of the *Patents Act 1990* (Cth), as being an individual who is both a registered patent attorney and a validly appointed director of a company that is registered as an incorporated patent attorney.

***person***

This expression has the meaning it is given by the *Acts Interpretation Act 1901* (Cth). Subsection 2C(1) of the *Acts Interpretation Act 1901* (Cth) provides that the expression “person” includes a body politic or corporate as well as an individual.

***registered attorney***

See the notes to section 6 on application of the Code.

***regulatory authority***

This expression includes the following entities, and any of their successors in title:

- (a) IP Australia; and
- (b) the Australian Border Force; and
- (c) the Australian Competition and Consumer Commission; and
- (d) the Intellectual Property Office of New Zealand; and
- (e) the New Zealand Customs Service; and
- (f) the Commerce Commission New Zealand.

***trade marks attorney director***

This expression is explained in subsection 228A(6C) of the *Trade Marks Act 1995* (Cth), as being an individual who is both a registered trade marks attorney and a validly appointed director of a company that is registered as an incorporated trade marks attorney.

## Part 2—Overview

### 6 Application of Code

- 6.1 The Code applies to a registered patent attorney and a registered trade marks attorney. These terms are explained in the *Patents Act 1990* (Cth) and the *Patents Act 2013* (NZ), and in the *Trade Marks Act 1995* (Cth), respectively. A registered patent attorney is either an individual registered as a patent attorney, a company registered as a patent attorney (*i.e.*, an incorporated patent attorney), or an individual registered as a patent attorney who is a validly appointed director of a company that is registered as a patent attorney (*i.e.*, a patent attorney director). A registered trade marks attorney is either an individual registered as a trade marks attorney, a company registered as a trade marks attorney (*i.e.*, an incorporated trade marks attorney), or an individual registered as a trade marks attorney who is a validly appointed director of a company that is registered as a trade marks attorney (*i.e.*, a trade marks attorney director).
- 6.2 Restrictions apply on who can describe themselves as, or hold themselves out as being, a “patent attorney”, “an agent for obtaining patents”, a “trade marks attorney” or a “trademarks agent”. Under subsections 201(2), (4) and (6) of the *Patents Act 1990* (Cth), a person working in Australia must not describe themselves as a “patent attorney” or an “agent for obtaining patents” unless they are a registered patent attorney as defined in the *Patents Act 1990* (Cth). Under subsections 274(2), (4) and (6) of the *Patents Act 2013* (NZ), a person working in New Zealand must not describe themselves as a “patent attorney” or an “agent for obtaining patents” unless they are a registered patent attorney as defined in the *Patents Act 2013* (NZ). Under subsections 156(1) and (3) of the *Trade Marks Act 1995* (Cth), a person working in Australia must not describe themselves as a “trade marks attorney” unless they are a registered trademarks attorney as defined in the *Trade Marks Act 1995* (Cth). Under subsections 156(2) and (3A) of the *Trade Marks Act 1995* (Cth), a person working in Australia must not describe themselves as a “trade marks agent” unless they are either: (i) a registered trademarks attorney as defined in the *Trade Marks Act 1995* (Cth); (ii) a registered patent attorney as defined in the *Patents Act 1990* (Cth); or (iii) a lawyer or an incorporated legal practice as defined in the *Trade Marks Act 1995* (Cth).

### 7 Objective of Code

- 7.1 The Code sets out standards of practice established by the Board for assessing the professional conduct of registered attorneys. A registered attorney is expected to comply with the Code. Under subregulation 20.33(6) of the *Patents Regulations 1991* (Cth) and regulation 20.15 of the *Trade Marks Regulations 1995* (Cth), the Board is entitled to take a failure to comply with the Code into account in assessing the conduct of a registered attorney or a complaint against a registered attorney.

## Part 3—Professional conduct

### 12 Responsibility

- 12.1 In addition to being responsible for their own work, a registered attorney is responsible for the work of certain other persons who do work for the registered attorney. Where the registered attorney is an individual, those other persons are people, including another registered attorney, who do work for the registered attorney under a contract or other arrangement (“associated persons”). Where the registered attorney is a director of an incorporated attorney, those other persons are employed registered attorneys and associated persons of the incorporated attorney. Where the registered attorney is an incorporated attorney, those other persons are its directors, its employed registered attorneys, and its associated persons. It is understood that in some situations the Board may consider it appropriate to treat someone else as responsible for the work of associated persons.
- 12.2 If a registered attorney does work for another registered attorney of any kind, the Board also requires the other registered attorney to be responsible for that work and those acts and defaults.

### 13 Integrity

- 13.1 A registered attorney:
- (a) must be open and frank in dealing with a regulatory authority, subject only to the registered attorney’s duty to the registered attorney’s clients; and
  - (b) must not knowingly make a false or misleading statement in relation to work done for a client or a prospective client; and
  - (c) must not prepare, or assist in the preparation of, a document in relation to a matter if the registered attorney knows, or ought reasonably to know, that the document contains a false or misleading statement; and
  - (d) must not file, or assist in the filing of, a document in relation to a matter if the registered attorney knows, or ought reasonably to know, that the document contains a false or misleading statement; and
  - (e) must not wilfully misrepresent facts or otherwise mislead another person in relation to a matter.
- 13.2 The instructions given by a client are not automatically a defence of, or an explanation for, the way a registered attorney acts for the client.
- 13.3 A registered attorney is likely to have to choose the way in which material such as a specification, application or evidence is best prepared in the interests of the client. The registered attorney’s obligation, having regard to all of the registered attorney’s obligations under the Code, is to explain the implications adequately to the client and represent the client in the most diligent way possible but without perpetuating a falsehood or knowingly making a statement which is misleading.
- 13.4 A registered attorney in all professional activities should act conscientiously, courteously, honestly, objectively and in a manner that promotes confidence in the professions. If an attorney behaves disrespectfully or without courtesy to a client, a government officer such as an examiner, another attorney or a member of the public, that conduct will reflect poorly on the attorney’s profession. An attorney must exercise caution when commenting on the practice or behaviour of another attorney. While commentary that is objective and accurate is unlikely to constitute a breach of the Code section 13 obligation of integrity, commentary that is subjective or inaccurate may do so.

- 13.5 Except in exceptional circumstances, a registered attorney should not communicate in relation to a particular matter directly with any other party who, to the registered attorney's knowledge, is represented in that matter by a professional advisor (including another registered attorney), unless with the consent of the professional advisor or to request the name and contact details of the professional advisor. One circumstance which may justify an exception to this principle is where it would be reasonable to conclude that the other party's professional advisor has refused or failed for no adequate reason either to pass on messages to their client or to reply to correspondence, and the professional advisor has been warned of the registered attorney's intention to contact their client directly.
- 13.6 Behaviour that constitutes unlawful discrimination (which can include discrimination on the grounds of age, disability, ethnicity, gender, race, marital status, religious or political belief, sex, or sexual orientation), harassment (which can include sexual harassment), bullying, and violence is inconsistent with the Code section 13 obligation of integrity. The obligation of a registered attorney to not engage in such behaviour applies in respect of all persons with whom an attorney engages professionally.
- 13.7 Care must be taken in discharging the Code section 13(1) duties when a registered attorney brings an IP rights opposition proceeding in their name, on instruction from the client (typically with a view to hiding the identity of the client as the "true opponent") – a so-called "strawperson" opposition. See also paragraph 20.7.

## 14 Competency

- 14.1 The Code section 14(1) obligation of competency applies to all work a registered attorney undertakes in connection with practice as an attorney, not just to the work of drafting and prosecuting IP rights applications, and advising on validity and infringement of IP rights. Examples of work that must not be done unless the registered attorney possesses suitable competency for the specific task are:
- (a) work relating to a field of science or technology with which the registered attorney is unfamiliar;
  - (b) work in an area outside the registered attorney's primary practice area (such as work in relation to patents if the registered attorney has practised only in the area of trade marks); and
  - (c) work beyond drafting and prosecuting IP rights applications, and advising on validity and infringement of IP rights (such as advice in relation to finance, taxation, IP asset auditing, licensing, and competition law).
- 14.2 A registered attorney is a professional, and must carry out work with reasonable skill and care. This Code section 14(2) obligation applies to all work an attorney undertakes in connection with practice as an attorney.
- 14.3 If a registered attorney considers that the interests of the client would be better served by some other persons carrying out the work requested or required by the client, the registered attorney must advise the client accordingly.
- 14.4 Difficulties can arise where a client provides instructions to a registered attorney orally, or where a registered attorney provides advice to a client orally, because recollections may differ. A written record of a client's oral instructions, and of an attorney's oral advice, can help prevent a subsequent misunderstanding or disagreement between the parties about what was said. Unless a client expressly instructs otherwise, a registered attorney should make a written record of oral instructions received and oral advice given, and provide an appropriate summary of the instructions and the advice to the client.

## 16 Communication

- 16.1 Except where the client is represented by a foreign-registered attorney or another registered attorney, a registered attorney is required to inform a client of the matters specified in Code paragraphs 16(1)(a)-(e) prior to undertaking any work for that client, unless the client has already been informed of those matters. Where the client is represented by a foreign-registered attorney or another registered attorney, a registered attorney is required to inform the representative of the matters specified in Code paragraphs 16(1)(d) and (e), unless the representative has already been informed of those matters.
- 16.2 The matters specified in Code paragraphs 16(1)(b) and (c) – which concern a registered attorney’s competency to perform work, and the procedures, timing and estimated cost of doing work – are specific to the work to be undertaken for the client. This means that where work to be undertaken for a client is materially different from work previously undertaken for that client, the matters specified in Code paragraphs 16(1)(b) and (c) will need to be notified to the client. This is because any previous notification to the client about those matters will have been in relation to materially different work, and so will not relate to the new work to be undertaken. Work will be materially different from previous work undertaken for the client where it requires competency that the registered attorney has not previously been required to apply for that client, or for which the cost, timing or procedures are materially different from those of work previously done for the client.
- 16.3 A registered attorney is obliged to keep the client, the foreign registered attorney or the other attorney, as the case may be, updated about the matters of which they are required to be informed. Thus, where those matters change materially, the client, the foreign registered attorney or the other attorney, as the case may be, must be notified of those changes.
- 16.4 The Code paragraph 16(1)(e) requirement to disclose the identity of “the other members” of an ownership group does not require disclosure of the identity of individual registered attorneys who are employed by, or who are partners or constituents of, the entities that comprise the group; rather, it requires disclosure of the identity of the entities that comprise the group (*i.e.*, the incorporated attorneys, the partnerships or the other non-incorporated combinations of registered attorneys and the ancillary businesses in the group).

### *Transitional*

- 16.5 The Code paragraphs 16(1)(d) and (e) requirements to disclose information about incorporation and about an ownership group did not apply under the previous code, the *Code of Conduct for Patent and Trade Marks Attorneys 2013*. Upon commencement of this code, the *Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018*, the obligation to disclose that information takes effect. This means that a registered attorney who has not already done so must disclose information about the Code paragraphs 16(1)(d) and (e) matters to the client or, where the client is represented by a foreign-registered attorney or another registered attorney, to that attorney. The Board recognises that it is not reasonable to require such disclosure to occur instantaneously with commencement of the Code. Accordingly, the Board requires that the disclosure occur within a reasonable time, and no later than three months, after commencement of the Code.

### *Information about the Board*

- 16.6 Code paragraph 16(1)(a) requires a registered attorney to ensure that a client is informed in writing that the attorney is, among other things, bound by the Code. When providing the information required by Code paragraph 16(1)(a), an attorney should identify, and provide

the contact details of, the Board as the authority responsible for administration of the Code.

## **17 Disclosure**

- 17.1 A registered attorney who is an individual has a duty to disclose to a client all information that is materially relevant to work being undertaken for the client, but subject to any obligations in relation to another person's confidential information. That is to say, a registered attorney who is an individual must not withhold materially relevant information from a client unless required to do so by law (such as by an obligation to maintain confidentiality).
- 17.2 The duty of disclosure is imposed on a registered attorney who is an individual, but not on one that is incorporated, in recognition of the fact that attributing knowledge to a corporation is a complex concept. Moreover, information that is known to one staff attorney of an incorporated attorney may not be (and, in certain cases, must not be) known to another staff attorney of that incorporated attorney. For these reasons, the obligation is not expressed to apply to an incorporated attorney.
- 17.3 It should be remembered, however, that under Code subsection 12(3) an incorporated attorney is responsible for the work, acts and defaults of each director, staff attorney and associated person of the incorporated attorney.
- 17.4 A client should know the identity of the person who has undertaken attorney work for them. Unless informed otherwise, a client is likely to assume that attorney work was undertaken by the registered attorney that the client instructed, or by a member of that attorney's firm. Thus, the Code section 17 duty of disclosure includes a duty to identify any person by whom attorney work was undertaken for the client, where that person is not the registered attorney or a member of the registered attorney's firm.

## **18 Confidentiality**

- 18.1 The duty to not disclose or misuse, or allow another person to disclose or misuse, a client's confidential information is a fundamental duty of a registered attorney. The duty applies in relation to a former client and a prospective client, as well as in relation to a client.
- 18.2 The duty to maintain confidentiality continues until the client consents to the disclosure, or until the information becomes public other than through a breach by any person of a duty of confidentiality.
- 18.3 Typically, a client's confidential information is information that it is not generally available to other parties. It therefore may include client-specific financial information generated or held by a registered attorney.
- 18.4 The use of the qualification "generally" in the statement in Guidelines paragraph 18.3 above accords with the legal understanding of when information is confidential for the purposes of a duty to maintain confidentiality. The characteristic of being confidential for this purpose is relative, not absolute. Information that is not generally available may be confidential, even though it could be legally ascertained by another person, so long as the effort required to do so is not insignificant. Accordingly, information (*e.g.*, about the existence of an application for IP rights) disclosed to an attorney by a client (including a prospective client), that is not generally known and of which the attorney was not previously aware, is to be treated as confidential even if the information could have been legally ascertained from a public source (*i.e.*, by searching the register of applications), if the attorney had not actually done so prior to the information being disclosed.

## 19 Loyalty

- 19.1 A registered attorney is in a fiduciary relationship with a client when acting as a registered attorney for the client. Consequently, a registered attorney owes a duty of loyalty to a client, meaning the registered attorney must not prefer the registered attorney's own interests over those of a client and must not prefer the interests of one client over those of another client.
- 19.2 The registered attorney's own interests include all of the following:
- (a) the interests of a business partner or business associate (however described) of the registered attorney; and
  - (b) where the registered attorney is an individual – the interests of a member of the registered attorney's family, a dependent of the registered attorney who is not a member of the registered attorney's family, and a friend of the registered attorney.
- 19.3 It is understood that a client may wish to instruct a registered attorney to act only if the registered attorney agrees to not act in the future for some other person, due to a "commercial conflict" of interests between that client and that other person. Where that other person is not a client of the registered attorney, Code sub-section 19(3) has no application. Where that other person is a client of the registered attorney, care must be taken to ensure that the client's interests in future matters can be adequately met by alternative representation; otherwise, the attorney may be in breach of the obligation to not prefer the interests of one client over the interests of another client.
- 19.4 Unless the matter relates to a proceeding before a court, a tribunal, a like adjudicative body or an intellectual property office, a registered attorney may act for a client in a matter that is adverse to the interests of another client only if both clients give informed consent and the registered attorney ensures that any relevant confidential information of the other client is subject to an effective information barrier. Pursuant to the Code section 4 definition, a client's consent will be informed when it is given with knowledge of all the information that is reasonably necessary and legally possible to be provided to the client so that the client can make an informed decision. An information barrier is effective when it ensures that relevant confidential information of the other client is not accessible to and not able to be utilised by the individuals providing the attorney professional services in the matter.
- 19.5 Where the matter relates to a proceeding before a court, a tribunal, a like adjudicative body or an intellectual property office, a registered attorney must not act for a client in a matter that is adverse to the interests of another client. This is so even if the clients would consent to the attorney so acting, because it is necessary to protect the integrity of such proceedings, including the public interest and the appearance of propriety of the professions.
- 19.6 For the purposes of Code subsection 19(5), a proceeding before an intellectual property office does not include an examination of an application for a trade mark or a standard patent, but does include an examination of an innovation patent requested by a third party, a consideration of an assertion by a third party on novelty or inventive step, an opposition proceeding, a re-examination requested by a third party, a revocation proceeding and a consideration of a request by a third party relating to entitlement of a patent.
- 19.7 A registered attorney is not in a fiduciary relationship with a former client, and so does not owe a duty of loyalty to a former client. Nevertheless, a registered attorney does owe a duty to a former client in relation to confidential information provided by or on behalf of a former client. Accordingly, a registered attorney must not act in a matter adverse to the

interests of a former client unless: (a) the registered attorney does not hold any confidential information of the former client relevant to the matter; or (b) where the registered attorney does hold confidential information of the former client relevant to the matter, an effective information barrier is established in relation to it. An information barrier is effective when it ensures that relevant confidential information of the former client is not accessible to and not able to be utilised by the individuals providing the attorney professional services in the matter.

- 19.8 The situation in which a registered attorney acts to oppose, or to invalidate, the grant of an IP right in respect of which the attorney prepared and/or prosecuted the application on behalf of a former client is an exceptional one. As explained in Guidelines paragraph 19.7 above, a registered attorney owes a duty of confidentiality, but not a duty of loyalty, to a former client. Nevertheless, acting to oppose or invalidate a former client's IP right that the attorney helped obtain has the potential to undermine the integrity of the profession in the eyes of the public. Accordingly, to protect the integrity of the profession, an attorney should not do so.
- 19.9 Care must be taken in discharging the Code section 19 duties of loyalty where a registered attorney does work for another attorney other than as an employee – *e.g.*, does work as a sub-contractor. An attorney must be vigilant in identifying the clients to whom the loyalty duties apply. As explained in Guidelines paragraph 4 above in relation to the Code section 4 definitions, the “client” is the person for whose benefit the work is undertaken, which is not necessarily the person from whom the attorney takes instructions. Thus, where an attorney is instructed by someone (*e.g.*, a foreign attorney or another registered attorney) to undertake work for the benefit of a third person, the client is the third person, not the instructor. It follows that an attorney's duties to not prefer their own interests over the interests of a client, and to not prefer the interests of one client over the interests of another client, operate in respect of the person for whose benefit the attorney undertakes work, whether or not the instructions to perform that work are given by that person.

## 20 Conflicts

- 20.1 One key means by which a registered attorney can act to avoid the creation of an actual or possible conflict of interests is to undertake a “conflicts check” prior to accepting work from a new or prospective client. At a minimum, such a check should include checking with all relevant personnel that acceptance of work from the new or prospective client is not likely to compromise the interests of any client.
- 20.2 The actions that a registered attorney should take upon becoming aware of a situation of an actual or possible conflict of interests will depend on the circumstances. Where the situation is of an actual or possible conflict between the interests of two clients, the provisions of Code section 19 will be relevant. Where the situation is one of an actual or possible conflict between the interests of the registered attorney and a client, it may not be appropriate for the attorney to act even with the informed consent of the client.
- 20.3 Upon becoming aware of a situation of an actual or possible conflict of interests, a registered attorney must take all reasonable steps to resolve the conflict, and those steps must be taken as soon as practicable. In determining what steps are reasonable to take, and when it is practicable to take them, consideration must be given to the circumstances of the clients involved. In particular, consideration must be given to whether taking, or failing to take, a particular action will prejudice a client's interest – for example, because it would put at risk the maintenance of the client's rights.
- 20.4 It is understood that a registered attorney may become aware of a situation of an actual or possible conflict of interests in circumstances where some action to maintain a client's

rights needs to be taken as a matter of urgency. In those circumstances, it may be appropriate for the registered attorney, before taking steps to resolve the conflict, to take the urgent action that is necessary to maintain the client's rights, even though taking that action is in actual or possible conflict with the interests of another client.

- 20.5 The Code section 20(1) obligation to avoid the creation of a situation giving rise to an actual or possible conflict is ongoing – *i.e.*, it extends beyond the initial acceptance of work from a new or prospective client. Accordingly, a registered attorney should monitor for actual or possible conflict throughout the life of a matter, particularly when a major change in the conduct of a practice occurs – such as, the appointment of a new staff member from another firm, or the merger of firms. In that situation, it would generally be necessary to undertake a “conflicts check” with the relevant personnel, to determine if any work being brought into the practice would compromise the interests of a client.
- 20.6 A conflict may occur between a registered attorney's interests and the interests of a client in the situation where the attorney holds, directly or indirectly, a material proprietary or financial interest in the client's IP rights (including an application for IP rights) in respect of which the attorney is acting for the client. While the two sets of interests may initially be coincident, there is the possibility for them to diverge over time – such as, *e.g.*, where the two parties hold different views as to the value of the rights, or the investment that should be made in obtaining or maintaining them. Accordingly, significant care is required when an attorney contemplates taking, or holds, an interest in a client's IP rights. Before taking, and while holding, a proprietary or financial interest in a client's IP rights, an attorney must assess the potential for their interests and the client's interests to come into conflict. Where there is an actual conflict or a reasonable possibility of a conflict arising, the attorney must take all reasonable steps to avoid/resolve the conflict – which may mean that the attorney must not act/must cease to act for the client in respect of those IP rights or must not take/must cease to hold an interest in those IP rights.
- 20.7 There is a strong possibility of a conflict arising between a registered attorney's interests and the interests of a client in the situation where the attorney brings an IP rights opposition proceeding in their name, on instruction from the client (typically with a view to hiding the identity of the client as the “true opponent”) – a so-called “strawperson” opposition. As the named opponent, the attorney is exposed to the possibility of having an award of costs made against them or becoming a party to court proceedings on appeal. Furthermore, there may be an issue as to the application of the client attorney privilege provided by section 200 of the *Patents Act 1990* (Cth) and section 54 of the *Evidence Act 2006* (NZ). Accordingly, very significant care is required when an attorney contemplates acting, or acts, as the named opponent on instruction from a client. Before and while acting in this manner, the attorney must assess the potential for their interests and the client's interests to come into conflict. Where there is an actual conflict or a reasonable possibility of a conflict arising, the attorney must take all reasonable steps to avoid/resolve the conflict – which may mean that the attorney must not act/must cease to act as the named opponent.

## 21 Independence

- 21.1 A registered attorney's membership of an ownership group has particular relevance to the duty of loyalty owed to a client, and to the obligation to avoid the creation of actual or possible conflict between the interests of the registered attorney and a client or between the interests of two clients. Where a registered attorney is a member of an ownership group, for the purposes of the duty of loyalty and the obligation to avoid a conflict, a client of another member of the group will be regarded as a client of the registered attorney unless the registered attorney is operating independently of that other member of the group in the provision of attorney professional services.
- 21.2 Attorney professional services are typically the “client-facing” services provided by a

registered attorney. They include the provision of advice and the prosecution of applications. Independence of operation in relation to the provision of these services typically requires that the registered attorney not employ or use the services of staff providing attorney professional services in common with another member of the ownership group. It also typically requires that the registered attorney not have the ability to access client confidential information relating to attorney professional services held by another member of the ownership group.

- 21.3 Attorney professional services are to be contrasted with “back-office” activities undertaken by a registered attorney. The non-independence of operation in relation to back-office activities by members of an ownership group does not, of itself, preclude the members from being considered independent for the purposes of the duty of loyalty and the obligation to avoid conflicts. Nevertheless, where back-office services are shared by members of an ownership group, particular care is required to ensure that all members of the group comply with the section 18 obligations in relation to confidential information – including, in particular, in respect of client-specific financial information.
- 21.4 Even where a registered attorney that is a member of an ownership group is operating independently of another member of the group in the provision of attorney professional services, by virtue of Code subsection 21(3) the registered attorney must not act for a client in a proceeding against a party that is a client of that other member of the group unless the registered attorney’s client has given informed consent to the registered attorney so doing. In addition to a proceeding before a court, a tribunal or a like adjudicative body, the type of matter to which this provision applies includes a proceeding before an intellectual property office. As with Code subsection 19(5), for the purposes of Code subsection 21(3) a proceeding before an intellectual property office does not include an examination of an application for a trade mark or a standard patent, but does include an examination of an innovation patent requested by a third party, a consideration of an assertion by a third party on novelty or inventive step, an opposition proceeding, a re-examination requested by a third party, a revocation proceeding and a consideration of a request by a third party relating to entitlement of a patent. Pursuant to the Code section 4 definition, a client’s consent will be informed when it is given with knowledge of all the information that is reasonably necessary and legally possible to be provided to the client so that the client can make an informed decision.
- 21.5 It is understood that a registered attorney may become aware that they are being instructed to act in a proceeding against a client of another member of their ownership group only very close to the deadline for acting. In those circumstances, it may be appropriate for the registered attorney to take only the urgent action that is necessary to maintain the client’s rights, even though the registered attorney has not yet received (and may not receive) the client’s informed consent to act in the matter.

## Part 4—Practice management

### 23 Ownership

- 23.1 The Code expressly recognises that a registered attorney may choose (as some have chosen) to operate as a member of an ownership group. Participation in an ownership group has particular consequences, both for the existence and for the appearance of the potential for breach of the duty of loyalty and the duty of confidentiality. In recognition of this fact, Code subsection 21(3) provides that a registered attorney that is a member of an ownership group must not act for a client in a proceeding against a client of another member of the group unless the registered attorney's client has given informed consent to the registered attorney doing so. Pursuant to the Code section 4 definition, a client's consent will be informed when it is given with knowledge of all the information that is reasonably necessary and legally possible to be provided to the client so that the client can make an informed decision.
- 23.2 The Code also makes particular provision in relation to disclosure of group membership. Code subsection 23(2) requires a registered attorney to clearly disclose to the public its membership of an ownership group and the identity of the other members of the group. The requirement of clear disclosure of this information will be satisfied only when the disclosure is done in a manner such that it can be reasonably expected the information will come to the attention of, and be understood by, the public. This obligation is in addition to the obligations in Code section 16, which include in Code paragraph 16(1)(e) and paragraph 16(2)(b) the obligations to disclose this information to a new or prospective client, and to a client for whom materially different work is to be undertaken (or instead, under Code subsections 16(3) and 16(4), to a foreign-registered attorney or other registered attorney by whom instructions on behalf of the client are being given).
- 23.3 As with Code paragraph 16(1)(e), the Code subsection 23(2) requirement to disclose the identity of "the other members" of an ownership group does not require disclosure of the identity of individual registered attorneys who are employed by, or who are partners or constituents of, the entities that comprise the group; rather, it requires disclosure of the identity of the entities that comprise the group (*i.e.*, the incorporated attorneys, the partnerships or the other non-incorporated combinations of registered attorneys and the ancillary businesses in the group).
- 23.4 Code subsection 23(2) requires that the specified information be "clearly disclosed to the public, using means and words which can be reasonably expected to come to the attention of the public, and be understood by the public". What constitutes clear disclosure to the public is not necessarily the same as what constitutes clear disclosure to a client (whether prospective, new or existing). Whereas a client may be motivated to navigate through webpages, look at footnotes, and read small print in an effort to ascertain the ownership status of an attorney firm, an ordinary member of the public most likely will not. Compliance with the Code subsection 23(2) disclosure requirement typically requires an attorney firm to have a prominent, clear and simple presentation of the required information on its public material, including on the home page of its website.

## Part 5—Complaints and disciplinary proceedings

### 27 Complaints

- 27.1 The Board would generally expect a client or former client of a registered attorney to:
- (a) discuss a grievance with the registered attorney, to attempt a settlement, before making a complaint or providing information to the Board; and
  - (b) inform the Board, when making a complaint or providing information, of discussions with the registered attorney and attempts to settle the matter with the registered attorney.
- 27.2 The Board recognises, however, that there are cases where it would be not practical or not reasonably appropriate for a client or former client to contact the registered attorney prior to making a complaint or providing information to the Board.

### 28 Disciplinary proceedings

- 28.1 Part 8 of Chapter 20 of the *Patents Regulations 1991* (Cth) sets out the grounds on which, and the procedure by which, the Board may make an application to the Disciplinary Tribunal to cancel or suspend the registration of a patent attorney who is an individual. By virtue of regulation 20.15 of the *Trade Marks Regulations 1995* (Cth), those provisions, with minor modification, apply to a registered trade marks attorney who is an individual.
- 28.2 Regulation 20.32 of the *Patents Regulations 1991* (Cth) defines the grounds for disciplinary proceedings against a registered attorney as follows:
- professional misconduct** means:
- (a) unsatisfactory professional conduct that involves a substantial or consistent failure to reach reasonable standards of competence and diligence; or
  - (b) any other conduct, whether occurring in connection with practice as an attorney or otherwise, that shows that the attorney is not of good fame, integrity and character; or
  - (c) any contravention of a law that is declared by these Regulations to be professional misconduct.
- unsatisfactory professional conduct** includes conduct, in connection with practice as a registered patent attorney, that falls short of the standard of competence, diligence and behaviour that a member of the public is entitled to expect of an attorney.

Section 269(1) of the *Patents Act 2013* (NZ) defines these terms to the same effect.

- 28.3 Regulation 20A.10 of the *Patents Regulations 1991* (Cth) and regulation 20A.10 of the *Trade Marks Regulations 1995* (Cth) sets out the grounds on which, and the procedure by which, the Board may make an application to the Disciplinary Tribunal to cancel or suspend the registration of an incorporated attorney.

## Amendment History

Amendment number	Provision affected	How affected	Date
1.	Section 20	Insert paragraphs 20.3 and 20.4.	30/01/2020
2.	Section 2	“Code” defined	15/05/2023
3.	Section 3	Amend definition of “client”	15/05/2023
4.	Section 12	Amend paragraph 12.1	15/05/2023
5.	Section 13	Amend paragraph 13.4; insert paragraphs 13.6 and 13.7	15/05/2023
6.	Section 14	Amend paragraphs 14.1 and 14.2; insert paragraph 14.4	15/05/2023
7.	Section 16	Insert paragraph 16.6	15/05/2023
8.	Section 17	Insert paragraph 17.4	15/05/2023
9.	Section 18	Insert paragraph 18.4	15/05/2023
10.	Section 19	Amend paragraph 19.3; insert paragraphs 19.8 and 19.9	15/05/2023
11.	Section 20	Insert paragraphs 20.5, 20.6 and 20.7	15/05/2023
12.	Section 21	Insert paragraph 21.5	15/05/2023
13.	Section 23	Insert paragraph 23.4	15/05/2023
14.	Section 28	Amend paragraphs 28.1, 28.2 and 28.3	15/05/2023
15.	Various	References to “code” changed to “Code”, and “Code” inserted ahead of references to Code provisions	15/05/2023