



Ownership of Files

File ownership has been an issue in a number of recent complaints before the Trans-Tasman IP Attorneys Board (the Board). This Practice Note is published by the Board to assist registered attorneys to understand their obligations and may change from time to time.

Responsibilities of registered attorneys

The Board expects that registered patent attorneys and registered trade marks attorneys (collectively, 'registered attorneys') should maintain a file in such a manner that the client's property is, or can be, readily identified. This will allow the attorney to promptly comply with a request for the return of the client's property if and when it is made.

Legislative requirements

The *Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018* (the Code) deals generally with the professional conduct required of registered attorneys. Section 25 of the Code deals with client or former client property, including the return of a client's property when the client asks the registered attorney for its return. However, a registered attorney need not return the client's property if the client has not satisfied a lien imposed in accordance with the *Patents Regulations 1991* (Cth) or the *Trade Marks Regulations 1995* (Cth), or the *Patents Act 2013* (NZ) or otherwise by law.

A registered attorney may claim a lien over client documents if outstanding fees are owing to the registered attorney. If a registered attorney is running several files for a client, then the lien could be applied to all the client's files.

Which parts of these files are client property that need to be released to the client on request

Examples of documents that are client property could include:

- documents, samples or other material which are owned by the client;
- documents, samples or other material *created by the client* either prior to or during the course of the retainer, and given to the registered attorney for the purpose of doing the work subject to the retainer;
- documents prepared by the registered attorney for the benefit of the client;
- documents prepared by a third party and sent to the registered attorney other than at the registered attorney's expense;
- documents brought into existence by a registered attorney who acts only as an agent for a client for this purpose;
- original receipts for payments made on behalf of the client;
- communications between the registered attorney, IP offices and third parties;

- file notes of telephone conversations relating to the work subject to the retainer;
- filing details of a client's intellectual property rights.

Registered attorneys should note that paragraph 25(1)(b) of the Code provides for the registered attorney to release 'documents, samples or material to which the client may have access under an agreement between the registered attorney and the client'. This category of documents, etc. will be determined by the nature of the agreement between the client and the registered attorney, however it should not derogate from the client's right to the client's property. Registered attorneys may seek to clarify these matters in their standard retainer terms for the avoidance of doubt.

Which parts are not client property

Examples of documents that are not client property could include:

- drafts and office copies of final accounts of profit and loss, balance sheets etc.;
- draft and office copies of final reports, memoranda and notes requested by the client;
- file copies of client property made at the registered attorney's expense;
- internal cheque requisitions, photocopying requisition forms, etc.;
- trust and other accounts printouts;
- internal records and memos about work done or to be done.

Can an attorney levy charges, etc. for the extraction, copying and delivery of a client's file (and if so, when)

A client should not be charged to copy client property for the retention of a copy by the registered attorney.

In practice, an attorney should not levy charges for delivery of the client's property unless the attorney and client have otherwise agreed. If a charge has been agreed, then it is recommended that the charge reflect the approximate cost to the attorney of making a copy.

In the absence of such an agreement, if a registered attorney were to charge an unreasonable amount for document storage, extraction, copying or delivery it could be argued that such conduct is inconsistent with the registered attorney's obligation to act in the best interests of the registered attorney's client.

If you have any concerns please contact the Secretary, Trans-Tasman IP Attorneys Board.

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