



The Trans-Tasman IP Attorneys Board

MDB-TTIPABCodeofConduct@ipaaustralia.gov.au

28 September 2017

**RE: Code of Conduct 2018, Phase 2**

Dear Board

ResMed Inc. and its subsidiary companies ('ResMed') are global leaders in the development, manufacturing, distribution and marketing of medical devices and cloud-based software applications that diagnose, treat and manage respiratory disorders including sleep disordered breathing, or SDB. ResMed's products and solutions are designed to improve patient quality of life, reduce the impact of chronic disease and lower healthcare costs as global healthcare systems continue to drive a shift in care from hospitals to the home and lower cost settings.

In the fiscal year ending 30 June 2017 ResMed's net revenues were \$ 2,066 million, ResMed invested \$144.5 million on research and development and ResMed had approximately 6,080 employees or full-time consultants globally.

ResMed relies on a combination of patents, trade secrets, copyrights, trademarks and non-disclosure agreements to protect its proprietary technology and rights. Through various subsidiaries, as of the date of the FY2017 annual report, ResMed owns or has licensed rights to approximately 1,127 issued United States patents (including approximately 430 design patents) and approximately 2,083 issued non-US patents. ResMed is engaged in patent disputes in the United States, New Zealand, Germany and the United Kingdom.

ResMed has an in-house legal team including lawyers and registered Australian, New Zealand ('TT IP') and US patent and trademarks attorneys.

In response to the draft Code of Conduct 2018 ('draft Code (2018)'), and the draft Guidelines to the Code of Conduct 2018 ('draft Guidelines (2018)'), we make submissions both from the perspective of a client, and as patent and trademarks attorneys acting in-house for a client.

Yours sincerely

Paul Green & Julian Magarey

## Summary

As a client, the qualities that we expect in the attorneys we engage are undivided loyalty, candour, competence, diligence, honesty and cost-effectiveness.

As attorneys, to the extent to which a code of conduct is required, we wish it to clearly articulate our professional responsibilities.

We consider that the draft Code (2018) makes a number of worthwhile changes to the prior code. In particular, we think the draft Code (2018) increases the focus on the core standards of practice, and reduces some provisions in the current code which are overly prescriptive and less important.

As in-house attorneys we suggest that the draft Guidelines (2018) provide guidance for in-house attorneys.

We suggest that the Board consider provisions similar to those of the corresponding Ethics rules of the United States Patent and Trademark Office (USPTO) in relation to:

- Advocacy; and
- Transactions with Persons Other Than Clients

## Comments on draft Code (2018)

<i>Section draft Code (2018)</i>	<i>ResMed Comments</i>
11 Core Obligations	<p>We question the requirement to act “in the interests of the registered attorney’s profession as a whole”. It would be redundant if it means no more than acting</p> <p>(a) in accordance with the law; or</p> <p>(b) in the best interests of the registered attorney’s clients; or</p> <p>(c) in the public interest.</p> <p>If it means something other than these, we suggest it is unclear.</p> <p>We note that the guidelines to the UK code provide:</p> <p><i>5.2 A regulated person should not do anything that might compromise:</i></p> <p><i>a) his independence;</i></p> <p><i>b) the dignity and good standing of the regulated person, or of the patent or trade mark professions; ...</i></p>

	We note that the USPTO Ethics rules include a number of provisions (§11.801 to §11.804) directed towards ‘Maintaining the Integrity of the Profession’. However none of these rules is directed towards the <i>interests</i> of the Profession.
12 Responsibility	We note that the UK regulations have express provisions relating to in-house (‘Corporate’) work. Otherwise we have no comment.
13 Integrity	We agree with the proposed rule
14 Competency	We agree with the proposed rule
15 Diligence	We agree with the proposed rule
16 Communication	We suggest that the draft Guidelines (2018) provide guidance for in-house attorneys.
17 Disclosure	We agree with the proposed rule.
18 Confidentiality	We agree with the proposed rule.
19 Loyalty	We agree with the proposed rule.
20 Conflicts	We agree with the proposed rule.
21 Independence	No comment.

## Provisions of other codes

The UK regulations and USPTO Ethics rules include a number of provisions not found in the draft Code (2018).

### Advocacy

The USPTO Ethics rules contain provisions relating to advocacy before the tribunal.

For example:

*§ 11.301 Meritorious claims and contentions.*

*A practitioner shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis in law and fact for doing so that is not frivolous, which includes a good-faith argument for an extension, modification or reversal of existing law.*

*§ 11.304 Fairness to opposing party and counsel.*

*A practitioner shall not:*

...

*(e) In a proceeding before a tribunal, allude to any matter that the practitioner does not reasonably believe is relevant or that will not be supported by admissible evidence, assert personal knowledge of facts in issue except when testifying as a witness, ...*

TT IP Attorneys make written or oral submissions during prosecution of patent or trademark applications, or during Oppositions, before IP Australia and IPONZ.

We suggest that the Board consider whether such provisions are relevant to TT IP Attorneys.

## **Transactions with Persons Other Than Clients**

TT IP Attorneys may have contact with persons other than clients.

The USPTO Ethics rules provide:

*§ 11.402 Communication with person represented by a practitioner.*

*(a) In representing a client, a practitioner shall not communicate about the subject of the representation with a person the practitioner knows to be represented by another practitioner in the matter, unless the practitioner has the consent of the other practitioner or is authorized to do so by law, rule, or a court order.*

We suggest that the Board consider whether such provisions are relevant to TT IP Attorneys.

## **In-house/Corporate attorneys**

We note that the UK regulations provide:

*“corporate work” means professional work undertaken by an employed regulated person acting solely as an agent on behalf of:*

- a) their employer;*
- b) a company or organisation controlled by their employer or in which their employer has a substantial measure of control;*
- c) a company in the same group as their employer;*
- d) a company which controls their employer;*
- e) an employee (including a director or a company secretary) of a company or organisation under (a) to (d) above, where the matter relates or arises out of the work of that company or organisation; or*
- f) another person with whom a person under (a) to (e) above has a common interest;*

We note also UK regulations contain provisions pertaining to Corporate work for third parties:

*Attorneys undertaking “corporate work” may, however, but subject always to the overarching obligations of section 15 of the Legal Services Act 2007 act on behalf of third*

*parties unrelated to their employer where their employer or an associated individual or company has a “common interest” in such work. Typical examples of permitted actions on behalf of third parties would include: maintaining or enforcing patents on behalf of third parties where the patents are licensed to an employer; prosecuting patent applications owned jointly by an employer and a third party; the appointment of an attorney as a joint representative on behalf of an employer and others in revocation or opposition proceedings; and time limited activities arising due to the transfer of assets to or from an employer such as the on-going maintenance of a portfolio of rights whilst a formal transfer was being finalised.*

We note also that the USPTO Ethics rules provide in rule §11.113 provisions in relation to the Organization as a Client.

We suggest that the Board consider whether such provisions are relevant to TT IP Attorneys.

## Other law

We note that activities of Patent and Trademarks attorneys may be subject of a range of laws independent of the Code of Conduct, including for example in Australia:

- Fiduciary Duty; and
- Competition and Consumer Act 2010 (Trade Practices Act)

Hence the question arises as to whether the Code (2018), and previous versions, are restating some obligations which already exist, or creating new obligations over and above those which already exist.