

28 September 2017

Trans-Tasman IP Attorneys Board
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Dear Colleagues

Re Code of Conduct for Patent and Trade Marks Attorneys 2018

Thank you for the consultation papers.

Section 13 – Integrity

'Misleading' has been relocated from section 17 to section 13. On our reading, this is an improvement – the placement of the term adjacent 'fraudulent' and 'deceitful' tends to colour the interpretation of the term. Nonetheless, we remain of the view that 'misleading' is not the best possible term.

Guidance 14.1 to the UK Rules of Conduct for Patent Attorneys, Trade Mark Attorneys and Other Regulated Persons provides:

*14.1 A regulated person must not submit orally or in any documents or pleading:
...
b) contentions that he cannot justify as prima facie arguable; or
...*

In our view:

1. there is a relevant distinction between UK Guidance 14.1(b) and 'misleading'; and
2. UK Guidance 14.1(b) is the preferable formulation of the relevant requirement.

We also recommend that a guideline be added to make explicit that there is no duty akin to the US's requirement for good faith and candour, i.e. to make clear that there is no requirement to volunteer prior art citations to IP Australia.



Discussion

With due respect to all involved, in our view:

- i. not every Court decision is correct, nor does our body of case law provide us with a simple template that can be consistently and simply applied to every situation; and as such,
- ii. very often there are two sides to a given argument (i.e. there are points on which reasonable minds can differ);
- iii. an attorney's role is not to survey the case law and provide a fair and balanced view of the law; rather
- iv. an attorney's role is to present the side of the argument that is in the client's interest.

By way of example, we posit a situation where:

- A. an attorney is prosecuting a claim to a cup which can receive Coca-Cola and has certain features; and
- B. an examiner has applied a whole of contents citation clearly and unmistakably disclosing a cup receiving Pepsi and having the certain features.

In our view:

- a. the claimed invention is not novel; nonetheless
- b. it would be entirely proper and appropriate to¹ argue for the allowability of the claim by **accurately** representing various authorities² without drawing attention to other authorities³ based on which a contrary argument could be made⁴; and
- c. selecting from authorities in this way is knowingly misleading the examiner (to the conclusion that the claimed invention is novel) on the plain and ordinary meaning of 'misleading'.

Hence our preference for UK Guidance 14.1(b).

Moreover, there is no evil apparent to us within the scope of 'misleading' that is not covered by that UK guidance and/or other aspects of the proposed Code.

¹ In accordance with the attorney's duty to prioritise the client's interests over the public interest; see section 11

² See particularly *Fieldturf Tarkett Inc v Tigerturf International Limited* [2014] FCA 647, paragraphs 20 to 23; see also *Apotex Pty Ltd v Sanofi-Aventis Australia Pty Ltd* [2013] HCA 50 (4 December 2013), paragraphs 3, 289 and 294; and *Delnorth Pty Ltd v Dura-Post (Aust) Pty Ltd* [2008] FCA 1225 (13 August 2008), paragraphs 38 to 42

³ Such as *Garford Pty Ltd v DYWIDAG Systems International Pty Ltd* [2015] FCAFC 6 (30 January 2015); *Commissioner of Patents v Microcell Ltd* [1959] HCA 71, paragraphs 11 and 12; and the authorities referred to in 2.11.2.3.3a of the Examiner's Manual

⁴ Of course, the client should be emphatically advised that the validity of the claim is only arguable and the client's position should be buttressed by other claims, such as by a claim to the use of the cup to receive Coca-Cola



Section 16 – Communication and Section 17 – Disclosure

We recommend that:

1. throughout section 16 and section 17, 'client' be replaced by 'instructor'; and
2. the guidelines make clear that directors⁵ (who instruct on behalf of corporate clients) and foreign attorneys (who instruct on behalf of foreign clients) are examples of instructors.

Take, for example, the routine situation of a foreign attorney instructing an Australian attorney to file the documents necessary to enter the national phase in Australia. In this circumstance, how would the Australian attorney ensure that the foreign client (i.e. as distinct from the foreign attorney) is clearly informed in writing of '...the legal personality of the registered attorney'? We suspect that direct correspondence with foreign clients was not the intention of the draft Code.

To the extent that the distinction between an instructor and a client may become relevant, e.g. where the Australian attorney has reason to suspect the instructor is acting improperly, that situation seems to be adequately dealt with by sections 11 and 19.

Section 19 – Loyalty

We recommend that:

1. a qualification be added to make clear that the attorney can cease to act for a client in accordance with section 22 at any time; and
2. the guidelines make clear that a registered patent attorney can cease to act for a first client to enable them to take on a second client (having interests inconsistent with the interests of the first client) if (and only if) the relationship with the first client is such that, if the first client terminates the attorney-client relationship, the attorney would be left without any residual duties that would prohibit them from acting for the second client.

Patent and trade mark attorneys usually act for a very large number of clients and in some cases the engagement with the client may be minimal. Sometimes the engagement is as simple as paying the renewal fees on a patent that the attorney has never read. In our view, in the case of such minimal engagement, an attorney should be able to prefer their own interests (by terminating the client relationship) so that they are not forever barred from acting for other clients having competing interests.

In our view, our proposal also serves a public interest. On our reading, pursuant to the current draft of the Code, an unscrupulous client could limit its competitors' access to competent representation by, for example, spreading the renewal of its patent portfolio amongst a large number of patent attorneys.

⁵ Consequently, the defined term 'director' should be replaced by 'attorney director'



Section 22 – Termination of services

In our view:

1. a qualification akin to section 25(2) regarding the right of lien is required; and
2. guidelines providing some sense as to what is meant by 'cooperate' would be helpful. By way of example, in our view (given that electronic docketing has been routine practice for decades), an outgoing attorney should be expected to provide, without cost, a basic table identifying the IP rights, their status, the next deadline and foreign attorney contact details (etc) within a week or so of the latest of receiving instructions to do so and any outstanding invoices being settled.

Section 23 – Ownership

'Identify' should be 'identity'.

Section 24(4) – Funds

We recommend adding the words 'or otherwise deal with the refund as instructed by the client' to the end of this section.

Section 24(4) provides:

A registered attorney must, as soon as practicable, give a client any refund due to the client

whereas, in our view:

- it is entirely appropriate to hold client funds on account to be put towards future actions if the client provides informed consent to do so; and
- the Code should provide for this.

Yours sincerely

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Yours sincerely

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