

28 September 2017

Trans-Tasman IP Attorney Board

Attention: Sharon Thomas

[MDB-TTIPABCodeofConduct@ipaaustralia.gov.au](mailto:MDB-TTIPABCodeofConduct@ipaaustralia.gov.au)

Dear Sharon

### **Draft Code of Conduct 2018, Draft Guidelines to the Code of Conduct 2018**

With reference to the Draft Code of Conduct 2018 and Draft Guidelines to the Code of Conduct 2018 released by the Trans-Tasman IP Attorney Board on 1 September 2017, the Institute of Patent and Trade Mark Attorneys of Australia offers the following submissions.

#### **Background**

The Institute of Patent and Trade Mark Attorneys of Australia (**IPTA**) represents patent and trade marks attorneys registered in Australia, both in private and corporate practice. Although membership of IPTA is voluntary, over 90% of patent attorneys registered in Australia are members, either as Fellows or as Ordinary Members. Most members are also registered trade marks attorneys in Australia. In addition, the membership of IPTA includes registered trade marks attorneys who are not registered patent attorneys. Many of the patent attorney members are also registered New Zealand patent attorneys. As many of our members are now employed by an attorney firm owned by a listed entity that also owns one or more other attorney firms, IPTA has considered the varied views of its members and has attempted to reflect the reasonable views of a large proportion of patent and trade marks attorneys registered in Australia.

The IPTA Council is made up of the President, the Past President, two Vice Presidents and 10 Councillors being elected by IPTA members. IPTA Council comprises attorneys from a sole practice, traditional attorney partnerships, corporate attorneys, and members of the three ownership groups listed on the ASX.

#### **Draft Code of Conduct 2018**

IPTA Council has identified a number of sections of the draft code that could be revised to strengthen the code and provide more clarity to attorneys. Definitions for *clearly informed*, *client*, *current client* and *former client* have been also suggested.

The proposed definition of a *client* was adapted from the IPReg definition. A majority of Councillors considered the proposed definition adequately covered clients of all *registered attorneys* as defined by the code. It should be noted that one Counsellor preferred a variation to expand the definition but has agreed to proceed with the current proposal. The Board should consider whether the proposed definition of *client* covers relevant sections and all scenarios contemplated by the code.

Further suggestions/corrections have been made to sections 11, 12, 15, 23, 24 and 25.

In order to assist the Board, marked-up suggestions (~~deleted~~; proposed) to the sections are provided below for consideration.

## Part 1—Preliminary

### 4 Definitions

*clearly informed* means providing written information to a client. Where a registered attorney is instructed via a foreign-registered attorney any obligation to provide information to a client under the code may be discharged by providing such information to the foreign-registered attorney.

*client* means the principal on whose behalf a registered attorney acts and includes any person for whom the registered attorney is address for service for any right regardless of the nature of any current relationship. In the case of foreign originating work, for the purposes of the code the client remains the principal for whom the work is ultimately being done, although the instructions may come from a foreign-registered attorney, to whom the registered attorney will also owe a duty of professional care.

*current client* means a client for whom a registered attorney is currently acting.

*former client* means a client for whom a registered attorney is no longer acting.

## Part 3—Professional conduct

### 11 Core obligations

(1) A registered attorney must act as a patent attorney or a trade marks attorney:

- (a) in accordance with the law; and
- (b) in the best interests of the registered attorney's current clients; and
- (c) in the public interest; and
- (d) in the interests of the registered attorney's profession as a whole.

(2) If a registered attorney is unable to comply equally with all of the obligations mentioned in subsection (1), the registered attorney must treat the obligations as an order of priority in which paragraph (1)(a) is the highest priority.

### 12 Responsibility

(1) A registered attorney, ~~whether~~ who is an individual, ~~a director or an incorporated attorney,~~ is responsible for:

- (a) the registered attorney's own work, acts and defaults as a patent attorney or a trade marks attorney; and

(b) the work, acts and defaults of each associated person.

(2) A registered attorney who is a director is responsible for:

(a) the registered attorney's own work, acts and defaults as a patent attorney or a trade marks attorney;

~~(a)~~ (b) the director's own work, acts and defaults as a director; and

~~(b)~~ (c) each staff attorney's work, acts and defaults as a patent attorney or a trade marks attorney.

(3) A registered attorney that is an incorporated attorney is responsible for:

(a) the incorporated attorney's own work, acts and defaults as an incorporated attorney; and

(b) each director's work, acts and defaults as a director; and

(c) each staff attorney's work, acts and defaults as a patent attorney or a trade marks attorney.

## 15 Diligence

(1) A registered attorney must carry out the work that the registered attorney undertakes in a timely manner.

(2) A registered attorney must:

(a) act promptly on the instructions of a current client or a prospective client; or

(b) inform the current client or prospective client promptly of the registered attorney's inability to do so.

## Part 4—Practice management

### 23 Ownership

(1) A registered attorney may be a member of an ownership group.

(2) Where a registered attorney is a member of an ownership group, that fact and the identify-identity of all other members of the ownership group which provide to clients attorney professional services in Australia and New Zealand must be clearly disclosed on all client and public communications to the fullest extent reasonably feasible.

### 24 Funds

(1) A registered attorney must ensure that a cost, official fee or debt is paid in a timely manner after the registered attorney's client has given the relevant amount to the registered attorney.

(2) A registered attorney must ensure that the funds of a client are kept and accounted for using an accounting standard that is appropriate to the circumstances of the registered attorney's practice.

(3) A registered attorney must use money paid by a client only:

- (a) for the purposes for which the client paid the money; or
  - (b) in accordance with any instructions given by the client before, during or after the payment of the money.
- (4) A registered attorney must, as soon as practicable, give a client any refund due to the client or otherwise deal with the refund as instructed by the client.

## 25 Client property

(1) If a client asks a registered attorney to return or make available to the client a document, sample or other material:

- (a) that is the client's property; or
- (b) to which the client may have access under an agreement between the registered attorney and the client; or
- (c) in which the client has a legal or other interest that entitles the client to have access to the document, sample or material;

the registered attorney must ensure that the document, sample or other material is returned or made available to the client.

(2) ~~However,~~ a registered attorney is not required to comply with subsection (1) 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 otherwise by law.

## Guidelines to the Code of Conduct 2018

IPTA Council does not have any specific comments on the Draft Guidelines at this stage but notes that any guidance should be provided with consideration of the day-to-day situations faced by attorneys in their practice.

If you wish to discuss any of the proposals, please contact us.

Yours sincerely,



**Trevor J Davies, PhD**

IPTA Vice President

Convenor of Ethics & Disputes Committee