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Trans-Tasman IP Attorneys Board

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



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Trans-Tasman IP Attorneys Board

## **The current Board members are:**

Ms Mary Padbury (Chair), Trade Marks Attorney, VIC

Dr Vivienne Thom, Independent Consultant, ACT

Dr Tania Obranovich, Patent and Trade Marks Attorney, VIC

Mr Greg West-Walker, Patent Attorney NZ

Mr Ian Finch, NZ Patent Attorney NZ

Mr Carl Harrap, Patent Attorney, NSW

Mr Anthony Alder, Patent and Trade Marks Attorney, NSW

Ms Patricia Kelly, (ex-officio) Director General, IP Australia

Mr Ross van der Schyff, (ex officio) NZ Commissioner of Patents



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## Background

- In March 2013 the governments of Australia and New Zealand signed the arrangement for a single trans-Tasman attorney regime.
- The arrangement required the Board to conclude a review of the current Code of Conduct within one year of date of entry.
- A revised Code to be in place by 23 February 2018.



## Code Review Process

- Board engaged independent expert Professor Andrew Christie to assist with the review.
- A consultation paper was released in April 2017 inviting public submissions by 3 June 2017.
- 17 submissions were received.
- A draft Code was released on 30 Aug 2017 inviting submissions by 28 September 2017.
- 16 submissions were received.
- The Board considered all submissions and a final draft Code was prepared.



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## Purpose of the Code

- To set out the standards for assessing the professional conduct of attorneys.
- Inform the public as to the professional standards to be expected when engaging an attorney.
- Not to regulate business practices, financial arrangements or personal activities except to the extent which they may relate to professional conduct.



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## Revised Code Structure

- The Code has been streamlined and is now complimented by Guidelines on professional conduct standards.
- This guidance is expressed to be non-binding in a separate document.



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## Consequential Amendments

- Name changes to reflect the trans-Tasman status.
- Definition of various terms to ensure they are consistent with the trans-Tasman operation of the Code.
- Changing the website and other details in sections 25(3), 25(4) and 25(5) to reflect the new means of communication by and with the Board following its change of name.



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# Key changes in the Code

## Sections:

- 16 Communication
- 19 Loyalty
- 21 Independence
- 23 Ownership



## 16 Communication

- (1) Prior to undertaking work for a new or prospective client, and prior to undertaking new work for a client, a registered attorney must ensure that the client is clearly informed in writing of the following matters:
  - (a) that the registered attorney is registered as a patent attorney, a trade marks attorney or both, and is bound by this code; and
  - (b) that the registered attorney has appropriate competency to perform the work, including by drawing on technical expertise; and
  - (c) the procedures, timing and estimated cost of doing particular work; and
  - (d) where the registered attorney is an incorporated company – whether the company is public or private; and
- (2) where the registered attorney is a member of an ownership group – that fact and the identity of the other members of that group. A registered attorney is not required to comply with paragraphs (1)(a), (b) and (c) if:
  - (a) the client is also represented by a foreign-registered attorney and the registered attorney is dealing with the client by dealing with the foreign-registered attorney; or
  - (b) the registered attorney has been requested to do work for the client by another registered attorney and the other registered attorney continues to act for the client in the work.



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- (3) A registered attorney is not required to comply with paragraphs (1)(d) and (e) if:
  - (a) the client is also represented by a foreign-registered attorney, the registered attorney is dealing with the client by dealing with the foreign-registered attorney and the registered attorney has provided the information specified in paragraphs (1)(d) and (e) to the foreign-registered attorney; or
  - (b) the registered attorney has been requested to do work for the client by another registered attorney, the other registered attorney continues to act for the client in the work and the registered attorney has provided the information specified in paragraphs (1)(d) and (e) to the other registered attorney.
  
- (4) Where any of the matters specified in subsection (1) become materially different from those that were, or that should have been, previously notified to a person to whom the registered attorney is required by this section to notify them, the registered attorney must clearly inform that person in writing of the changes.



# Communication Obligation

2013 Code	Published draft	Final draft
<p><u>Inform in writing:</u></p> <ul style="list-style-type: none"> <li>• new or prospective client</li> <li>• current client re new work</li> </ul> <p><u>Information to include:</u></p> <ul style="list-style-type: none"> <li>• registration</li> <li>• competency</li> <li>• cost, timing, procedure</li> </ul> <p><u>Update required:</u></p> <ul style="list-style-type: none"> <li>• No</li> </ul>	<p><u>Inform in writing:</u></p> <ul style="list-style-type: none"> <li>• new or prospective client</li> </ul> <p><u>Information to include:</u></p> <ul style="list-style-type: none"> <li>• registration</li> <li>• competency</li> <li>• cost, timing, procedure</li> <li>• legal structure</li> <li>• company status</li> <li>• ownership group</li> </ul> <p><u>Update required:</u></p> <ul style="list-style-type: none"> <li>• when material change</li> </ul>	<p><u>Inform in writing:</u></p> <ul style="list-style-type: none"> <li>• new or prospective client</li> <li>• current client re new work</li> </ul> <p><u>Information to include:</u></p> <ul style="list-style-type: none"> <li>• registration</li> <li>• competency</li> <li>• cost, timing, procedure</li> <li>• company status</li> <li>• ownership group</li> </ul> <p><u>Update required:</u></p> <ul style="list-style-type: none"> <li>• when material change</li> </ul>



# Exceptions to Communication Obligation

2013 Code	Consultation draft	Final draft
<p><u>Applies where:</u></p> <ul style="list-style-type: none"> <li>• instructions via overseas or other attorney</li> </ul> <p><u>Information to be sent to client:</u></p> <p>[nothing]</p> <p><u>Information to be sent to instructing attorney:</u></p> <p>[nothing]</p>	<p><u>Applies where:</u></p> <ul style="list-style-type: none"> <li>• instructions via overseas or other attorney</li> </ul> <p><u>Information to be sent to client:</u></p> <ul style="list-style-type: none"> <li>• legal structure</li> <li>• company status</li> <li>• ownership group</li> </ul> <p><u>Information to be sent to instructing attorney:</u></p> <p>[nothing]</p>	<p><u>Applies where:</u></p> <ul style="list-style-type: none"> <li>• instructions via overseas or other attorney</li> </ul> <p><u>Information to be sent to client:</u></p> <p>[nothing]</p> <p><u>Information to be sent to instructing attorney:</u></p> <ul style="list-style-type: none"> <li>• company status</li> <li>• ownership group</li> </ul>



## 19 Loyalty

### *Client*

- (1) A registered attorney is a fiduciary in respect of the registered attorney's dealings with a client, and owes a duty of loyalty to a client.
- (2) A registered attorney must not prefer the registered attorney's own interests over the interests of a client.
- (3) Subject to subsection (4), a registered attorney must not prefer the interests of one client over the interests of another client.
- (4) Subject to subsection (5), a registered attorney must not act for a client in a matter knowing that the client's interests in that matter are adverse to the interests of another client of the registered attorney unless:
  - (a) both clients in writing have given reasonably informed consent to the registered attorney acting in the matter; and
  - (b) where the registered attorney holds confidential information relevant to the matter obtained from or on behalf of either client – the registered attorney has established an effective information barrier in relation to the relevant confidential information.



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- (5) A registered attorney must not act for two or more clients in the same matter relating to an adversarial proceeding before a court, a tribunal, an officer of an intellectual property office or a like adjudicative body where the registered attorney knows the clients' interests are or are likely to be adverse.

*Former client*

- (6) A registered attorney must not act for a client in a matter knowing that the client's interests are adverse to the interests of a former client unless:
- (a) the registered attorney does not hold confidential information relevant to the matter obtained from or on behalf of the former client; or
  - (b) where the registered attorney does hold confidential information relevant to the matter obtained from or on behalf of the former client – the registered attorney has established an effective information barrier in relation to the relevant confidential information.



# Loyalty Obligation

2013 Code	Consultation draft	Final draft
<u>Definition of client:</u> <ul style="list-style-type: none"> <li>• (none)</li> </ul>	<u>Definition of client:</u> <ul style="list-style-type: none"> <li>• (none)</li> </ul>	<u>Definition of client:</u> <ul style="list-style-type: none"> <li>• person for whom attorney is acting</li> </ul>
<u>Express duty:</u> <ul style="list-style-type: none"> <li>• to avoid creation of conflict between attorney’s interests and current or former client’s interests</li> </ul>	<u>Express duty:</u> <ul style="list-style-type: none"> <li>• of fiduciary loyalty</li> <li>• to avoid creation of conflict between attorney’s interests and client’s interests</li> <li>• not to prefer attorney’s interests over current (but not former) client</li> <li>• not to prefer interests of one client over another</li> </ul>	<u>Express duty:</u> <ul style="list-style-type: none"> <li>• of fiduciary loyalty</li> <li>• to avoid creation of conflict between attorney and client interests</li> <li>• not to prefer attorney’s interest over current (but not former) client</li> <li>• not to prefer interests of one client over another</li> </ul>



## Loyalty Obligation (continued)

2013 Code	Consultation draft	Final draft
<p><u>Double employment:</u></p> <ul style="list-style-type: none"> <li>• <b>permitted</b> only if:               <ol style="list-style-type: none"> <li>1. other client not prejudiced; and</li> <li>2. other client consents; and</li> <li>3. law permits</li> </ol> </li> </ul>	<p><u>Double employment:</u></p> <ul style="list-style-type: none"> <li>• <b>permitted</b> only if:               <ol style="list-style-type: none"> <li>1. both clients give reasonably informed consent; and</li> <li>2. is an effective information barrier re confidential info</li> </ol> </li> <li>• <b>prohibited</b> for proceedings before a court, tribunal or like adjudicative body</li> <li>• <b>permitted</b> against former client if an effective information barrier re confidential info</li> </ul>	<p><u>Double employment:</u></p> <ul style="list-style-type: none"> <li>• <b>permitted</b> only if:               <ol style="list-style-type: none"> <li>1. both clients give informed consent; and</li> <li>2. Is an effective information barrier re confidential info</li> </ol> </li> <li>• <b>prohibited</b> for adversarial proceedings before a court, tribunal, IP officer or like adjudicative body</li> <li>• <b>permitted</b> against former client if an effective information barrier re confidential info</li> </ul>



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## 21 Independence

- (1) For the purposes of sections 19 and 20, a client of a registered attorney that is a member of an ownership group is considered to be a client of each member of the ownership group in respect of which the registered attorney is not independent.
- (2) For the purposes of subsection (1), a registered attorney that is a member of an ownership group will not be regarded as independent of another member of the group unless the registered attorney operates independently of that other member in the provision to clients of attorney professional services.
- (3) Notwithstanding subsection (2), a registered attorney that is a member of an ownership group must not act for a client in a matter relating to an adversarial proceeding before a court, a tribunal, an officer of an intellectual property office or a like adjudicative body where the registered attorney knows that a client of another member of the group is involved in the matter and that the clients' interests are adverse unless the registered attorney's client in writing has given informed consent to the registered attorney acting in the matter.



# Independence

2013 Code	Consultation draft	Final draft
(nothing)	New definition of ownership group and ancillary business	New definition of ownership group and ancillary business
	<p><u>Requires members of an ownership group:</u></p> <ul style="list-style-type: none"> <li>• to operate independently in the delivery of attorney services if they wish to be treated as such for the provisions concerning loyalty and conflict</li> <li>• to obtain client consent to act in a contentious matter against a client of another member of the ownership group</li> </ul>	<p><u>Requires members of an ownership group:</u></p> <ul style="list-style-type: none"> <li>• to operate independently in the delivery of attorney services if they wish to be treated as such for the provisions concerning loyalty and conflict</li> <li>• to obtain client consent to act in a contentious matter against a client of another member of the ownership group</li> <li>• Amended as per Loyalty Obligations.</li> </ul>



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## 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 identity of the other members of the ownership group must 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.



# Ownership

2013 Code	Consultation draft	Final draft
(nothing)	New definition of Ownership Group	New definition of Ownership Group
	<ul style="list-style-type: none"><li>• Recognises that ownership groups exist and that registered attorneys are members of such groups</li><li>• Requires that the fact that an attorney is a member of an ownership group be clearly disclosed to the public.</li></ul>	<ul style="list-style-type: none"><li>• Recognises that ownership groups exist and that registered attorneys are members of such groups</li><li>• Requires the fact that an attorney is a member of an ownership group be clearly disclosed to the public.</li><li>• Amended to include that this disclosure must be by means that would be reasonably expected to come to the attention of an be understood by the public</li></ul>



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# Next Steps