

Guidelines to the Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018

Part 1—Preliminary

2 Commencement

The code was registered on ..., and it commenced on

3 Authority

- 3.1 The *Arrangement between the Government of Australia and the Government of New Zealand Relating to Trans-Tasman Regulation of Patent Attorneys* signed in March 2013 requires the Board to maintain a trans-Tasman code of conduct for all registered patent attorneys. The code is that trans-Tasman code.
- 3.2 The *Patents Act 1990* (Cth) and the *Trade Marks Act 1995* (Cth) provide for the control of the professional conduct of registered attorneys, and for the control of the practice of the professions, by reference to standards of practice established by the Board from time to time. Those standards are referred to as the code.
- 3.3 The *Patents Act 2013* (NZ) provides for implementation in New Zealand of the trans-Tasman patent attorney regime, including the professional standards established by the Board.

4 Definitions

ancillary business

This is a business that offers to clients services of the type ancillary to those that are the primary services provided by a patent attorney or a trade marks attorney. It includes services such as accounting, commercialization, management and valuation of intellectual property.

associated person

This is a person who does work for a registered attorney under a contract or other arrangement. It includes an employee of a registered attorney, except where the employee is a “staff attorney”. (A “staff attorney” is defined to be an individual who is a registered attorney and who is employed by an incorporated attorney.)

client

This is the person on whose behalf a registered attorney acts. It is not necessarily the person from whom instructions are taken. Where, for example, the registered attorney is instructed by a foreign-registered attorney or by another registered attorney to undertake work for a third person, the client is the person for whom the work is undertaken, not the foreign-registered attorney or other attorney providing the instructions.

incorporated patent attorney

The *Patents Act 1990* (Cth) and the *Patents Act 2013* (NZ) explain that this is a company registered as a patent attorney, which must have at least one patent attorney director.

incorporated trade marks attorney

The *Trade Marks Act 1995* (Cth) explains that this is a company registered as a trade marks attorney, which must have at least one trade marks attorney director.

materially different work

This is work undertaken for a client that is different in some material respect from work previously undertaken for the client. Work will be materially different work where either the competency required for the work is not the same as that previously required, or the cost, timing or procedures of the work is materially different from that which previously applied. The concept of materially different work is relevant to the subsection 16(2) obligation to notify a client about certain matters.

ownership group

This is a group of incorporated registered attorneys and incorporated ancillary businesses that are “associated entities” as explained in section 50AAA of the *Corporations Act 2001* (Cth), or any equivalent group of non-incorporated combinations of registered attorneys and ancillary businesses. In general terms, entities are “associated entities” if one is a subsidiary of or controls the other, or both are subsidiaries of or controlled by a third entity, or one has a material investment in and significant influence over the other. An ownership group thus includes both a group of incorporated registered attorneys and a group of partnerships of registered attorneys, where the members of the group have a significant degree of common ownership or common control or both.

patent attorney director

This expression is explained in subsection 198(11) of the *Patents Act 1990* (Cth), as being an individual who is both a registered patent attorney and a validly appointed director of a company that is registered as an incorporated patent attorney.

person

This expression has the meaning it is given by the *Acts Interpretation Act 1901* (Cth). Subsection 2C(1) of the *Acts Interpretation Act 1901* (Cth) provides that the expression “person” includes a body politic or corporate as well as an individual.

registered attorney

See the notes to section 6 on application of the code.

regulatory authority

This expression includes the following entities, and any of their successors in title:

- (a) IP Australia; and
- (b) the Australian Border Force; and
- (c) the Australian Competition and Consumer Commission; and
- (d) the Intellectual Property Office of New Zealand; and
- (e) the New Zealand Customs Service; and
- (f) the Commerce Commission New Zealand.

trade marks attorney director

This expression is explained in subsection 228A(6C) of the *Trade Marks Act 1995* (Cth), as being an individual who is both a registered trade marks attorney and a validly appointed director of a company that is registered as an incorporated trade marks attorney.

Part 2—Overview

6 Application of code

- 6.1 The code applies to a registered patent attorney and a registered trade marks attorney. These terms are explained in the *Patents Act 1990* (Cth) and the *Patents Act 2013* (NZ), and in the *Trade Marks Act 1995* (Cth), respectively. A registered patent attorney is either an individual registered as a patent attorney, a company registered as patent attorney (*i.e.*, an incorporated patent attorney), or an individual registered as a patent attorney who is a validly appointed director of a company that is registered as a patent attorney (*i.e.*, a patent attorney director). A registered trade marks attorney is either an individual registered as a trade marks attorney, a company registered as trade marks attorney (*i.e.*, an incorporated trade marks attorney), or an individual registered as a trade marks attorney who is a validly appointed director of a company that is registered as a trade marks attorney (*i.e.*, a trade marks attorney director).
- 6.2 Restrictions apply on who can describe themselves as, or hold themselves out as being, a “patent attorney”, “an agent for obtaining patents”, a “trade marks attorney” or a “trademarks agent”. Under subsections 201(2), (4) and (6) of the *Patents Act 1990* (Cth), a person working in Australia must not describe themselves as a “patent attorney” or an “agent for obtaining patents” unless they are a registered patent attorney. Under subsections 274(2) and (4) of the *Patents Act 2013* (NZ), a person working in New Zealand must not describe themselves as a “patent attorney” or an “agent for obtaining patents” unless they are a registered patent attorney. Under subsections 156(1) and (3) of the *Trade Marks Act 1995* (Cth), a person working in Australia must not describe themselves as a “trade marks attorney” unless they are a registered trademarks attorney. Under subsections 156(2) and (3A) of the *Trade Marks Act 1995* (Cth), a person working in Australia must not describe themselves as a “trade marks agent” unless they are either: (i) a registered trademarks attorney or a registered patent attorney; or (ii) a lawyer or an incorporated legal practice as defined in the *Trade Marks Act 1995* (Cth).

7 Objectives of code

- 7.1 The code is a legislative instrument made pursuant to regulations made under the *Patents Act 1990* (Cth), the *Patents Act 2013* (NZ) and the *Trade Marks Act 1995* (Cth). Those enactments permit the Governor-General to make regulations for, among other things, the control of the professional conduct of registered patent attorneys and registered trade marks attorneys, and the practice of the professions – see paragraph 228(2)(r) of the *Patents Act 1990* (Cth) and paragraph 231(2)(ha) of the *Trade Marks Act 1995* (Cth).
- 7.2 The entitlement of the Board to make the code derives from a particular subparagraph in both the *Patents Act 1990* (Cth) and the *Trade Marks Act 1995* (Cth) which elaborates the Governor-General’s power to make regulations controlling the professional conduct and the practice of the attorney profession as including assessing the professional conduct of registered patent attorneys and registered trade marks attorneys by reference to standards of practice established by the Board from time to time – see subparagraph 228(2)(r)(ia) of the *Patents Act 1990* (Cth) and subparagraph 231(2)(ha)(ia) of the *Trade Marks Act 1995* (Cth).
- 7.3 A registered attorney is expected to comply with this code. Under subregulation 20.33(6) of the *Patents Regulations 1991* (Cth) and regulation 20.15 of the *Trade Marks Regulations 1995* (Cth), the Board is entitled to take a failure to comply with this code into account in assessing the conduct of a registered attorney or a complaint against a registered attorney.

Part 3—Professional conduct

12 Responsibility

- 12.1 In addition to being responsible for an attorney's own work, a registered attorney is responsible for the work of certain other persons who do work for the registered attorney. Those other persons for whose work the registered attorney is responsible are an "associated person" (who is defined to be a person, other than a staff attorney or a foreign-registered attorney, who does work for the registered attorney under a contract – and includes an employee of the registered attorney) and, in the case of a director and an incorporated attorney, a "staff attorney" (who is defined to be a registered attorney employed by an incorporated attorney). It is understood that in some situations the Board may consider it appropriate to treat someone else as responsible for the work of an associated person.
- 12.2 If a registered attorney does work for another registered attorney of any kind, the Board also requires the other registered attorney to be responsible for that work and those acts and defaults.

13 Integrity

- 13.1 A registered attorney:
- (a) must be open and frank in dealing with a regulatory authority, subject only to the registered attorney's duty to the registered attorney's clients; and
 - (b) must not knowingly make a false or misleading statement in relation to work done for a client or a prospective client; and
 - (c) must not prepare, or assist in the preparation of, a document in relation to a matter if the registered attorney knows, or ought reasonably to know, that the document contains a false or misleading statement; and
 - (d) must not file, or assist in the filing of, a document in relation to a matter if the registered attorney knows, or ought reasonably to know, that the document contains a false or misleading statement; and
 - (e) must not wilfully misrepresent facts or otherwise mislead another person in relation to a matter.
- 13.2 The instructions given by a client are not automatically a defence of, or an explanation for, the way a registered attorney acts for the client.
- 13.3 A registered attorney is likely to have to choose the way in which material such as a specification, application or evidence is best prepared in the interests of the client. The registered attorney's obligation, having regard to all of the registered attorney's obligations under this code, is to explain the implications adequately to the client and represent the client in the most diligent way possible but without perpetuating a falsehood or knowingly making a statement which is misleading.
- 13.4 A registered attorney in all professional activities should act conscientiously, courteously, honestly, objectively and in a manner that promotes confidence in the professions. If a registered attorney behaves disrespectfully and without courtesy to a client, a government officer such as an examiner, another attorney or a member of the public, that conduct will reflect poorly on the registered attorney's profession.
- 13.5 Except in exceptional circumstances, a registered attorney should not communicate in relation to a particular matter directly with any other party who, to the registered attorney's knowledge, is represented in that matter by a professional advisor (including another

registered attorney), unless with the consent of the professional advisor or to request the name and contact details of the professional advisor. One circumstance which may justify an exception to this principle is where it would be reasonable to conclude that the other party's professional advisor has refused or failed for no adequate reason either to pass on messages to their client or to reply to correspondence, and the professional advisor has been warned of the registered attorney's intention to contact their client directly.

14 Competency

- 14.1 Examples of work that must not be done unless the registered attorney possesses suitable competency for the specific task are:
- (a) work relating to a field of science or technology with which the registered attorney is unfamiliar; and
 - (b) work in an area outside the registered attorney's primary practice area (such as work in relation to patents if the registered attorney has practised only in the area of trade marks).
- 14.2 A registered attorney is a professional, and must carry out work with reasonable skill and care.
- 14.3 If a registered attorney considers that the interests of the client would be better served by some other persons carrying out the work requested or required by the client, the registered attorney must advise the client accordingly.

16 Communication

- 16.1 Except where the client is represented by a foreign-registered attorney or another registered attorney, a registered attorney is required to inform a new or prospective client of the matters specified in paragraphs 16(1)(a)-(e). Where the client is represented by a foreign-registered attorney or another registered attorney, a registered attorney is required to inform the representative of the matters specified in paragraphs 16(1)(d) and (e).
- 16.2 Except where the client is represented by a foreign-registered attorney or another registered attorney, a registered attorney is required to inform a client for whom materially different work (as defined in section 4) is to be undertaken of the matters specified in paragraphs 16(1)(b) and (c) and, unless the client has already been so informed, of the matters specified in paragraphs 16(1)(d) and (e). Where the client is represented by a foreign-registered attorney or another registered attorney, a registered attorney is required to inform the representative of the matters specified in paragraphs 16(1)(d) and (e) unless the representative has already been so informed.
- 16.3 A registered attorney is obliged to keep the client, the foreign registered attorney or the other attorney, as the case may be, updated about the matters of which they are required to be informed. Thus, where those matters change materially, the client, the foreign registered attorney or the other attorney, as the case may be, must be notified of those changes.
- 16.3 The section 16(1)(e) requirement to disclose the identity of "the other members" of an ownership group does not require disclosure of the identity of individual registered attorneys who are employed by, or who are partners or constituents of, the entities that comprise the group; rather, it requires disclosure of the identity of the entities that comprise the group (*i.e.*, the incorporated attorneys, the partnerships or the other non-incorporated combinations of registered attorneys and the ancillary businesses in the group).

17 Disclosure

- 17.1 A registered attorney who is an individual has a duty to disclose to a client all information that is materially relevant to work being undertaken for the client, but subject to any obligations in relation to another person's confidential information. That is to say, a registered attorney who is an individual must not withhold materially relevant information from a client unless required to do so by law (such as by an obligation to maintain confidentiality).
- 17.2 The duty of disclosure is imposed on a registered attorney who is an individual, but not on one that is incorporated, in recognition of the fact that attributing knowledge to a corporation is a complex concept. Moreover, information that is known to one staff attorney of an incorporated attorney may not be (and, in certain cases, must not be) known to another staff attorney of that incorporated attorney. For these reasons, the obligation is not expressed to apply to an incorporated attorney.
- 17.3 It should be remembered, however, that under subsection 12(3) an incorporated attorney is responsible for the work, acts and defaults of each director, staff attorney and associated person of the incorporated attorney.

18 Confidentiality

- 18.1 The duty to not disclose or misuse, or allow another person to disclose or misuse, a client's confidential information is a fundamental duty of a registered attorney. The duty applies in relation to a former client and a prospective client, as well as in relation to a client.
- 18.2 The duty to maintain confidentiality continues until the client consents to the disclosure, or until the information becomes public other than through a breach by any person of a duty of confidentiality.
- 18.3 Typically, a client's confidential information is information that it is not generally available to other parties. It therefore may include client-specific financial information generated or held by a registered attorney.

19 Loyalty

- 19.1 A registered attorney is in a fiduciary relationship with a client when acting as a registered attorney for the client. Consequently, a registered attorney owes a duty of loyalty to a client, meaning the registered attorney must not prefer the registered attorney's own interests over those of a client and must not prefer the interests of one client over those of another client.
- 19.2 The registered attorney's own interests include all of the following:
- (a) the interests of a business partner or business associate (however described) of the registered attorney; and
 - (b) where the registered attorney is an individual – the interests of a member of the registered attorney's family, a dependent of the registered attorney who is not a member of the registered attorney's family, and a friend of the registered attorney.
- 19.3 It is understood that a client may wish to instruct a registered attorney to act only if the registered attorney agrees to not act in the future for another client of the registered attorney due to a "commercial conflict" of interests between those two clients. The registered attorney's obligation to not prefer the interests of one client over the interests of another

client is not breached merely by virtue of the registered attorney agreeing to act for a client on this basis.

- 19.4 Unless the matter relates to a proceeding before a court, a tribunal, a like adjudicative body or an intellectual property office, a registered attorney may act for a client in a matter that is adverse to the interests of another client only if both clients give informed consent and the registered attorney ensures that any relevant confidential information of the other client is subject to an effective information barrier. A client's consent will be informed when it is given with knowledge of all the information that is reasonably necessary and legally possible to be provided to the client so that the client can make an informed decision. An information barrier is effective when it ensures that relevant confidential information of the other client is not accessible to and not able to be utilised by the individuals providing the attorney professional services in the matter.
- 19.5 Where the matter relates to a proceeding before a court, a tribunal, a like adjudicative body or an intellectual property office, a registered attorney must not act for a client in a matter that is adverse to the interests of another client. This is so even if the clients would consent to the attorney so acting, because it is necessary to protect the integrity of such proceedings, including the public interest and the appearance of propriety of the professions.
- 19.6 For the purposes of subsection 19(5), a proceeding before an intellectual property office does not include an examination of an application for a trade mark or a standard patent, but does include an examination of an innovation patent requested by a third party, a consideration of an assertion by a third party on novelty or inventive step, an opposition proceeding, a re-examination requested by a third party, a revocation proceeding and a consideration of a request by a third party relating to entitlement of a patent.
- 19.7 A registered attorney is not in a fiduciary relationship with a former client, and so does not owe a duty of loyalty to a former client. Nevertheless, a registered attorney does owe a duty to a former client in relation confidential information provided by or on behalf of a former client. Accordingly, a registered attorney must not act in a matter adverse to the interests of a former client unless: (a) the registered attorney does not hold any confidential information of the former client relevant to the matter; or (b) where the registered attorney does hold confidential information of the former client relevant to the matter, an effective information barrier is established in relation to it. An information barrier is effective when it ensures that relevant confidential information of the former client is not accessible to and not able to be utilised by the individuals providing the attorney professional services in the matter.

20 Conflicts

- 20.1 One key means by which a registered attorney can act to avoid the creation of actual or possible conflict is to undertake a "conflicts check" prior to accepting work from a new or prospective client. At a minimum, such a check should include checking with all relevant personnel that acceptance of work from the new or prospective client is not likely to compromise the interests of any client.
- 20.2 The actions that a registered attorney should take upon becoming aware of a situation of actual or possible conflict will depend on the circumstances. Where the situation is of actual or possible conflict between the interests of two clients, the provisions of section 19 will be relevant. Where the situation is one of actual or possible conflict between the interests of the registered attorney and a client, it may not be appropriate for the attorney to act even with the informed consent of the client.

21 Independence

- 21.1 A registered attorney's membership of an ownership group has particular relevance to the duty of loyalty owed to a client, and to the obligation to avoid the creation of actual or possible conflict between the interests of the registered attorney and a client or between the interests of two clients. Where a registered attorney is a member of an ownership group, for the purposes of the duty of loyalty and the obligation to avoid a conflict, a client of another member of the group will be regarded as a client of the registered attorney unless the registered attorney is operating independently of that other member of the group in the provision of attorney professional services.
- 21.2 Attorney professional services are typically the "client-facing" services provided by a registered attorney. They include the provision of advice, the preparation of documents, and the prosecution of applications. Independence of operation in relation to the provision of these services typically requires that the registered attorney not have any professional staff, or the ability to access client confidential information, in common with the other members of the ownership group.
- 21.3 Attorney professional services are to be contrasted with "back-office" activities undertaken by a registered attorney. The non-independence of operation in relation to back-office activities by members of an ownership group does not, of itself, preclude the members from being considered independent for the purposes of the duty of loyalty and the obligation to avoid conflicts. Nevertheless, where back-office services are shared by members of an ownership group, particular care is required to ensure that all members of the group comply with the section 18 obligations in relation to confidential information – including, in particular, in respect of client-specific financial information.
- 21.4 Even where a registered attorney that is a member of an ownership group is operating independently of another member of the group in the provision of attorney professional services, by virtue of subsection 21(3) the registered attorney must not act for a client in a proceeding against a party that is a client of that other member of the group unless the registered attorney's client has given informed consent to the registered attorney so doing. In addition to a proceeding before a court, a tribunal or a like adjudicative body, the type of matter to which this provision applies includes a proceeding before an intellectual property office. As with subsection 19(5), for the purposes of subsection 21(3) a proceeding before an intellectual property office does not include an examination of an application for a trade mark or a standard patent, but does include an examination of an innovation patent requested by a third party, a consideration of an assertion by a third party on novelty or inventive step, an opposition proceeding, a re-examination requested by a third party, a revocation proceeding and a consideration of a request by a third party relating to entitlement of a patent.

Part 4—Practice management

23 Ownership

- 23.1 The code expressly recognises that a registered attorney may choose (as some have chosen) to operate as a member of an ownership group. Participation in an ownership group has particular consequences, both for the existence and for the appearance of the potential for breach of the duty of loyalty and the duty of confidentiality. In recognition of this fact, section 21(3) provides that a registered attorney that is a member of an ownership group must not act for a client in a proceeding against a client of another member of the group unless the registered attorney’s client has given informed consent to the registered attorney doing so.
- 23.2 The code also makes particular provision in relation to disclosure of group membership. Section 23(2) requires a registered attorney to clearly disclose to the public its membership of an ownership group and the identity of the other members of the group. The requirement of clear disclosure of this information will be satisfied only when the disclosure is done in a manner such that it can be reasonably expected the information will come to the attention of, and be understood by, the public. This obligation is in addition to the obligations in section 16, which include in paragraph 16(1)(e) and paragraph 16(2)(b) the obligations to disclose this information to a new or prospective client, and to a client for whom materially different work is to be undertaken (or instead, under subsections 16(3) and 16(4), to a foreign-registered attorney or other registered attorney by whom instructions on behalf of the client are being given).
- 23.3 As with paragraphs 16(1)(e) and 16(2)(b), the subsection 23(2) requirement to disclose the identity of “the other members” of an ownership group does not require disclosure of the identity of individual registered attorneys who are employed by, or who are partners or constituents of, the entities that comprise the group; rather, it requires disclosure of the identity of the entities that comprise the group (*i.e.*, the incorporated attorneys, the partnerships or the other non-incorporated combinations of registered attorneys and the ancillary businesses in the group).

Part 5—Complaints and disciplinary proceedings

27 Complaints

- 27.1 The Board would generally expect a client or former client of a registered attorney to:
- (a) discuss a grievance with the registered attorney, to attempt a settlement, before making a complaint or providing information to the Board; and
 - (b) inform the Board, when making a complaint or providing information, of discussions with the registered attorney and attempts to settle the matter with the registered attorney.
- 27.2 The Board recognises, however, that there are cases where it would be not practical or not reasonably appropriate for a client or former client to contact the registered attorney prior to making a complaint or providing information to the Board.

28 Disciplinary proceedings

- 28.1 Part 8 of Chapter 20 of the *Patents Regulations 1991* (Cth) and Division 6 of Part 20 of the *Trade Marks Regulations 1995* (Cth) explain the grounds on which the Board may commence disciplinary proceedings against a registered attorney who is an individual.
- 28.2 Those parts of the regulations also explain concepts such as:
- (a) professional misconduct; and
 - (b) unsatisfactory professional conduct.
- 28.3 Regulation 20A.10 of the *Patents Regulations 1991* (Cth) and regulation 20A.10 of the *Trade Marks Regulations 1995* (Cth) explain the grounds on which the Board may make an application, and the procedures applicable to an application, to the Disciplinary Tribunal to cancel or suspend the registration of an incorporated attorney.