Australian Government

New Zealand Government
Te Kāwanatanga o Aotearoa

Trans-Tasman IP Attorneys Board

Health Check of the *Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018*

Chair's Foreword

In November 2020, the Board resolved to conduct a health check of both the Code of Conduct and the Guidelines. The intent of the review was to confirm whether the Code was working as intended, considering complaints received by the Board, and to identify any improvements or clarification to the Code and Guidelines.

The Trans-Tasman IP Attorneys Board (the Board) has responsibility for establishing and maintaining a code of conduct for patent and trade marks attorneys under the bilateral arrangement which established the trans-Tasman regime, and as implemented by the Patents Regulations 1991 (Cth) and the Trade Marks Regulations 1995 (Cth). The current version is the Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018 (the Code of Conduct). The Board also maintains and publishes guidelines for interpreting the Code of Conduct (the Guidelines), which were last updated in January 2020.

Professor Andrew Christie was appointed to conduct the review which commenced in July 2021. In completing this review Professor Christie met with a range of stakeholders in Australia and New Zealand, and delivered his final report in December 2021.

The Board is pleased to note Professor Christie found no major deficiencies or issues with the Code, finding it remains a fitting instrument for the IP Attorney Profession, the Board, and the public more broadly. Professor Christie identified some scope to provide more guidance on the application of the provisions of the Code by enhancing the Guidelines, making several recommendations to that effect in his report. He also provided several useful recommendations for other ways the Board can support the profession and the aims of the Code.

Professor Christie's report is below, followed by a summary of his recommendations and the Board's response to those recommendations. The Board thanks Professor Christie for his report, and his dedication to assisting the promotion of continued high standards of practice and behaviour of registered IP Attorneys in Australia and New Zealand. The Board also thanks the contributors for their generosity in sharing their insights and experiences with Professor Christie.

Elizabeth Hopkins

Chair, TTIPAB

Report to the Trans-Tasman IP Attorneys Board on the Code of Conduct Health Check

Professor Andrew Christie

23 December 2021

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EXECUTIVE SUMMARY

Key Observations

A. The degree of awareness and understanding of the Code, and the degree of awareness of the Board, is satisfactory for most stakeholders; however, there is scope to improve the understanding of the Code among junior attorneys, and significant scope to improve the understanding of the Code and the awareness of the Board among clients whose staff does not include a registered attorney.

B. The Code has no major deficiencies, and there are no major problems with its provisions; however, there is significant scope to provide more guidance on the application of the Code's provisions by enhancement of the Guidelines.

C. Firms in ownership groups appear to make appropriate disclosure to their clients about their group membership.

D. The publicly listed holding companies provide clear information to the public about which firms are members of their ownership group; however, the information provided to the public by the firms in the ownership groups lacks clarity and does not appear to satisfy the requirements of Code section 23(2).

E. The evidence indicates that firms in ownership groups are acting independently in the provision of attorney professional services within the meaning of that concept in the Code.

F. There is no reason to believe that attorneys in ownership group firms are acting in breach of their core obligations under the Code.

G. It appears that clients of firms in an ownership group are being given appropriate information when their attorney seeks their consent to act for them in an adversarial proceeding where the other party is represented by another firm in the group.

H. There is some dissatisfaction within the profession with the Board's complaints handling process, suggesting that it may be capable of improvement.

Main Recommendations

I. The Guidelines should be enhanced by:

(i) stating that the Code section 17 obligation of disclosure requires an attorney to inform the client of the person by whom the work was undertaken, where that person is not the attorney or a member of the attorney's firm;

(ii) stating that the Code section 19 obligations of loyalty apply to an attorney who does work for another attorney under a contract or other arrangement, in relation to all of the work done by that attorney, both on their own account and under contract or other arrangement;

(iii) stating that, when providing a client with the information required by Code section 16(1)(a), it is good practice to identify, and to provide the contact details of, the Board as the authority responsible for administration of the Code;

(iv) identifying the potential for conflicts to arise when an attorney acts as a strawperson in an opposition on behalf of a client, and when an attorney takes a proprietary/financial interest in their client's IP rights;

(v) further elaborating what amounts to "courteous, ethical and well-informed" behaviour for the purposes of Code section 13(2) in respect of public commentary by an attorney;

(vi) stating that it is generally best practice to make a written record of the contents of an oral communication from and to the client, during or soon after such a communication, unless otherwise instructed by the client;

(vii) stating that harassment, bullying, and similar behaviours in the workplace are prohibited;

(viii) stating that the Code section 14(1) requirement for competency applies to all the work the attorney undertakes, including work not directly related to drafting and prosecuting applications and to advising on infringement of granted rights;

(ix) stating that information provided by a client, of which an attorney was not previously aware, is not to be treated as not being confidential for the purposes of Code sections 17 and 18 merely because the attorney could have ascertained the information from a public source;

(x) stating that, to protect the integrity of the profession, an attorney should not act for a client opposing the grant of an IP right that the attorney had drafted and/or prosecuted on behalf of a former client;

(xi) stating that the obligation to check for potential conflicts extends beyond the initial acceptance of work from a new or prospective client and, accordingly, that an attorney should monitor for potential or actual conflicts throughout the life of a matter, including when a major change in the conduct of a practice occurs; and

(xii) including, with respect to Code section 21(3), a statement equivalent to Guidelines paragraph 20.4, permitting an attorney to take urgent action to maintain a client's rights in respect of an adversarial proceeding, even though the necessary consent to act has not been obtained.

J. The Board should:

(i) facilitate the provision of additional CPE on the Code, using formats complementary to those already provided by others;

(ii) include on its website simple information on the basics of the Code aimed at clients, particularly those who do not have a registered attorney on staff;

(iii) require all firms that are members of an ownership group to improve the clarity with which they inform the public of their group membership and the identity of the other members of the group;

(iv) collaborate with IPTA and NZIPA to provide a resource, available to all attorneys, under which an attorney could confidentially (and, perhaps, anonymously) seek guidance from an experienced practitioner about professional conduct matters;

(v) consider whether, as a matter of principle, the operation of Code section 19(4) should be qualified by reference to the scope of an attorney's retainer with a client against whom the attorney seeks to act on behalf of another client; and

(vi) conduct a review of the process it adopts when responding to receipt of a complaint about an attorney.

K. The issues of against whom, and when, the Board may bring disciplinary proceedings should be considered in the Review of the Arrangement relating to Trans-Tasman Regulation of Patent Attorneys.

1. INTRODUCTION

(a) Terms of Reference and Process

1. This report details the process of, and the outcomes from, a "health check" of the *Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018* ("**Code**"), and the Code's associated *Guidelines* ("**Guidelines**"), commissioned on behalf of the Trans-Tasman IP Attorneys Board ("**Board**").

2. The objective of the health check was to undertake a relatively quick assessment of how the Code was functioning, from the experience of stakeholders, three-plus years after the Code's commencement (which was on 28 February 2018). Undertaking the health check is in accordance Code section 10(1)(c), which provides that the Board's responsibilities include "conducting periodic reviews of this code's effectiveness, and of the procedures in this code, with a view to possible changes".

3. The **terms of reference** for the health check were:

   (a) A review of the Code of Conduct including the conflict of interest provisions and whether interpretation and application of the guidelines is clear and consistent.

   (b) The review is to focus on issues which have arisen from complaints and queries to the Board in recent years, and other issues raised by the Board.

   (c) The review is to provide recommendations on the Code of Conduct based on the findings, including whether amendments to the Code or Guidelines are necessary.

4. The **process** adopted to conduct the health check was:

   - An analysis was undertaken of brief descriptions of complaints made to the Board over the past few years, and of summaries of the more contentious ones.

   - A table of possible issues for review, and methodologies for reviewing them, was proposed to the Board.

   - The Board generally approved the proposed issues and methodologies, suggested a number of additional issues, and suggested various stakeholder participants for consultation.

   - All issues approved and suggested by the Board were included in the review, and all participants suggested by the Board were invited to participate in a consultation (and, with one exception, accepted the invitation).

   - Consultations with stakeholders were undertaken between early September and late-November 2021, by videoconferencing.

(b) Consultations

5. The stakeholders consulted consisted of the following groups:

   - Attorneys in firms not in an ownership group ("Non-group Attorneys") – eight attorneys, from six firms.

   - Attorneys in firms that are members of a publicly-owned ownership group ("Group Attorneys") – seven attorneys, from five firms.

- General counsel of publicly-owned holding companies owning a group of firms ("Group Counsel") – two legal counsels, from two companies.

- Attorney professional associations ("Professional Associations") – two attorney representatives, from two professional associations.

- Clients of attorneys ("Clients") – seven client representatives, from six client organisations.

6. The stakeholder groups had mixed characteristics – they came from different jurisdictions (Australia, New Zealand), were of different sizes (large, medium, small), and had different ownership structures (publicly owned groups, privately owned firms). Nevertheless, it is not suggested that the sample of stakeholders consulted is fully representative of the whole stakeholder population. The Board did not require, and the methodology of the review did not permit, that the characteristics of the stakeholder sample be closely matched to those of the population of stakeholders. The number of stakeholders consulted – 26 in total – is a small proportion of the population of stakeholders.

7. The consultations were undertaken as semi-structured interviews, in which the participants were asked a series of questions in a particular order, while being encouraged to answer freely and address any issue that occurred to them. Most consultations lasted for around one hour, although a couple lasted for significantly longer. The questions posed to the different type of participants are listed in the **Appendix**.

2. MATTERS CONCERNING THE CODE OF CONDUCT

8. Set out below is a consolidated summary of the responses to the issues for review provided by the stakeholder participants during the consultations. In most instances, the responses are provided by category of stakeholder. It should be noted that, on most issues, the participants from the Professional Associations generally did not purport to provide the "official" position of the Association – rather, they provided either their own personal view of the issue (as a practising attorney) or the view that they felt was likely to be shared by many in the association if they could discern such. For this reason, the following summary generally does not identifya view as being expressed specifically by a Professional Association, as distinct from by an Attorney.

9. Also set out below, for consideration by the Board, are observations and recommendations on the various issues and the stakeholders' responses.

(a) Code of Conduct

(i) Awareness and Understanding of the Code

10. **Non-group Attorneys**, **Group Attorneys**, and **Group Counsel** considered that there was very high *awareness* of the existence of the Code among attorneys. These stakeholders also considered that the *understanding* of the contents of the Code was generally good among attorneys, albeit with senior attorneys having a better understanding of the detail than junior attorneys. This difference in perceived degree of understanding was said to be unsurprising, given that typically a junior attorney would take a conduct issue to a senior attorney in the firm for advice or determination. A number of the larger firms (mainly group firms) had senior attorneys designated, formally or informally, as Code compliance officers. While it was not

suggested that the degree of understanding by junior attorneys was insufficient, there was the sense that it could be improved.

11. One **Professional Association** said it would like to see more education of the profession about the specific contents and operation of the Code.

12. The awareness and the understanding of the Code was different for, and varied among, **Clients**. Where the Client representative was an attorney, awareness of the Code was high, and understanding of its contents was good (although not as good as for non-Client participants). Where the Client representative was not an attorney, there was some awareness (or, at least, the assumption) of the existence of the Code, but no substantive understanding of its contents.

Observation

13. The degree of awareness and understanding of the Code among the various stakeholders is satisfactory for most stakeholders. However, there is likely to be some scope to improve the understanding of junior attorneys, and there appears to be significant scope to do so for clients whose staff does not include a registered attorney.

14. Code section 10(1)(b) states that the Board is responsible for "implementing measures to ensure that registered attorneys are aware of this code's purpose and provisions". It seems that much of the continuing professional education ("**CPE**") on the Code occurs through events organised by the Professional Associations, including at their annual conferences. The cost of such events may mean that junior attorneys are less likely to attend them than are senior attorneys. There is scope for the Board to complement the existing CPE on the Code, with a particular focus on junior attorneys.

15. Code section 10(1)(a) provides that the Board is responsible for "publicising this code to ensure widespread awareness of its purpose and provisions". Clients without a registered attorney on staff have no need to undertake CPE on the Code, so a separate focus on their awareness and understanding of the Code is required. While the "For The Public" section of the Board's website contains a *link* to the Code (under the heading "Grounds for complaints to the Board"), it does not provide an *explanation* of the Code.

Recommendation

16. The Board should facilitate the provision of additional CPE on the Code, using formats complementary to those already provided by others. One such format might be animated online training programs on the key provisions of the Code. Another such format might be occasional webinars on one-off issues that come to the Board's attention, addressed by a panel of junior attorneys working through the various aspects of the issue using the 'hypotheticals' format.

17. The Board should include on its website simple information on the basics of the Code aimed at clients, particularly those who do not have a registered attorney on staff. This could take the form of short '101s', 'FAQs', or 'Nutshells' about the Code.

(ii) Deficiencies with the Code

18. **Non-group Attorneys**, **Group Attorneys**, and **Group Counsel** were generally of the view that the Code was very good. It addresses most or all of the things that it should, and it addresses them well.

19. A commonly offered suggestion for improvement of the Code was that the Guidelines should be enhanced, to provide more guidance on application of the Code's provisions through reference to practical examples. The issues on which it was suggested that there should be such enhancement were:

    - what constitutes "appropriate competency" for the work that an attorney undertakes;
    - what suffices for a client to be "clearly informed" about, and for the public to have "clearly disclosed" to it, an attorney's membership of an ownership group;
    - what constitutes "informed consent" by a client to an attorney acting in a conflict scenario;
    - what it means for an attorney to "operate independently" in the provision of attorney professional services, and what constitutes "attorney professional services"; and
    - what constitutes "unsatisfactory professional conduct" and "professional misconduct".

20. **Clients** did not suggest that there were any major deficiencies with the Code.

21. A number of participants raised a particular issue or two that they considered should be addressed by the Code. Those issues are summarised below in "Issues Raised by Stakeholders" or, where they do not relate to a matter with which the Code is concerned, in the section on "Matters Beyond the Code".

Observation

22. The Code has no major deficiencies, and there are no major problems with its provisions.

23. The term "appropriate competency" is clear – it means competency that is appropriate. If there is a difficulty, it is not with the meaning of the term but with its application in any particular case – i.e., with determining whether someone's competency was appropriate. It would be difficult, and probably not necessary, to seek to elucidate this in the Guidelines.

24. Similarly, the terms "clearly informed" and "clearly disclosed" are clear – they mean informed clearly and disclosed clearly, respectively. The sections of the Code in which these terms appear – sections 16(1) and (4), and section 23(2), respectively – state what are the things thatneed to be informed and disclosed. Further elaboration does not appear to be required.

25. Code section 4 already provides a definition of "informed consent" – it is "consent 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". Further elaboration of the concept does not seem necessary.

26. Sufficient information is already provided in Guidelines paragraphs 21.2 and 21.3 about what does and does not constitute "attorney professional services". These paragraphs also provide indirect guidance on the concept of "operating independently", since it is "attorney professional services" in respect of which independence of operation is required (by section 21(2) of the Code). Further elaboration of the concept would be difficult, and does not seem necessary.

27. Code section 28 refers to "unsatisfactory professional conduct" and "professional misconduct", but does not define these terms. The meaning of these terms is set out in the *Patent Regulations 1991* (Cth), the *Trade Marks Regulations 1995* (Cth), and the *Patents Act 2013* (NZ).

Recommendation

28. The Guidelines should be enhanced by stating that the terms "unsatisfactory professional conduct" and "professional misconduct" have the meaning provided to them in regulation 20.32 of the *Patent Regulations 1991* (Cth), regulation 20.1 of the *Trade Marks Regulations 1995* (Cth) (jointly the "Regulations"), and in section 269(1) of the *Patents Act 2013* (NZ).

(iii) Non-compliance with the Code

29. Very few participants were aware of, or suspected, non-compliance with the Code.

30. One **Attorney** said there was "a rumour" that there is a firm that advertises on Google offering very low rates for work, which is undertaken for it in India. The participant suspected that, in such a circumstance, the client would not be told by whom the work had been undertaken – which they considered would be a breach of the Code. Another believed that "white labelling" of work occurred, whereby firm A in an ownership group did work for a client of firm B in the ownership group, without the client being told that it had been done by firm A. This was considered to be in breach of the Code.

31. Another **Attorney** said that a small firm or sole practitioner often needs to engage freelance attorneys on contract to do work in certain technology areas outside the expertise of the firm's principal(s). These freelance attorneys typically are engaged by more than one firm. This raises the potential for the freelance attorney to be contracted by one firm to work on a matter that is in conflict with a matter on which they have been contracted to work by another firm. The concern was that the freelance attorney would not apply the conflict provisions of the Code.

32. One **Client** said that they had told their attorney that they needed to stop acting for another party with whom the client had a "commercial conflict". The attorney refused to do so, which the client considered to be a clear breach of the Code.

Observation

33. A client should know the identity of the person who has undertaken work for them. Unless otherwise stated, a client will assume that work for them has been undertaken by a member of the firm that the client has instructed.

34. A client is entitled to the duty of loyalty, whosoever undertakes the work for them.

35. Acting for two or more clients who compete commercially (i.e., who are in "commercial conflict") is not, *per se*, a breach of the Code. It is only a breach of the Code to act for two or more clients who compete commercially if the attorney: uses for, or discloses to, one of them the confidential information of another of them (section 18); prefers the interests of one of them over the interests of another of them (section 19(3)); without informed consent, acts for one of them in a matter knowing that its interests in the matter are adverse to the interests of another of them (section 19(4)); or acts for two or more of them in the same adversarial proceeding knowing that their interests are adverse (section 19(5)).

Recommendation

36. The Guidelines should be enhanced by including a statement that the Code section 17 obligation of disclosure requires an attorney to inform the client of the person by whom work has been undertaken, where that person is not the attorney or a member of the attorney's firm.

37. The Guidelines should be enhanced by including a statement that the Code section 19 obligations of loyalty apply to an attorney who does work for another attorney under a contract or other arrangement, in relation to all of the work done by that attorney, both on their own account and under contract or other arrangement.

38. Neither the Code nor the Guidelines require amendment in relation to an attorney acting for clients who compete commercially (i.e., who are in "commercial conflict").

(iv) Awareness of the Board

39. Among **Clients**, the awareness and the understanding of the Board varied. Where the representative of the Client was an attorney, awareness of the existence of the Board was high, and understanding of its responsibilities was good (participants said it deals with registration of attorneys, monitoring CPE requirements, and monitoring professional conduct). Where the representative of the Client was not an attorney, there was no awareness of the Board.

Observation

40. The awareness of the Board among Clients whose staff does not include a registered attorney is likely to be limited. Code section 16(1)(a) requires an attorney to ensure that a client is informed in writing that the attorney is, among other things, bound by the Code. When informing the client of this, the attorney could expressly identify the Board as the authority responsible for the Code.

Recommendation

41. The Guidelines should be enhanced by including a statement that, when providing a client with the information required by Code section 16(1)(a), it is good practice to identify, and to provide the contact details of, the Board as the authority responsible for administration of the Code.

(b) Issues Specific to Firms in Ownership Groups

(i) Communication of group membership

42. A variety of views were expressed on how well firms in ownership groups communicate their membership of the group to their clients and to the public.

43. **Non-group Attorneys** often said that better disclosure of the fact of membership of an ownership group was required of group firms. Some of these attorneys said that unsophisticated clients, clients served on instruction by an overseas associate, and overseas associates, either don't understand the concept of group membership or do understand it but are confused about which firms are in a group, as evidenced by the fact that they have been asked if their firm is a member of a group. Some of these attorneys thought that a communication about group membership made to an overseas associate probably would not be passed on to the client.

44. **Group Attorneys** and **Group Counsel** were strongly of the view that they provide clients of group firms and the public with appropriate disclosure of group membership. They pointed to statements about group membership on their group holding company's website, on their firm's website, in their email footers, in their letters of engagement, and in their communications about conflicts.

45. One **Group Counsel** provided, on a confidential basis, the template text that the holding company recommends group firms use when discharging their communication obligations to

clients under Code section 16(1)(e). This provides clear and substantive information about the ownership group – including, in particular, the members of it, the owner of it, and the independence of operation of the firms in it.

46. All **Clients** were aware that some firms are members of an ownership group that is owned by an ASX-listed entity, but not all of them were aware that there is more than one such group. All Clients said that they were aware of whether or not the firms they instruct are members of an ownership group. Where the firms that they instruct are members of an ownership group, all Clients said that they were aware of the other members of that group. Clients did not express any concerns about the level of communication of group membership that they had received.

Observation

47. Where an attorney is a member of an ownership group, the attorney is required to disclose that fact, and the identity of the other members of the group, to both the attorney's clients and the public. With respect to *clients*, Code section 16(1)(e) requires that the client be "clearly informed in writing" of this information. With respect to the *public*, Code section 23(2) requires that the information "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".

48. The evidence suggests that firms in an ownership group make the required degree of disclosure to their clients about the firm's group membership, in direct communications with their client. There is no reason to think that group firms are not complying with their obligation under Code section 16(1)(e).

49. Both of the publicly listed holding companies, IPH Limited ("**IPH**") and QANTM Intellectual Property Limited ("**QIP**"), provide clear and substantive information to the public about the firms that are members of their ownership group. This is achieved by prominent text on the home page of the company's website, identifying "Our group network" (in the case of IPH) or the "Our Businesses" (in the case of QIP).

50. Firms that are members of an ownership group provide substantive information to the public about their membership of an ownership group, by statements contained on their websites. However, this information is not particularly clear. There is no prominent statement of the firm's group membership on the home page. At most, there is small, footnote-like text at the bottom of the home page, stating either: (i) that the firm is a member of the IPH group and is a part of an 'ownership group' for the purposes of the Code, with a link to the IPH home page; or (ii) or that the firm is owned by QIP, sometimes with a link to the QIP home page. To ascertain which other firms are members of the ownership group, it is necessary to look through various other pages of each firm's website. As a result, it is almost certain that a member of the public, other than one particularly motivated to do so, would not learn of the firm's group membership. Furthermore, even a motivated member of the public (e.g., a prospective client) may find it difficult to learn this information, given the non-prominent way in which it is presented. Thus, it appears that group firms are not complying with their obligation under Code section 23(2).

Recommendation

51. The Board should contact all firms that are members of an ownership group, informing them of the Board's belief that they are not complying with their obligation under Code section 23(2), and requesting them to rectify the situation. The Board should specify what is required for compliance with section 23(2) – e.g. a prominent statement on the home page of the firm's

website, similar in content to that which appears on the home page of the firm's publicly-listed owner.

(ii) Independence of operation

52. A variety of views were expressed on whether firms in ownership groups operate independently in the provision of attorney professional services.

53. From **Non-group Attorneys**, responses ranged from "I don't know" through "I'm suspicious that they are not", "it varies between firms", "generally they are doing so", to "they are doing it OK". Where there was a suspicion of non-independence of operation, it was felt that some information that was extracted from group firms (e.g. billing practices for large clients) would "go up to the Board and then down to other member firms".

54. **Group Attorneys** were very clear that their firms operated independently from the other firms in the group. They said they competed for clients and staff with other group firms. Some said that, while they assumed that group firms used common technology platforms, they could not be certain because no information of one firm was accessible by any other firm. There was often some mild bemusement about what the holding company actually did for firms in the group – almost to the point of scepticism about the value contributed by the holding company.

55. **Group Counsel** explained that independence of operation was a crucial requirement, because a failure to achieve it could have "catastrophic consequences". They asserted that there were strong systems in place to ensure that information obtained for and generated by the operation of back-office functions – such as contracting, financing, HR, mergers and acquisitions, cultural initiatives (e.g. well-being), leadership training, corporate compliance (e.g. privacy), risk management, insurance, technology platforms – was not accessible by those who should not have it. Where the holding company supplied information about a client of a group firm to other group firms, that information was extracted from public sources.

56. **IPH** publishes a *Group Relationships Statement*. This provides that group attorneys "have as their first and primary obligation, always to act in the best interests of their clients and in accordance with the law". It states that group firms and attorneys "actively consider and manage actual and potential conflicts of interest", and that the group has "structures and arrangements, including as to the separation and independent provision to clients of attorney professional services" which ensures compliance with the Code and minimises the potential occurrence of conflicts. The *Statement* says that group firms rely upon "certain back-office, non-professional services provided by non-attorney entities" within the group, "such as information technology, insurance, finance and accounting services". It says that group firms may be required to share "certain information" with IPH, "where reasonably necessary to satisfy corporate governance, management and reporting responsibilities, such as financial and regulatory reporting, compliance, corporate accountability and oversight and risk management responsibilities". Any information shared for such purposes "is disclosed only to the extent reasonably required, is used only for the purposes provided and remains subject to confidentiality". Group firms "do not share non-public information with any other" group firm "unless engaged by them as a foreign agent or lawyer".

57. The *Constitution* of **QIP** expressly states (in clause 4): "The Company and the Directors must procure that, where possible, the Company fulfils its duty to the shareholders. As the parent company of a number of subsidiaries, it is recognised that (where relevant) the duties of those subsidiaries to the Company (as a shareholder) are subordinate to the duties of those subsidiary companies [where they are practising as an attorney] to … act in accordance with the law, in

the best interests of its client, in the public interest and in the interests of the registered attorney's profession as a whole."

58. With only one exception, **Clients** did not express any concern about there being a lack of independence of operation of firms in groups. One Client said it was "not clear" that group firms did operate independently, and that they were "dubious" about them doing so.

Observation

59. Although some participants from outside ownership groups have doubts, there is no evidence to indicate that firms in groups are not acting independently in the provision of attorney professional services within the meaning of that concept in the Code. Moreover, the information about actual practices, provided by participants from within the ownership groups,supports the view that group firms are acting independently.

Recommendation

60. Neither the Code nor the Guidelines require amendment in relation to the independence of operation of firms in ownership groups.

(iii) Intra-group referrals

61. A variety of views were expressed on whether firms in ownership groups should be permitted to recommend (or accept) a referral of a client to (or from) another group firm where the referral was made as a result of a conflict of interests.

62. A number of **Non-group Attorneys** felt this should not be permitted, primarily because it "looks wrong". Some considered that there was no actual conflict in doing so, but that clients – especially overseas clients – might see this practice as wrong. Others were of the view that there was nothing inherently wrong with this practice. So long as the interests of the client were put first – such that the recommended referral was to the attorney most appropriate for that client – then it was OK. A number queried if clients were given sufficient information about the recommended referral – in particular, about the relationship between the recommending firm and the recommended firm – to enable the client to form a view about theappropriateness of the recommendation and to give informed consent to the other group firm acting for them where the conflict related to an adversarial proceeding (e.g., an opposition).

63. **Group Attorneys** expressed the view that they would only recommend another group firm if they were satisfied that the recommended firm would be appropriate for the client. If no group firm was suitable, they would recommend a firm outside the group. They were aware of their duty under Code section 19(2) not to place their interests ahead of their client's interests. They said that considerations of "reciprocity" played no greater a role, and arguably a lesser role, in determining a recommendation than it did for non-group attorneys with respect to their conflict referrals.

64. **Group Counsel** acknowledged that the potential for intra-group referrals was a strategic benefit of operating an ownership group. One Group Counsel provided, on a confidential basis, the guidance and template text provided by the holding company to group firms when making a recommendation about a referral to resolve a conflict. The guidance expressly states that the attorney must consider whether a recommendation of another group firm is in the interests of the client. Where the recommendation is of another group firm, the template text states that fact, and explains that each firm operates its practice independently and that there is no exchange of information with respect to the clients' cases.

65. Almost all **Clients** did not have any concerns with the practice of a group firm recommending a referral to another group firm. They saw a recommended referral as just that – a recommendation. The decision as to whom to transfer the matter rested with them. If they didn't already know the recommended firm, they would do "due diligence" on them before deciding whether to accept the recommendation, and they would adopt the recommendation only if satisfied that the recommended firm would be suitable for them. Whether the recommended firm was part of the same ownership group as the recommending firm was not, of itself, a concern. One Client did have a concern with intra-group referrals, because they were not satisfied that group firms act independently from each other. This client "would never agree" to another group firm acting for them in a conflict situation. They feared that both firms might "string out" a contentious matter because "both lots of fees are going to the same profit centre".

Observation

66. There is no reason to think that an intra-group referral recommendation is wrong as a matter of principle or is problematic as a matter of fact.

Recommendation

67. Neither the Code nor the Guidelines require amendment in relation to intra-group referrals.

(c) Issues Relevant to All Attorneys

68. On the issues discussed in this section, there was no consistent difference of view between Non-group Attorneys, on the one hand, and Group Attorneys, on the other hand. Furthermore, Group Counsel often did not express a view on them. For this reason, only the views of Attorneys (both types) and Clients are separately stated.

(i) "Strawperson" opposition

69. Participants expressed mixed views on whether the Code or the Guidelines should make any reference to an attorney prosecuting in their own name an opposition on behalf of a client.

70. The views of **Attorneys** ranged from "it's OK, so long as there is compliance with all the provisions of the Code", through "I would not be comfortable doing this, but feel I must inform the client of the possibility and would do it if instructed", "it's not OK because of the potential for conflicts, so the Code should point these out", "it's not OK, and the Code should say it is not permissible in specific situations", to "the law should be changed to prohibit them". One Attorney proposed that the Code or the Guidelines say a strawperson opposition should not be filed where the attorney knows that there is a reasonable likelihood that the other attorney (i.e., the attorney for the applicant of the application being opposed) would be in a situation of conflict by virtue of that other attorney's relationship with the client on whose behalf the opposition has been filed.

71. The views of **Clients** ranged from "I didn't know this could be done", through "it would be helpful if the Guidelines gave some guidance on pitfalls", "it should not be prohibited outright, but the Guidelines should say what can and can't be done", to "I've done it myself and I have no issue with it". Many Clients saw a benefit to permitting strawperson oppositions. Where the parties are in a commercial relationship, enabling the opponent to hide their identity will assist in maintaining that relationship.

Observation

72. An attorney exposes themself to the potential for a conflict of interest to arise when they act as a strawperson in an opposition on behalf of a client.

Recommendation

73. The Guidelines should be enhanced by identifying the potential for conflicts to arise when an attorney prosecutes in their own name an opposition on behalf of a client, so as to assist attorneys avoid conflicts in this situation.

(ii) Filing an application known to be invalid

74. Participants generally expressed the view that neither the Code nor the Guidelines should make any reference to an attorney filing an application at the direction of the client when knowing that no valid rights could result from that application.

75. The general view of **Attorneys** was that it was acceptable for an attorney to file such an application, so long as they had clearly informed the client of the fact that no valid rights could result. The general view was that neither the Code nor the Guidelines should refer to this issue, as it was too difficult for anyone to know with certainty that no valid rights could ever result – e.g., it might be possible to make an amendment to the application, or to file a divisional application, from which valid rights could result.

76. Most **Clients** were of the view that it was acceptable for an attorney to file such an application, so long as they had informed the client of the fact that no valid rights could result. A couple of Clients felt that the Guidelines should refer to this situation – so as to make attorneys aware of the potential for them to commit a fraud on a patent office or to fall foul of an obligation to a patent office to make full disclosure, and to give an attorney a justifiable basis for refusing to act on the instruction (by saying "I won't do it because I could be de-registered for doing so").

Observation

77. Code section 11(1)(a) provides that an attorney's primary obligation is to act in accordance with the law. That obligation seems sufficient to ensure that an attorney does not actinappropriately when filing an application knowing that no valid rights could result from that application, when doing so at the direction of the client after having informed the client of the situation.

Recommendation

78. Neither the Code nor the Guidelines require amendment in relation to an attorney filing an application when knowing that no valid rights could result from that application.

(iii) Taking a proprietary or financial interest in a client's IP rights

79. Participants generally expressed the view that, by taking a proprietary or financial interest in a client's IP rights or application for IP rights, an attorney was putting themselves in a position giving rise to a potential conflict between the interests of the client and the interests of the attorney.

80. Most **Attorneys** said that this situation gave rise to the potential for a conflict of interests. Most of them said that they would not do this. A number of them said that the Guidelines should

expressly state that doing so would put the attorney in the position of actual or potential conflict, and so should not be done. A few said that the Guidelines should not discuss this, so as to allow for the possibility of an attorney acting in this manner where it was necessary to do so to ensure that a client obtained some IP rights – e.g., for a small/start-up client (typically of a small firm or sole practitioner) without the resources to pay for professional services.

81. **Clients** understood the potential for a conflict of interests to arise in this situation. Generally, they thought that the Guidelines should point this out. One Client recognised that granting the attorney a financial interest in the client's applications might be the only way a small client could obtain IP rights protection. Another Client was of the view that the Code and the Guidelines should not preclude an attorney from taking such an interest, because to do so would stifle innovation in the way in which IP rights applications are financed. This Client saw the future as one in which attorneys will need to change the way they deliver their services, including the way they charge for them.

Observation

82. An attorney exposes themself to the potential for a conflict of interests to arise when they take a proprietary or financial interest in the IP rights of their client while acting in respect of those rights.

Recommendation

83. The Guidelines should be enhanced by identifying the potential for conflicts to arise when an attorney takes a proprietary or financial interest in the IP rights of their client while acting in respect of those rights, so as to assist attorneys avoid conflicts in this situation.

(iv) Trust accounts

84. Participants expressed mixed views on whether the Code or the Guidelines should make any reference to whether funds advanced by a client should be held in a trust account.

85. Most **Attorneys** were of the view that it should not be necessary to hold a client's advanced funds on trust. They felt that requiring funds to be held on trust would be "using a sledgehammer to crack a nut". The transaction costs of maintaining a trust account were too high for the apparent benefit. There was no evidence that attorneys were misusing client funds. In any event, an attorney could still misuse client funds that were held in a trust account. A few Attorneys felt that holding funds on trust should be required.

86. Most **Clients** were of the view that any funds they advanced to an attorney should be held in a trust account. One said that the Code should always contain provisions on any matter to do with client money. Some said that they rarely, if ever, advanced funds.

Observation

87. Code section 24(2) states that an 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 attorneys' practice. A requirement that an attorney hold a client's funds in a trust account would introduce a significant burden on most attorneys, especially those operating in a small firm or as a sole practitioner. There is no evidence that attorney defalcation is occurring or that it is at greater risk of occurring due to client funds not being held in a trust account.

Recommendation

88. Neither the Code nor the Guidelines require amendment in relation to the manner in which funds advanced by a client are to be treated by the attorney.

(v) Adverse commentary about another attorney

89. A range of views were expressed by participants on whether the Code or the Guidelines should make any reference to an attorney making adverse commentary about another attorney.

90. Most **Attorneys** made reference, either specifically or generally, to an instance of public commentary by one attorney about another, which they considered to be "close to the line" of permissible or acceptable conduct. Some were of the view that caution was required on this issue, because of the potential to unduly restrain freedom of expression and the difficulty in "drawing lines" between acceptable and unacceptable conduct. Those Attorneys felt the current reference in Guidelines paragraph 13.4 to acting "courteously" and not behaving "disrespectfully" was sufficient. Other Attorneys were of the view that the Guidelines should contain more direct, and stronger, language on the issue, along the lines of that contained in the *IPTA Code of Ethics* and accompanying *Guidelines*. However, one participant expressed the view that the *IPTA Code of Ethics* is a "toothless tiger", leading at most to a "wrap over the knuckles" for non-compliance.

91. The views of **Clients** were mixed. One said that it was appropriate for the *IPTA Code of Ethics* to contain provisions on the issue because it was a membership organisation (and so it only applied to attorneys who voluntarily chose to be members), but it was not appropriate for the TTIPA Code to do so because it applied to all attorneys (who had to be registered to be able to practise). A couple of Clients said the Code should refer to the issue to some degree – to ensure that any statement made was a "proper representation", and that attorneys "play the ball, not the man". Another couple said it was important for clients to hear about poor professional behaviour, and the Code should not restrain attorneys from disclosing this. Yet another said the integrity of the profession was important, and that the Guidelines should give some examples of what is not acceptable behaviour in this respect.

Observation

92. Public commentary by one attorney about another is an issue of some note among the profession at the moment. The phenomenon of social media increases the potential for adverse commentary to be made and to be disseminated widely. Inappropriate adverse commentary by one attorney about another has the potential to bring the profession into disrepute, to the detriment of all attorneys.

Recommendation

93. The Guidelines should be enhanced by further elaborating what amounts to "courteous, ethical and well-informed" behaviour for the purposes of Code section 13(2). This elaboration could take the form of words similar to those contained in the *IPTA Code of Ethics* sections 3.04 and 3.06, which require that a member refrain from "doing any act or sanctioning any act which is undignified or is likely to bring discredit upon, or otherwise prejudice the public confidence in the profession" and "using insulting or provocative language", respectively.

(vi) File notes

94. A range of views were expressed by participants on whether the Code or the Guidelines should make any reference to an attorney making a written record of the content of oral communications with a client.

95. Most **Attorneys** recognised it was good practice to make file notes. Some Attorneys expressed the view that the Guidelines should state that it was best practice to do so. This was so that new attorneys realised that they should do this. Some other attorneys felt it was sufficient for senior members of the firm to "train junior members" on this. A few attorneys felt that sometimes there were good reasons not to make file notes (e.g. where the client didn't want a record of the discussion), and so considered that the Guidelines should not refer to the matter. A few attorneys felt that "there wasn't enough time in the day" for them to make file notes.

96. **Clients** generally were of the view that attorneys should make file notes. They felt that the Guidelines should specifically state that doing so is good practice, or even best practice. One did not want file notes to be mandatory for every conversation, because there might be times when the client doesn't want something put in writing.

Observation

97. Making a written record of a client's oral instructions and an attorney's oral advice is an important way of avoiding misunderstandings and, thereby, problems.

Recommendation

98. The Guidelines should be enhanced by stating that it is generally best practice to make a written record of the contents of the substantive and relevant components of an oral communication from and to the client, during or soon after such a communication, unless otherwise instructed by the client.

(vii) Use of the term "partner"

99. A range of views were expressed by participants on whether the Code or the Guidelines should make any reference to the use of the term "partner" to describe an attorney's position within a firm.

100. Most **Attorneys** had no particular view on the issue. Of the few that did, they said it was not a matter that the Code or Guidelines needed to address. If someone called themselves a partner but was not, this was covered by legislation that prohibits misleading or deceptive conduct.

101. The view of **Clients** was mixed. Views ranged from "I don't care", through "I don't really care", "I don't know what the term means", "the term conveys that the person has sufficient seniority or experience to be able to represent the firm and so I assume such a person is an attorney", to "use of the term should be regulated, because being a partner in a partnership has legal consequences".

Observation

102. The term "partner" conveys different things to different people – and to some people it conveys nothing at all. There is no evidence that these differences in understanding are causing a problem.

Recommendation

103. Neither the Code nor the Guidelines require amendment in relation to the use of the term "partner".

(d) Issues Raised by Stakeholders

104. This section discusses issues that were volunteered by stakeholders during the consultations. These issues are grouped by the provision of the Code to which they relate.

(i) Administration of Code (section 10)

105. One **Attorney** said they would like to see a procedure by which an attorney could anonymously seek guidance from an experienced practitioner about how to handle a particular conduct issue, similar to the NZ Law Society's National Friends Panel.

Observation

106. A scheme under which an attorney could seek guidance from an experienced practitioner about conduct matters would appear to be of significant benefit to the profession and to clients. IPTA provides its members with the ability to discuss ethical or conflict issues with the IPTA Ethics and Disputes Committee. However, not all Australian attorneys, and few (if any) New Zealand attorneys, are members of IPTA.

Recommendation

107. The Board should collaborate with IPTA and NZIPA to provide a resource, available to all attorneys, not just those who are members of the Professional Associations, under which an attorney could confidentially (and, perhaps, anonymously) seek guidance from an experienced practitioner about professional conduct matters.

(ii) Core obligations (section 11)

108. One **Client** considered that there was "a massive problem" with public ownership of an attorney firm. Such a firm will act in the interests of its shareholders, ahead of the interests of its clients.

Observation

109. Code section 11 identifies the core obligations of an attorney. It clearly provides that the interest of the client is paramount to all other interests, and is only subservient to the obligation of the attorney to act in accordance with the law. The *Constitution* of **QIP** expressly states that the duties of group firms to QIP (as shareholder) are subordinate to their core obligations under the Code. *The Group Relationships State*ment of **IPH** expressly states that the group firms have as their first and primary obligation always to act in the best interests of their clients and in accordance with the law. There is no reason to believe that attorneys in group firms are acting in breach of their core obligations under the Code.

Recommendation

110. Neither the Code nor the Guidelines require amendment in relation to an attorney's core obligations.

(iii) Responsibility (section 12)

111. One **Attorney** considered that it was inappropriate for Code section 12(2) to impose on a director of an incorporated attorney responsibility for the work, acts and defaults of an associated person who is an attorney. A director of an incorporated attorney may not, as a matter of reality, have any day-to-day oversight of the work of an associated attorney.

Observation

112. Code section 4 defines an "associated person" to be "a person (including another registered attorney), other than a staff attorney or a foreign-registered attorney, who does work for a registered attorney under a contract or other arrangement, including a person who acts as the agent or representative of the registered attorney for the purposes of the Patents Act or the Trade Marks Act". The purpose of making a registered attorney responsible for the work of an associated person is to ensure that the attorney cannot avoid liability for work simply by having the work undertaken by another person under contract. There is no reason to think that this principle is no longer correct, even where the associated person is themselves an attorney and/or where the commissioner of the work is an incorporated attorney.

Recommendation

113. Neither the Code nor the Guidelines require amendment in relation to an attorney's responsibility for the work of an associated person.

(iv) Integrity (section 13)

114. One **Attorney** considered that it was desirable for the Code to have provisions prohibiting bullying, harassment, and similar behaviour, along the lines of those contained in the NZ *Lawyers: Conduct and Client Care Rules 2021*.

Observation

115. Rule 10.3 of the NZ *Lawyers: Conduct and Client Care Rules 2021* says a lawyer must not engage in conduct that amounts to one or more of: "bullying; discrimination; harassment; racial harassment; sexual harassment; violence". Rule 42.1 of the *Australian Solicitors' Conduct Rules 2011* says a solicitor must not, in the course of practice, engage in conduct which constitutes: "discrimination; sexual harassment; or workplace bullying".

116. Harassment, especially sexual harassment, and bullying behaviour in the workplace are major social issues. Such behaviours are unacceptable; they are the antithesis of professional conduct. While Code section 13(2) says that an attorney must maintain standards of professional practice that are courteous, ethical and well-informed, there is no express reference to harassment, bullying and similar behaviours.

Recommendation

117. The Guidelines should be enhanced by stating that harassment, bullying, and similar behaviours in the workplace are prohibited.

(v) Competency (section 14)

118. One **Client** expressed concern that some attorneys carry out "non-technical" work – e.g., giving advice on financial matters, tax issues, IP audits, competition law, etc – for which they don't

have sufficient expertise. They wanted it made clear that the requirement for competency extends beyond "technical attorney work".

Observation

119. Guidelines paragraph 14.1 provides two examples of work that must not be done by an attorney without suitable competency. Neither example expressly concerns work in professional fields that are outside the core of the professional work of an attorney.

Recommendation

120. The Guidelines should be enhanced by stating that the Code section 14(1) requirement for competency applies to all the work the attorney undertakes, including work not directly related to drafting and prosecuting applications and to advising on infringement of granted rights.

(vi) Communication (section 16)

121. One **Attorney** considered that Code section 16(1) should have a paragraph (f) which requires an attorney to communicate to a client whether they are a member of a partnership and, if they are, whether the partnership has adequate indemnity insurance. This was to ensure that attorneys in partnership are put on a par with incorporated attorneys, who are required by Codesection 16(d) to inform clients that they are incorporated and whether they are a public or private company.

Observation

122. Code section 16(d) was introduced to deal with the (then) relatively new possibility of incorporated attorneys. Historically, attorneys practised in partnership, and did so without being required to expressly identify this fact upon engagement by a client. There is no evidence of client concern with attorneys practising in partnership, or with such attorneys not having adequate professional indemnity insurance.

Recommendation

123. Neither the Code nor the Guidelines require amendment in relation to the disclosures required of a non-group attorney who practises in partnership.

(vii) Disclosure (section 17) and Confidentiality (section 18)

124. One **Attorney** considered that it should be made clear how the obligations of Code section 17 and section 18 apply where, unsolicited, an attorney receives information from a prospective client about an IP rights application made by the prospective client that is materially relevant to an existing client's interests, which is information of which the attorney was not previously aware but which could have been obtained from a public source. The section 17 disclosure obligation is expressly stated to be subject to the section 18 confidentiality obligation. But it is not clear in the scenario if the information is in fact confidential.

Observation

125. Guidelines paragraph 18.3 states: "Typically, a client's confidential information is information that is not generally available to other parties". The use of the qualification "generally" accords with the legal understanding of when information is confidential; the concept is a relative one, not an absolute one. Information that is not generally known is not considered to lack

confidentiality merely because it could be legally ascertained by another. Information that was disclosed to another person, which could have been legally ascertained by that other person but only by the expenditure of effort, will still be regarded as confidential if the disclosure avoided the need for that other person to undertake that effort to ascertain it. Thus, information disclosed to an attorney by a client is to be treated as confidential, even if the information could have been legally ascertained from a public source, if the attorney had not actually expended effort to so ascertain it.

Recommendation

126. The Guidelines should be enhanced by stating that information provided by a client, of which an attorney was not previously aware, is not to be treated as not being confidential for the purposes of Code sections 17 and 18 merely because the attorney could have ascertained the information from a public source.

(viii) Loyalty (section 19)

127. One **Attorney** considered there was "a tension" between the Code section 19(3) duty to not prefer the interests of one client over the interests of another client and the Code section 20(1) obligation to avoid creating a situation giving rise to the reasonable possibility of a conflict. Two clients in a similar technology area might in due course bring to the market competing products. This participant found it difficult to decide if they could act for both clients in relation to those products.

128. One **Attorney** considered that the Code should provide that an attorney firm cannot act for a client opposing an application that the firm had drafted. Where the applicant was no longer a client of the attorney (i.e. was a former client), Code section 19(6) permits the attorney to act in the opposition against the former client, so long as an effective information barrier is established in relation to confidential information. It was considered that there should be a blanket prohibition on acting in this situation, because it "looks wrong".

129. One **Attorney** considered the Code section 19(4) requirement of obtaining client consent for the attorney to act for one client (client A) in a matter knowing the client's interests in the matter are adverse to the interests of another client (client B) to be inappropriately stringent. This was because the requirement "went beyond the circumstances in which the common law would impose such a requirement". The common law would not impose such a requirement where client B's retainer with the attorney did not include work of the type for which the attorney was acting for client A – e.g. where client B retains the attorney only for trade mark work, and the attorney is acting for client A against client B in relation to a patent matter.

Observation

130. There is no inconsistency or tension between the Code section 19(3) duty to not prefer the interests of one client over the interests of another client and the Code section 20(1) obligation to avoid creating a situation giving rise to the reasonable possibility of a conflict.

131. Code section 19 draws a distinction between a client and a former client for the purpose of the loyalty obligations. As explained in Guidelines paragraph 19.7, an attorney is not in a fiduciary relationship with a former client, and so does not owe a duty of loyalty to a former client. However, an attorney does owe a duty to a former client in relation to confidential information provided by or on behalf of the former client. It follows that the Code does not prohibit an attorney from acting for a client opposing the grant of an IP right that the attorney had drafted and/or prosecuted on behalf of a (now) former client, so long as the attorney establishes an

effective information barrier in relation to relevant confidential information held by the attorney. Although the Code may permit an attorney to act for a client opposing the grant of an IP right that the attorney drafted and/or prosecuted on behalf of a former client, there is the potential for doing so to undermine the attorney profession's integrity in the eyes of the public. The law recognises a basis for disqualifying a legal practitioner from acting where "a fair- minded, reasonably informed member of the public would conclude that the proper administration of justice requires that a solicitor be prevented from acting in the interests of the protection of the integrity of the judicial process": *Dealer Support Services Pty Ltd v. Motor Trades Association of Australia Ltd* [2014] FCA 1065 ("*Dealer Support Services*"), [94] (Beach J). However, the jurisdiction to disqualify a legal practitioner from acting on this basis is an "exceptional one" and is "to be exercised with appropriate caution": *Geelong School Supplies Pty Ltd v Dean* [2006] FCA 1404, [35] (Young J). A fair-minded and reasonably informed member of the public would likely consider it wrong for an attorney to act for a client opposing the grant of an IP right that the attorney had drafted and/or prosecuted on behalf of a former client. Accordingly, to protect the integrity of the profession, an attorney should not so act.

132. It is not certain that the "common law" position (whatever that means, exactly) on conflicts of interest is such that it would permit a lawyer to act for one client (client A) in a matter in which client A's interests are adverse to the interests of another client (client B) without obtaining client B's consent to do so, merely because the lawyer's retainer with respect to client B does not include the matter in issue. In any event, what is important is whether the Code's approach to this issue is correct as a matter of principle. The Board's position to date has been that an attorney can only act in this situation with the informed consent of client B. Should the Board change its position so as to accommodate the situation in which the attorney's retainer with client B does not include matters of the type in respect of which the attorney is acting for client A, section 19(4) of the Code would need to be amended to add the necessary qualification.

Recommendation

133. The Guidelines should be enhanced by stating that, to protect the integrity of the profession, an attorney should not act for a client opposing the grant of an IP right that the attorney had drafted and/or prosecuted on behalf of a former client.

134. The Board should consider whether, as a matter of principle, the operation of Code section 19(4) should be qualified by reference to the scope of an attorney's retainer with a client against whom the attorney seeks to act on behalf of another client.

(ix) Conflicts (section 20)

135. One **Attorney** considered that the Code should require a merging firm to inform its clients of the identity of the clients of the firm with which they are merging. This was so the clients could determine if the post-merger firm would be in a conflict situation.

136. One **Client** said that it had had to expressly request its attorney firm, which was merging with another firm, to check all of its matters to see if there would be a conflict with another client handled by the other firm in the merger. This client believed such a check should have been conducted a matter of course, without it needing to be requested.

Observation

137. Under Code section 20, an attorney has an obligation to take all reasonable steps to avoid the creation of a situation giving rise to an actual conflict or the reasonable possibility of a conflict. This obligation is ongoing. A conflict may arise in relation to a matter already on foot when a

major change in the conduct of a practice occurs, such as the appointment of a new staff member from another firm or the merger of firms.

Recommendation

138. The Guidelines should be enhanced by stating that the obligation to check for potential conflicts extends beyond the initial acceptance of work from a new or prospective client and, accordingly, that an attorney should monitor for potential or actual conflicts throughout the life of a matter, including when a major change in the conduct of a practice occurs – such as the appointment of a new staff member from another firm or the merger of firms.

(x) Independence (section 21)

139. One **Group Counsel** considered that Code section 21(3) was inappropriate as a matter of principle. So long as the attorneys in the relevant firms in the ownership group are operating independently in the provision of attorney professional services and their relationship as members of an ownership group is disclosed to their clients and the public as required under other provisions of the Code, it is not necessary to require a client to consent to its firm acting against a party whose attorney is a member of another firm in the group. The fact that the attorneys involved are employed within an ownership group should not be assumed to mean that they are more disposed to break the law and act in breach of their professional ethical duties than their peers who are not employed in ownership groups. Section 21(3) could be seen as disparaging the substantial proportion of the profession employed in ownership groups.

140. One **Group Counsel** provided, on a confidential basis, the template text that the holding company recommends group firms use, in accordance with Code section 21(3), when seeking a client's informed consent to act in an adversarial proceeding where the other party is represented by another firm in the group. The template text refers to the potential for an actual or perceived conflict of interest, suggests an example of what might constitute such a conflict, states that the attorney's overriding duty is to the client, and states that the attorney will act only in the client's best interest and will not have regard to any interest of the group.

141. One **Attorney** considered that the Guidelines should have in respect of Code section 21(3) a statement equivalent to Guidelines paragraph 20.4 in respect of Code section 20(2). An attorney in an ownership group may be instructed to act in an adversarial proceeding against a client of another firm in the group at very short notice – i.e., very close to the deadline for acting. It may not be possible for the attorney to obtain the client's consent, as required by Code section 21(3), prior to the deadline. In that situation, the attorney should be permitted to take the action required to maintain the client's rights (e.g. to file the opposition), even though the necessary client consent under Code section 21(3) has not been obtained.

Observation

142. The Code section 21(3) requirement for a group firm to obtain client consent to act in an adversarial proceeding where the other party is represented by another firm in the group is not based on an assumption that attorneys in group firms are more likely than other attorneys to act in breach of their ethical duties. Rather, the purpose of the requirement is simply to ensure that clients: (i) are made aware of the particular situation (which is one that could not arise anywhere else in the world) and the potential for a conflict of interest to occur; and (ii) satisfy themselves either that no conflict will occur or that the risk of a conflict occurring is one they are willing to take. There is no reason to think that this objective is no longer desirable as a matter of principle.

143. It appears that clients are being given appropriate information when their attorney seeks their consent to act for them in an adversarial proceeding where the other party is represented by

another firm in the group.

144. An attorney may become aware that they are being instructed to act in an adversarial proceeding against a client of another firm in their ownership group only very close to the deadline for acting. In such a situation, the attorney should ensure that the client's rights in respect of the adversarial proceeding are maintained, even where the necessary consent to act has not been obtained.

Recommendation

145. The Guidelines should be enhanced by including, with respect to Code section 21(3), a statement equivalent to Guidelines paragraph 20.4, permitting an attorney to take urgent action to maintain a client's rights in respect of an adversarial proceeding, even though the necessary consent to act has not been obtained.

(xi) Client property (section 25)

146. One **Attorney** considered the lien referred to in Code section 25(2) provides no meaningful benefit in recovering unpaid debts from clients. This is because "around two-thirds of a client's file is publicly-available material".

Observation

147. The lien referred to in Code section 25(5) is created by regulation 20.53 of the *Patents Regulations 1991* (Cth), by section 229(2) of the *Trade Marks Act 1995* (Cth) and regulation 20.16 of the *Trade Marks Regulations 1995* (Cth), and by section 288 of the *Patents Act 2013* (NZ). The practical usefulness of this lien is not something that can be addressed either by that legislation or by the Code or Guidelines.

Recommendation

148. Neither the Code nor the Guidelines require amendment in relation to an attorney's lien.

(xii) Complaints (section 27)

149. Four participants from the **non-Client** stakeholder groups expressed concern with the way the Board handles and investigates complaints against attorneys. One said that "the Board can ask an attorney about something without providing details of the complaint". Another said it was "too easy" to make a complaint against an attorney: "Some disgruntled client simply writes to the Board, and then the Board contacts the attorney." The Board "should get details of substance" from the client before contacting the attorney. There needs to be a "*prima facie* case" before the Board acts. Another said clients can and do make complaints "simply to avoid paying a debt". They know that if they raise a complaint with the Board, "a lot of the attorney's time will be taken up dealing with the Board". Any complaint investigation by the Board should be "put on hold until the debt dispute has been resolved". Another believed that the Board undertook "pro-active investigations, i.e. not on the basis of an actual complaint". This participant considered the Board's complaint's handling process was "very unprofessional" and that it "doesn't understand how to handle a complaint or run an investigation".

150. **Clients** said that they would be willing, in principle, to make a complaint to the Board about an attorney's conduct, but would only do so in an exceptional case – i.e., where the misconduct was "very serious". In any other misconduct situation, the Client's response would be to take their work elsewhere – i.e., not instruct the attorney in the future. One Client explained that it would be unlikely they would know enough about what actually had occurred to discern if it amounted to misconduct prohibited by the Code. That Client also said it would be unlikely that the

consequence of the misconduct would warrant the resources the Client would need to spend to pursue a complaint with the Board. Another Client's representative said that they probably would not make a complaint to the Board, because the profession is very small, and they would be concerned about the potential for negative consequences on their career. An in-house attorney can't afford to get off-side with any firm (especially a major firm), "as you never know when you may have to look for a job back in practice".

Observation

151. The views expressed by the non-Client participants appeared to be based on first-hand experience of either the participant themselves or someone well-known to them, and they were expressed with some vigour. That four of the 19 non-Client participants volunteered these views indicates that there is a degree of dissatisfaction within the profession with the Board's complaints handling process. This, in turn, suggests that the complaints handling process may be capable of improvement. Given that handling of complaints is a sensitive issue for the profession, a review of whether the Board's process can be improved is warranted.

152. The likelihood of a client making a complaint to the Board frivolously or lightly seems low. Conversely, when a client does make a complaint, it is likely to be about a matter that the client takes seriously.

153. The Board has published *Disciplinary Guidelines for registered attorneys* and *Disciplinary Guidelines for incorporated attorneys*, which set out the procedures that the Board will typically follow when investigating the actions of an attorney and deciding whether or not to commence disciplinary proceedings. There is no published statement about the procedure followed *prior* to commencing an investigation – such as, for example, seeking to mediate or conciliate a dispute between a client and their attorney.

Recommendation

154. The Board should conduct a review of the processes it adopts when responding to receipt of a complaint about an attorney. Such a review should consider identifying staged objectives for complaint handling – e.g., whether the initial objective should be a settled outcome obtained through the process of mediation or conciliation. Other matters the review should address are the "triaging" of complaints, the degree of detail required from a complainant before commencing substantive investigation, and the formal process of a substantive investigation.

(xiii) Disciplinary proceedings (section 28)

155. Almost all **Attorneys** and **Clients** were of the view that it should be possible for disciplinary proceedings to be brought or maintained against someone who was an attorney at the time of the alleged misconduct, even if they had subsequently removed themselves from the Register. It should not be possible for a wrong-doer to avoid the consequences of their wrong-doing by voluntary removal. Also, a message needs to be sent, to other attorneys and the public, that wrong-doing has consequences. A few participants felt that disciplinary proceedings would not need to be brought in this situation, as the objective of preventing the accused person from practising had been achieved through the action of voluntary removal from the Register. However, in this situation "the Board should have a long memory", and should re-institute proceedings if the accused later sought to be reinstated on the Register.

156. **Attorneys** expressed mixed views on whether the Board should be able to discipline non-registered people who undertake attorney work. A number wanted it to be able to do so. A few said they couldn't see how the Board would be able to do so, because the Code only applies to those who are registered.

157. **Clients** were of the view that the Board should be able to discipline non-registered people undertaking attorney work. It is important that someone takes responsibility for doing so, to ensure that the public is protected.

158. One **Professional Association** expressed the view that "there is an imbalance" in the ability of the Board to commence disciplinary proceedings against an attorney, on the one hand, and an incorporated attorney, on the other hand. A proceeding can only be brought against an incorporated attorney after the Tribunal has found that an officer or employee of the incorporated attorney had engaged in professional misconduct and, as a result, has cancelled or suspended their registration. The Professional Association wanted the Board to be able to bring disciplinary proceedings against an incorporated attorney in its own right, without first obtaining a finding from the Tribunal against an officer or employee.

Observation

159. The source of the constraints imposed on the Board in relation to whom it may bring disciplinary proceedings against, and when it may bring disciplinary proceedings, is the *Patents Regulations 1991* (Cth), the *Trade Marks Regulations* 1995 (Cth), and the *Patents Act 2013* (NZ), not the Code.

Recommendation

160. The issues of against whom, and when, the Board may bring disciplinary proceedings should be considered in the Review of the Arrangement relating to Trans-Tasman Regulation of Patent Attorneys.

3. MATTERS BEYOND THE CODE

Some stakeholders raised matters that go beyond those with which the Code of Conduct is concerned. These matters are mentioned briefly in this section, for the erudition of the Board.

(a) Practice management

161. One **Attorney** expressed concern about sole practitioners who encounter health problems that preclude them from practising for some period of time. To ensure that clients are not left without representation, there should be a locum system similar to that which operates in the medical profession.

162. This appears, in principle, to be an issue of some practical significance. The Board should consider what, if any, role it has in relation to facilitating a solution to it.

(b) Education

163. One **Attorney** would like to see trainee attorneys taught Topic Group B: Professional Conduct as a stand-alone subject, not as part of some other subject. Another Attorney would like to see ethics understood by the profession at a higher level than currently. Ethics goes beyond the matters of professional conduct dealt with by the Code. Ethics should be seen by the profession in the manner in which it is taught on the Australian Institute of Company Directors' course. One **Professional Association** would like to see more specificity about what types of education satisfies the CPE requirements for attorneys.

164. The Board should take these comments into consideration when next reviewing the knowledge requirements for obtaining registration as an attorney, and the CPE requirements for maintaining registration as an attorney.

(c) Future of the profession

165. One **Client** was concerned about the increasing degree of consolidation of the profession – i.e., the reduction in the number of firms as a result of merger. This Client felt that there should be "some collaboration" with the relevant competition commission (e.g., ACCC) "to ensure that clients' interests are protected". One **Client** was concerned that policy-making for the profession, including revision of the Code, was undertaken "reactively" rather than with consideration of "macro-trends that will impact 5, 10 and 15 years from now".

166. The Board should consider what role, if any, it has in maintaining a competitive structure to the attorney profession. The Board should also consider how it can seek to inform itself of trends and likely future developments in the profession and in the area of IP rights exploitation generally – such as by having an annual or biennial strategy meeting, and/or a standing or *ad hoc* agenda item on trends impacting the profession.

Appendix – Outline of Semi-Structured Discussion with Stakeholders

Questions for discussion with Attorney Firms (Non-Group and Group), Group Holding Companies, and Professional Associations:

A. Code of Conduct

A.1 How well is the Code known and understood by attorneys?

A.2 Are there any deficiencies or problems with the Code?

A.3 To what extent do you think there is non-compliance with the Code?

B. Issues Specific to Groups of Firms

B.1 How well are group firms communicating group membership to clients and the public?

B.2 Are group firms operating independently in the provision of attorney professional services?

B.3 Should group firms be able to refer clients to other group firms when a conflict arises?

C. Issues Relevant to All Attorneys

Should the Code and/or the Guidelines make any reference to an attorney:

C.1 … representing a client in a "strawperson" opposition?

C.2 … filing an application when knowing no valid rights can result?

C.3 … taking a financial/proprietary interest in a client's IP right/application?

C.4 … holding on trust funds that are advanced by a client?

C.5 … making adverse commentary about another attorney?

C.6 … making a written record (file note) of oral communications from and to a client?

C.7 … using the term "partner" to describe their position in a firm?

D. Disciplinary Proceedings

D.1 Should it be possible to bring/continue disciplinary proceedings against someone who was, but no longer is, a registered attorney?

D.2 Should it be possible to bring disciplinary proceedings against someone who never has been a registered attorney?

E. Other Issues

E.1 Are there any other issues you would like to draw to the Board's attention?

Questions for discussion with Clients:

A. Background

A.1 What is your role?

A.2 Which attorney firm(s) do you instruct?

B. TTIPA Board

B.1 Prior to this contact, were you aware of the Board?

B.2 What do you understand the responsibilities of the Board to be?

B.3 In what circumstances, if any, would you make a complaint to the Board?

C. Code of Conduct

C.1 Prior to this contact, were you aware of the existence of the Code?

C.2 What do you understand the Code to deal with?

D. Issues Specific to Groups of Firms

D.1 Do you know that various firms are members of a group that is owned by an ASX-listed entity?

D.2 Does group ownership of firms raise any concerns for you?

D.3 Should group firms be able to refer work to other group firms to avoid conflicts?

E. Issues Relevant to All Attorneys

Should the Code and/or the Guidelines make any reference to an attorney:

E.1 … representing a client in a "strawperson" opposition?

E.2 … filing an application when knowing no valid rights can result?

E.3 … taking a financial/proprietary interest in a client's IP right/application?

E.4 … holding on trust funds that are advanced by a client?

E.5 … making adverse commentary about another attorney?

E.6 … making a written record (file note) of oral communications from and to a client?

E.7 … using the term "partner" to describe their position in a firm?

F. Disciplinary Proceedings

F.1 Should it be possible to bring/continue disciplinary proceedings against someone who was, but no longer is, a registered attorney?

F.2 Should it be possible to bring disciplinary proceedings against someone who never has been a registered attorney?

G. Other Issues

E.1 Are there any other issues you would like to draw to the Board's attention?

Detailed Response from the Trans-Tasman IP Attorneys Board to the Report on the Code of Conduct Health Check

Recommendation 1
The Board should facilitate the provision of additional CPE on the Code, using formats complementary to those already provided by others. (Para 16) **The TTIPAB accepts this recommendation.** The Board will design and deliver a program of CPE sessions to support raising awareness and understanding of the Code amongst the profession.
Recommendation 2
The Board should include on its website simple information on the basics of the Code aimed at clients, particularly those who do not have a registered attorney on staff. (Para 17) **The TTIPAB accepts this recommendation.** This information will be included as part of the Board's redeveloped website, which is due for publication by July 2022.
Recommendation 3
The Guidelines should be enhanced by stating that the terms "unsatisfactory professional conduct" and "professional misconduct" have the meaning provided to them in regulation 20.32 of the Patent Regulations 1991 (Cth), regulation 20.1 of the Trade Marks Regulations 1995 (Cth) (jointly the "Regulations"), and in section 269(1) of the Patents Act 2013 (NZ). (Para 28) **The TTIPAB accepts this recommendation.** The Guidelines will be enhanced accordingly.
Recommendation 4
The Guidelines should be enhanced by stating that the Code section 17 obligation of disclosure requires an attorney to inform the client of the person by whom the work was undertaken, where that person is not the attorney or a member of the attorney's firm. (Para 36) **The TTIPAB accepts this recommendation.** The Guidelines will be enhanced accordingly.

Recommendation 5

The Guidelines should be enhanced by stating that the Code section 19 obligations of loyalty apply to an attorney who does work for another attorney under a contract or other arrangement, in relation to all of the work done by that attorney, both on their own account and under contract or other arrangement. (Para 37)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 6

Neither the Code nor the Guidelines require amendment in relation to an attorney acting for clients who compete commercially (i.e., who are in "commercial conflict"). (Para 38)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 7

The Guidelines should be enhanced by including a statement that, when providing a client with the information required by Code section 16(1)(a), it is good practice to identify, and to provide the contact details of, the Board as the authority responsible for administration of the Code. (Para 41)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 8

The Board should contact all firms that are members of an ownership group, informing them of the Board's belief that they are not complying with their obligation under Code section 23(2), and requesting them to rectify the situation. The Board should specify what is required for compliance with section 23(2) – e.g. a prominent statement on the home page of the firm's website, similar in content to that which appears on the home page of the firm's publicly-listed owner. (Para 51)

The TTIPAB accepts this recommendation.

The Board's view is compliance with section 23(2) requires a clear and prominent statement that the firm is a member of an ownership group, and the implications for clients, in a way that would reasonably be understood by those clients. The Board will amend the Guidelines to provide further guidance and will work with the firms to assist them to comply.

Recommendation 9

Neither the Code nor the Guidelines require amendment in relation to the independence of operation of firms in ownership groups. (Para 60)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 10

Neither the Code nor the Guidelines require amendment in relation to intra-group referrals. (Para 67)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 11

The Guidelines should be enhanced by identifying the potential for conflicts to arise when an attorney prosecutes in their own name an opposition on behalf of a client, so as to assist attorneys avoid conflicts in this situation. (Para 73)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 12

Neither the Code nor the Guidelines require amendment in relation to an attorney filing an application when knowing that no valid rights could result from that application. (Para 78)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 13

The Guidelines should be enhanced by identifying the potential for conflicts to arise when an attorney takes a proprietary or financial interest in the IP rights of their client while acting in respect of those rights, so as to assist attorneys avoid conflicts in this situation. (Para 83)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 14

Neither the Code nor the Guidelines require amendment in relation to the manner in which funds advanced by a client are to be treated by the attorney. (Para 88)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 15

The Guidelines should be enhanced by further elaborating what amounts to "courteous, ethical and well-informed" behaviour for the purposes of Code section 13(2). (Para 93)

The TTIPAB accepts this recommendation.

The Board notes the divergence of views within the profession about what amounts to "courteous, ethical and well-informed" behaviour. The Guidelines will be enhanced having regard to those contrasting positions.

Recommendation 16

The Guidelines should be enhanced by stating that it is generally best practice to make a written record of the contents of the substantive and relevant components of an oral communication from and to the client, during or soon after such a communication, unless otherwise instructed by the client. (Para 98)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly. The Board also intends to issue a practice note on this issue.

Recommendation 17

Neither the Code nor the Guidelines require amendment in relation to the use of the term "partner". (Para 103)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 18

The Board should collaborate with IPTA and NZIPA to provide a resource, available to all attorneys, not just those who are members of the Professional Associations, under which an attorney could confidentially (and, perhaps, anonymously) seek guidance from an experienced practitioner about professional conduct matters. (Para 107)

The TTIPAB notes this recommendation.

The Board will work with IPTA and NZIPA to consider how they might provide such a service. The Board will also consider how it may better support the profession's understanding and application of the Code through its response to Recommendation 1.

Recommendation 19

Neither the Code nor the Guidelines require amendment in relation to an attorney's core obligations. (Para 110)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 20

Neither the Code nor the Guidelines require amendment in relation to an attorney's responsibility for the work of an associated person. (Para 113)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 21

The Guidelines should be enhanced by stating that harassment, bullying, and similar behaviours in the workplace are prohibited. (Para 117)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 22

The Guidelines should be enhanced by stating that the Code section 14(1) requirement for competency applies to all the work the attorney undertakes, including work not directly related to drafting and prosecuting applications and to advising on infringement of granted rights. (Para 120)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 23

Neither the Code nor the Guidelines require amendment in relation to the disclosures required of a non-group attorney who practises in partnership. (Para 123)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 24

The Guidelines should be enhanced by stating that information provided by a client, of which an attorney was not previously aware, is not to be treated as not being confidential for the purposes of Code sections 17 and 18 merely because the attorney could have ascertained the information from a public source. (Para 126)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 25

The Guidelines should be enhanced by stating that, to protect the integrity of the profession, an attorney should not act for a client opposing the grant of an IP right that the attorney had drafted and/or prosecuted on behalf of a former client. (Para 133)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 26

The Board should consider whether, as a matter of principle, the operation of Code section 19(4) should be qualified by reference to the scope of an attorney's retainer with a client against whom the attorney seeks to act on behalf of another client. (Para 134)

The TTIPAB does not accept this recommendation.

The Board does not consider that there is sufficient evidence of issues caused by the provision in its current form to justify taking the recommended action. The Board believes that section 19(4) in its current form provides an appropriate safeguard for clients and attorneys against conflict of interest issues. Qualifying section 19(4) by reference to the scope of the attorney's retainer would introduce unnecessary complexity and ambiguity.

Recommendation 27

The Guidelines should be enhanced by stating that the obligation to check for potential conflicts extends beyond the initial acceptance of work from a new or prospective client and, accordingly, that an attorney should monitor for potential or actual conflicts throughout the life of a matter, including when a major change in the conduct of a practice occurs – such as the appointment of a new staff member from another firm or the merger of firms. (Para 138)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 28

The Guidelines should be enhanced by including, with respect to Code section 21(3), a statement equivalent to Guidelines paragraph 20.4, permitting an attorney to take urgent action to maintain a client's rights in respect of an adversarial proceeding, even though the necessary consent to act has not been obtained. (Para 145)

The TTIPAB accepts this recommendation.

The Guidelines will be enhanced accordingly.

Recommendation 29

Neither the Code nor the Guidelines require amendment in relation to an attorney's lien. (Para 148)

The TTIPAB notes this recommendation.

No amendments to the Code or Guidelines in respect of this matter will be made.

Recommendation 30

The Board should conduct a review of the processes it adopts when responding to receipt of a complaint about an attorney. (Para 154)

The TTIPAB notes this recommendation.

The Board notes that it has an obligation to investigate complaints that are brought to its attention, and acknowledges that the process can be challenging for participants. The Board is committed to continuously improving its systems and processes. This recommendation will be revisited following the Review of the Trans-Tasman IP Attorneys Regulatory Regime.

Recommendation 31

The issues of against whom, and when, the Board may bring disciplinary proceedings should be considered in the Review of the Arrangement relating to Trans-Tasman Regulation of Patent Attorneys. (Para 160)

The TTIPAB notes this recommendation.

The Board has forwarded this recommendation for consideration as part of the Review.

Recommendation 32

The Board should consider what, if any, role it has in relation to facilitating a solution to [the issue of a locum system for sole practitioners encountering health problems precluding them from practising]. (Para 162)

The TTIPAB notes this recommendation.

The Board notes a locum system to assist clients where a sole practitioner is incapacitated may be beneficial. The Board considers this is a matter for professional practice management and will consider what role, if any, it may play in facilitating such a system. The Board will encourage IPTA, NZIPA and FICPI to consider how such a service might be provided.

Recommendation 33

The Board should take [comments regarding conduct and ethics training and CPE] into consideration when next reviewing the knowledge requirements for obtaining registration as an attorney, and the CPE requirements for maintaining registration as an attorney. (Para 164)

The TTIPAB notes this recommendation.

The Board considers that—provided the content is covered in sufficient depth for accreditation— whether Topic Group B – Professional Conduct is taught as a standalone subject is a matter for education providers. Professional conduct and ethics is an important area for continual learning, as reflected by the requirement to complete at least 1 hour of ethics related CPE each year. The Board already publishes detailed guidelines and issues a practice note each year on the types of education that satisfy CPE requirements. The Board has committed to delivering a program of CPE on the Code at Recommendation 1.

Recommendation 34

The Board should consider what role, if any, it has in maintaining a competitive structure to the attorney profession. The Board should also consider how it can seek to inform itself of trends and likely future developments in the profession and in the area of IP rights exploitation generally – such as by having an annual or biennial strategy meeting, and/or a standing or ad hoc agenda item on trends impacting the profession. (Para 166)

The TTIPAB notes this recommendation.

The Board's role is set out in the *Patents Act 1990* (Cth), and does not include maintaining a competitive structure to the attorney profession. The Board agrees that it should keep itself informed of current and future developments that may impact the profession, and this is reflected as a standing Board agenda item.