

CATCHWORDS

DISCIPLINARY PROCEEDINGS – whether ‘unprofessional conduct’ or ‘unsatisfactory conduct’ – overseas national phase application - failure to act on client’s instructions to pay annual renewal fees for patent application – failure to inform client that renewal fees had not been paid – failure to make follow-up enquiries with the overseas attorney as to the status of the overseas national phase application.

Patents Regulations 1991 reg 20.1, 20.23

Patents and Trade Marks Legislation Amendment Regulation 2008 (No 1)

Briginshaw v Briginshaw (1938) 60 CLR 360

Clyne v The New South Wales Bar Association (1960-1961) 104 CLR 186

John Peter Gahan and Professional Standards Board for Patent and Trade Marks Attorneys (1998) 27 AAR 517; [1998] AATA 479

Law Society of New South Wales v Foreman (1994) 34 NSWLR 408

Law Society of NSW v Pullman (1994) 34 NSWLR 408

Neat Holdings Pty Ltd v Karajan Holdings Pty Ltd (1992) 67 ALJR 170, (1992) 110 ALR 449

Nuttall and Kelly Patent Attorneys Disciplinary Tribunal (Cth), 28 February 199

Professional Standards Board for Patent and Trade Marks Attorneys and Patent

Qantas Airways Ltd v Gama (2008) 101 ALD 459

QX00/C v Companies Auditors and Liquidators Disciplinary Board (2000) AATA 1144

Trade Marks Attorneys Disciplinary Tribunal (2002) 70 ALD 592; [2002] AATA 728

The New South Wales Bar Association v Evatt [1968] 117 CLR 177

Ziems v Prothonotary of the Supreme Court of New South Wales (1957) 97 CLR 279

REASON FOR DECISION

Introduction

1. These proceedings arise from a complaint, made in June and August 2006, by Per Nielsen (**‘Mr Nielsen’**), against Julian Robert Anthony Blenkinship (**‘Mr Blenkinship’**), a patent attorney registered under Chapter 20 of the *Patents*

Regulations 1991 ('the Regulations'). Mr Nielsen made the complaint, on his own behalf and in his capacity as Managing Director of Techmin Pty Ltd ('**Techmin**'), to the Professional Standards Board for Patent and Trade Marks Attorneys ('**the Board**') pursuant to Reg. 20.20 of the Regulations as they applied at that time. The Regulations were amended by the provisions in Schedule 1 of *Patents and Trade Marks Legislation Amendment Regulations 2008 (No 1)*. These new provisions came into force on 1 July 2008. However they do not apply to these proceedings: see Reg. 5 of these 2008 Regulations. The Regulations as they applied before 1 July 2008 apply.

2. On 3 September 2007, after investigating the complaint, the Board, pursuant to Reg. 20.21(2) of the Regulations, gave written authority to Mr Nielsen and Techmin to bring disciplinary proceedings before the Tribunal against Mr Blenkinship charging him with unsatisfactory conduct and/or unprofessional conduct. Mr Nielsen and Techmin subsequently informed the Board that they wanted the Board to bring the proceedings on their behalf: see Reg. 20.21(4) of the Regulations as they applied at that time.
3. These are the Tribunal's reasons for decision in regard to the proceedings commenced by the Board and heard on 4 and 5 June 2008.

Background

4. Some time in 2002 Techmin and the Western Sydney Area Health Service (now known as the Sydney West Area Health Service) ('**the SWAHS**') lodged, in Australia, an international patent for a laryngoscope that they had invented. While that application gave Techmin and the SWAHS invention provisional protection in many other countries around the world, that protection was for a relatively short period of time. To obtain full long term protection of their invention in these other countries, Techmin and the SWAHS had to lodge separate patent applications in each country before the provisional protection period expired. These applications are known as national phase patent applications.
5. In September 2003, Mr Nielsen instructed Mr Blenkinship to act on behalf of Techmin and the SWAHS (herein after referred to as Techmin) in lodging national

phase patent applications of their invention, including a European national phase application. As instructed, in October 2003, a national (i.e. regional) patent application was lodged with the European Patent Office, through a European patent attorney, Michael Flynn ('**Mr Flynn**') of 'flynn - I.P.'. This application, number 02704473.4 is referred to in this decision as '**the Parent Application**'. For reasons not relevant to these proceedings a further divisional application was filed with the European Patent Office in regard to Techmin's invention. This application, number 03078524.0, was filed on 11 November 2003 and is referred to in this decision as '**the Divisional Application**'.

6. The Parent Application and the Divisional Application when referred to together in this decision are referred to as '**the Applications**'.
7. In early 2006, the Applications automatically lapsed when the 2005 annual renewal fees had not been paid to the European Patent Office within the prescribed time (including the prescribed extensions of time). This lapsing occurred notwithstanding Mr Nielsen having forwarded to Mr Blenkinship (at his request) a cheque on 30 May 2005 to pay for these fees. The cheque was banked by Mr Blenkinship but no money was forwarded to Mr Flynn. Nor was Mr Flynn informed that this money had been received by Mr Blenkinship.
8. On 8 March 2006 and again on 21 March 2006, Mr Blenkinship was requested to transfer his Techmin files to Lee Pippard ('**Mr Pippard**'), a registered patent attorney of Spruson & Ferguson Patent & Trade Mark Attorneys. It was not until after this time that Mr Nielsen became aware that the Applications had lapsed and on becoming aware of what happened, he lodged his complaint with the Board.

The Charge

9. On 14 January 2008, the Board particularised the charge made against Mr Blenkinship in the following terms:
 - '1. Mr Blenkinship was engaged by Techmin in relation to various laryngoscope and endoscope patent applications, including applications in Europe.

2. By letter dated 3 March 2005, Mr Blenkinship was advised by the overseas attorney engaged by him in relation to the European patent applications that a renewal fee for the patent was due on 12 March 2005.
3. By letter dated 12 May 2005, the overseas attorney advised Mr Blenkinship that the renewal fee for the European patent applications was due on 12 March 2005, and that the fee may be paid up to 6 months from that date.
4. By letter dated 27 May 2005, Mr Blenkinship requested his client to confirm in writing whether the patents should be renewed and, if so, to forward a cheque for the patent renewal fee.
5. A cheque for the sum requested, together with a signed request that the patents be renewed was forwarded on behalf of Techmin to Mr Blenkinship on 30 May 2005.
6. Despite being instructed to renew the patent application and being provided with the relevant fees, Mr Blenkinship failed to act on his client's instructions in that he did not forward instructions to the overseas attorney to renew the European patent applications and did not forward the relevant fee to the overseas attorney.
7. In the circumstances, it is alleged the failure to act on his client's instructions is unsatisfactory and/or unprofessional conduct.
8. It is further alleged that the failure to forward the relevant renewal fee for the European patents is unsatisfactory and/or unprofessional conduct.
9. By letter dated 4 August 2005, Mr Blenkinship was again advised by the overseas attorney that the renewal fee may be paid up to a final non-extendible deadline of 12 September 2005.
10. Despite having received instructions from his client to pay the renewal fee, and despite having been provided with the relevant funds, Mr Blenkinship did not act to ensure that the European patent applications were renewed.
11. In the circumstances it is alleged that this further failure to act on his client's instructions, despite being reminded of the deadline for renewal, is unsatisfactory and/or unprofessional conduct.
12. By letter dated 20 December 2005, the overseas attorney advised Mr Blenkinship that the European patent applications had lapsed through non-payment of renewal fees Mr Blenkinship was advised of various options which may still be available to reinstate the applications.
13. Mr Blenkinship failed to act on the letter dated 20 December 2005.
14. In the circumstances it is alleged that Mr Blenkinship's failure to act to ensure that his client's rights were not lost is unsatisfactory and/or unprofessional conduct.
15. Mr Blenkinship continued to fail to act in accordance with his client's instructions to renew the European patents and continued to fail to properly deal with the renewal funds paid to him by his client, both of which were provided to him on or about 30 May 2005 until such time as the patents had lapsed.

16. In the circumstances, this continuing failure to act, which resulted in his client's rights being lost, is unsatisfactory and/or unprofessional conduct.'
10. The abovementioned particulars identify five specific instances of alleged unsatisfactory and/or unprofessional conduct by Mr Blenkinship. These are:
- (a) Mr Blenkinship's failure to act on his client's instructions of 30 May 2005: see paragraph 7 of the abovementioned particulars;
 - (b) Mr Blenkinship's failure to forward the renewal fee for the European patents: see paragraph 8 of the above particulars;
 - (c) Mr Blenkinship's failure to act on his client's instructions despite the reminder letter from the overseas attorney dated 4 August 2005: see paragraph 11 of the above particulars;
 - (d) Mr Blenkinship's failure to act on his client's instructions despite the reminder letter from the overseas attorney dated 20 December 2005: see paragraph 14 of the above particulars; and
 - (e) Mr Blenkinship's continuing failure to act on his client's instructions which resulted in his client's rights being lost: see paragraph 16 of the above particulars.
11. Mr Blenkinship responded to each particular in written submissions. He denied the allegations of unsatisfactory and/or unprofessional conduct, but admitted some of the matters on which those allegations were based (for example, the particulars in paragraphs 1 to 4). In regard to the reminder letters of Mr Flynn (the overseas attorney) of 4 August 2005 (see paragraph 9 of the particulars) and 20 December 2005 (see paragraph 12 of the particulars), Mr Blenkinship denied he had seen either of these letters. He accepted that the 4 August 2005 letters had been received in his office but denied that his office had ever received the letters of 20 December 2008.

The Issues

12. That the Applications lapsed due to a failure to pay the 2005 annual renewal fees is not disputed.
13. What is in issue in these proceedings is whether:
 - (a) Mr Blenkinship's conduct (including the alleged lack thereof) in regard to the Applications amounted to unsatisfactory and/or unprofessional conduct as particularised (i.e. conduct that was not consistent with the standard of conduct expected of a registered patent attorney and/or conduct that was a gross failure to comply with these standards (see paragraphs 105 below)); and
 - (b) if Mr Blenkinship's conduct is found to amount to unsatisfactory and/or unprofessional conduct, what disciplinary action (if any) should be imposed.
14. The issues in (a) above are primarily factual in nature. The relevant legislative provisions are set out below in the context of the issues to which they relate.

The Onus of Proof

15. There is no dispute that the onus of proof in these proceedings rested on the Board and that the standard of proof was the civil standard of proof, on the balance of probabilities.
16. It is well accepted that when determining whether allegations of material fact have been proved to the requisite standard, the Tribunal is to give consideration to the nature of the allegations and the likely consequences which follow should the alleged material fact be accepted: see *Briginshaw v Briginshaw* (1938) 60 CLR 360 at 361-362 per Dickson J, *Neat Holdings Pty Ltd v Karajan Holdings Pty Ltd* (1992) 67 ALJR 170, (1992) 110 ALR 449 at 450 per Mason CJ, Brennan, Dean and Gaudron JJ, and *Qantas Airways Ltd v Gama* (2008) 101 ALD 459 at [109] per French and Jacobsen JJ and [123] to [126] per Branson J.

The Evidence

17. At the hearing the Board relied on a statement by Mr Nielsen, dated 29 February 2008, and a statement of Trevor John Davies (**'Dr Davies'**), a registered patent attorney, also dated 29 February 2008. Dr Davies also gave oral evidence and was cross-examined by Mr Blenkinship at the hearing. In addition to this the Board tendered into evidence a bundle of documents that related to Techmin's European national phase Applications. The Board also tendered into evidence Mr Blenkinship's file which he had produced pursuant to a summons issued by the Tribunal, at the request of the Board, prior to the hearing.
18. Mr Blenkinship relied on two statutory declarations dated 1 and 11 May 2008. Mr Blenkinship also gave oral evidence at the hearing and was extensively cross examined by Ms D Watson, solicitor for the Board.
19. In addition to his statutory declarations Mr Blenkinship relied on three further statutory declarations made by the following persons:
 - (a) Michael Herman Kraemer (**'Mr Kraemer'**), a registered patent attorney;
 - (b) Phillip William Gnauck (**'Mr Gnauck'**), a computer technician; and
 - (c) Anthony Hordern (**'Dr Hordern'**), a consultant psychiatrist.
20. Mr Kraemer, Mr Gnauck and Dr Hordern were each cross-examined during the hearing by Ms Dale Watson, solicitor for the Board. Their evidence and that of the other witness is dealt with in more detail below.

Mr Blenkinship's Techmin Europe File

21. It is convenient to start with the relevant material contained in Mr Blenkinship's 'Techmin Europe file' as the file is Mr Blenkinship's record of what occurred. The documents on the file are also, in general, a contemporaneous record of events.

22. As mentioned above, this file was produced by Mr Blenkinship pursuant to a summons issued by the Tribunal. What was produced was a bundle of documents secured in a red manila folder. During cross examination Mr Blenkinship acknowledged that the cover was a new cover and that the original cover was the cream manila folder that was annexure 'C' to the statutory declaration of Mr Kraemer.
23. Mr Blenkinship also acknowledged that the documents in the file he produced pursuant to the summons were not necessarily in the same order they had been placed in the file originally. This he said was due to having pulled the file apart on several occasions in order to respond to Mr Nielsen's complaint. He also acknowledged that he had removed many invoices from the file after he had transferred the file to Mr Pippard after 21 March 2006.
24. In order to understand the allegations of unsatisfactory conduct and/or unprofessional conduct it is necessary to set out in some detail the sequence of events concerning the renewal fees for the Applications as evidenced in the documents contained in Mr Blenkinship's file.

Engagement of Mr Flynn

25. Mr Blenkinship first approached Mr Flynn about Techmin's European national phase applications, on 10 September 2003. Two days later, Mr Flynn responded to this approach, by letter, sent by email. At the conclusion of that letter Mr Flynn said:

'Should you wish me to act on your client's behalf in this matter, I would be grateful if you could confirm this by no later than 6 October 2003. As there is significant up-front outlay on my part, I would respectfully request that an amount equal to the anticipated EPO fees ([euro] 6880) be credited to my account (as detailed below) in advance of the 14 October 2003 deadline.' (emphasis added)

26. On 24 September 2003, Mr Blenkinship responded by email in which he said:

'... We would like to proceed with your firm but cannot remit funds prior to filing. We will however undertake to provide payment within 30 days as opposed to our usual 3 month delay with associates.'

...'

27. On 29 September 2003, Mr Flynn responded to the email and said he was happy to act for Techmin on the terms agreed by Mr Blenkinship.

28. On the following day, 30 September 2003, Mr Blenkinship sent an email in which he said:

'... Please take NO action until further instructions from us as we have yet to receive funds from our client.'

29. On the same day, 30 September 2003, Mr Blenkinship made a file note in the following terms:

'Told Per must have funds next few days. \$39,600 for Europe x 2 apps. ... Cheque may take 2 weeks. Said can't file till have it. He can't get it faster.'

30. On 13 October 2003, Mr Flynn sent an email to Mr Blenkinship asking him to confirm by return email whether he should prepare the necessary documentation as the deadline for the European national phase application was the following day. Mr Blenkinship responded the same day by email and said that he had received funds from the client and that he should go ahead and file the Application. Mr Flynn responded (by email), on 15 October 2003, and said that the application had been filed the previous day. As mentioned above the Divisional patent, Divisional Application was filed in November 2003.

Renewal fees for 2004

31. On 3 December 2003, Mr Flynn sent a facsimile to Mr Blenkinship. Attached to the facsimile cover sheet were two letters, one related to the Parent Application and other related to the Divisional Application. On the second page of each letter Mr Flynn advised that each Application was subject to an 'annual maintenance/renewal fee in respect of the third and subsequent years' and that the first of such fees was due on 12 March 2004. Mr Blenkinship was also advised to note this date in his diary.

32. On 6 February 2004, Mr Flynn wrote two further letters (i.e. one for Parent Application and the other for Divisional Application) to Mr Blenkinship in which

he reminded him of the renewal fee, due on 12 March 2004, that was payable for each Applications.

33. On 1 March 2004, Mr Blenkinship sent Mr Flynn an email instructing him to pay the renewal fees on each Application. On 5 March 2004, Mr Flynn wrote two letters (i.e. one for the Parent Application and the other for the Divisional Application) to Mr Blenkinship in which he confirmed that that the renewal fee had been paid. In each letter he also said:

‘The next renewal will fall due on **12 March 2005** and I shall endeavour to remind you as this approaches. *Please note this date in your records now so that between us the risk of allowing it to lapse is lessened.*’ (italics added)

34. In a handwritten file note, dated 1 March 2004, Mr Blenkinship has recorded the following:

‘Techmin

Steve Martin rang. Cash flow problems. Wants likely expenditure for year ahead. Wants to defer all exp ALAP.’

Renewal fees for 2005

35. During May and August 2004, there were further email and letter communications between Mr Blenkinship and Mr Flynn in regard to the Applications. The last communication on Mr Blenkinship’s file for 2004 is an email from Mr Blenkinship to Mr Flynn, sent on 25 August 2004, in which Mr Flynn’s ‘urgent confirmation’ was sought as to whether he had responded to the European Search report for the Divisional Application as requested in Mr Blenkinship’s earlier email of 20 July 2004.
36. The next documents on file are dated 3 and 4 March 2005. There are two letters (i.e. one for the Parent Application and the other for the Divisional Application) from Mr Flynn to Mr Blenkinship, dated 3 March 2005, that were sent by facsimile and were received in Mr Blenkinship’s office in the early hours (00.50) of 4 March 2005. In the letter concerning the Parent Application, Mr Flynn advised as follows:

'I refer to my letter of 8 November 2004 and enclosures.

On reviewing my files, I note that I have not received a reply to the above communication and that the period (under extension) for attending to the outstanding response to the Examination Report has now expired.

In the present circumstances, there are two immediately available options:

- a) Attend to the filing of the outstanding response by facsimile no later than **9 March 2005**, under rules allowing for delays in postal services; or
- b) Request a further extension of one month for attending to the response (within the same deadline). ...

I am also taking this opportunity to remind that the renewal fee in respect of the fourth year will fall due on **12 March 2005**. The costs for attending to payment of the renewal are [euro]585.0.0, comprising a service charge of [euro]180.0.0 and the Official fee of [euro]405.0.0.

The renewal fee may be paid any time up to 30 April 2005 without surcharge. Thereafter, additional charges are levied. These are a [euro]90.00 service charge, together with a surcharge of 10% of the Official fee.

I look forward to receiving your instructions by return. If for any reason, I have not heard from you by 8 March 2005, I shall automatically request a further extension.'

37. The other letter sent by Mr Flynn on 3 March 2005 concerned the Divisional Application. This letter also made reference to a letter sent by Mr Flynn on 8 November 2004. A copy of that earlier letter was included in the facsimile sent by Mr Flynn on 3 March 2005.
38. Mr Flynn's letter of 3 March 2005 in regard to the Divisional Application made no mention of any renewal fee. The letter was a reminder to Mr Blenkinship that Techmin was required to respond, by 15 March 2005, to the official invitation by the European Patent Office to confirm its Request for Examination and to consider whether it wished to file amendments as suggested in the Search Report. In that letter Mr Flynn said:

'I shall assume that the Applicants [Techmin] wish to proceed with the application, however, your written confirmation in advance of the above deadline would be appreciated.'

39. At 12:07 pm, on 4 March 2005, Mr Blenkinship sent an email to Mr Flynn. The subject matter of the email was the Divisional Application and the message was as follows:

'There seems to have been a breakdown in communication between us on the above case as I note I have no reply to emails to you last year on the subject.

Could you please therefore confirm by return email that you still have these cases in hand.'

40. On a handwritten file note, dated 4 March 2005, Mr Blenkinship has written that he called Mr Flynn and that he was not available. The note goes on to say 'called again 12:11pm – left message – stats – wait to pursue – grace period rules – fee.'
41. Mr Flynn responded to Mr Blenkinship's email of 4 March at 10:44pm (Australian time) the same day. In that email Mr Flynn said the following:

'Please let me know if you received my fax message to you yesterday.

The fax summarises the position on each case.

As you can imagine, I had closed up shop when you rang (1:10 am local time) but I note you made no reference to the fax message sent.

I am sure we can arrange a mutually convenient time to talk on the telephone, however, if you have any specific concerns regarding prosecution of the applications please email me or sent (sic) a fax ...'

42. The next communications on the file are two letters from Mr Flynn to Mr Blenkinship dated 12 May 2005. One letter related to the Parent Application and the other related to the Divisional Application. Both letters referred to the earlier letter of 3 March 2005 and noted that no response had been received. Both letters referred to the renewal fee that was due on 12 March 2005 and noted that the fee could be paid any time up to 6 months after that due date. The amount payable was also stated in each letter.
43. In the letter concerning the Parent Application Mr Flynn advised that the European Patent Office had rejected the application to extend the time to respond to the Examination Report. He went on to advise that an application for 'further processing' could be made and if made it had to be done 'within a non-extendable

deadline of **7 June 2005**'. As he would be absent from his office Mr Flynn requested that Mr Blenkinship provide him with 'your faxed, written instructions no later than 25 May 2005.'

44. In his 12 May 2005 letter concerning the Divisional Application Mr Flynn also advised that a 'further processing' application could be made for that Application. In that case, the 'non-extendable deadline' was 27 June 2005 and Mr Flynn requested faxed written instructions from Mr Blenkinship by 17 June 2005.
45. On 27 May 2005, Mr Blenkinship wrote two letters to Mr Nielsen in regard to the Parent Application. One letter concerned the renewal fees that were payable, which said the following:

'Our records show that the first European renewal fee must shortly be paid if the protection afforded by the Patent is to continue. This renewal fee relates to all of the twenty-four countries which we have nominated in this patent.

We assume that you will require us to file an application for renewal and we consequently ask you to let us have your authority to pay this fee at a cost of AU\$2565.00 (inclusive of GST) by signing and returning a copy of this together with your cheque in our favour for the above amount.

Please note that we must be in receipt of your instructions no later than 3rd June 2005. If you do not wish to renew the Patent please ensure that we similarly receive your instructions to this effect.'

46. The other letter concerned the Examiner's report in regard to the Parent Application. In this letter, Mr Blenkinship advised that 'our overseas services' (i.e. Mr Flynn) had requested that they receive instructions by 7 June 2005.
47. The file also contains an email sent by Mr Blenkinship, to Techmin, on this day at 3:27 pm. The subject of the email is the Parent Application and it contained one attachment. There is no indication on the file what document was attached.
48. The next communication on the file is an email from Mr Flynn to Mr Blenkinship sent on 28 June 2005 at 7:39 am Sydney time. The subject matter of the email was the Divisional Application. In that email Mr Flynn said:

'In the absence of your response to my fax message, I would normally assume that you do not wish me to attend to this final opportunity to maintain the above

application. However, given the previous breakdowns in communication and the potential loss of rights, I shall proceed with the request for further processing unless I receive your positive written confirmation BY RETURN EMAIL that the application is to be allowed lapsed irrevocably.'

49. On the same day, at 10:11 am Mr Blenkinship sent an email in response to the abovementioned email. In that email he said:

'Yes could you please continue to maintain this application at least until we have acceptance of the parent application in relation to which you recently filed a response.'

50. The next correspondence on the file are two letters, dated 4 August 2005, from Mr Flynn to Mr Blenkinship concerning each Application. In the letter concerning the Parent Application, Mr Flynn confirmed that he had responded to the outstanding examination report and filed a request for 'further processing' and that the application was proceeding (a copy of the letter Mr Flynn had sent to the European Patent Office dated 6 June 2005 in this regard was attached to the 4 August letter). In his 4 August letter Mr Flynn then said the following:

'I am also taking this opportunity to remind you that the renewal fee in respect of the fourth year may be paid up to a final and non-extendible deadline of **12 September 2005**. The cost for attending to payment of the renewal fee on extension are [euro]715.50, including all surcharges.'

51. Mr Flynn's other 4 August 2005 letter concerned the Divisional Application. In that letter Mr Flynn made reference to a letter he had sent on 26 June 2005 and their subsequent communications. In his letter of 4 August 2005, Mr Flynn said he had attended to the required response to the official invitation requesting confirmation of the Request for Examination and the application for 'further processing'. He concluded his letter by reminding Mr Blenkinship of the renewal fee that was due and payable in regard to this Application. That reminder was in the same terms as referred to above.

Transfer of the files to Spurson and Ferguson

52. The next communication on Mr Blenkinship's file is an email from Mr Pippard, of Spurson & Ferguson, to Mr Blenkinship that was sent on 21 March 2006. In that email Mr Pippard referred to their earlier telephone conversation about Techmin's request that he transfer to him all the Techmin files. Mr Pippard also requested that

Mr Blenkinship confirm the full status of each case in his care and provide the full details of any overseas associates.

53. One week later, on 29 March 2006, Mr Blenkinship sent an email to Mr Flynn in regard to the Applications. In that email he said:

‘We have been asked to transfer responsibility for the above case and sister case 03087524.0 to other attorneys who will be contacting you shortly, ... For the sake of good order could you please urgently confirm to us the current status of these cases so that we may report to said attorneys.

...’

54. Mr Blenkinship sent the same email to Mr Flynn on 31 March 2006 and marked it urgent.
55. On 5 April 2006, Mr Blenkinship sent an email to Mr Pippard in regard to the Techmin files he held. In regard to these Applications, Mr Blenkinship attached the latest correspondence he had received from Mr Flynn, which were his two letters of 4 August 2005.
56. On 23 May 2006, there was further email communication between Mr Pippard and Mr Blenkinship in regard to the Techmin files.
57. There is some additional correspondence between Mr Flynn and Mr Blenkinship on the file. This correspondence was sent and received in the latter part of 2006 and is not relevant to the issues in these proceedings.

Documents which are not on Mr Blenkinship’s File but were produced by the Board

58. There are five documents, produced by the Board, addressed to Mr Blenkinship, which are relevant to the Applications and which one would expect to have been included in Mr Blenkinship’s file.
59. The first document is a copy of Mr Blenkinship’s letter to Mr Nielsen dated 27 May 2005 concerning the renewal fees for the Parent Application. The copy is endorsed by Mr Nielsen on 30 May 2005 and instructing Mr Blenkinship to make an application for renewal and enclosing a cheque for the renewal fee.

60. A letter from Mr Flynn to Mr Blenkinship dated 26 June 2005 in regard to the Divisional Application. That letter concerned the 'further processing' application of the Divisional Application which Mr Flynn reminded Mr Blenkinship had to be made by 27 June 2005 (i.e. a non-extendable date). In the letter he said:

'In absence of your positive instructions to maintain this application, it will lapse, possibly irrevocably.

If we are to look again at the best combination of protection for your client's invention it is at least prudent to maintain this application. By doing this we will have 'brought' your client a further period of 3 months to reconsider their options.'

61. A letter dated 27 June 2005 from Mr Nielsen to Mr Blenkinship listing 4 cheques he had forwarded to Mr Blenkinship (including the cheque he had sent for the 2005 renewal fees) which had not been presented by him. Mr Nielsen requested that Mr Blenkinship present these cheques before the end of the financial year.
62. A letter from Mr Flynn to Mr Blenkinship, dated 20 December 2005, concerning the applications. In that letter Mr Flynn referred to his letters of 4 August 2005 and their 'more recent conversations'. He went on to advise that the Applications had lapsed due to the non-payment of renewal fees. He gave some advise as to how the Applications might be restored and ended his letter as follows:

'My reasons for not paying the renewal fees on your behalf are clear: I received no instructions despite numerous reminders and there remains a significant balance outstanding on your account. Furthermore, unless you now attend to the outstanding balance on your account (in respect of all cases), I can no longer undertake further work on your behalf. In the absence of your payment, no further reminders will be given.'

63. The final document is the letter from Mr Nielsen, dated 8 March 2006, in which Mr Nielsen advised Mr Blenkinship that Techmin had engaged a new patent and trade mark attorney to deal with their patent applications for their laryngoscope and endoscope inventions and requesting Mr Blenkinship to transfer his files to the newly appointed attorney.

Evidence of Mr Blenkinship

64. The essence of Mr Blenkinship's evidence was that:

- (a) his email of 28 June 2005 to Mr Flynn (see paragraph 49 above) were instructions for Mr Flynn to pay the renewal fees and having given those instructions he assumed that they were paid by him (see paragraph 7 of Mr Blenkinship's statement of 1 May 2008);
- (b) he did not see and therefore action the 4 August 2005 letters from Mr Flynn (see paragraphs 50 & 51 above) due to 'an unfortunate chain of events'. He said he had been overseas at the time and had requested his assistant to assemble all the files listed in his diary for action, which included the Techmin file for these Applications, for when he returned on 18 August 2005. He said that when he returned the file was mistakenly placed with his 'dead' files and taken to his 'dead file store' (see paragraph 14 of Mr Blenkinship's statement of 1 May 2008). He provided a more detailed description of what he alleged occurred in a letter to the Board dated 16 February 2007 (a copy of which is attachment 'R' to his statement). In this letter he said he had asked Natalie Dunn to assist him in the office while he was absent overseas and he asked her to:

' assemble all files which had deadlines in the diary system in the week following his return or incoming correspondence whilst I was away and to place them in a pile on my desk for attention that week or shortly thereafter. The subject European Techmin file was included in this process both because it had a diarisation for 18 August 2005 and said incoming letter dated 4th August 2005.

Before I had gone away I had also assembled a pile of finished "dead" files which were on the floor of my office adjacent my desk. I had not had an opportunity to remove these to the dead file store before departing for the United States. Shortly after my return from the United States I removed the "dead" files from my office to my dead file store. Somehow the European Techmin file was placed in the dead pile and was removed from my office without being rediarised for future attention after August 2005. In hindsight I can only assume that it was an error on Natalie's part whereby she placed the file in the wrong pile or it fell from my desk and was replaced in the wrong pile on the floor.'

It was not until April 2006 that Mr Blenkinship located the file following Mr Pippard's request of 21 March 2006 that he transfer the Techmin files to Mr Pippard (see paragraph 20 of Mr Blenkinship's statement of 1 May 2008);

- (c) he never received the letter dated 20 December 2005 from Mr Flynn (see paragraph 62 above). In regard to that letter, Mr Blenkinship said the following at paragraph [21] of his statement of 1 May 2008:

‘I also believe that Mr Flynn’s alleged letter to me ... is a fake (in a sense that it was not composed or sent anywhere near the time of the date it bears) for the reason that the first paragraph refers to “... our more recent conversations”. There certainly were no such telephone (or other) conversations after June 2005 in relation to Techmin’s matters although I did speak to Mr Flynn concerning the Amethon matter ...’

- (d) in regard to his inability to locate the Techmin European national phase application files, at paragraph [18] of his statement Mr Blenkinship said the following:

‘... [Although] this was very embarrassing I had no immediate reason to panic as my diary system had not thrown up for attention. Nevertheless as a safety precaution I sent two e-mails to Mr Flynn requesting advice of the status of the cases. ...’

65. Mr Blenkinship’s evidence was that Mr Nielsen and Steve Martin (also of Techmin) had advised him from March 2004 to May 2005 that Techmin was experiencing cash-flow problems (see paragraph 6 of Mr Blenkinship’s statement of 1 May 2008). In support of this evidence Mr Blenkinship attached to his statement a letter, a file note and some emails. These primarily concern another patent application and not the Applications the subject of these proceedings.
66. In regard to the cheque Techmin provided to Mr Blenkinship to cover the cost of the 2005 renewal fees (see paragraph 61 above), Mr Blenkinship said that he did not have a trust account and as a result his usual practice was to hold onto those cheques and not bank them until he had completed the work to which the cheque related (paragraph 9 of Mr Blenkinship’s statement of 1 May 2008). In this case he had banked the cheque following receipt of a letter from Mr Nielsen, dated 27 June 2005, in which Mr Nielsen noted that this cheque and three other cheques had not been presented by Mr Blenkinship and requesting that he do so by 30 June 2005.
67. It was also Mr Blenkinship’s evidence that in regard to paying overseas attorneys the common practice of all patent attorneys was to delay the payment of these for three months so as ‘to allow time for offsets of reciprocal work as well as

encourage reciprocal work'. In some cases the settlement period was even longer. In this case he acknowledged that he had agreed to pay Mr Flynn, in regard to the initial filings, within one month of the Application having been filed (see paragraph 26 above). However, in regard to the ongoing costs in regard to the Applications Mr Blenkinship said the agreement was to pay these after Mr Flynn had sent him an invoice.

68. A considerable part of Mr Blenkinship's evidence was directed towards alleged inaction by Mr Flynn, in particular his failure to contact him before allowing the Applications to lapse and his subsequent failure to respond to Mr Blenkinship's emails of 29 and 31 March 2006 (see paragraphs 53 & 54 above). He asserted that at the time he sent these emails it was still possible for Mr Flynn to restore the Applications (see paragraph 18 of Mr Blenkinship's statement of 1 May 2008).

Evidence of the Experts - Dr Davies and Mr Kraemer

69. Dr Davies has been registered as a patent attorney for about 15 years. He is a Fellow of the Institute of Patent and Trade Mark Attorneys of Australia ('**the Institute**') and is an elected councillor of that Institute and the convenor of its ethics and disputes committee. In his statement of 29 February 2008, Dr Davies said that the records of the Institute indicated that Mr Blenkinship was also a Fellow.
70. As mentioned above, Dr Davies gave evidence on behalf of the Board. His evidence was given in the context of the requirements contained in the Code of Conduct for Patent and Trade Mark Attorneys ('**the Code of Conduct**') and the Code of Ethics and Guidelines which forms part of the Institute's Memorandum and Articles of Association and By-laws ('**the Guidelines**') and whether in his opinion the conduct of Mr Blenkinship in regard to the Applications was in accordance these requirements. The relevant requirements are discussed more fully below under the heading 'Findings as to whether Mr Blenkinship's conduct was Unsatisfactory Conduct and/or Unprofessional Conduct'.
71. It is noted that Article 1.1 of the *Code of Conduct* applies to all registered patent and trademarks attorneys and that By-law 1 of the Institute's Memorandum and

Articles of Association provides that no member of the Institute shall behave in a manner contrary to that defined in the *Guidelines*.

72. Dr Davies explained that in Europe, and many other countries, there is a six month statutory period following the initial due date for paying a renewal fees before there is any loss of patent rights. In light of this statutory period he said:

‘... From my experience as a practising patent attorney in obtaining patent protection for my clients in countries outside Australia, including Europe, *sound practice is to pay any renewal fees by the due date*. In the present circumstances, I would consider that it would have been standard practice for a patent attorney to ensure that renewal fees for the Parent and the Divisional were paid by 12 March 2005.’ (italics added)

73. Dr Davies said that it was standard practice for registered patent attorneys in Australia and attorneys in other countries, to use a computerised ‘docketing system’ to track due dates of a client’s patent application. This system he said:

‘...was not only used to capture the relevant information for files under the responsibility of the attorney, it also provides due dates and reminder information so that appropriate actions be taken to ensure that all rights are maintained in any particular matter. The work of a patent attorney is underpinned by statutory dates for given matters and the docketing system is crucial for a sound and secure practice of a patent attorney.’

74. Dr Davies noted from the evidence tendered by Mr Blenkinship and his written response to the Board, dated 16 February 2007, in reply to Mr Nielsen’s complaint, that Mr Blenkinship did not use a ‘docketing system’ at the relevant time. Dr Davies noted that Mr Blenkinship had said he had a ‘diary system’ yet he had failed to fully explain how that system worked or how it was that in this case the ‘... due dates were either missed, not calculated correctly, or overlooked’ by him when they were supposedly diarised in his diary.

75. Dr Davies was also critical of Mr Blenkinship’s failure to keep Techmin informed about the filing of applications and the requirement to pay annual renewal fees. He said that it would be the standard practice of a patent attorney to keep his or client informed about the filing of any application, the requirement to pay annual renewal fees and the progress of the application. His criticism was made on the basis of his examination of Mr Blenkinship’s file in which he noted that there were no copies

of any letters he sent to Techmin in regard to the filing of either application or the payment of annual renewal fees.

76. Dr Davies acknowledged that there were circumstances (though rare events) where due dates were missed or could be missed. This he said may be due to circumstances beyond the control of the attorney or through errors or omissions made in the attorney's practice. He went on to say:

'Importantly, if a due date has been missed, it is usual practice for an attorney to do all in his or her power to attempt to address any error and have a case reinstated or carry out the action that was missed. To reinforce this understanding I refer to Guideline 2 in the Institute's Code.'

77. Dr Davies concluded by expressing the following opinion about the manner in which Mr Blenkinship had dealt with the Applications the subject of these proceedings:

'From my experience and knowledge of the patent attorney profession in Australia and from my involvement with the Institute, I consider items a) to g) listed below regarding the actions of Mr Blenkinship that resulted in irrevocable loss of rights for the inventions of the Parent and Divisional in Europe would not be behaviour consistent with the standard of conduct expected from a patent attorney in Australia:

- a) not keeping Techmin fully informed of the progress of the Parent and the Divisional;
- b) receiving advance payments from Techmin for the renewal of the Parent and apparently failing to use the money to pay for the renewal of the Parent;
- c) receiving instructions from Techmin to renew the Parent and failing to act on those instructions to ensure that the Parent was renewed;
- d) failure to keep complete file records for the Parent and the Divisional;
- e) instructing a foreign associate to renew the Divisional without following up to confirm such an action was carried out;
- f) failure to adequately monitor due dates for the Parent and the Divisional to ensure that all rights to the inventions would not be lost in Europe; and
- g) being advised that Techmin's rights have lapsed due to a failure by Mr Blenkinship to act in accordance with his professional obligations to Techmin and not proceeding in a timely manner to attempt to restore those rights.'

78. Mr Kraemer has been a registered patent attorney since 1969. He first became registered in the United Kingdom and has been registered in New Zealand since 1975 and then Australia since 1985. Mr Kraemer is also a fellow of the Institute of Patent and Trade Mark Attorneys of Australia.

79. Mr Kraemer said that he has known Mr Blenkinship for 28 years and he has sought his advice on numerous occasions during this time. He went on to say:

‘... [I] have a very high regard [of] Mr Blenkinship’s opinion on patent and trade mark matters and believe that these current proceedings have been brought about by an unfortunate clerical error in his office which occasioned the loss of a file; a weakness in his policing system which he has reviewed and rectified and extremely unprofessional and unusual lack of attention to the subject cases by the European attorney primarily responsible for same.’

80. Aside from his knowledge of dealing with Mr Blenkinship for many years, Mr Kraemer based the above conclusion on the contents of Mr Blenkinship’s file and that which was contained in his statutory declaration of 1 May 2008. Other conclusions/opinions reached by Mr Kraemer were as follows:

(a) as ‘every country has its own, and sometimes widely divergent requirements regarding maintenance fees’ it is not possible for an Australian registered patent attorney to be abreast all of these. Therefore, the Australian registered patent attorney relies on the overseas patent attorney who is engaged for this purpose. He went on to say that as a consequence an Australian registered attorney must ‘to a large extent rely on overseas attorneys to do the right thing and insure that it is the client’s intention before an application is actually allowed to lapse’;

(b) Mr Blenkinship’s:

‘manual entry policing system was in 2004 and 2005 satisfactory provided files were always actioned within a couple of days of being placed on his desk. Of course the system also relies on his secretary being responsible but this is a risk common to most renewal systems run by patent attorney firms so far as I am aware.’;

(c) Mr Blenkinship’s email to Mr Flynn dated 28 June 2005 (see paragraph 49 above) was ‘... absolutely and unequivocally clear to me [Mr Kraemer] that

I should pay any maintenance fees due on both the divisional and parent case’;

- (d) in his experience it is common for patent attorneys who deal with each other on an international basis to settle accounts with each other after a three month delay or more; and
- (e) he has known a number of patent and trade marks ‘which were unintentionally allowed to lapse’ due to a failure to pay fees by the due date.

81. At the hearing, Mr Kraemer was emphatic that had he been in Mr Flynn’s position he would not have allowed the Applications to lapse unless he had written instructions to this effect from Mr Blenkinship and if he received no instructions he would have paid the fee himself. Dr Davies expressed a similar view.

Findings in regard to the alleged conduct of Mr Blenkinship

82. It is necessary to first make findings as to the conduct (or lack thereof) of Mr Blenkinship in regard to the 2005 renewal fees for Techmin’s Parent and Divisional Applications. It is this conduct on which findings of ‘unprofessional and/or unsatisfactory conduct’, as defined in Reg. 20.1 of the Regulations (see paragraph 105 below), are to be based.

83. That conduct of Mr Blenkinship is to a large extent not disputed.

84. The main area of dispute is whether Mr Blenkinship’s email of 28 June 2005 to Mr Flynn (see paragraph 49 above) were instructions for Mr Flynn to pay the renewal fees for the Applications. As mentioned above, it was Mr Blenkinship’s evidence that his email was to this effect. Mr Kraemer gave similar evidence.

85. In my opinion, the express words used in the email and the circumstances that surrounded the sending of this email, does not support Mr Blenkinship’s assertions. Nor do I accept he ever intended this email to be an instruction for Mr Flynn to go ahead and pay the renewal fees.

86. The email was clearly a response to the email Mr Blenkinship had received earlier that day from Mr Flynn. The subject matter of both emails was expressly stated to be the Divisional Application and clearly concerned the 'further processing' application of this Application for which Mr Flynn had previously sought instructions: see Mr Flynn's letters of 8 November 2004 and 12 May 2005 (see paragraph 44 above). In the 12 May 2005 letter, Mr Flynn had advised that this application was due on 27 June 2005 and that a later application could not be made. Mr Flynn's email was clearly sent with this in mind as Sydney, Australia is 10 hours ahead of the United Kingdom and a response from Mr Blenkinship that day enabled Mr Flynn to make this 'further processing' application on time.
87. That Mr Blenkinship did not intend this email to be instructions for Mr Flynn to pay the renewal fees is also evidenced by the words he used in the email, namely: 'please continue to *maintain this application* at least until we have acceptance of the parent application'. (italics added)
88. There had also been a request for instructions on a 'further processing' application for the Parent Application, which Mr Flynn said was due by no later than 7 June 2005: see paragraph 43 above. While there is no record on the file of Mr Blenkinship giving these instructions Mr Flynn appears to have made the necessary application on 6 June 2005 (see paragraph 50 above).
89. Mr Blenkinship's evidence about Techmin's cash-flow problems and that he was at all times aware that the renewal fees could be paid as late as September 2005 provides further support for a finding that Mr Blenkinship did not intend his 28 July 2005 email to Mr Flynn to be an instruction that he pay the renewal fees.
90. The next area of dispute is whether Mr Blenkinship saw the letter from Mr Flynn dated 4 August 2005 and whether he received the 20 December 2005 letter.
91. Having regard to the evidence before me and the seriousness of the charge, I am unable to make a positive finding that Mr Blenkinship did in fact see Mr Flynn's letters of 4 August 2005. As mentioned above, Mr Blenkinship's evidence is that due to an 'unfortunate' sequence of events the letters were put on the file and the file was put into his 'dead file store' and therefore not seen by him (see paragraph

64(b) above). His explanation as to how this came about centred on his 'diarised' file management system and it is this system which has been criticised by Dr Davies.

92. As explained by Mr Blenkinship his 'diarised' file management system was a manual system that involved writing dates on the front cover of his file and making entries on the corresponding date in his diary. He said that for every file he had he would write, on the cover of the file, the date on which he wanted the file to be actioned next ('the next action date'). At the same time as entering the next action date on the file cover he would make a note at the corresponding date in his diary. The diary note would name the file and give a brief description of what action was required on this particular date. The file would then be put away and Mr Blenkinship's secretary would pull the file out again on or about the day on which it was next actioned. She would use the diary entry as the basis of retrieving the file and once she had retrieved it she would put a line through the next action date on the file cover and place the file on Mr Blenkinship's desk. Once Mr Blenkinship had actioned the file he would write a new next action date on the file cover and make the corresponding entry in the diary at the new next action date. The secretary would file the file away and retrieve it again on or about the new next action date. On retrieval she would put a line through the new next action date and put the file on Mr Blenkinship's desk. This system was then repeated every time the file was or was to be actioned.
93. The manila folder of the Techmin file contained such a list of dates on its front cover. The majority of the dates corresponded to dates on which Mr Blenkinship had sent an email or a letter in response to correspondence received from Mr Flynn. The list of dates on the cover of the file, do not however include every date on which correspondence in the file was sent or received. At the same time, the dates on the cover of the file do not appear to be dates which could be described as follow-up dates for enquiries or action. For example, the list of dates on the cover of the manila folder includes the date of '25/08/04' which is followed by the date '4/03/05'. Both dates have a line drawn through them and it was Mr Blenkinship's evidence during cross-examination that he had written the '4/03/05' date on the cover on or about 25 August 2004 and it was the date he had decided, at that time,

when the file would require further action. He rejected the suggestion that he had written the 4 March 2005 date on the cover as a result of his office having received the 3 March 2005 letters from Mr Flynn. In my opinion this is not an explanation which can be accepted in light of the documents contained on the file relevant to these dates.

94. On 25 August 2004, Mr Blenkinship had sent a follow-up email to Mr Flynn seeking his 'urgent confirmation' that he had responded 'to the search authority' as requested by Mr Blenkinship in his email of 20 July 2004. On the basis of this email one would have expected the file to have remained active until a response was received from Mr Flynn and if the file was to be put away then, in accordance with the diary system as explained by Mr Blenkinship, a follow-up date some time shortly 25 August 2004 would have been written on the cover and the corresponding note would be made in the diary. To suggest that no further action was required until 4 March 2005 is disingenuous, unless Mr Blenkinship did receive a response from Mr Flynn (including the letters of 8 November 2004), but failed to put these on his file. But this is not Mr Blenkinship's evidence. His evidence was that on 4 March 2005 he sent his follow-up email to Mr Flynn without being aware of the two letters his office had received that morning, by facsimile, from Mr Flynn. I also do not accept this evidence. In my opinion, the more likely explanation as to how the '4/03/05' date came to be written on the file is that Mr Blenkinship wrote it on the file that day after he had seen the letters from Mr Flynn.

95. I am also unable to fully accept Mr Blenkinship's evidence about his 'diarised' file management system. He produced no diary. He said he had disposed of his 2005 diary at the end of that year when he had no more use for it. He gave some evidence about converting to a computerised diary system at about this time. Mr Gnauck gave similar evidence about Mr Blenkinship's transfer to a computerised diary system. However, at no time did he suggest that the computerised system was being used by him to manage due dates for the Techmin European national phase Applications. During his evidence Dr Davies said that in his opinion 'it would be wise to keep, at least, I would say a couple of years, would keep up your monitoring system.' He was referring to Mr Blenkinship's diary and went on to

explain that this was important where rights could be recovered because of an error. A diary entry could be the evidence to support such a error.

96. The main reason for rejecting Mr Blenkinship's evidence about his diarised file management system is that had the system, as described by him, been in place at the relevant time then the diary would have alerted him to the fact that as at 18 August 2005 no instructions had been given to Mr Flynn to renew the Parent and the Divisional Applications. The fact that his Techmin European national phase Applications file was misplaced would not have been so material as his diary would have alerted him to the fact that he had not given Mr Flynn any instructions in regard to the 2005 renewals.
97. As mentioned in paragraph 64(c) above, the evidence of Mr Blenkinship is that he did not receive the letter of 20 December 2005 and his file does not contain a copy of this letter. Although the evidence suggests that Mr Blenkinship's file management system at the relevant time was far from ideal, there is no evidence to indicate that he or his office had in fact received the letter prior to Mr Nielsen having made his complaint to the Board. The onus is on the Board to prove that this was the case. It was not for Mr Blenkinship to prove that he did not receive it. Nor is it necessary for me to consider the allegations Mr Blenkinship has made about the date on which Mr Flynn did in fact write this letter.
98. The evidence does however establish that Mr Blenkinship did not communicate any further in regard to the progress of the Applications with:

(a) Mr Nielsen after 27 May 2005; or

(b) Mr Flynn after 28 June 2005.

He was only prompted into action at the end of March 2006, after Mr Pippard asked him to transfer the file. And he acted by sending Mr Flynn an email asking him about the status of the Applications. His evidence that he was not concerned about these Applications at the time he sent these emails as his diary did not show that they required action, is in my opinion also disingenuous. His evidence was that he no longer had his 2005 diary at this time. Nor did he explain why, when he

was not concerned about the status of the Applications, he sent a second email and marked it 'urgent'.

99. Accordingly, on the evidence before the Tribunal, I find that Mr Blenkinship did not act on Mr Nielsen's instructions of 30 May 2005 to pay the 2005 renewal fee for the Parent and Divisional Applications. Neither did Mr Blenkinship inform Mr Nielsen of his failure to act on his instructions.
100. I also find that after 28 June 2005, Mr Blenkinship did not make any follow-up enquiries with Mr Flynn in regard to the status of the Applications.
101. A consequence of the 2005 renewal fees not being paid was Techmin's loss of rights in regard to its European national phase Applications. The Board has asserted that it was Mr Blenkinship's conduct which 'resulted' in this loss of rights. To say that Mr Blenkinship's conduct alone 'resulted' or 'caused' Techmin's loss of rights would, in my opinion, go too far as it would ignore the conduct of Mr Flynn. In my opinion it is unnecessary for these proceedings to make any conclusive findings as to whether Mr Blenkinship's conduct alone, or together with Mr Flynn's conduct resulted in or caused Techmin's loss of rights.
102. What the evidence does show is that Techmin relied on Mr Blenkinship to let it know when the 2005 renewable fees were payable by and how much was to be paid. Mr Blenkinship in turn relied on Mr Flynn to inform him about the amount Techmin was to pay for the 2005 renewal fess and the date it was payable by. Mr Flynn did in fact inform Mr Blenkinship on 3 March and 12 May 2005 of the date and then the extended date on which the 2005 renewal fees were payable by and how much was payable. Mr Blenkinship informed Mr Nielsen of this on 27 May 2005 and Mr Nielsen responded shortly thereafter and forwarded a cheque for the amount payable. On 4 August 2005, not having received the money advanced to Mr Blenkinship by Mr Nielsen or any instructions in regard to the renewals, Mr Flynn again wrote to Mr Blenkinship informing him of the non-extendable date on which the renewal fees were payable by. Mr Flynn, having received no response to these letters, took no further steps in regard to the Applications and as a consequence the Applications lapsed in September 2005 when the renewal fees had not been paid within the statutory extended period of time for paying these fees.

103. Mr Blenkinship sought to argue that had Mr Flynn acted on his emails of 29 and 31 March 2006, there would not have been that loss of rights. In my opinion this is not an issue for the Tribunal to determine as it concerns a potential right over which the Tribunal has no jurisdiction.
104. At the hearing Mr Blenkinship said he understood that at all times it was his duty to act on Mr Nielsen's instructions and to ensure that Techmin's rights were not lost. As mentioned above, my finding is that he failed to do this and hence the question is whether the failures of Mr Blenkinship, in the circumstances amounted to 'unprofessional conduct' and/or 'unsatisfactory conduct'. That Mr Flynn's failures may also amount to misconduct is not a matter for the Tribunal to determine.

Findings as to whether Mr Blenkinship's conduct was Unsatisfactory Conduct and/or Unprofessional Conduct

105. At the time Mr Blenkinship engaged in the abovementioned conduct, the terms 'unprofessional conduct' and 'unsatisfactory conduct' were then defined in Reg. 20.1 of the Regulations as follows:

'Unprofessional conduct' means conduct on the part of a registered patent attorney whereby he or she can be regarded as committing a gross failure to comply with the standards that, in the circumstances, it is reasonable to require the registered patent attorney to observe.

'Unsatisfactory conduct' means not having attained or sustained a professional standard that is consistent with the standard of practice of registered patent attorneys.

106. In *Nuttall and Kelly Patent Attorneys Disciplinary Tribunal (Cth)*, 28 February 1997, Mr Lyons QC at [60] pointed out that these terms were defined in a manner that presupposes the existence of 'something that constitutes "the standard practice of patent attorneys", that is objectively ascertainable.' Mr Lyons QC went on to say that this could only be ascertained through the calling of expert evidence by registered patent attorneys and referring to such written rules or codes of conduct to the extent that this evidence shows what is accepted as part of the 'standard practice' of registered patent attorneys.

107. In *John Peter Gahan and Professional Standards Board for Patent and Trade Marks Attorneys* (1998) 27 AAR 517; [1998] AATA 479 and *Professional Standards Board for Patent and Trade Marks Attorneys and Patent and Trade Marks Attorneys Disciplinary Tribunal* (2002) 70 ALD 592; [2002] AATA 728 the Administrative Appeals Tribunal ('the AAT') a similar approach was adopted. In both cases the AAT considered the evidence of independent experienced registered patent attorneys. These attorneys gave evidence of the circumstances which in their opinion could constitute unsatisfactory conduct and unprofessional conduct. These included the following:

(a) a patent attorney who disregarded deadlines and failed to inform his client of these properly, disregarded instructions from his/her client, prejudicing a client's rights, conduct which resulted in financial loss to the client could constitute unsatisfactory conduct: see *Gahan* (supra) at [37] and [42]; and

(b) a patent attorney who caused a loss of rights of his/her client either by act or omission of the patent attorney, over-serviced his/her client, had a conflict of interest and one who used monies paid by a client for a purpose other than that which it was provided or deliberately misrepresented the status of the client's patent application could amount to a gross failure and hence unprofessional conduct: see *Gahan* (supra) and *Profession of Standards Board* (supra) at [32] and [37].

108. However, in neither case did the AAT hold that the evidence of the independent registered patent attorney was conclusive. It was ultimately a matter for the AAT to determine having regard to the particular circumstances of the disciplinary matters before it, including the relevant professional standards that apply at the time the alleged misconduct conduct was engaged in.

109. A person who is registered as a patent attorney under the Regulations is no different to a legal practitioner or other regulated professional in that high standards of competence and diligence are expected of such persons when dealing

with clients, other registered practitioners and the relevant patent authorities: see *Law Society of New South Wales v Foreman* (1994) 34 NSWLR 408 at 412 per Kirby P. The reasons for this is so that members of the public, clients, other registered practitioners and the relevant authorities can have confidence in 'the integrity of those who enjoy special privileges' as a registered practitioner.

110. Dr Davies and Mr Kraemer, both of whom are a registered patent attorney with considerable experience within the profession gave evidence about the relevant professional standards of a reasonably capable and diligent registered patent attorney. I found however the evidence of Dr Davies to be more persuasive. He was an independent witness and his evidence was given in the context of relevant standards as set out in the *Code of Conduct* and the Institute's *Code of Ethics*. Mr Kraemer on the other hand has had a longstanding professional relationship with Mr Blenkinship and makes no reference to the relevant codes.
111. As explained in paragraph 71 above, as a registered patent attorney Mr Blenkinship is bound by the provisions of the *Code of Conduct*. As a member of the Institute he is also bound by the Institute's *Guidelines* as set out in its Code of Ethics.
112. For the purpose of these proceedings, the applicable Article of the *Code of Conduct* is Article 4.2.7, which relevantly provides as follows:

Article 4.2.7 (in part)

An attorney must at all times act within the law and subject to that obligation to the best interests of the client.

- (i) An attorney must act promptly on a client's instructions or promptly advise a client of his or her inability to do so.

...

113. In regard to the Institute's *Guidelines*, in my opinion the following guideline is relevant to these proceedings:

'Guideline 2:

A member shall at all times apply his or her utmost skill and diligence in the handling of matters on behalf of his or her clients and associates and shall, on becoming aware of any error, omission or defect in the handling or any matter in

his or her care, take all possible steps which are reasonable in the circumstances of the case to rectify the error, omission or defect. A member shall keep the clients informed of the status of any matter in his or her care.'

114. Dr Davies in his evidence made reference to other Articles of the *Code of Conduct* and *Guidelines*. In my opinion it is not necessary to repeat these as they do not directly relate to the charge as particularised by the Board.
115. The above finding that Mr Blenkinship did not act on Mr Nielsen's instructions of 30 May 2005 must lead to a finding that he failed to act promptly on these instructions and thereby breached the abovementioned Article of the *Code of Conduct*. Furthermore, this breach was an ongoing one in that Mr Blenkinship never acted on the instructions he had been given. Mr Blenkinship's conduct also breached the abovementioned *Guideline* in that he failed to keep Mr Nielsen informed about the status of the Applications after he had received the 30 May 2005 instructions nor did he make follow-up inquiries with Mr Flynn. A consequence of his failures was to place at risk Techmin's rights in the European national phase Applications.
116. Mr Blenkinship's failures cannot be seen as being due to inexperience on his behalf. He has worked as a registered patent attorney for almost 24 years and had given prompt instructions to Mr Flynn for the 2004 renewals of the Applications (see paragraph 31 to 33 above). Nor can the failures be seen as a mere or 'unfortunate' oversight.
117. As the evidence shows, they arose because Mr Blenkinship's file management system fell short of what a reasonably competent registered patent attorney would have had in place at that time. Even as a sole practitioner he should have had in place an adequate monitoring or 'docketing' system that recorded due dates and follow-up action with overseas attorneys. This he did not have.
118. The meeting of due dates are an integral part of the work of a patent attorney and as pointed out by Dr Davies, clients rely on their attorney to know when they are due, to inform them of the consequences if the due date is not met and to meet the due date if so instructed.

119. There was some difference of opinion between Dr Davies and Mr Kraemer about the standard practice of a registered patent attorney as to when renewal fees paid by the client to his/her patent attorney for an overseas patent application is to be forwarded by the attorney to the overseas attorney. On the evidence as a whole, I accept that as a general rule the practice is that the overseas attorney will pay the renewal fees and then issue an invoice to the Australian attorney who will pay that invoice within 30 and sometimes 90 days after receiving the invoice.
120. In my opinion, for the reasons set out above, Mr Blenkinship's conduct in failing to act promptly on Mr Nielsen's instructions of 30 May 2005 and then failing to make any follow-up enquiries with Mr Flynn to ensure that Techmin's rights were not prejudiced was conduct that fell well below the standard of practice expected of a reasonably competent and diligent registered patent attorney and therefore amounted to unsatisfactory conduct.
121. As mentioned in paragraph 77 above, Dr Davies' evidence was of a similar nature. He did not, however, go on to say that Mr Blenkinship's misconduct was as a whole or in part conduct which he considered to be a 'gross failure to comply with the standards that, in the circumstances, it is reasonable to require the registered patent attorney to observe.'
122. Dr Davies opinion is of course not conclusive. However, I am inclined to agree with his conclusion as there is no suggestion of Mr Blenkinship having engaged in the misconduct deliberately, dishonestly or for personal gain. While his explanation of what had happened was questionable in several aspects, I believe they were given with a desire to place his conduct in the best light possible. At the same time, I believe Mr Blenkinship fully recognised that there had been a failure on his part to meet the accepted standards. These failures he pointed out were isolated in that they only related to one of his many files.
123. In recognising his failures Mr Blenkinship has naturally also pointed to what he sees as failures by Mr Flynn. But as I have explained, any alleged misconduct by Mr Flynn is not the subject of these proceedings. At the same time this does not detract from the findings that have been made in regard to Mr Blenkinship's misconduct.

Conclusions in regard to the Charge

124. On the basis of my findings set out above, I find proven, to the requisite standard, the charge that Mr Blenkinship is guilty of unsatisfactory conduct in that he:

- (a) failed to act promptly on his client's instructions of 30 May 2005 to pay the 2005 renewal fees of Techmin's European national phase Applications;
- (b) continued to fail to act on the abovementioned instructions of his client;
- (c) failed to inform his client that the 2005 renewal fees had not been paid;
- (d) failed to make follow-up enquiries with the overseas attorney in regard to Techmin's European national phase Applications; and
- (e) by reason of the above failures, placed Techmin's intellectual property rights in the European national phase applications at risk.

(‘Mr Blenkinship’s misconduct’)

125. While the charge, as particularised by the Board is not in exactly in the same terms as the above finding, in my opinion, those particulars are sufficiently wide to include the above.

Penalty

126. The penalty orders that are available to the Tribunal in these proceedings are those contained in Reg 20.23(2) of the Regulations, as they applied prior to the 2008 amendments (see paragraph 1 above). That Reg. relevantly provides:

20.23(2) If the Disciplinary Tribunal finds a registered patent attorney guilty of unsatisfactory conduct or unprofessional conduct, that Tribunal may:

- (a) reprimand the attorney; or
- (b) suspend the attorney's registration for not more than 12 months; or
- (c) where there is a finding of unprofessional conduct – cancel the attorney's registration.

127. In *Professional Standards Board* (supra) the Deputy President the Hon. CR Wright QC at [61] noted that the most comprehensive statements of principle in regard to the approach that is to be taken to the imposition of a penalty upon a 'wayward professional practitioner' (i.e. a registered patent attorney) are those that have been made in respect of 'a defaulting legal practitioner'. These principles were set out at [62] to [66]. In summary these were as follows:

- (a) the powers to discipline a practitioner are entirely protective in character and no element of punishment is involved: see *Ziems v Prothonotary of the Supreme Court of New South Wales* (1957) 97 CLR 279 at 286 per Dixon CJ; *Clyne v The New South Wales Bar Association* (1960-1961) 104 CLR 186 at 201-2 and *The New South Wales Bar Association v Evatt* [1968] 117 CLR 177 at 183-4. That is the power is to be exercised in a manner that is 'likely to achieve the maintenance of a high standard of conduct within the profession which will continue its good reputation, and so protect, not only the future of the profession, but also protect its clients from harm'.
- (b) the penalty involves 'no retributive element, no intention to express outrage, as there sometimes is in sentences for crime.' It is an order that is no more necessary than 'to maintain professional discipline and high standards of conduct.' It is however recognised that orders such as suspension or cancellation of registration will inescapably have a punitive consequence: see *Law Society of New South Wales v Foreman* (1994) 34 NSWLR 408 at 413
- (c) the protection of the public is not confined to the protection of the public against further default by the [practitioner] in question. It extends also to the protection of the public against similar defaults by other practitioners and has, in this sense, the purpose of publicly

marking the seriousness of what the instant [practitioner] has done': see *Law Society of NSW v Pullman* (1994) 34 NSWLR 408 per Mahoney JA.

- (d) 'suspension, or cancellation, is only a course that should be adopted if it is necessary for the public protection. ...The public needs to be protected from delinquent and wrong-doers within the professions. It also needs to be protected from seriously incompetent professional people who are ignorant of basic rules or indifferent as to rudimentary professional requirements. Such people should be moved from the register or from the relevant role of practitioners, at least until they can demonstrate that their disqualifying imperfections have been removed.' see *QX00/C v Companies Auditors and Liquidators Disciplinary Board* (2000) AATA 1144 at p.20.

128. As no finding of unprofessional conduct has been made against Mr Blenkinship, the only disciplinary orders available to the Tribunal are a warning or suspension for no more than 12 months. The Tribunal can of course make no disciplinary orders.

129. Having regard to the abovementioned principles, in my opinion, in these proceedings the following factors are relevant in determining what penalty order should be made:

- (a) the seriousness of the misconduct, including any mitigating factors;
- (b) whether the patent attorney has acknowledged the misconduct; and
- (c) steps taken by the patent attorney to address the misconduct.

130. As I have already mentioned Mr Blenkinship's misconduct related to an essential feature of the work of a registered patent attorney and for this reason it must be

viewed as being at the more serious end of the scale of unsatisfactory conduct. This is particularly so as the misconduct placed Techmin's European national phase patent applications at risk.

131. The misconduct was however, an isolated incident and there is no other evidence of misconduct by Mr Blenkinship during his 24 years of practising as a registered patent attorney.
132. It was Mr Blenkinship's evidence that at the time of the misconduct he was continuing to suffer from depression following the break-up of his marriage and a long and protracted custody dispute over his children. Dr Hordern, Mr Blenkinship's treating psychiatrist, gave evidence of having treated Mr Blenkinship for this depressive illness between June and December 2003. He said that Mr Blenkinship came to see him again in December 2004 when he again prescribed anti-depressants for Mr Blenkinship. These he took to about mid 2005. He said that Mr Blenkinship's 'failure to renew the European patent application evidently took place in May 2005 at the end of his depressive illness.' He went on to say:

'A failure to attend to a matter of this nature is consistent with his complaints to me 14 December 2004 and 25 January 2005 and previously that he had trouble concentrating on work.'

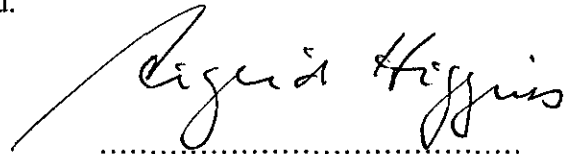
133. While this does not fully explain the circumstances of the misconduct I accept Dr Hordern's evidence that Mr Blenkinship was suffering depression during the first 6 months of 2005. I also accept the evidence that Mr Blenkinship no longer suffers from depression and is unlikely to do so in future.
134. I have already found that Mr Blenkinship has readily acknowledged his misconduct. I note that he has repaid the renewal fee amount and said that he is willing to repay all other monies expended by Techmin in regard to its European national phase Applications. He has also taken steps to ensure that misconduct of this nature is unlikely to re-occur in that, since 2007 he has a new and fully computerised monitoring or 'docketing' system in place. Accordingly a penalty order to protect the public from ongoing misconduct by Mr Blenkinship does not appear to be warranted.

135. However, in my opinion, Mr Blenkinship's misconduct is of sufficient seriousness to warrant the making of a penalty order, in the form of a warning, to protect the public against any future defaults by Mr Blenkinship of this nature and also similar defaults by other practitioners.

Orders

For the reasons stated above the Tribunal makes the following findings and orders:

1. Mr Blenkinship is guilty of unsatisfactory conduct in that he:
 - (a) failed to act promptly on his client's instructions of 30 May 2005 to pay the 2005 renewal fees of Techmin's European national phase Applications;
 - (b) continued to fail to act on the abovementioned instructions of his client;
 - (c) failed to inform his client that the 2005 renewal fees had not been paid;
 - (d) failed to make follow-up enquiries with the overseas attorney in regard to Techmin's European national phase Applications; and
 - (e) by reason of the above failures, placed Techmin's intellectual property rights in the European national phase applications at risk.
2. Mr Blenkinship is formally reprimanded.



Disciplinary Tribunal for Patents and Trade Marks Attorneys

Date of Hearing: 4 and 5 June 2008
Date of Decision: 9 October 2008
Solicitor for the Board Ms Dale Watson
Counsel for the Patent n.a. Patent Attorney self represented

Attorney

Solicitor for the Board The Australian Government Solicitor