

RULES OF CONDUCT FOR PATENT ATTORNEYS, TRADE MARK ATTORNEYS AND OTHER REGISTERED OR REGULATED PERSONS

Rules dated [] commencing [] made by the Patent Attorney Regulatory Board of the Chartered Institute of Patent Attorneys (CIPA) under section 275A of the Copyright Designs and Patents Act 1988 and by the Trade Mark Regulatory Board of the Institute of Trade Mark Attorneys (ITMA) under section 83A of the Trade Marks Act 1994 promoting the professional principles defined in the Legal Services Act 2007 and regulating the carrying on of patent attorney work by persons entered in the patent attorney register and the carrying on of trade mark attorney work by persons entered in the trade mark attorney register.

Rule 1 - Interpretation

In these Rules, unless context otherwise requires:

“patent attorney register” means the register kept under section 275 of the Copyright Designs and Patents Act 1988 as amended;

“trade mark attorney register” means the register kept under section 83 of the Trade Marks Act 1994 as amended;

“registered person” means —

- a) a registered patent attorney;
- b) a registered trade mark attorney; or
- c) a body (corporate or unincorporate) registered in the patent attorney register or the trade mark attorney register;

“regulated person” means a person who is not a registered person but is a manager or employee of a body which is a registered person”;

“manager”, in relation to a body, has the same meaning as in the Legal Services Act 2007;

“patent attorney work” means work done in the course of carrying on the business of acting as agent for others for the purpose of —

- a) applying for or obtaining patents, in the United Kingdom or elsewhere, or
- b) conducting proceedings before the comptroller relating to applications for, or otherwise in connection with, patents;

“trade mark attorney work” means work done in the course of carrying on the business of acting as agent for others for the purpose of —

- a) applying for or obtaining the registration of trade marks in the United Kingdom, or
- b) conducting proceedings before the comptroller relating to applications for, or otherwise in connection with the registration of trade marks;

“professional work” means —

patent attorney work in the case of registered persons entered in the patent attorney register and any associated regulated persons; and

trade mark attorney work in the case of registered persons entered in the trade mark attorney register and any associated regulated persons;

“corporate work” means professional work undertaken by an employed registered person acting solely as an agent on behalf of —

- a) their employer;
- b) a company or organisation controlled by their employer or in which their employer has a substantial measure of control;
- c) a company in the same group as their employer;
- d) a company which controls their employer; or
- e) an employee (including a director or a company secretary) of a company or organisation under (a) – (d) above, where the matter relates or arises out of the work of that company or organisation;

“in private practice” means undertaking professional work which is not solely corporate work;

“client” means principal on whose behalf a regulated or registered person acts as agent and includes any person for whom the registered or regulated person is address for service for any right regardless of the nature of any current relationship.

Rule 2 - Scope

These Rules set out the standards of professional conduct and practice expected of registered or regulated persons undertaking professional work. Registered persons are responsible under these Rules not only for their own acts and omissions, but also for those sanctioned, expressly or otherwise, by them.

Not every shortcoming on the part of a registered or regulated person, nor failure to comply with these Rules, will necessarily give rise to disciplinary proceedings. The guidance shown in *italics* accompanying these rules is not mandatory and does not form part of the Rules. However, a failure to follow any guidance associated with the Rules is a factor that will be considered should it be necessary to examine the behaviour of a registered or regulated person. In such circumstances a registered or regulated person may be asked to justify the steps they took and this may be taken into account.

Guidance

- 1.1 *Rules 1 and 2 define the scope of the Code of Conduct. Individuals, firms and companies registered in the patent attorney register or trade mark attorney register, their managers and employees are subject to the code if they act in the course of a business which undertakes relevant professional work.*
- 1.2 *The application of Rules 11 and 16 (Complaints handling and Liability insurance) is limited to registered or regulated persons in private practice. Registered persons who solely undertake corporate work on behalf of an employer are not required to comply with Rules 11 and 16.*
- 1.3 *Registered or regulated persons should be guided as much by the spirit of the Rules as by the express terms.*

Rule 3 - Service of documents

Any notice or other document required by or for the purposes of these Rules to be given or sent to a registered or regulated person may be given to them personally or sent by post to their last address notified to the Regulatory Board of CIPA or ITMA.

Rule 4 - Competence

Registered or regulated persons shall carry out their professional work with due skill, care and diligence and with proper regard for the technical standards expected of them.

Guidance

4.1 *A registered or regulated person should only undertake work within his or her expertise or competence and should always consider whether, having regard to*

- a) the circumstances (including in particular the gravity, complexity and likely cost) of the work;*
- b) the nature of the registered or regulated person's practice;*
- c) the registered or regulated person's ability, experience and seniority; and*
- d) the registered or regulated person's relationship with the client,*

the best interests of the client would be served by the registered or regulated person or some other person providing professional services in fulfilment of the client's instructions.

This should be considered as soon as practicable after receiving instructions and from time-to-time thereafter, particularly when circumstances change. If the registered or regulated person considers that the best interests of the client would be served by some other person acting, he or she must advise his or her client accordingly.

Rule 5 - Integrity

Registered or regulated persons shall at all times act with integrity putting their clients' best interests foremost subject to the law and any overriding duty to any Court or Tribunal.

Guidance

5.1 *A registered or regulated person should in all professional activities*

- a) practise competently, promptly, conscientiously, courteously, honestly and objectively, avoiding unnecessary expense to the client;*
- b) act so as to promote confidence in the intellectual property system;*
- c) subject to the law and the registered or regulated person's duty to any Court or Tribunal, put clients' best interests foremost and keep clients' affairs confidential.*

5.2 *A registered or regulated person should not do anything that might compromise*

- a) his or her independence;*
- b) the dignity and good standing of the registered or regulated person, or of the patent or trade mark professions;*
- c) the freedom of clients to instruct any person or firm to carry out their work or to change their representation.*

Rule 6 - Client care and service

Registered or regulated persons shall carry out their professional work in a timely manner and with proper regard for standards of professional service and client care.

Guidance

- 6.1 *Comprehensive and unambiguous written terms of business (including details of all applicable fees and costs and the basis on which the work is to be charged) should be given to clients at the outset of a relationship and as often as necessary thereafter. Any variations should be comprehensively and unambiguously communicated to clients as soon as they apply to the client.*
- 6.2 *Registered or regulated persons must ensure that clients receive as often as necessary a comprehensive and unambiguous explanation, appropriate to the client's reasonably apparent or expected level of understanding, as to the issues in a matter, the progress of the matter and the likely timescale. The level of reporting depends on the client relationship and the experience of the client or the person responsible within the client's organisation. For example lay clients will usually require more care than in-house counsel. Registered or regulated persons are encouraged to use plain English to the extent it is practicable to do so. A registered or regulated person must have regard both to the level of understanding that can reasonably be expected of the particular client type and to the actual level of understanding of the client as is manifested through the professional relationship.*
- 6.3 *Clients should be given the name of the person or persons who are dealing with their matters and, if different, the supervising principal.*
- 6.4 *When unwilling to provide services to an existing client, or withdrawing from giving services, a registered or regulated person should make reasonable efforts to enable the client to make other arrangements and bear in mind their obligations put clients' best interests foremost.*
- 6.5 *Even where there is no ongoing client relationship, absent a formal termination including clear and reasonable notice to the former client that communications will not be forwarded, registered or regulated persons should take timely steps to draw a former client's attention to correspondence or communications received relating to the former client and their rights. A registered or regulated person may seek a fees undertaking where the client relationship has been terminated for the costs involved in forwarding correspondence.*
- 6.6 *Every registered or regulated person should have a written file retention/destruction policy which should be given to the client. Any fees should be included in the costs information given to clients as required by Rule 9.*

Rule 7 - Conflicts

Registered or regulated persons shall avoid conflicts of interest and any actions or situations that are inconsistent with their professional obligations.

Guidance

- 7.1 *A registered or regulated person must not act where his or her interests conflict with those of a client or potential client, or where he knows or has reasonable grounds for suspecting that the interests of any partner or registered or regulated person or staff of his or her firm, conflict with those of a client or potential client.*
- 7.2 *If a registered or regulated person acquires or has acquired relevant knowledge concerning a current or a former client in the course of acting for that client in any capacity, the registered or regulated person must not accept instructions to act against that client or should henceforth cease to act against that client. The term "relevant knowledge" should mean such knowledge of the client or the client's affairs that is not widely disseminated to the public and that is, or is likely to become, relevant to the action concerned against the client.*

- 7.3 *A registered or regulated person must not allow any person to perform work under his or her supervision when the registered or regulated person knows or has reasonable grounds for suspecting that such a person has a conflict of interest in respect of the work.*
- 7.4 *A conflict does not arise simply because the registered or regulated person acts for two or more parties in the same field of business or technology although on the facts it may do so. More typically a conflict arises by reference to the specific subject matter of a case.*
- 7.5 *Subject to the informed written consent of each of the clients concerned a registered or regulated person must not act or continue to act for two or more clients where there is a conflict or a significant risk of conflict between the interests of the clients, or where whilst acting such a conflict or risk of conflict arises.*
- 7.6 *Informed consent requires the parties to have been clearly informed of the implications of the situation, the nature of the conflict and the need positively to seek alternative advice, legal or otherwise.*
- 7.7 *Mere “Chinese walls” within firms or between branches will not “cure” conflicts. Where a conflict arises only complete professional (which does not equate merely to “geographical”) separation will suffice to enable registered or regulated persons to continue if consent is not forthcoming.*
- 7.8 *Irrespective of such consent, a registered or regulated person must decline or cease to act for all clients in a matter if by reason of the conflict the registered or regulated person is unable to act wholly impartially or otherwise in the paramount interest of each client.*

Rule 8 - Relationships with other professionals

Registered or regulated persons shall be candid and act courteously and in good faith when dealing with other professionals in the course of their professional work.

Guidance

- 8.1 *In general, a registered or regulated person should not communicate directly with anyone who to his knowledge has retained a professional advisor to act in the matter except with that professional advisor’s consent. If the other party’s advisor fails to respond to letters for an unreasonable period or has indicated that he is, or appears to be, without instructions, a registered or regulated person may, after warning the other professional of his intention to do so, write directly to the client of the advisor. There is nothing to prevent clients themselves from communicating directly with each other if they wish to do so.*
- 8.2 *A registered or regulated person should co-operate with a client and any new representative of the client to ensure the client’s best interests are protected on any change of responsibility.*

Rule 9 - Fees

Registered persons must not charge unjustified fees and must ensure clients are fully informed about fees and charges.

Guidance

- 9.1 *Many complaints arise because clients are “surprised” by costs or terms which had not been clearly drawn to their attention. Registered or regulated persons must ensure clients are fully*

informed about likely fees and charges, including the basis for charges. This includes, in particular, service fees such as currency transaction costs.

- 9.2 *If a registered or regulated person gives an indication (such as an estimate) of the likely cost of work and that indication is not intended to be fixed, the registered or regulated person is responsible for making it clear that the indication is not fixed, and for ensuring that the client is informed in advance whenever reasonably possible if it appears the indication will be materially exceeded.*
- 9.3 *Unless otherwise agreed, clients should be regularly updated as to the cost of a matter and advised as soon it is reasonably practicable to do so of any material change in circumstances likely to increase costs.*
- 9.4 *Unless otherwise agreed with the client a registered or regulated person should not require as a condition precedent from a sender of correspondence or a communication intended for or relevant to the client, an undertaking to meet the registered or regulated person's fees for forwarding the sender's correspondence or communication to the client or for giving the client advice on the matter*
- 9.5 *This applies typically to requests for consent, licence and so on. There have been instances where registered or regulated persons have refused even to pass on correspondence without comment until their fees are met. Absent the client's agreement, this is a breach of Rules 5, 6 & 7, since the registered or regulated person is putting his own interest in fees before the best interest of the client which is in being informed promptly. This does not prevent the registered or regulated person asking the sender for an agreement to meet reasonable costs, but the forwarding of the communication must not be dependent on it. It is up to the registered or regulated person, having regard to his relationship with the client, to determine how matters of this kind should be drawn to the attention of the client and in the absence of any other arrangement, if the registered or regulated person is unwilling to forward the communication "on risk as to costs" the communication should either be returned to the Sender (provided that the client is not prejudiced by the resulting delay) or be forwarded without comment or offering assistance on appropriate terms.*
- 9.6 *Note that the sender is not liable for any costs until agreement is reached but that any agreement will impose liability regardless of whether the sender receives the benefit or co-operation sought.*

Rule 10 - Financial matters

Registered or regulated persons shall ensure that their personal and professional finances are managed appropriately.

Guidance

- 10.1 *Where a registered or regulated person receives money from a client, other than by way of payment of fees or disbursements or money on account for fees or disbursements paid up front, they should ensure that such money is held on trust for the client in an account which is entirely separate from the registered or regulated person or the firm's personal or professional business accounts.*
- 10.2 *A registered person's terms of business should deal with the issue of ownership of interest earned on money held on behalf of a client.*
- 10.3 *It is the responsibility of registered or regulated persons to ensure that they are aware of legislation pertaining to "money laundering" and "proceeds of crime" and to ensure that they take such steps as are necessary to comply with that legislation.*

Rule 11 - Complaints handling

Registered persons in private practice must have an established procedure for dealing with complaints. Written details of the procedure must be available whenever a client requests them and a client should be informed in writing, when first engaging the registered person, that such a procedure for the resolution of a complaint exists.

Rule 12 - Liens

Registered persons may exercise a lien over client papers and other materials belonging to a client only when and to the extent that the lien is available in law or the lien is an express term of business to which the client has agreed.

Guidance

- 12.1 *The issue of lien comes up reasonably frequently in complaints. Registered or regulated persons do not benefit from the statutory lien of solicitors and the extent of any lien – if any – at common law has never been clarified. It is best to ensure this is dealt with in written terms.*
- 12.2 *Any charges or contractual liens applicable to a transfer of files should be set out in the registered or regulated person's terms of business or should be otherwise agreed, but the absence of agreement should not unreasonably delay effecting the transfer. Registered or regulated persons should note that if they have not dealt with this issue adequately in their terms of business, they may be in no position contractually to recover costs associated with the transfer if no other agreement can be reached.*
- 12.3 *Save in exercise of any lien, it is not acceptable to obstruct or unreasonably delay a transfer of responsibility to a new representative when asked to do so by a client.*

Rule 13 - Duty to act in the interests of justice

Registered or regulated persons exercising any right to appear before a court or tribunal or to conduct litigation must comply with their duties to the court or tribunal and act with independence in the interests of justice. Registered or regulated persons must not knowingly or recklessly deceive or mislead a court or tribunal. Registered or regulated persons exercising any right to appear before a court or to conduct litigation shall observe the Special Rules of Professional Conduct applicable to Litigation Practitioners.

Guidance

- 13.1 *A registered or regulated person must not submit orally or in any documents or pleadings:*
- a) *statements of fact or contentions that are not supported by the evidence or instruction of the client;*
 - b) *contentions that he cannot justify as prima facie arguable;*
 - c) *allegations of fraud unless clearly instructed to make such an allegation and it is prima facie supported by credible material; note, however that this does not preclude the making of claims of "bad faith" per se (for example, a lack of intention to use a trade mark), unless that claim is specifically directed to substantive fraud.*

Rule 14 - Anti-Discrimination

Registered or regulated persons must not, in the conduct of their practice, unfairly or unlawfully discriminate against any person on grounds of race, religious belief, gender, sexual orientation, age or disability.

Rule 15 - Continuing Professional Development

Registered patent attorneys and registered trade mark attorneys shall undertake and record appropriate continuing professional development and, on request, provide the Regulatory Board of CIPA or ITMA as appropriate with evidence that they have done so.

Rule 16 - Liability insurance

Without prejudice to any obligation contained in the Special Rules of Conduct applicable to Litigation Practitioners, each registered or regulated person or his firm in private practice must take out and maintain professional indemnity insurance cover for each and every claim brought in the United Kingdom or elsewhere in the EU at a Minimum Value set by the Regulatory Boards of CIPA and ITMA from time to time but which should never be a value less than £1 million. A registered or regulated person shall not limit liability for professional negligence below the Minimum Value. Any limitation of liability for negligence must be clearly drawn to the attention of a client and be understood and accepted by him or her.

Rule 17 - Publicity

Publicity and promotional activity of any kind by registered or regulated persons is permitted if it is fair, honest, accurate and is not misleading and is not otherwise in breach of these Rules.

Guidance

- 17.1 What is acceptable promotional activity will inevitably change over time and will be a matter of subjective assessment in each case. For example, whilst creativity is an essential part of promotion, good taste in content and execution is important. Cold-calling (by personal means or telecommunication) of private individuals or to domestic premises would generally be unacceptable, and certainly if directed repeatedly to specific individuals or groups.*

Rule 18 - Information to Regulatory Boards

Registered or regulated persons shall submit in a timely manner such information, and in such form, as the Regulatory Boards may reasonably require.

Rule 19 - Co-operation

Registered or regulated persons shall co-operate fully with the Regulatory Boards of CIPA and ITMA, and with any persons designated by them in connection with their regulatory responsibilities.

Rule 20 – Avoidance of regulatory conflict

To avoid regulatory conflict as defined in sections 52 - 54 of the Legal Services Act 2007, the Regulatory Boards of CIPA and ITMA may waive in writing the provisions of these Rules in any particular case or cases where the professional activities of a registered or regulated person are fully regulated by another professional regulator.

Rule 21 - Commencement Date

These Rules shall apply from **[commencement date]**.