



Canadian College of Patent and Trade-mark Agents

Proposed Code of Ethics

September 2005 Draft

Nothing in the Code shall affect the more onerous obligations or rights of the agent with respect to the agent's obligations under any other statute, regulation or code of ethics.

Definitions

“agent” for purposes of this Code includes an agent as defined in the Patent Agents and Trade-mark Agents Act and further includes a trainee as defined in that Act where appropriate in the context of any particular Rule of this Code.

“client” means any natural person or legal entity that takes advice or asks services of the agent or who seeks such services directly or indirectly on behalf of others.

“College” means Canadian College of Patent and Trade-mark Agents.

“Member” has the meaning ascribed to it in Sections 23 and 24 of the Patent Agents and Trade-mark Agents Act.”

FUNDAMENTAL CANON

The most important attribute of a member of the College is integrity. This principle is implicit in this Code of Ethics and in each of the Rules and Commentaries thereunder. Over and above the possibility of formal sanction under any of the rules in this Code, an agent must at all times conduct himself or herself with integrity and competence in accordance with the highest standards of the profession so as to retain the trust, respect and confidence of members of the profession and the public.

1. COMPETENCE

PRINCIPLE

An agent owes the client a duty to be competent to perform any agency services undertaken on the client's behalf.

Rules

1. An agent must not undertake or continue any matter without honestly feeling competent to handle it, or able to become competent without undue delay, risk or expense to the client or without associating with another agent who is competent to handle the matter. An agent must promptly advise the client whenever it is reasonably perceived that the agent may not be competent to perform a particular task and whenever practical, provide reference to those known to the agent as likely to have such competence.
2. An agent must assume complete professional responsibility for all business entrusted to the agent, maintaining direct supervision over staff and assistants such as trainees, students, clerks and legal assistants to whom particular tasks and functions may be delegated.
3. An agent must maintain appropriate office procedures and systems including without limitation, systems for meeting the requirements for all deadlines arising from client matters and for handling and maintaining client affairs without prejudicing client affairs.
4. An agent should keep abreast of developments in the branches of law wherein the agent's practice lies by engaging in study and education.

Commentary

Competence in a particular matter involves more than an understanding of the relevant legal principles: it involves an adequate knowledge of the practice and procedures by which such principles can be effectively applied.

An agent who practices alone or operates a branch or a part-time office should ensure that all matters requiring an agent's professional skill and judgment are dealt with directly by an agent qualified to do the work.

2. CONFIDENTIALITY

PRINCIPLE

An agent has a duty to preserve the confidences and secrets of clients.

Rules

1. An agent must hold in strict confidence all information concerning the business and affairs of the client acquired in the course of the professional relationship, and must not divulge such information unless such disclosure is expressly or impliedly authorized by the client, required by law or otherwise permitted or required by this Code.
2. An agent must exercise reasonable care to prevent the agent's employees, associates and others whose services are utilized by the agent from disclosing or using such confidential information.

3. The agent must continue to hold in confidence such information despite conclusion of the matter or termination of the professional relationship with the client.
4. An agent must guard against participating in or commenting upon speculation concerning the client's affairs or business even if certain facts are public knowledge.
5. An agent must not disclose any information disclosed to the agent in confidence concerning a client's business or affairs regardless of its source, other than facts that are a matter of public record.
6. When disclosure is required by law or by order of a court of competent jurisdiction, the agent must always be careful not to divulge more information than is required.
7. Disclosure of confidential information to the College when required to do so by the College may be justified in order to establish or correct a fee, or to defend the agent or the agent's associates or employees against any allegation of malpractice or misconduct, but only to the extent necessary for such purposes and no more.

Commentary

An agent should take care to avoid inadvertent disclosure to one client of confidential information concerning or received from another client and should decline employment that might require such disclosure, unless the first client, after full disclosure, consents.

3. CONFLICTS

PRINCIPLE

In each matter, an agent's judgment and fidelity to the client's interest must be free from compromising influences.

Rules

1. An agent must not advise or represent both sides of a dispute or potential dispute.
2. The agent must not act for a party where the agent has confidential information that could be used to the disadvantage of another client or former client, except with the consent of the other client or former client, after full disclosure.
3. The agent must ensure that his or her relationship with the client and any other person or firm involved in any matter on which the agent is giving advice to the client does not and will not lead to a situation where there is or is likely to be a conflict between the interests of the client and the agent.
4. In the case of a firm of agents where at least one of the agents of the firm has confidential information that could be used to the disadvantage of another client or former client of the firm, and the firm acts only for one of the clients, appropriate steps must be taken to maintain such confidential information and ensure that it is not used to the disadvantage of the client or former client such that a reasonably informed person would be satisfied that no use of confidential information would occur.

When an agent transfers from one firm to another, the agent and the new firm must ensure that all reasonable and proper measures are taken to maintain the confidentiality of information relating to the clients of the former firm, such that a reasonably informed person would be satisfied that no use of confidential information would occur.

5. Subject to Rule 6 below, the agent must not enter into a business transaction with a client, or knowingly give to or acquire from the client an ownership, security or other monetary interest in an intellectual property right related to the agent's professional advice, unless:

- a) the transaction is a fair and reasonable one in the circumstances and its terms are fully disclosed to the client in writing in a manner that is reasonably understood by the client;
- a) b) the client is given a reasonable opportunity to seek independent legal advice about the transaction, the onus being on the agent to prove that the client's interests were protected by such independent advice; and
- c) the client consents in writing to the transaction.

6. When an agent has been retained to prepare or to provide services relating to a new patent application and the agent conceives an improvement or modification to an invention or a portion of an invention to be claimed in the application so that the agent reasonably believes himself or herself to be a co-inventor and proposes to list himself or herself as a co-inventor, the agent must advise the client to obtain independent professional advice as to:

- a) whether or not naming the agent as a co-inventor is appropriate and justified; and
- b) whether a new agent should be retained to prosecute the application.

7. The agent must not enter into or continue a business transaction with the client relating to the agent's professional advice if:

- a) the client expects or might reasonably be assumed to expect that the agent is protecting the client's interests; and
- b) there is a significant risk that the interests of the agent and the client may differ.

Commentary

(1) Business transaction would include circumstances in which an agent is a co-inventor and retains any interest in the invention, or any other circumstance where an agent acquires an interest in an intellectual property right of a client.

(2) When an agent has been retained to prepare a patent application and, in the process of carrying out this service or an associated service, the agent conceives of an improvement, modification, or variation that is included in the patent application and that the agent reasonably believes renders himself a co-inventor who should be named as such in the application, the agent normally has a duty to assign his rights as a co-inventor to his client without further charge or additional expense to his client who should be considered the rightful owner of the entire invention described and claimed in the application.

(3) If an agent accepts employment from more than one client in a matter or transaction and a

conflict subsequently arises between these clients which cannot be resolved by the clients, the agent should not normally continue to act for any or all of them and the agent may have to withdraw completely from acting in connection with that matter or transaction.

(4) Before an agent accepts employment from more than one client in a matter or transaction, the agent should normally advise the clients that no information received in connection with the matter from one can be treated as confidential so far as any of the others are concerned.

4. ADVISING CLIENTS

PRINCIPLE

An agent must be both honest and candid when advising clients.

Rules

1. The agent must give the client a competent opinion based on a sufficient knowledge of the relevant facts, an adequate consideration of the applicable law, and the agent's own experience and expertise.
2. The agent's advice must be open and undisguised, and must clearly disclose what the agent honestly thinks about the merits and probable results.
3. If it should become apparent to the agent that the client has misunderstood or misconceived the position or what is really involved, the agent must use reasonable efforts to explain to the client, the agent's advice and recommendations.
4. An agent must reasonably promptly act on the client's instructions and must reply to all client inquiries.
5. An agent must take reasonable steps to advise the client of the costs of obtaining or seeking any intellectual property protection in Canada or elsewhere recommended by the agent.
6. An agent must communicate in a timely and effective manner at all stages of the client's matter or transaction.
7. An agent must reasonably promptly inform the client of any material error or omission with respect to the client's matter.

5. FEES

PRINCIPLE

An agent owes a duty of fairness and reasonableness in his or her financial dealings with the client.

Rules

1. An agent must not stipulate for, charge or accept any fee that is not fully disclosed, fair and reasonable.
2. An agent must not appropriate any funds under an agent's control for or on account of fees without the authority of the client, save as permitted by Rule 7.
3. An agent must not permit a non-agent to fix any fee to be charged to a client, except where such person uses a fee schedule, provided that an agent has set the fee schedule and is responsible for sending the account to the client.
4. An agent may not show as a disbursement to a third party any sum which is not paid to a third party.
5. Save as permitted by Rule 6 or unless the client has consented, an agent must not accept from or pay to anyone other than the client a commission or other compensation related to the agent's professional employment in a matter.
6. An agent shall not divide a fee with another agent or a lawyer who is not a partner or associate unless:
 - (a) the client consents either expressly or impliedly to the employment of the other agent or the lawyer; and
 - (b) the fees are divided in proportion to the work done and responsibilities assumed.
7. Money held by an agent to the credit of a client may not be applied to fees incurred by the client unless an account has been rendered to the client.
8. An agent must clearly identify on each statement of account if requested by the client the amount attributable to fees and the amount attributable to disbursements and other charges.

Commentary

Factors which may determine that the amount of an account is a fair and reasonable fee in a given case include, but are not limited to, the following:

- a) the nature of the matter, including its difficulty and urgency; its importance to the client; its monetary value; and the need for special skills or services;
- b) the time and effort expended;
- c) the results obtained;
- d) the customary charges of other agents of equal standing in the locality in similar matters and circumstances;
- e) the likelihood, if made known to the client, that acceptance of the retainer will result in an agent's inability to accept other work;
- f) the experience and ability of the agent;
- g) any estimate given by the agent;
- h) whether the fee is contingent on the outcome of the matter;
- i) the client's prior consent to the fee and the sophistication of that client; and
- j) the direct costs incurred by the agent in providing the services.

6. WITHDRAWAL OF SERVICES

PRINCIPLE

Having agreed to act in a matter, an agent owes a duty to the client not to withdraw services except for good cause. If withdrawal is required or permissible, the agent must do so only upon notice that is reasonable in the circumstances.

Rules

1. An agent must withdraw when:
 - a) the client persists in instructing the agent to act contrary to professional ethics;
 - b) the client persists in instructions that the agent knows will result in the agent's assisting the client to commit a crime or fraud;
 - c) the agent is unable to act competently or with reasonable promptness; or
 - d) the agent's continued service to client would violate the agent's obligations with respect to conflict of interest.

2. An agent may withdraw when justified by the circumstances. Circumstances that may justify, but not require, withdrawal include the following:
 - a) the client fails after reasonable notice to provide funds on account of fees or disbursements in accordance with the agent's reasonable request;
 - b) the client's conduct in the matter is dishonourable or motivated primarily by malice;
 - c) the client is persistently unreasonable or uncooperative, and makes it unreasonably difficult for the agent to perform services effectively;
 - d) the agent is unable to locate the client or to obtain proper instructions;
 - e) there is a serious loss of confidence between agent and client; or
 - f) the agent is unable to continue with the agent's practice or retires from such practice.
3. An agent may withdraw if the client consents.
4. If an agent withdraws or is discharged from a matter, the agent must endeavour to avoid foreseeable prejudice to the client and must also cooperate with a successor agent if one is appointed.
5. If an agent withdraws or is discharged from a matter and is in receipt of an official communication on the matter to which a response must be filed to avoid abandonment, the agent must endeavour to report the official communication in a timely manner to the former client in order to avoid prejudice to the former client and to permit the former client to take appropriate steps to safeguard his or her rights in the matter.
6. Upon withdrawal or dismissal, an agent must promptly render a final account and must account to the client for money and property received from the client.

7. DUTY TO THE PROFESSION

PRINCIPLE

An agent must assist in maintaining the standards of the profession and should participate in its organizations and activities.

Rules

1. An agent must conduct himself or herself in a professional manner.
2. An agent must refrain from conduct that brings discredit to the profession.

3. All correspondence and remarks by an agent addressed to or concerning another agent, whether inside or outside of the agent's firm or concerning another firm, or the College, must be fair, accurate and courteous.
4. An agent must reasonably respond on a timely basis and in a complete and appropriate manner to any communication from the College.
5. In connection with an agent's practice, an agent must not discriminate against any person on the basis of race, national or ethnic origin, colour, gender, religion, sexual orientation, age or mental or physical disability.
6. An agent should not undertake to act for a client if he is not comfortable, for justifiable reasons, with undertaking the requested task or job for that particular client or he does not agree with the instructions from the client to such an extent that the instructions will impair the agent's ability to perform his or her services in accordance with these Rules.
7. In connection with an agent's practice, an agent must not sexually harass a colleague, staff member, client or other person.
8. An agent has a professional duty to meet proper financial obligations in relation to the agent's practice.
9. An agent who hires a person with the understanding that he or she will provide instruction, guidance and teaching of patent agency or trade-mark agency practice to that person, must do his or her best to provide such instruction, guidance and teaching.
10. An agent must report to the College any conduct of which the agent has personal knowledge and which in the agent's reasonable opinion, acting in good faith, raises a serious question of whether another agent is in breach of this Code.

8. DUTY TO MEMBERS

PRINCIPLE

An agent's conduct toward other agents must be characterized by courtesy and good faith.

Rules

1. An agent must not engage in sharp practice and must not take advantage without fair warning of a mistake on the part of another agent not going to the merits or involving sacrifice of the client's rights.
2. An agent must avoid unjustifiable or uninformed criticism of the competence, conduct, advice or charges of other agents.
3. An agent should agree to reasonable requests by another agent for extensions of time, waivers of procedural formalities, and similar accommodations unless the client's position would be materially

prejudiced or unless to do so would be contrary to the client's instructions.

4. An agent must answer with reasonable promptness all professional letters and communications from other agents which require an answer.
5. When an agent leaves a firm to practice elsewhere, neither the agent nor the firm must exercise or attempt to exercise undue influence or harassment upon the client to influence the clients' decision as to who will represent the client.
6. While the agent is employed, the agent must not solicit business from the agent's employer's clients or prospective clients on his or her own account, without the knowledge of the agent's employer.
7. The same courtesy and good faith must characterize the agent's conduct to other persons representing themselves.

9. ADVERTISING

PRINCIPLE

An agent may advertise service and fees, or otherwise solicit work, provided that the advertisement is

- a) not false or misleading;*
- b) in good taste, and*
- c) not likely to bring the profession into disrepute.*

Rules

1. An agent must not use any description that suggests that the Member is any one of the following:
 - a) a patent agent
 - b) a trade-mark agent
 - c) a barrister
 - d) a solicitor
 - e) a notary entitled to practice in the Province of Quebec

when in fact the agent is not such a person.

2. The agent may indicate that his or her practice is restricted to a particular area, or may indicate that the agent practices in a certain area if such is the case.

3. The agent must not indicate by way of advertisement, letterhead, or otherwise, that he or she has a professional office at a named location when in fact such is not the case.

Commentary:

The use of phrases such as “John Doe and Associates”, or “John Doe and Company” and “John Doe and Partners” is improper unless there are in fact, respectively, two or more other agents associated with John Doe in practice or two or more partners of John Doe in the firm.

10. UNAUTHORIZED PRACTICE

PRINCIPLE

An Member owes a duty to assist in preventing the unauthorized practice of persons or entities, not a Member or otherwise authorized under the relevant intellectual property statutes or respective provincial law society providing advice and services concerning the relevant intellectual property statutes.

Rules

1. An agent should not, without the approval of the College, employ in any capacity having to do with the practice of Patent or Trade-mark Agency or both, an agent who is under suspension as a result of disciplinary proceedings, or a person who has been struck from the Register or has been permitted to resign while facing disciplinary proceedings and has not been reinstated.
2. Professional advice is not to be given by unauthorized persons, whether in the agent's name or otherwise.
3. An agent must not aid or assist a person who is practicing as a patent agent or trade-mark agent in an unauthorized manner.

Commentary

It is in the interest of the public and the profession that persons who are not properly qualified, and who are immune from control or management or discipline, not be permitted to offer patent and trade-mark agency services to members of the public.

MISCELLANEOUS

1. Any member may ask the College for a ruling as to whether any publication which the member's firm uses, publishes or proposes to use or publish or any conduct in which the member or the member's firm engages or proposes to engage complies with this Code, and the College may rule thereon.

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2. The College may, from time to time issue memoranda on practising ethics for the guidance of the members.