



**Intellectual Property Institute of Canada**

# **Code of Ethics**

September 29, 2016

## Note to the Reader

The starting point of this revised code is the IPIC code of ethics that was adopted in 2001, which itself is an evolution from previous codes since the 1920s, and aimed to be aligned with model codes for lawyers. Many of the principles of codes of conduct for lawyers are equally applicable to patent and trademark agency practice. Moreover, many patent and trademark agents are also lawyers, and it is desirable that the codes of ethics or conduct be as consistent as possible.

The revisions are based on the March 2016 Model Code of Professional Conduct of the Federation of Law Societies of Canada. In making the revisions, IPIC's Professional Regulation Committee also examined Rules of Professional Conduct of the United States Patent and Trademark Office (which are themselves based on the American Bar Association Model Rules of Professional Conduct).

IPIC wishes to recognize the outstanding work by the Federation of Law Societies in developing its model code. When relevant, we chose to use as much as possible this model code in order to meet the Federation's objective of eliminating any significant differences in rules of conduct across the country.

IPIC's Professional Regulation Committee and Council welcome your comments and suggestions at [excellence@ipic.ca](mailto:excellence@ipic.ca) to help with the next revision of the code of ethics.

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***Intellectual Property Institute of Canada***  
***Code of Ethics***  
***(Text as of September 29, 2016)***

**Definitions**

“agent” includes any natural person who is a registered trademark agent and/or a registered patent agent and who is a member of the Intellectual Property Institute of Canada and further includes a patent or trademark agent trainee where appropriate in the context of any particular Rule of this Code;

“client” means a person who:

(a) consults an agent and on whose behalf the agent renders or agrees to render patent or trademark agent services; or

(b) having consulted the agent, reasonably concludes that the agent has agreed to render patent or trademark agent services on his or her behalf;

and includes a client of the firm of which the agent is a partner or associate, whether or not the agent handles the client’s work.

“CIPO” means the Canadian Intellectual Property Office;

“Council” means the executive body of the Institute as may be elected from time to time;

“firm” means a sole proprietor, a corporation, a partnership, a limited liability partnership or a professional corporation;

“Institute” means the Intellectual Property Institute of Canada;

“member of the Institute” means an individual who has been admitted by the Intellectual Property Institute of Canada into one of its classes of membership; and

“profession” means the profession of the agent.

## **FUNDAMENTAL CANON**

*The most important attribute of a member of the Institute is integrity. This principle is implicit in this Code 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 and must perform all agency services undertaken on a client's behalf to the standard of a competent agent.*

### Rule 1

- 1.1 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.
- 1.2 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 assistants to whom particular tasks and functions may be delegated.
- 1.3 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.
- 1.4 An agent should keep abreast of developments in the branches of law wherein the agent's practice lies by engaging in study and education.
- 1.5 An agent conducting agency practice other than for an employer must maintain a professional liability policy from a reputable insurer for at least the amount recommended by the Institute.

### Commentary

As a registered agent, an agent is held out as knowledgeable, skilled and capable. Accordingly, the client is entitled to assume that the agent has the ability and capacity to deal adequately with all agency matters to be undertaken on the client's behalf. Competence of an agent is founded upon both ethical and applicable legal principles. This rule addresses the ethical principles. Competence involves more than an understanding of agency legal principles: it involves an adequate knowledge of the practice and procedures by which such principles can be effectively

applied. To accomplish this, the agent should keep abreast of developments in all areas of intellectual property law and practice in which the agent practises.

In deciding whether the agent has employed the requisite degree of knowledge and skill in a particular matter, relevant factors will include:

- (1) the complexity and specialized nature of the matter;
- (2) the agent's general experience;
- (3) the agent's training and experience in the technical field and applicable patent and trademark law;
- (4) the preparation and study the agent is able to give the matter; and
- (5) whether it is appropriate or feasible to refer the matter to, or associate or consult with, an agent of established competence in the field in question.

An agent 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.

An agent may be asked for or may be expected to give advice in response to questions with respect to matters that do not relate to the protection of an invention or trademark, such as the business, economic, policy or social complications involved in the question or the course the client should choose. In many instances, the agent's experience will be such that the agent's views on such matters will be of real benefit to the client. The agent who expresses views on such matters should, if necessary and to the extent necessary, point out any lack of experience or other qualification in the particular field and should clearly distinguish patent or trademark advice from other advice.

## 2. CONFIDENTIALITY

### PRINCIPLE

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

### Rule 2

- 2.1** 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, by order of a court, or otherwise permitted or required by this Code.

#### Commentary

In order to facilitate open communication between client and agent, it is important that the client feel completely secure that such communication will be held in strict confidence by the agent.

This rule must be distinguished from the statutory privilege concerning oral or documentary communications passing between the client and the agent. The ethical rule is wider and applies without regard to the nature or source of the information or the fact that others may share the knowledge.

- 2.2** An agent must exercise reasonable care to ensure the privacy and confidentiality of such confidential information.

#### Commentary

Generally, unless the nature of the matter requires such disclosure, an agent should not disclose having been retained by a person about a particular matter or consulted by a person about a particular matter, whether or not the agent-client relationship has been established between them.

An agent must take care to avoid disclosure to one client of confidential information concerning or received from another client and should decline employment that might require such disclosure.

An agent must take care to avoid inadvertent disclosure of confidential client information when working on client matters in public places. For example, when travelling, an agent



must take reasonable precautions to ensure that confidential client information is not seen or heard by a third party.

In some situations, the authority of the client to disclose may be inferred. For example, it is implied that an agent may, unless the client directs otherwise, disclose the client's affairs to partners, associates administrative staff and other persons in the agent's firm. But this implied authority to disclose places the agent under a duty to impress upon such persons the importance of non-disclosure (both during their employment and afterwards) and requires the agent to take reasonable care to prevent their disclosing or using any information that the agent is bound to keep in confidence.

- 2.3** The agent must continue to hold in confidence such information despite conclusion of the matter or termination of the professional relationship with the client.

### **Commentary**

An agent owes a duty of confidentiality to every client without exception and whether or not the client is a continuing or casual client. The duty survives the professional relationship and continues indefinitely after the agent has ceased to act for the client.

- 2.4** 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.
- 2.5** An agent must not disclose any confidential information disclosed to the agent concerning a client's business or affairs regardless of its source, other than facts that are a matter of public record.
- 2.6** When disclosure is required by law or by order of a court, the agent must always be careful not to divulge more information than is required.
- 2.7** An agent may disclose confidential information to a lawyer to secure legal or ethical advice about the agent's proposed conduct.
- 2.8** If it is alleged that an agent or the agent's associates or employees:
- (a) have committed a criminal offence involving a client's affairs;
  - (b) are civilly liable with respect to a matter involving a client's affairs;

(c) have committed acts of professional negligence; or

(d) have engaged in acts of professional misconduct or conduct unbecoming an agent,

the agent may disclose confidential information in order to defend against the allegations, but must not disclose more information than is required.

- 2.9** An agent also owes a duty of confidentiality to anyone seeking advice or assistance on a matter invoking the agent's professional knowledge, although the agent may not render an account or agree to represent that person. An agent and client relationship is often established without formality.

An agent should be cautious in accepting confidential information on an informal or preliminary basis, since possession of the information may prevent the agent from subsequently acting for another party in the same or a related matter. (see Rule 3 Conflicts)

- 2.10** An agent should avoid indiscreet conversations and other communications, even with the agent's spouse or family, about a client's affairs and should shun any gossip about such things even though the client is not named or otherwise identified. Similarly, an agent should not repeat any gossip or information about the client's business or affairs that is overheard by or recounted to the agent. Apart altogether from ethical considerations or questions of good taste, indiscreet shoptalk among agents, if overheard by third parties able to identify the matter being discussed, could result in prejudice to the client. Moreover, the respect of the listener for agents and the profession will probably be lessened. Although the rule may not apply to facts that are public knowledge, an agent should guard against participating in or commenting on speculation concerning clients' affairs or business.

- 2.11** An agent may disclose confidential information in order to establish or collect the agent's fees, but must not disclose more information than is required.

- 2.12** An agent may disclose confidential information to the extent reasonably necessary to detect and resolve conflicts of interest arising from the agent's change of employment or from changes in the composition or ownership of an agency firm, but only if the information disclosed does not compromise privilege or otherwise prejudice the client.

### **Commentary**

As a matter related to clients' interests in maintaining a relationship with the agent of choice and protecting client confidences, agents in different firms may need to disclose

limited information to each other to detect and resolve conflicts of interest, such as when an agent is considering an association with another firm, two or more firms are considering a merger, or an agent is considering the purchase of an agency practice.

In these situations (see Rule 3.6 on Conflicts From Transfer Between Firms), Rule 2.12 permits agents and firms to disclose limited information. This type of disclosure would only be made once substantive discussions regarding the new relationship have occurred.

This exchange of information between the firms needs to be done in a manner consistent with the transferring agent's and new firm's obligations to protect client confidentiality and privileged information and avoid any prejudice to the client. It ordinarily would include no more than the names of the persons and entities involved in a matter or matters. Depending on the circumstances, it may include a brief summary of the general issues involved, and information about whether the representation has come to an end.

The disclosure should be made to as few agents at the new firm as possible, ideally to one agent of the new firm, such as a designated conflicts agent. The information should always be disclosed only to the extent reasonably necessary to detect and resolve conflicts of interest that might arise from the possible new relationship.

As the disclosure is made on the basis that it is solely for the use of checking conflicts where agents are transferring between firms and for establishing screens, the disclosure should be coupled with an undertaking by the new firm to the former firm that it will:

- (a) limit access to the disclosed information;
- (b) not use the information for any purpose other than detecting and resolving conflicts; and
- (c) return, destroy, or store in a secure and confidential manner the information provided once appropriate confidentiality screens are established.

The client's consent to disclosure of such information may be specifically addressed in a retainer agreement between the agent and client. In some circumstances, however, because of the nature of the retainer, the transferring agent and the new firm may be required to obtain the consent of clients to such disclosure or the disclosure of any further information about the clients. This is especially the case where disclosure would compromise privilege or otherwise prejudice the client (e.g., the fact that a corporate client is seeking due diligence advice relating to a corporate takeover that has not been publicly announced).

## 3. CONFLICTS

### PRINCIPLE

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

### Rule 3

#### Conflict of Interest

**3.1** An agent must not act for a party where there is a substantial risk that an agent's loyalty to or representation of a party would be materially and adversely affected by the agent's own interest or the agent's duties to another client, a former client or a third person (hereinafter a "conflict of interest"), except as permitted under this Code.

#### Commentary

As defined in these rules, a conflict of interest exists when there is a substantial risk that an agent's loyalty to or representation of a client would be materially and adversely affected by the agent's own interest or the agent's duties to another client, a former client or a third person. The risk must be more than a mere possibility; there must be a genuine, serious risk to the duty of loyalty or to client representation arising from the retainer. A client's interests may be seriously prejudiced unless the agent's judgment and freedom of action on the client's behalf are as free as possible from conflicts of interest.

A client must be assured of the agent's undivided loyalty, free from any material impairment of the agent-client relationship. The relationship may be irreparably damaged where the agent's representation of one client is directly adverse to another client's immediate legal interests. A client may legitimately fear that the agent will not pursue the representation out of deference to the other client, and an existing client may legitimately feel betrayed by the agent's representation of a client with adverse legal interests. The prohibition on acting in such circumstances except with the consent of the clients guards against such outcomes and protects the agent/client relationship.

An agent has a duty of commitment to the client which prevents him or her from summarily and unexpectedly dropping a client to circumvent conflict of interest rules. A client may legitimately feel betrayed if an agent ceases to act for the client to avoid a conflict of interest.

An agent should examine whether a conflict of interest exists not only from the outset but throughout the duration of a mandate because new circumstances or information may

establish or reveal a conflict of interest. Accordingly, factors for the agent's consideration in determining whether a conflict of interest exists include:

- (1) the immediacy of the legal interests;
- (2) whether the legal interests are directly adverse;
- (3) whether the issue is substantive or procedural;
- (4) the temporal relationship between the matters;
- (5) the significance of the issue to the immediate and long-term interests of the clients involved; and
- (6) the client's reasonable expectations in retaining the agent for the particular matter or representation.

#### Examples of Conflicts of Interest

The following examples are intended to provide illustrations of circumstances that may give rise to conflicts of interest. The examples are not exhaustive:

- (1) An agent acts against a person in one matter when the agent represents that person in some other matter.
- (2) An agent, an associate, a firm partner or a family member has a personal financial interest in a client's affairs or in a matter which the agent is requested to act for a client, such as a partnership interest in some joint business venture with a client.

Note: An agent owning a small number of shares of a publicly traded corporation would not necessarily have a conflict of interest in acting for the corporation because the holding may have no adverse influence on the agent's judgment or loyalty to the client.

- (3) An agent has a sexual or close personal relationship with a client.

Note: Such a relationship may conflict with the agent's duty to provide objective, disinterested professional advice to the client. The relationship may obscure whether certain information was acquired in the course of the agent and client relationship and may jeopardize the client's right to have all information concerning his or her affairs held in strict confidence. The relationship may in some circumstances permit exploitation of the client by his or her agent. If the agent is a

member of a firm and concludes that a conflict exists, the conflict is not imputed to the agent's firm, but would be cured if another agent in the firm who is not involved in such a relationship with the client handled the client's work.

- (4) An agent or his or her firm acts for a public or private corporation and the agent serves as a director of the corporation.

Note: These two roles may result in a conflict of interest or other problems because they may:

- (a) affect the agent's independent judgment and fiduciary obligations in either or both roles;
  - (b) obscure advice given in one role versus the other;
  - (c) disqualify the agent or firm from acting for the corporation;
  - (d) jeopardize the protection of privilege.
- (5) An agent files a patent application on behalf of one client and the same agent or an associate or firm partner files a protest against the patent application.
  - (6) An agent files a trademark application and the same agent or an associate or firm partner files an opposition to the trademark.
  - (7) An agent provides advice regarding the enforceability of a patent that the agent drafted or prosecuted to a party who is adverse to the patentee.

### **Conflict of Interest Exception**

**3.2** An agent must not represent a client in a matter where there is a conflict of interest unless there is express or implied consent from all clients and the agent reasonably believes that he or she is able to represent each client without having a material adverse effect upon the representation of or loyalty to the other client.

- (1) Express consent must be fully informed and voluntary after disclosure;
- (2) Consent may be inferred and need not be in writing where all of the following apply:

- (a) The client is a government, financial institution, publicly traded or similarly substantial entity;
- (b) the matters are unrelated; and
- (c) the agent has no relevant confidential information from one client that might reasonably affect the other.

## **Commentary**

### Disclosure and Consent

Disclosure is an essential requirement to obtaining a client's consent. Where it is not possible to provide the client with adequate disclosure because of the confidentiality of the information of another client, the agent must decline to act.

Disclosure means full and fair disclosure of all information relevant to a client's decision in sufficient time for the client to make a genuine and independent decision, and the taking of reasonable steps to ensure understanding of the matters disclosed. The agent should inform the client of the relevant circumstances and the reasonably foreseeable ways that the conflict of interest could adversely affect the client's interests. This would include the agent's relations to the parties and any interest in or connection with the matter.

While this rule does not require that an agent advises a client to obtain independent legal advice about the conflict of interest, in some cases the agent should recommend such advice, e.g. where the client is vulnerable or not sophisticated.

### Consent in Advance

An agent may be able to request that a client consent in advance to conflicts that might arise in the future. As the effectiveness of such consent is generally determined by the extent to which the client reasonably understands the material risk that the consent entails, the more comprehensive the explanation of the types of future representations that might arise and the actual and reasonably foreseeable adverse consequences of those representations, the greater the likelihood that the client will have the requisite understanding. A general, open-ended consent will ordinarily be ineffective because it is not reasonably likely that the client will have understood the material risks involved. If the client is an experienced user of the agent services involved and is reasonably informed regarding the risk that a conflict may arise, such consent is more likely to be

effective, particularly if, for example, the client is independently represented by other counsel in giving consent and the consent is limited to future conflicts unrelated to the subject of the representation.

While not a prerequisite to advance consent, in some circumstances it may be advisable to recommend that the client obtain independent legal advice before deciding whether to provide consent. Advance consent must be documented, for example in a retainer letter.

### Implied Consent

In some cases consent may be implied rather than expressly granted. It may be unreasonable for a client to claim that it expected that the loyalty of the agent or firm would be undivided and the agent or firm would refrain from acting against the client in unrelated matters. In considering whether the client's expectation is reasonable, the nature of the relationship between the agent and the client, the terms of the retainer and the matters involved must be considered. Governments, large corporations and entities that might be considered sophisticated consumers of agent services may accept that agents may act against them in unrelated matters where there is no danger of misuse of confidential information. The more sophisticated the client as a consumer of agent services, the more likely that an inference of consent can be drawn. The mere nature of the client is not, however, a sufficient basis upon which to assume implied consent; the matters must be unrelated, the agent must not possess confidential information from one client that could affect the other client, and there must be a reasonable basis to conclude that the client has commonly accepted that agents may act against it in such circumstances.

## **Dispute**

**3.3** An agent must not advise or represent both sides of a dispute or potential dispute.

### **Commentary**

In a dispute, the parties' immediate legal interests are clearly adverse. If an agent were permitted to act for opposing parties in a dispute even with consent, the agent's advice, judgment and loyalty to one client would be materially and adversely affected by the same duties to the other client or clients.



## Joint Representation

- 3.4** (1) Before an agent acts in a matter or transaction for more than one client, the agent must advise each of the clients that:
- (a) the agent has been asked to act for both or all of them;
  - (b) no information received in connection with the matter from one client can be treated as confidential so far as any of the others are concerned, unless the clients instruct otherwise;
  - (c) if a conflict develops that cannot be resolved, the agent cannot continue to act for both or all of them and may have to withdraw completely.
- (2) If an agent has a continuing relationship with a client for whom the agent acts regularly, before the agent accepts joint employment for that client and another client in a matter or transaction, the agent must advise the other client of the continuing relationship and recommend that the client obtain independent legal advice about the joint retainer.
- (3) When an agent has advised the clients as provided under Rule 3.4(1) and (2) and the parties are content that the agent act for them, the agent must obtain their consent *and confirm such consent in a separate written communication to each client*.
- (4) Except as provided in Rule 3.4(5), if a contentious issue arises between clients who have consented to a joint retainer:
- (a) the agent must not advise them on the contentious issue and must:
    - (i) refer the clients to other agents; or
    - (ii) advise the clients of their option to settle the contentious issue by direct negotiation in which the agent does not participate and recommend that the clients each obtain independent legal advice.
  - (b) if the contentious issue is not resolved, the agent must withdraw from the joint representation.
- (5) Subject to this rule, if clients consent to a joint retainer and also agree that if a

contentious issue arises, the agent may continue to advise one of them, the agent may advise that client about the contentious matter and must refer the other or others to another agent.

## **Commentary**

### With respect to Rule 3.4(1):

Although this rule does not require that an agent advise clients to obtain independent legal advice before the agent may accept a joint retainer, in some cases, the agent should recommend such advice to ensure that the clients' consent to the joint retainer is informed, genuine and uncoerced. This is especially so when one of the clients is less sophisticated or more vulnerable than the other.

### With respect to Rule 3.4(3):

Even where all parties concerned consent, an agent should avoid acting for more than one client when it is likely that a contentious issue will arise between them or their interests, rights or obligations will diverge as the matter progresses.

### With respect to Rule 3.4(4):

If, after the clients have consented to a joint retainer, an issue contentious between them or some of them arises, the agent is not necessarily precluded from advising them on non-contentious matters.

### With respect to Rule 3.4(5):

This rule does not relieve the agent of the obligation when the contentious issue arises to obtain the consent of the clients when there is or is likely to be a conflict of interest, or if the representation on the contentious issue requires the agent to act against one of the clients.

When entering into a joint retainer, the agent should stipulate that, if a contentious issue develops, the agent will be compelled to cease acting altogether unless, at the time the contentious issue develops, all parties consent to the agent's continuing to represent one of them. Consent given before the fact may be ineffective since the party granting the consent will not at that time be in possession of all the relevant information.

## **Acting against former clients**

- 3.5** (1) Unless the former client consents, an agent must not act against a former client in:
- (a) the same matter;
  - (b) any related matter;
  - (c) any other matter if the agent has relevant confidential information arising from the representation of the former client that may prejudice that client.
- (2) When an agent has acted for a former client and obtained confidential information relevant to a new matter, another agent (the “other agent”) in the agent’s firm may act in the new matter against the former client if:
- (a) the former client consents to the other agent acting; or
  - (b) the firm has:
    - (i) taken reasonable measures to ensure that there will be no disclosure of the former client’s confidential information by the agent to any other agent, any other member or employee of the firm, or any other person whose services the agent or the firm has retained in the new matter; and
    - (ii) advised the agent’s former client, if requested by the client, of the measures taken.

### **Commentary**

#### With respect to Rule 3.5(1):

This rule prohibits an agent from attacking the work done during the retainer or from undermining the client’s position on a matter that was central to the retainer. It is not improper for an agent to act against a former client in a fresh and independent matter wholly unrelated to any work the agent has previously done for that client if previously obtained confidential information is irrelevant to that matter.

## Conflicts Arising from Transfer between Firms

- 3.6** (1) Rules 3.6(2) – (5) apply when an agent transfers from one firm (“former firm”) to another (“new firm”) and either the transferring agent or the new firm is aware at the time of the transfer or later discovers that:
- (a) it is reasonable to believe that the transferring agent has confidential information relevant to the new firm’s matter for its client; or
  - (b) the new firm represents a client in a matter that is the same as or related to a matter in which the former firm represents its client (“former client”);
  - (c) the interests of those clients in that matter conflict; and
  - (d) the transferring agent actually possesses relevant information respecting that matter.
- (2) If the transferring agent actually possesses confidential information relevant to a matter respecting the former client that may prejudice the former client if disclosed to a member of the new firm, the new firm must cease its representation of that client in that matter unless:
- (a) the former client consents to the new firm’s continued representation of its client; or
  - (b) the new firm has:
    - (i) taken reasonable measures to ensure that there will be no disclosure of the former client’s confidential information by the agent to any other agent, any other member or employee of the firm, or any other person whose services the agent or the firm has retained in the new matter; and
    - (ii) advised the agent’s former client, if requested by the client, of the measures taken.
- (3) Unless the former client consents:
- (a) a transferring agent referred to in Rule 3.6(2) must not participate in any manner in the new firm’s representation of its client in the matter or disclose

any confidential information respecting the former client except as permitted by Rule 2.12; and

- (b) members of the new firm must not discuss the new firm's representation of its client or the former firm's representation of the former client in that matter with a transferring agent except as permitted by Rule 2.12.
- (4) An agent must exercise due diligence in ensuring that each member and employee of his or her firm and each other person whose services the agent has retained:
- (a) complies with Rule 3.6(1) to (4); and
  - (b) does not disclose confidential information of clients of the firm and of any other firm in which the person has worked.

### **Commentary**

The duties imposed by this rule concerning confidential information should be distinguished from the general ethical duty to hold in strict confidence all information concerning the business and affairs of the client acquired in the course of the professional relationship, which duty applies without regard to the nature or source of the information or to the fact that others may share the knowledge.

#### With respect to Rule 3.6(1):

The purpose of the rule is to deal with actual knowledge. Imputed knowledge does not give rise to disqualification.

**Firms with multiple offices:** This rule treats as one firm such entities as a corporation with separate regional intellectual property departments and an inter-provincial firm. The more autonomous each unit or office is, the easier it should be, in the event of a conflict, for the new firm to obtain the former client's consent or to establish that it is in the public interest that it continue to represent the client in the matter.

#### With respect to Rule 3.6(2):

**Matters to Consider:** When a firm ("new firm") considers hiring an agent or agent in training ("transferring agent") from another firm ("former firm"), the transferring agent and the new firm need to determine, before the transfer, whether any conflicts of interest will be created. Conflicts can arise with respect to clients of the former firm and with

respect to clients of a firm which the transferring agent worked at some earlier time.

In determining whether the transferring agent possesses confidential information, both the transferring agent and the new firm must be careful, during any interview of a potential transferring agent, or other recruitment process, to ensure that they do not disclose client confidences. See Rule 2.12 which provides that an agent may disclose confidential information to the extent that the agent reasonably believes necessary to detect and resolve conflicts of interest where agents transfer between firms.

#### *Reasonable Measures to Ensure Non-Disclosure of Confidential Information*

It is not possible to offer a set of “reasonable measures” that will be appropriate or adequate in every case. Instead, the new firm that seeks to implement reasonable measures must exercise professional judgment in determining what steps must be taken “to ensure that no disclosure will occur to any member of the new firm of the former client’s confidential information”. Such measures may include timely and properly constructed confidentiality screens.

The guidelines that follow are intended as a checklist of relevant factors to be considered. Adoption of only some of the guidelines may be adequate in some cases, while adoption of them all may not be sufficient in others.

There are two circumstances in which the new firm should consider the implementation of reasonable measures to ensure that no disclosure of the former client’s confidential information will occur to any member of the new firm:

- (a) when the transferring agent actually possesses confidential information respecting a former client that may prejudice the former client if disclosed to a member of the new firm; and
- (b) when the new firm is not sure whether the transferring agent actually possesses such confidential information but it wants to ensure no disclosure will occur to any member of the new firm of the former client’s confidential information if it is later determined that the transferring agent did in fact possess such confidential information.

#### *Guidelines*

1. The screened agent should have no involvement in the new firm’s representation of its client.

2. The screened agent should not discuss the current matter or any information relating to the representation of the former client (the two may be identical) with anyone else in the new firm.
3. No member of the new firm should discuss the current matter or the previous representation with the screened agent.
4. The current matter should be discussed only within the limited group that is working on the matter.
5. The files of the current client, including computer files, should be physically segregated from the new firm's regular filing system, specifically identified, and accessible only to those agents and support staff in the new firm who are working on the matter or who require access for other specifically identified and approved reasons.
6. No member of the new firm should show the screened agent any documents relating to the current representation.
7. The measures taken by the new firm to screen the transferring agent should be stated in a written policy explained to all partners and associates of the firm and support staff within the firm, supported by an admonition that violation of the policy will result in sanctions, up to and including dismissal.
8. Appropriate firm members should provide written confirmation setting out that they have adhered to and will continue to adhere to all elements of the screen.
9. The new firm should document the measures taken to screen the transferring agent; the time when these measures were put in place (the sooner the better); and should advise support staff of the measures taken.
10. The screened agent's office or work station and that of the agent's support staff should be located away from the offices or work stations of the agents and support staff working on the matter.
11. The screened agent should use associates and support staff different from those working on the current matter.
12. In the case of firms with multiple offices, consideration should be given to referring the conduct of the matter to agents in another office.

These Guidelines apply with necessary modifications to situations in which non-agent staff leave one firm to work for another and a determination is made, before hiring the individual, on whether any conflicts of interest will be created and whether the potential new hire actually possesses relevant confidential information.

With respect to Rule 3.6(4)

Agents and support staff: This rule is intended to regulate agents and agents in training who transfer between firms. It also imposes a general duty on agents to exercise due diligence in the supervision of staff to ensure that they comply with the rule and with the duty not to disclose confidences of clients of the agents' firm and confidences of clients of other firms in which the person has worked.

Certain non-agent staff in a firm routinely have full access to and work extensively on client files. As such, they may possess confidential information about the client. If these staff move from one firm to another and the new firm acts for a client opposed in interest to the client on whose files the staff worked, unless measures are taken to screen the staff, it is reasonable to conclude that confidential information may be shared. It is the responsibility of the agent/firm to ensure that staff who may have confidential information that if disclosed, may prejudice the interests of the client of the former firm, have no involvement with and no access to information relating to the relevant client of the new firm.

### **Business Transactions with Clients**

- 3.7** (1) Subject to Rules 3.7(2) and 3.7(3) 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 fair and reasonable, and its terms are fully disclosed to the client in writing in a manner that is reasonably understood by the client;
  - (b) the client has obtained independent legal advice about the transaction or has expressly waived the right to independent legal advice, the onus being on the agent to prove that the client's interests were protected by such independent legal advice; and
  - (c) the client consents in writing to the transaction.
- (2) Where 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.
- (3) When an agent has been retained to provide services relating to a new trademark application and the agent is responsible or contributes substantially to the creation of a trademark, the agent must advise the client to obtain independent professional advice as to:
- (a) whether or not the agent is entitled to ownership or partial ownership of rights in such trademark; and
  - (b) whether a new agent should be retained to prosecute the application.
- (4) When a client intends to pay for agency services by transferring to the agent, a share, participation or other interest in property or in an enterprise other than a non-material interest in a publicly traded enterprise, the agent must recommend but need not require that the client receive independent legal advice before accepting a retainer.

### **Commentary**

#### With respect to Rule 3.7(1)

The agent cannot act where the business transaction is one in which there is a substantial risk that the agent's loyalty to or representation of the client would be materially and adversely affected by the agent's own interest, unless the client consents and the agent reasonably believes that he or she is able to act for the client without having a material adverse effect on loyalty or the representation. If the agent chooses not to disclose the conflicting interest (i.e. the agent's own interest) or cannot do so without breaching confidence, the agent must decline the retainer.

An agent should not uncritically accept a client's decision to have the agent act. It should be borne in mind that, if the agent accepts the retainer, the agent's first duty will be to the

client. If the agent has any misgivings about being able to place the client's interests first, the retainer should be declined.

With respect to Rule 3.7(4)

The remuneration paid to an agent by a client for agency work undertaken by the agent for the client does not give rise to a conflicting interest.

## 4. QUALITY OF SERVICE

### PRINCIPLE

*An agent must be both honest and candid when advising clients and must inform the client of all information known to the agent that may affect the interests of the client in the matter.*

### Rule 4

- 4.1** The agent must give the client competent advice and service based on a sufficient knowledge of the relevant facts, an adequate consideration of the applicable law, and the agent's own experience and expertise.
- 4.2** The agent's advice must be open and undisguised, and must clearly disclose what the agent honestly thinks about the merits and probable results.

### Commentary

Occasionally, an agent must be firm with a client. Firmness, without rudeness, is not a violation of the rule. In communicating with the client, the agent may disagree with the client's perspective, or may have concerns about the client's position on a matter, and may give advice that will not please the client. This may legitimately require firm and animated discussion with the client. The agent must not keep the client in the dark about matters he or she knows to be relevant to the retainer.

- 4.3** 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.

### Commentary

An agent has a duty to communicate effectively with the client. What is effective will vary depending on the nature of the retainer, the needs and sophistication of the client and the need for the client to make fully informed decisions and provide instructions.

- 4.4** An agent must reasonably promptly act on the client's instructions and must reply to all client inquiries.
- 4.5** 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.

## **Commentary**

An agent should provide to the client in writing, before or within a reasonable time after commencing a representation, as much information regarding fees and disbursements as is reasonable and practical in the circumstances, including the basis on which fees will be determined. An agent should confirm with the client in writing the substance of all fee discussions that occur as a matter progresses, and an agent may revise an initial estimate of fees and disbursements.

- 4.6** An agent must communicate in a timely and effective manner at all stages of the client's matter or transaction.

## **Commentary**

The requirement of conscientious, diligent and efficient service means that an agent should make every effort to provide timely service to the client. An agent should meet deadlines, unless the agent is able to offer a reasonable explanation and ensure that no prejudice to the client will result. Whether or not a specific deadline applies, an agent should be prompt in prosecuting a matter, responding to communications and reporting developments to the client. In the absence of developments, contact with the client should be maintained to the extent the client reasonably expects.

- 4.7** An agent should not undertake to act for a client if he or she is not comfortable, for justifiable reasons, with undertaking the requested task or job for that particular client or he or she 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 this Code.
- 4.8** An agent must reasonably promptly inform the client of any material error or omission with respect to the client's matter.

## **Commentary**

When, in connection with a matter for which an agent is responsible, an agent discovers an error or omission that is or may be damaging to the client and that cannot be rectified readily, the agent must:

- (a) promptly inform the client of the error or omission without admitting legal liability;

(b) recommend that the client obtain independent advice concerning the matter;  
and

(c) advise the client of the possibility that, in the circumstances, the agent may no longer be able to act for the client.

## 5. FEES

### PRINCIPLE

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

### Rule 5

- 5.1** An agent must not charge or accept any fee or disbursement, including interest that is not fully and timely disclosed, fair and reasonable.
- 5.2** Subject to Rule 5.1 (above), an agent may enter into a written agreement that provides that the agent's fee is contingent, in whole or in part, on the outcome of the matter for which the agent's services are to be provided.
- 5.3** 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 this Rule. 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.
- 5.4** 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.
- 5.5** In a statement of account delivered to a client, an agent must clearly and separately detail the amounts charged as fees and disbursements, and may not show as a disbursement to a third party any sum which is not paid to a third party.
- 5.6** If the client consents, fees for any matter may be divided with another agent or a lawyer who is not a partner or associate in the same firm as the agent, provided the fees are divided in proportion to the work done and responsibilities assumed.
- 5.7** If an agent refers a matter to another agent or professional because of the expertise and ability of the other agent or professional to handle the matter, and the referral was not made because of a conflict of interest, the referring agent may accept, and the other agent may pay, a referral fee provided that:
- (a) the fee is reasonable and does not increase the total amount of the fee charged to the client; and

(b) the client is informed and consents.

**5.8** If an agent requires payment prior to commencing the client's work, the agent must confirm in writing with the client the amount and purpose of the payment, and the consequences of delay in effecting such payment and delay in the commencement of the work, including any possible loss of rights.

### **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 time and effort required and expended;
- (b) the nature of the matter, including its difficulty and urgency, its importance to the client, its monetary value, and other special circumstances, such as postponement of payment and uncertainty of reward;
- (c) whether special skill or service has been required and provided;
- (d) the results obtained;
- (e) the customary charges of other agents of equal standing in the locality in similar matters and circumstances;
- (f) the likelihood, if made known to the client, that acceptance of the retainer will result in an agent's inability to accept other work;
- (g) any relevant agreement between the agent and the client;
- (h) the experience and ability of the agent;
- (i) any estimate or range of fees given by the agent;
- (j) whether the fee is contingent on the outcome of the matter;
- (k) the client's prior consent to the fee; and
- (l) the direct costs incurred by the agent in providing the services.

An agent should provide to the client in writing, before or within a reasonable time after commencing a representation, as much information regarding fees and disbursements, and interest, as is reasonable and practical in the circumstances, including the basis on which fees will be determined.

An agent should be ready to explain the basis of fees and disbursements charged to the client. When something unusual or unforeseen occurs that may substantially affect the amount of a fee or disbursement, the agent should give the client a prompt explanation.

Regarding contingency fees (see j) above and Rule 5.2), although an agent is generally permitted to terminate the professional relationship with a client and withdraw services pursuant to these rules (Rule 6, next section) special circumstances apply when the retainer is pursuant to a contingency agreement. In such circumstances, the agent has impliedly undertaken the risk of not being paid in the event the retainer is not successful. Accordingly, an agent cannot withdraw from representation for reasons set out in Rule 6.2(a) in relation to fees unless the written contingency contract specifically provides that the agent has the right to do so and sets out the circumstances under which this may occur.



## 6. WITHDRAWAL OF SERVICES

### PRINCIPLE

*An agent must not withdraw from representation of a client except for good cause and on reasonable notice to the client.*

### Rule 6

**6.1** 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 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 the client would violate the agent's obligations with respect to conflict of interest.

**6.2** 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.

**6.3** An agent may withdraw if the client consents.

- 6.4** 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.
- 6.5** 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.
- 6.6** 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.
- 6.7** Before agreeing to represent a client, a successor agent must be satisfied that the former agent has withdrawn or has been discharged by the client in that matter.

### **Commentary**

An essential element of reasonable notice is notification to the client, unless the client cannot be located after reasonable efforts. No hard and fast rules can be laid down as to what constitutes reasonable notice before withdrawal, and how quickly an agent may cease acting after notification will depend on all relevant circumstances. The governing principle is that the agent should protect the client's interests to the best of the agent's ability and should not desert the client at a critical stage of a matter or at a time when withdrawal would put the client in a position of disadvantage. As a general rule, the client should be given sufficient time to retain and instruct a replacement agent, including lodging an appointment of agent in the relevant CIPO Office. Every effort should be made to ensure that withdrawal occurs at an appropriate time in the prosecution of an application in keeping with the agent's obligations. The relevant CIPO office, opposing parties, foreign agents, and others directly affected should also be notified of the withdrawal.

Unless the first client consents, an agent must not summarily and unexpectedly withdraw his or her services from the first client in order to avoid a conflict arising from accepting a new second client. Note that disclosure is an essential requirement to obtaining the first client's consent. Where it is not possible to provide the first client with adequate disclosure because of confidentiality of the information of the second client, the agent must decline to provide services to the second client.

When an agency firm is dissolved or an agent leaves an agency firm to practise elsewhere, it usually results in the termination of the agent-client relationship as between a particular client and one or more of the agents involved. In such cases, most clients prefer to retain the services of the agent whom they regarded as being in charge of their business before the change. However, the final decision rests with the client, and the agents who are no longer retained by that client should act in accordance with the principles set out in this rule, and, in particular, should try to minimize expense and avoid prejudice to the client. The client's interests are paramount and, accordingly, the decision whether the agent will continue to represent a given client must be made by the client in the absence of undue influence or harassment by either the agent or the agency firm. That may require either or both the departing agent and the agency firm to notify clients in writing that the agent is leaving and advise the client of the options available: to have the departing agent continue to act, have the agency firm continue to act, or retain a new agent or agency firm.

On discharge or withdrawal, an agent must:

- (a) notify the client in writing, stating:
  - (i) the fact that the agent has withdrawn;
  - (ii) the reasons, if any, for the withdrawal; and
  - (iii) in the case of a hearing, that the client should expect that the hearing will proceed on the date scheduled and that the client should retain a new agent promptly;
- (b) deliver to or to the order of the client all papers and property to which the client is entitled;
- (c) subject to any applicable trust conditions, give the client all relevant information in connection with the case or matter;
- (d) account for all funds of the client then held or previously dealt with, including the refunding of any remuneration not earned during the representation;
- (e) promptly render an account for outstanding fees and disbursements;
- (f) co-operate with the successor agent in the transfer of the file so as to minimize expense and avoid prejudice to the client; and
- (g) comply with the applicable rules of the CIPO office involved.

If the agent who is discharged or withdraws is a member of a firm, the client should be notified

that the agent and the firm are no longer acting for the client.

The obligation to deliver papers and property is subject to an agreement between the agent and the client. In the event of conflicting claims to such papers or property, the agent should make every effort to have the claimants settle the dispute.

Co-operation with the successor agent will normally include providing all files for applications and patents/registered trademarks but confidential information not clearly related to the matter should not be divulged without the written consent of the client.

An agent acting for several clients in a case or matter who ceases to act for one or more of them should co-operate with the successor agent or agents to the extent required by these rules and should seek to avoid any unseemly rivalry, whether real or apparent.

It is quite proper for the successor agent to urge the client to settle or take reasonable steps towards settling or securing any outstanding account of the former agent, especially if the latter withdrew for good cause or was capriciously discharged. But, if a matter is in progress or imminent, or if the client would otherwise be prejudiced, the existence of an outstanding account should not be allowed to interfere with the successor agent acting for the client.

## 7. DUTIES TO THE INSTITUTE AND THE PROFESSION

### PRINCIPLE

*An agent must assist in maintaining the standards of the profession in dealings with the Institute and the profession generally. An agent's conduct toward other agents must be characterized by courtesy and good faith.*

### Rule 7

- 7.1 An agent must conduct himself or herself in a professional manner.
- 7.2 An agent must refrain from conduct that brings discredit to the profession.
- 7.3 A member of the Institute must respond promptly and in a complete and appropriate manner to any communication from the Institute relating to the member's conduct.
- 7.4 An agent has a professional duty to meet financial obligations in relation to the agent's practice.
- 7.5 An agent must report to the Institute 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.
- 7.6 An agent must encourage a client who has a claim or complaint against an apparently dishonest agent to report the facts to the Institute as soon as reasonably practicable.
- 7.7 An agent has complete professional responsibility for all business entrusted to him or her and must directly supervise staff and assistants to whom the agent delegates particular tasks and functions.
- 7.8 An agent acting as a supervisor to an agent trainee must provide the agent trainee with meaningful training and exposure to and involvement in work that will provide the agent trainee with knowledge and experience of the practical aspects of patent agency or trademark agency, together with an appreciation of the traditions and ethics of the profession.
- 7.9 In connection with an agent's practice, an agent must not discriminate against any person.
- 7.10 In connection with an agent's practice, an agent must not sexually harass or engage in any other form of harassment of any person.

- 7.11** (a) When an agent (“transferring agent”) transfers from a firm (“former firm”) to a new firm, neither the agent nor the former firm must exercise or attempt to exercise undue influence or harassment upon clients of the former firm whose work was done by the transferring agent to influence the decision of the client as to who will represent the client.
- (b) While an agent is employed, the agent must not solicit business from the agent’s employer’s clients or prospective clients on his or her account, without the knowledge of the agent’s employer.

## 8. COMMUNICATIONS TO THE INSTITUTE, CIPO AND OTHERS

### PRINCIPLE

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

### Rule 8

- 8.1**
- (1) An agent must be courteous and civil and act in good faith with all persons with whom the agent has dealings in the course of his or her practise. For further certainty, an agent must be courteous and civil and act in good faith with CIPO.
  - (2) 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, CIPO or the Institute, must be fair, accurate and courteous.
  - (3) An agent must avoid sharp practice and must not take advantage of or act without fair warning upon slips, irregularities or mistakes on the part of other agents not going to the merits or involving the sacrifice of a client's rights.
  - (4) An agent should avoid ill-considered or uninformed criticism of the competence, conduct, advice or charges of other agents, but should be prepared when requested to advise and represent a client involving another agent.
  - (5) An agent should agree to reasonable requests concerning hearing dates, adjournments, the waiver of procedural formalities and similar matters that do not prejudice the rights of the client or unless to do so would be contrary to the client's instructions.

### Commentary

The public interest demands that matters entrusted to an agent be dealt with effectively and expeditiously, and fair and courteous dealing on the part of each agent engaged in a matter will contribute materially to this end. The agent who behaves otherwise does a disservice to the client and neglect of the rule will impair the ability of agents to perform their functions properly.

Any ill feeling that may exist or be engendered between clients, particularly during opposition proceedings, should never be allowed to influence agents in their conduct and demeanour toward each other or the parties. The presence of personal animosity between

agents involved in a matter may cause their judgment to be clouded by emotional factors and hinder the proper resolution of the matter.

- 8.2**
- (1) An agent must not in the course of professional practise send correspondence or otherwise communicate to a client, another agent, CIPO or any other person in a manner that is abusive, offensive, or otherwise inconsistent with the proper tone of a professional communication from an agent.
  - (2) An agent must answer with reasonable promptness all professional letters and communications from other agents and from CIPO which require an answer and an agent must be punctual in fulfilling all commitments.
  - (3) Subject to Rule 8.2(4), if a person is represented by an agent or lawyer in respect of a matter, another agent must not, except through or with the consent of the person's agent or lawyer:
    - (a) approach, communicate or deal with the person on the matter; or
    - (b) attempt to negotiate or compromise the matter directly with the person.
  - (4) An agent who is not otherwise interested in a matter may give a second opinion to a person who is represented by an agent with respect to that matter.
  - (5) An agent retained to act on a matter involving a corporate or other organization represented by an agent or lawyer must not approach an officer or employee of the organization:
    - (a) who has the authority to bind the corporation;
    - (b) who supervises, directs or regularly consults with the organization's agent;  
or
    - (c) whose own interests are directly at stake in the representation,

in respect of that matter, unless the agent or lawyer representing the organization consents or the contact is otherwise authorized or required by law. For purposes of this rule, "other organizations" include partnerships, associations, unions, unincorporated groups, government departments and agencies, tribunals, regulatory bodies and sole proprietorships.



## **Commentary**

Rule 8.2(3) applies to communications with any person, whether or not a party to a formal adjudicative proceeding, contract or negotiation, who is represented by an agent concerning the matter to which the communication relates. An agent may communicate with a represented person outside the representation. Rule 8.2(3) does not prevent parties to a matter from communicating directly with each other.

The prohibition on communications with a represented person applies only where the agent knows or should know based on the circumstances that the person is represented in the matter to be discussed.

Rule 8.2(4) deals with circumstances in which a client may wish to obtain a second opinion from another agent. In providing a second opinion, in order to provide competent services the agent may require facts that can be obtained only through consultation with the first agent involved. The agent should advise the client accordingly and if necessary consult the first agent, unless the client instructs otherwise.

Rule 8.2(5) prohibits an agent representing another person or entity from communicating about the matter in question with persons likely involved in the decision-making process for a corporation or other organization. If the organization or corporation is represented by an agent, the consent of that agent to the communication will be sufficient for the purposes of this rule. An agent may communicate with employees of the corporation or organization concerning matters outside of the representation.

- 8.3** When an agent deals on a client's behalf with an unrepresented person, the agent must:
- (a) advise the unrepresented person to obtain independent representation;
  - (b) take care to see that the unrepresented person is not proceeding under the impression that his or her interests will be protected by the agent;
  - (c) make it clear to the unrepresented person that the agent is acting exclusively in the interests of the client; and
  - (d) extend the same courtesy and good faith to the unrepresented person as is extended to other agents or agent trainees.

## **Commentary**

If an unrepresented person requests the agent to advise or act in the matter, the agent should be governed by the considerations outlined in the Conflicts Rule about joint retainers.

- 8.4** An agent who receives a document relating to the representation of the agent’s client and knows or reasonably should know that the document was inadvertently sent must promptly notify the sender. For purposes of this rule, “document” includes email or other electronic modes of transmission subject to being read or put into readable form.

## **Commentary**

Agents sometimes receive documents that were mistakenly sent by opposing parties or their agents. If an agent knows or reasonably should know that such a document was sent inadvertently, then this rule requires the agent to notify the sender promptly in order to permit that person to take protective measures.

Some agents may choose to return a document unread for example, when the agent learns before receiving the document that it was inadvertently sent to the wrong address. Unless the agent is required by applicable law to do so, the decision to voluntarily return such a document is a matter of professional judgment ordinarily reserved to the agent.

## 9. ADVERTISING

### PRINCIPLE

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

- (1) neither false or misleading, confusing, or deceptive, nor likely to mislead, confuse or deceive;*
- (2) in good taste,*
- (3) not likely to bring the profession into disrepute, and*
- (4) demonstrably true, accurate and verifiable.*

### Rule 9

**9.1** An agent must not use any description that falsely suggests that the agent or another person in his or her firm has academic or professional qualifications that such agent or person does not possess.

#### Commentary

Clients often seek an agent with certain background or skills. Such clients should not be misled by an agent holding out himself or herself or other members of his or her firm as having skills that they do not possess.

**9.2** The Agent's advertisements may be designed to provide information to assist a potential client to choose an agent who has the appropriate skills and knowledge for the client's particular matter. 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. In all cases, the representations made must be accurate (that is, demonstrably true) and must not be misleading.

**9.3** 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.

**9.4** An agent may advertise fees charged for their services provided that:

- (a) the advertising is reasonably precise as to the services offered for each fee quoted;

- (b) the advertising states whether other amounts, such as disbursements and taxes, will be charged in addition to the fee; and
- (c) the agent strictly adheres to the advertised fee in every applicable sense.

### **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.

## 10. UNAUTHORIZED PRACTICE

### PRINCIPLE

*An agent owes a duty to assist in preventing the unauthorized practice of persons or entities as patent agents or trademark agents.*

### Rule 10

- 10.1** An agent should not, without the express approval of the Institute through Council, retain, occupy office space with, use the services of, partner or associate with, or employ in any capacity having to do with the practice of patent or trademark 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.
- 10.2** An agent must not aid or assist a person who is practicing as a patent agent or trademark agent in an unauthorized manner.
- 10.3** 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, shall not:
- (a) practice as a patent or trademark agent, as applicable, or
  - (b) represent or hold himself or herself out as a person entitled to practice as a patent or trade-mark agent, as applicable.
- 10.4** A member of the Institute who is not an agent must not hold him or herself out as an agent, whether by advertising membership in the Institute or otherwise.

### 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 trademark agency services to members of the public.

## 11. DISCIPLINE

### Ethics Sub-committee

- 11.1** Council shall appoint from amongst its members a sub-committee to be known as the Ethics Sub-Committee to which Sub-Committee shall be referred all apparent breaches of the Code of Ethics which shall come to the attention of Council.

It shall be the duty of the Ethics Sub-Committee to investigate each apparent breach of the Code of Ethics which is referred to it and to report back to Council:

- (a) whether, following appropriate investigation, it appears that such apparent breach of the Code of Ethics has in fact occurred, and
- (b) the steps which it recommends to Council for dealing with such apparent breach.

Upon receipt of the report of the Ethics Sub-Committee, Council shall decide whether or not such breach warrants disciplinary action.

### Disciplinary Action by Council

- 11.2** Disciplinary action shall be initiated by serving upon the member of the Institute concerned a statement in writing of the acts or omissions which it is alleged constitute a breach of the Code of Ethics and the section or sections of the Code of Ethics which are alleged to have been breached.

The member of the Institute shall have the right to submit an answer in writing to Council within a time to be stated in the statement referred to in paragraph 1 or such further time as the member of the Institute may request and Council permit as being reasonably necessary for the preparation of his or her answer.

In the event that no such written answer is received or that such written answer does not in the opinion of Council satisfactorily dispose of the matter, Council may summon the member to appear before a special meeting of Council either in person or, if such member so desires, by representative to explain the member's conduct.

Subsequent to such appearance of the member of the Institute before Council or in default of such appearance, Council may, by the affirmative vote of at least six members of Council forming a majority of Council, discipline such member of the Institute by:

- (a) admonishment or reprimand delivered orally in the presence of the member or in writing,
- (b) suspension for such period and on such terms as Council deems appropriate, such suspension and the terms of condition thereof to be notified to the member by notice in writing, or
- (c) expulsion from the Institute, such expulsion and the reasons therefor to be notified to the member by notice in writing together with the reasons for such expulsion.

*Notice of such admonishment, reprimand, suspension or expulsion and the reasons therefor may, at the discretion of Council, be published and Council may, in its discretion, withhold the name of the member concerned from the Notice, provided, however, (i) that such Notice shall not be published unless the member shall have been advised at the time that the member is disciplined that there will be publication, (ii) that there shall be no publication until the time for appeal as provided in the By-laws has expired and, (iii) that, in the event of an appeal, there shall be no publication other than in a notice of meeting until the appeal has been determined.*

## **Miscellaneous**

**11.3** In the case of a non-resident member of the Institute, if there is any conflict between the standards of conduct set forth in this Code and the standard of professional conduct obtaining among reputable patent and trademark agents in the member's own country, compliance by the member with the standards obtaining in the member's own country but not with the standards prescribed herein shall not be deemed to be unprofessional conduct unless, after due investigation, Council by a majority vote at a meeting duly called for the purpose, finds that the conduct of the member reflects discredit on the Institute or its members.

Any member of the Institute may ask Council 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 Council may rule thereon.

Council may, from time to time issue memoranda on practising ethics which shall be published in the Canadian Intellectual Property Review or other publication of the Institute for the guidance of the members.