

BLG Canada Response to Annex A of the Strategic Consultation entitled Governing Framework for IP Agents	
Note: <i>Draft Code of Conduct</i> = "Annex A"	
Note: <i>Rules of Professional Conduct of the Law Society of Upper Canada</i> = "LSUC Rules"	
Note: <i>Rules of Professional Conduct of the USPTO</i> = "USPTO Rules"	
Section of Annex A	Comment
Definitions	
"Agent" includes a registered trademark agent or a registered patent agent	Do we need a provision here to cover administrative suspensions? Or clarify that it covers work done by the agent while they were an agent regardless their current status?
"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.	<p><u>General Notes:</u></p> <ol style="list-style-type: none"> 1. <i>Annex A</i> does not contain any reference to payment, or agreement to pay, which is included in some definitions of 'client'. 2. <i>Annex A</i> does not specify whether a 'client' 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. 3. Perhaps some punctuation and additional language is needed because the last half of the phrase reads currently as implying the client is seeking services only on behalf of others. 4. Possible rewording: "'client' means any natural person or legal entity that takes advice or asks services of the agent or who seeks such services directly on his, her or its own behalf, or indirectly on behalf of others".
	<p><u>Specific definitions:</u></p> <ol style="list-style-type: none"> 1. According to the Ontario Solicitors Act: "'client" includes a person who, as a principal or on behalf of another person, retains or employs or is about to retain or employ a solicitor, and a person who is or may be liable to pay the bill of a solicitor for any services." <i>Solicitors Act</i>, R.S.O. 1990, c. S.15, s. 15. 2. According to the <i>LSUC Rules</i>: "'client" means a person who: <ol style="list-style-type: none"> (a) consults an agent and on whose behalf the agent renders or agrees to render legal services; or (b) having consulted the agent, reasonably concludes that the agent has agreed to render legal services on their behalf, and includes a client of the law firm of which the agent is a partner or associate, whether or not the agent handles the client's work." <i>Rules of Professional Conduct, LSUC</i>, s. 1.1-1.

<p>S. 1: Competence</p> <p>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.</p>	<p>- “Duty to be competent” – Without elaboration, this is rather abstract. What is included?</p> <p>- The Law Society Act says that the standard of competence has not been met when there are “deficiencies in:</p> <ul style="list-style-type: none"> (i) the agent’s knowledge, skill or judgment, (ii) the agent’s attention to the interests of clients, (iii) the records, systems or procedures of the agent’s professional business, or (iv) other aspects of the agent’s professional business, <p>that give rise to a reasonable apprehension that the quality of service to clients may be adversely affected.” Law Society Act, R.S.O. 1990, c. L.8, s. 41.</p> <p>“What is the “standard” of a “competent agent”?”</p>
<p>S.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.</p>	<p>What is “agency”? Not defined.</p> <p>- There are two different standards in s.1.1. The first standard is a subjective one (“honestly feeling competent”), while the second is objective (“it is reasonably perceived”). This makes interpretation of the Rule difficult, as the accused agent would argue that they subjectively believed they could handle the matter, while the accuser would argue that objectively, the agent was not competent. It is recommended that one standard is chosen.</p> <p>- Does ‘feeling competent’ also apply to “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?” Requires clarification depending on the intent of the drafters.</p> <p>It is perhaps acceptable that there are both subjective and objective aspects, if it is intended for the Rule to require the agent to act only if he/she holds an honest belief in his/her ability, and that belief is justifiable. The ‘reasonably perceived’ phrase is problematic at least in that it leaves unspecified the person who does the perceiving, and with reference to whose standard the perception is reasonable.</p>
	<p>- The <i>LSUC Rules</i> state: “A[n agent] should not undertake a matter without honestly feeling competent to handle it, or being able to become competent without undue delay, risk, or expense to the client. <i>This is an ethical consideration and is distinct from the standard of care that a tribunal would invoke for purposes of determining negligence.</i>” <i>Rules of Professional Conduct, LSUC</i>, s. 3.1-2[5].</p> <p>- The italicized sentence might be worth including in <i>Annex A</i>.</p>

<p>S. 1.1: “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.”</p>	<p>- This only provides one option for an agent who is not/does not feel competent: referral. The <i>LSUC Rules</i> provides several options for such situations, and it may be advisable to incorporate some of them: “A[n agent] must recognize a task for which the [agent] lacks competence and the disservice that would be done to the client by undertaking that task. If consulted about such a task, the [agent] should</p> <ul style="list-style-type: none"> (a) decline to act; (b) obtain the client's instructions to retain, consult, or collaborate with a licensee who is competent for that task; or (c) obtain the client's consent for the [agent] to become competent without undue delay, risk or expense to the client.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.1-2[6].
	<p>- There is only a standard of “competence” mentioned in <i>Annex A</i>, there is no distinction between competence, incompetence, and negligence.</p> <p>- The <i>LSUC Rules</i> state:</p> <p>“Incompetence, Negligence and Mistakes - This Rule [a lawyer shall perform any legal services undertaken on a client's behalf to the standard of a competent lawyer] does not require a standard of perfection. An error or omission, even though it might be actionable for damages in negligence or contract, will not necessarily constitute a failure to maintain the standard of professional competence described in the rule. While damages may be awarded for negligence, incompetence can give rise to the additional sanction of disciplinary action.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.1-2[15].</p> <p>- This might be worth including in s.1 (Competence) of <i>Annex A</i>.</p>

<p>S.1.2: An agent must assume complete professional responsibility for all <u>business</u> 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</p> <p>Commentary: As a registered agent, an agent is held out as knowledgeable, skilled and <u>capable</u>. 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.</p> <p>The agent's training and experience in the technical field and applicable patent <u>and</u> trade-mark law.</p>	<p>Suggested Change to Commentary: Should this be clarified to "agency business" - or something similar? The agent should not be held responsible if the client thinks he/she is responsible for other forms of business (i.e. legal - unless also a lawyer, but even then, a patent or trade-mark agent and lawyer should not be held responsible for employment or corporate business. With small clients this may be an issue.</p> <p>Suggested Change to Commentary: capable in the subject matter of their agency.</p> <p><u>and/or patent agents should not be required to learn trade-mark law and vice versa trade-mark law.</u></p>
<p>S. 2: Confidentiality</p> <p>Principle: An agent has a duty to preserve the confidences and secrets of clients.</p>	<p>Suggestion: An agent has a duty to preserve the confidences and secrets of his, her, and its clients.</p>

<p>S.2.2 An agent must exercise reasonable care to ensure the privacy and confidentiality of such confidential information</p> <p>Commentary: An <u>agent</u> 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.</p> <p>In some situations, the authority of the client to disclose may be inferred. For example, it is <u>implied</u> 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 disclosure or using any information that the agent is bound to keep in confidence.</p>	<p>Suggested Changes to Commentary: is this meant to bring formal subject matter conflicts into these rules? If so, it needs to be more clear. If not - it also needs to be clarified. Perhaps with reference to conflicts of interest.</p> <p>Here is another place where the "clients of the firm" comment suggested comes into play. Makes it simpler for the agent - but also puts the obligation to the firm as well.</p>
<p>S. 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 <u>knowledge</u>.</p>	<p>- Speculation with respect to what? In what circumstances? Would benefit from clarification.</p> <p>Does this suggest that an agent get permission from client to comment on client's affairs or business?</p>
	<p>- Suggestion: include in <i>Annex A</i> a section similar to: "An [agent] may disclose confidential information in order to establish or collect the [agent]'s fees, but the [agent] shall not disclose more information than is required." <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.3-5.</p>
	<p>- Suggestion: include in <i>Annex A</i> a section similar to: "A[n 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." <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.3-1[4].</p>

	<p>- Suggestion: include in <i>Annex A</i> a commentary regarding instructions on confidentiality in cases where an organization has been or is about to perform a dishonest, fraudulent, criminal or illegal act.</p> <p>“A[n agent] employed or retained to act for an organization, including a corporation, confronts a difficult problem about confidentiality when he or she becomes aware that the organization may commit a dishonest, fraudulent, criminal, or illegal act. This problem is sometimes described as the problem of whether the [agent] should “blow the whistle” on their employer or client. Although the rules make it clear that the [agent] shall not knowingly assist or encourage any dishonesty, fraud, crime, or illegal conduct [<i>LSUC Rule 3.2-7</i>] ... it does not follow that the [agent] should disclose to the appropriate authorities an employer's or client's proposed misconduct. Rather, the general rule, as set out above, is that the [agent] shall hold the client's information in strict confidence, and this general rule is subject to only a few exceptions. Assuming the exceptions do not apply, there are, however, several steps that a[n agent] should take when confronted with the difficult problem of proposed misconduct by an organization. The [agent] should recognise that their duties are owed to the organization and not to the officers, employees, or agents of the organization [<i>LSUC Rule 3.2-3</i>] and the [agent] should comply with [<i>LSUC Rule 3.2-8</i>], which sets out the steps the [agent] should take in response to proposed, past or continuing misconduct by the organization. [See below under s.6 (Withdrawal of Service)].” <i>Rules of Professional Conduct, LSUC</i>, s. 3.3-3[5.1].</p> <p>What are the definitions of “confidences” and “secrets”?</p> <p>Who decides whether something is or is not confidential and/or secret?</p>
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	<p>- It may be advisable to include in <i>Annex A</i> commentary regarding additional situations when it is acceptable to disclose confidential information (both the USPTO, and <i>LSUC</i> contained information on this topic):</p> <p>“A practitioner may reveal information relating to the representation of a client to the extent the practitioner believes on reasonable grounds that there is an imminent risk of death or serious bodily harm, and disclosure is necessary to prevent the death or harm”. Rules of Professional Conduct, USPTO, § 11.106(b)(1); <i>Rules of Professional Conduct, LSUC</i>, s. 3.3-3.</p> <p>- Commentary: "In assessing whether disclosure of confidential information is justified to prevent death or serious bodily harm, a[n agent] should consider a number of factors, including</p> <p>(a) the likelihood that the potential injury will occur and its imminence;</p> <p>(b) the apparent absence of any other feasible way to prevent the potential injury; and</p> <p>(c) the circumstances under which the [agent] acquired the information of the client's intent or prospective course of action.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.3-3[3].</p> <p>- Commentary: “How and when disclosure should be made under this rule will depend upon the circumstances. A[n agent] who believes that disclosure may be warranted should seek legal advice. When practicable, a judicial order may be sought for disclosure.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.3-3[4].</p>
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<p>- S. 3.7(4) of <i>Annex A</i> says: “Unless the former client consents: a) a transferring agent 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; 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.” - Furthermore, the Commentary of s.3.7(5) says: “When a firm (“new firm”) considers hiring an agent or agent in training (“transferring agent”) from another firm (“former firm”)... The new firm must then determine whether, in each such case, the transferring agent actually possesses relevant information respecting the client of the former firm (“former client”) that is confidential and that may prejudice the former client if disclosed to a member of the new firm. If this element exists, the new firm is disqualified [Note: Should say: “disqualified from continuing to act for their current client”] unless the former client consents or the new firm establishes that its continued representation is in the interests of justice, based on relevant circumstances. 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.”</p>	<p>- The <i>LSUC Rules</i> go into more detail when an agent wants to change employers, merge firms, or buy out another firm, and are <u>more lenient</u>.</p> <p>- S. 3.3-7 of the <i>LSUC Rules</i> states: “A lawyer may disclose confidential information to the extent reasonably necessary to detect and resolve conflicts of interest arising from the lawyer's change of employment or from changes in the composition or ownership of a law firm, but only if the information disclosed does not compromise the solicitor-client privilege or otherwise prejudice the client.” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.3-7.</p> <p>- Commentary: “As a matter related to clients' interests in maintaining a relationship with counsel of choice and protecting client confidences, lawyers in different firms may need to disclose information to each other to detect and resolve conflicts of interest, such as when a lawyer is considering an association with another firm, two or more firms are considering a merger, or a lawyer is considering the purchase of a law practice.” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.3-7[1].</p> <p>- Commentary: “This exchange of information between the firms needs to be done in a manner consistent with the transferring lawyer'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. 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.” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.3-7[3].</p>
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S. 3: Conflicts	
<p>S. 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, except as permitted under this Code (hereinafter a "conflict of interest").</p> <p>Commentary: 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.</p> <p>Examples of Conflict of Interest:</p> <ol style="list-style-type: none"> 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 required to act for a client, such as a partnership interest in some joint business venture with a client. 3. An agent has a sexual or close personal relationship with a client 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. 	<p>-This definition is identical to that in the <i>LSUC Rules</i> . However in the commentary, LSUC Rules also state: "In this context, "substantial risk" means that the risk is significant and plausible, even if it is not certain or even probable that the material adverse effect will occur." <i>Rules of Professional Conduct, LSUC</i> , s.1.0-1. This might be worth including in Annex A.</p> <p>Suggestions to Commentary: is "legal" enough? A conflict arises if an agent is pursuing similar subject matter patents for different clients. That seems slightly different than a legal interest.</p> <ol style="list-style-type: none"> 2. Does this mean firm associate? Some small clients have multiple businesses. It seems that a part ownership or interest in one of them should not cause a conflict with another of them. 3. Is this a close friendship? Spouse? Family member? More clarity is needed. Should this be clarified to be the instructing person at a client. It seems irrational for there to be a conflict because of a sexual relationship or close personal relationship with someone at a client who has no influence on work (i.e. sales person at a pharmaceutical company as compared to legal counsel). 4. This is harsher than the <i>LSUC Rules</i> - they seem to prohibit acting against a corporation where you are director, but just require consideration when acting for them. Since agents cannot give legal advice, there should be less confusion not more.
<p>S. 3.2 (2): In order for consent to be implied and need not be in writing where all of the following apply: ...</p>	<p>Suggestion: "If consent is not in writing, all of the following must apply for there to be implied consent"</p>
<p>3.2 Disclosure and Consent</p> <p>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 <u>act</u>.</p>	<p>Suggestion: declining to act is not an option in the draft as currently written</p>

<p>S. 3.3: An agent must not advise or represent both sides of a dispute or potential dispute.</p>	<p>Suggestion: “An agent must not <u>knowingly</u> advise or represent both sides of a dispute or potential dispute.”</p> <p>Reasoning: Agencies are often asked at the last second to obtain extensions to oppose trademark applications and it may be another day or so before they come to realize they are somehow in conflict.</p>
<p>S.3.4 Where clients have <u>competing interests</u> but there is no dispute between or among clients about the matter that is the subject of the proposed representation, two or more agents in a firm may act for current clients with competing interests and may treat information received from each client as confidential and not disclose it to the other clients, provided that</p>	<p>Comment: This is a very broad phrase. Arguably two pharmaceutical companies developing molecules in the same area have competing interests regardless whether the molecules have the same target. It is only when they have the same target that conflict actually arises.</p> <p>Similarly, two different washing machine companies or oil and gas companies have competing interests, but their research may be in two completely different areas.</p>
<p>Commentary: The basis for the advice described in the rule from both the agents involved in the concurrent representation and those giving the required independent legal advice is whether concurrent representation is in the best interests of the clients. Even where all clients consent, the agents <u>should not</u> accept a concurrent retainer if the matter is one in which one of the clients is less sophisticated or more vulnerable than the other</p>	<p>Suggestion: should consider not accepting. An absolute prohibition is unreasonable, and does not permit the agent to exercise any judgement.</p>
<p>S.3.5(1): Before an <u>agent</u> acts in a matter or transaction for more than one client, the agent must advise each of the client that</p>	<p>Comment: Needs to be broadened to say: agent or firm</p>
<p>S. 3.5(2): If an agent has a continuing relationship with <u>a client</u> for whom the agent acts regularly, before the agent accepts joint employment for <u>that client</u> and <u>another client</u> in a matter or transaction, the agent must advise the <u>other client</u> of the continuing relationship and recommend that <u>the client</u> obtain independent legal advice about the joint retainer.</p>	<p>Suggestion: consider using ‘first client’ and ‘second client’ as opposed to ‘the client’ and ‘the other client’. [although this language comes directly from <i>LSUC Rules</i> s. 3.4-6].</p> <p>Proposed: " If an agent has a continuing relationship with a <u>first client</u> for whom the agent acts regularly, before the agent accepts joint employment for that <u>first client</u> and <u>a second client</u> in a matter or transaction, the agent must advise the <u>second client</u> of the continuing relationship and recommend that the <u>second client</u> obtain independent legal advice about the joint retainer."</p>
<p>S.3.5(4): ...the agent must not advise them on the contentious issue and must: refer the clients to other agents or to <u>lawyers</u>, or</p>	<p>Comment: at a different firm?</p>
<p>S.3.6(2)(a): ...the former client consents to the other agent <u>acting</u>; or...</p>	<p>Comment: Also needs provisions here to ensure no disclosure of former client's confidential information to the other agent.</p>
<p>S. 3.7: deals with conflicts arising from the transfer of agents between firms. S. 3.7(2) says: “If the transferring agent actually possesses confidential information relevant to a <u>matter</u> 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 <u>matter</u>”</p>	<p>There is no definition of the term “matter” in <i>Annex A</i>. In the <i>LSUC Rules</i>, “matter” is defined as “a case, a transaction, or other client representation, but within such representation does not include offering general “know-how””. <i>Rules of Professional Conduct, LSUC</i>, s. 3.4-17. The same definition may not apply to IP agents, however perhaps it should be defined in <i>Annex A</i> for clarity.</p>

<p>S.3.7(3): ...the agent must execute an affidavit or solemn declaration to that <u>effect</u>; and</p>	<p>Comment: it is unclear what the affidavit is supposed to say. Is the agent swearing that he/she/they will not disclose to the new firm? Or just that they have information? The former would have more value.</p>
<p>S.3.7(5)(a): the new firm represents a client in a matter that is the same as or <u>related</u> to a matter in which the former firm represents its client; the <u>interests</u> of clients of the two firms conflict; and</p>	<p>Comment: same issue as above written "related matter"</p> <p>Comment: Same issue as above written "interests" being too broad</p>
<p>S.3.7.(5)(b): Although the notice required by <i>Rule 3.7(3)</i> need not necessarily be made in writing, it would be prudent for the new firm to confirm these matters in writing. Written notification eliminates any later dispute about whether notice has been given or its timeliness and content.</p> <p>The new firm might, for example, seek the former client's consent to the transferring agent acting for the new firm's client because, in the absence of such consent, the transferring agent may not act.</p> <p>If the former client does not consent to the transferring agent acting, it would be prudent for the new firm to take reasonable measures to ensure that no disclosure will occur to any member of the new firm of the former client's confidential information. If such measures are taken, it will strengthen the new firm's position if it is later determined that the transferring agent did in fact possess confidential information that may prejudice the former client if disclosed</p> <p>Guidelines: The screened agent should have no involvement in the new firms' representation of its client</p> <p>The screened agent should use associates and support staff different from those working on the current matter</p>	<p>Comment: This Rule only applies if a conflict exists. So, it should not be mentioned in commentary when no conflict exists.</p> <p>Comment: If there is no conflict, then why is consent needed. Consent should only be necessary if the interests conflict, and relevant information is possessed by the agent.</p> <p>Comment: These measures need to be taken regardless whether consent is obtained for the agent to act. Confidential information cannot be disclosed as between clients.</p> <p>Comment: Screened is not defined. It is assumed that it means the reasonable measures discussed above, but this should be clarified.</p> <p>Comment: If it is a former client - then this is not necessary. It is only if the agent continues to work with the so-called "former client" that associates and staff need to be different. What is important is that the agent does not disclose any information about the former client to the new firm.</p>
<p>S. 3.8 of Annex A states that the "agent must not enter into a business transaction with a client unless: ... b. the client has obtained independent legal advice about the transaction or has <u>expressly waived</u> 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".</p>	<p>- The term "expressly waived" is ambiguous, and could be subject to misinterpretation resulting in litigation. The <i>LSUC Rules</i> provide more detail: "If the client declines the recommendation to obtain independent legal advice or independent legal representation, the lawyer should obtain the client's signature on a document indicating that the client has declined the advice or representation." <i>Rules of Professional Conduct, LSUC</i>, s. 3.4-29[7].</p>

	<p>- Possible section to include in <i>Annex A</i> : “A practitioner shall not accept compensation for representing a client from one other than the client unless:</p> <p>(1) The client gives informed consent;</p> <p>(2) There is no interference with the practitioner's independence of professional judgment or with the client-practitioner relationship; and</p> <p>(3) Information relating to representation of a client is protected.” <i>Rules of Professional Conduct</i>, USPTO, § 11.108(f).</p>
S. 4: Quality of service	
<p>Commentary after S.4.6 states: “The requirement of conscientious, diligent and efficient service means that an agent should make every effort to provide timely service to the client.”</p>	<p>- The <i>LSUC Rules</i> have an additional sentence that may be worth including:</p> <p>“If the [agent] can reasonably foresee undue delay in providing advice or services, the client should be so informed, so that the client can make an informed choice about their options, such as whether to retain [a] new [agent].” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.1-2[12].</p>
	<p>- It may be advisable to include in <i>Annex A</i> a section concerning “When the Client is an Organization”, as is present in the <i>LSUC Rules</i> :</p> <p>“Notwithstanding that the instructions may be received from an officer, employee, agent or representative, when a[n agent] is employed or retained by an organization, including a corporation, in exercising the agent's duties and in providing professional services, the [agent] shall act for the organization.” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.2-3.</p> <p>- Commentary: “A[n agent] acting for an organization should keep in mind that the organization, as such, is the client and that a corporate client has a legal personality distinct from its shareholders, officers, directors, and employees. While the organization or corporation will act and give instructions through its officers, directors, employees, members, agents, or representatives, the [agent] should ensure that it is the interests of the organization that are to be served and protected. Further, given that an organization depends upon persons to give instructions, the [agent] should ensure that the person giving instructions for the organization is acting within that person's actual or ostensible authority.” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.1-3[1].</p> <p>What is the definition of “timely service”? How about “- provide service in a manner considered timely by the client”?</p>

	<p>- It may be advisable to include in <i>Annex A</i> a section similar to: “An agent shall not use their trust account for purposes not related to the agent’s services”. <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.2-7.3.</p> <p>- Commentary: “A client or another person may attempt to use an [agent's] trust account for improper purposes, such as hiding funds, money laundering or tax sheltering. These situations highlight the fact that when handling trust funds, it is important for a[n agent] to be aware of their obligations under these rules and the Law Society's by-laws that regulate the handling of trust funds.” <i>Rules of Professional Conduct</i>, <i>LSUC</i>, s. 3.2-7.3[3.2].</p>
	<p>- It may be advisable to include in <i>Annex A</i> a section similar to those in the <i>USPTO Rules</i> and the <i>Law Society Act</i> :</p> <p>“An agent must not provide advice or service if they are incapacitated. An agent is incapacitated for the purposes of this Code if, by reason of physical or mental illness, other infirmity or addiction to or excessive use of alcohol or drugs, he or she is incapable of meeting any of his or her obligations as an agent.” <i>Law Society Act</i>, R.S.O. 1990, c. L.8, s 37(1); <i>Rules of Professional Conduct</i>, USPTO, § 11.116(a)(2).</p> <p>- Commentary: “The Society may apply to the Disciplinary Tribunal for a determination by the Hearing Division of whether a licensee is or has been incapacitated. The Hearing Division may determine that an agent is incapacitated for the purposes of this Act if the agent has been found to be incapacitated within the meaning of that Act.” <i>Law Society Act</i>, R.S.O. 1990, c. L.8, s 37(3).</p>
	<p>- Commentary: “The Hearing Division shall not determine that an agent is incapacitated for the purposes of this Act if, through compliance with a continuing course of treatment or the continuing use of an assistive device, the agent is capable of meeting his or her obligations as an agent.” <i>Law Society Act</i>, R.S.O. 1990, c. L.8, s 37(4).</p> <p>- Commentary: “Despite subsection (4) [above], the Hearing Division may determine that an agent who is the subject of an application under section 38 is incapacitated for the purposes of this Act if,</p> <p>(a) the licensee suffers from a condition that would render the licensee incapacitated were it not for compliance with a continuing course of treatment or the continuing use of an assistive device; and</p> <p>(b) the agent has not complied with the continuing course of treatment or used the assistive device on one or more occasions in the year preceding the commencement of the application.” <i>Law Society Act</i>, R.S.O. 1990, c. L.8, s 37(6).</p>

<p>S. 5: Fees</p> <p>S. 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:</p> <p>a. the fee is reasonable and does not increase the total amount of the fee charged to the client; and</p> <p>b. the client is informed and consents.”</p>	<p>It may be advisable to include in <i>Annex A</i> a further provision from the <i>LSUC Rules</i>: “Rule [5.7] does not apply to:</p> <p>(a) multi-discipline practices of [agents] and non-licensee partners where the partnership agreement provides for the sharing of fees, cash flows or profits among members of the firm; and</p> <p>(b) sharing of fees, cash flows or profits by [agents] who are</p> <p>(i) members of an interprovincial [law] firm, or</p> <p>(ii) members of a [law] partnership of Ontario and non-Canadian [agents] who otherwise comply with the rules in Section [5.7].” <i>Rules of Professional Conduct, LSUC</i>, s. 3.6-8.</p> <p>Commentary: “An affiliation is different from a multi-discipline practice established in accordance with the by-laws under the <i>Law Society Act</i>, an interprovincial law partnership or a partnership between Ontario agents and foreign agents. An affiliation is subject to rule [5.7]. In particular, an affiliated entity is not permitted to share in the [agent’s] revenues, cash flows or profits, either directly or indirectly through excessive inter-firm charges, for example, by charging inter-firm expenses above their fair market value.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.6-8[1].</p> <p>Is the entirety of S.5.7 in keeping with the rules of the various law societies?</p> <p>If not, it will be seriously disadvantageous to those agents working in law firms.</p>
	<p>Optional section to add: “An agent shall not include in a contingency fee agreement a provision that,</p> <p>(a) requires the agent’s consent before a claim may be abandoned, discontinued or settled at the instructions of the client;</p> <p>(b) prevents the client from terminating the contingency fee agreement with the agent or changing agents.” <i>Contingency Fee Agreements</i>, O Reg 195/04, s.4(1).</p>
	<p>- Optional section to add: “An agent must not bring an action for the recovery of fees, charges or disbursements for business done by an agent as such until at minimum 90 days after a bill thereof, subscribed with the proper hand of the agent, his or her executor, administrator or assignee or, in the case of a partnership, by one of the partners, either with his or her own name, or with the name of the partnership, has been delivered to the person to be charged therewith, or sent by post to, or left for the person at the person’s office or place of abode, or has been enclosed in or accompanied by a letter subscribed in like manner, referring to such bill.” <i>Solicitors Act</i>, R.S.O. 1990, c. S.15, s. 2(1).</p>

<p>S. 6: Withdrawal of services</p> <p>S. 6 Principle: “An agent must not withdraw from representation of a client except for good cause and on reasonable notice to the client.”</p> <p>Definition of "good cause"?</p>	<p>The rule that follows the s. 6 principle (s.6.1) indicates when the agent must withdraw. However in the <i>LSUC</i> there is a transition comment that might be worth including. It states: “[a]lthough the client has the right to terminate the [agent]-client relationship at will, the [agent] does not enjoy the same freedom of action. Having undertaken the representation of a client, the [agent] should complete the task as ably as possible unless there is justifiable cause for terminating the relationship.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.7-1.</p> <p>This would seem to depend on what indicates as a "justification charge" for <i>LSUC</i> or "good cause" for IP Agents.</p>
<p>S. 6.1(d): “the agent’s continued service to the client would violate the agent’s obligations with respect to conflict of interest.”</p>	<p>Should say: the agent's continued service to the client would violate the agent's obligations with respect to any conflict(s) of interest.</p>
<p>S. 6.1: “An agent must withdraw when:</p> <p>a. the client persists in instructing the agent to act contrary to professional ethics;</p> <p>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;”</p> <p>c. the agent is unable to act competently or with reasonable promptness; or</p>	<p>There is minimal instruction in <i>Annex A</i> regarding the steps an agent should take in the case of a client acting dishonestly, fraudulently, criminally or illegally.</p> <p>Comment: Lawyers have access to the law society for anonymous ethical questions. Is something similar going to be set up for agents if they are unsure of the interpretation of these rules?</p> <p>S.6.1(b) is much too indefinite. For example, being sent instructions does not mean they have been received, read or followed.</p> <p>The <i>LSUC Rules</i> provide more detail:</p> <p>“A[n agent] who is employed or retained by an organization to act in a matter in which the [agent] knows that the organization has acted, is acting or intends to act dishonestly, fraudulently, criminally or illegally, shall do the following,</p> <p>(a) advise the person from whom the [agent] takes instructions and the chief legal officer, or both the chief legal officer and the chief executive officer, that the conduct is, was or would be dishonest, fraudulent, criminal, or illegal and should be stopped;</p> <p>(b) if necessary because the person from whom the [agent] takes instructions, the chief legal officer or the chief executive officer refuses to cause the conduct to be stopped, advise progressively the next highest persons or groups, including ultimately, the board of directors, the board of trustees, or the appropriate committee of the board, that the conduct was, is or would be dishonest, fraudulent, criminal, or illegal and should be stopped; and</p> <p>(c) if the organization, despite the [agent] 's advice, continues with or intends to pursue the wrongful conduct, withdraw from acting in the matter in accordance with rules.” <i>Rules of Professional Conduct, LSUC</i>, s. 3.2-8.</p> <p>Comment: this seems to be in contrast to above, where refusal to take a retainer is not an option - only referral.</p>

<p>S. 6.3: An agent may withdraw if the client consents.</p> <p>Commentary: In the case of <u>litigation</u>, that the client should expect that the hearing or trial will proceed on the date scheduled and that the client should retain a new agent promptly.</p> <p>Commentary: Co-operation with the successor agent will normally include <u>providing</u> all files for applications and patents but confidential information not clearly related to the matter should not be divulged without the written consent of the client.</p>	<p>- Suggestion: An agent may withdraw for any reason if the client consents.</p> <p>- Should there be some sort of specification as to the form of consent? Must it be in writing?</p> <p>Comment: How is an agent representing a client at trial?</p> <p>Comment: providing copies of all files. Originals need to be retained.</p>
<p>S. 7: Duties to the regulator, members and others</p>	
<p>S. 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.</p>	<p>- Should say: When an agent ("transferring agent") transfers from a firm ("former firm") to a new firm, neither the transferring 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.</p>

	<p>There is no guidance in <i>Annex A</i> with respect to an agent's behaviour in his/her personal capacity.</p> <p><i>LSUC</i> states:</p> <p>"conduct unbecoming a barrister or solicitor" means conduct, including conduct in a lawyer's personal or <u>private capacity</u>, that tends to bring discredit upon the legal profession including, for example,</p> <p>(a) committing a criminal act that reflects adversely on the lawyer's honesty, trustworthiness, or fitness as a lawyer,</p> <p>(b) taking improper advantage of the youth, inexperience, lack of education, unsophistication, ill health, or unbusinesslike habits of another, or</p> <p>(c) engaging in conduct involving dishonesty or conduct which undermines the administration of justice." <i>Rules of Professional Conduct, LSUC</i>, s.1.0-1.</p> <p>Furthermore: "Dishonourable or questionable conduct on the part of a lawyer in either <u>private life</u> or professional practice will reflect adversely upon the integrity of the profession and the administration of justice. Whether within or outside the professional sphere, if the conduct is such that knowledge of it would be likely to impair a client's trust in the lawyer, the Law Society may be justified in taking disciplinary action. <i>Rules of Professional Conduct, LSUC</i>, S.2.1-1 [3].</p> <p>This could be adapted for agents and included in <i>Annex A</i>, however, there should be no reference to conduct in "private capacity" or "private life" because this section is limited in that it addresses an agent's professional activities specific to transfer.</p>
<p>S. 8 Communications to the regulator, CIPO and others principle</p>	<p>- Typo: The word 'principle' should not be at the end of the title, it should be at the beginning of the next sentence.</p>
<p>S. 8.1(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</p>	<p>- There should not be an "or" on the last line of this subsection. It should read: "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."</p>

<p>S. 8.2(5): An agent retained to act on a matter involving a corporate or other organization represented by an agent must not approach an officer or employee of the organization:</p> <ul style="list-style-type: none"> 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 representing the organization consents or the contact is otherwise authorized or required by law. 	<p>It would be more clear if it said: “An agent (“first agent”) retained to act on a matter involving a corporate or other organization represented by another agent (“organization’s agent”) must not approach an officer or employee of the organization:</p> <ul style="list-style-type: none"> 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 organization’s agent consents or the contact is otherwise authorized or required by law. <p>With respect to S. 8.2(3) and (5) – what is “a matter”? This area seems rife with the possibility of litigation/discipline without more guidance. What is the purpose behind these sections? Is it to prevent the ‘theft of clients’? Or to prevent someone with potentially valuable information (the organization or the client that cannot be spoken to) from disclosing it to their detriment upon discussion with the agent who is not allowed to discuss the ‘matter’?</p> <p>Unless the purpose of the contact is defined or the option of the other agent consenting is included, this makes no sense at all since it would preclude an agent from talking to anybody but his or her own clients at a conference!!!</p> <p>This is problematical. It makes the agent a gatekeeper. While appropriate for a lawyer retained to represent an organization generally, who has general responsibility for all legal issues, there is equivalent practice for agents. The scope of an agent's representation is very narrow compared to the scope of representation of a lawyer. Consider if an agent should contact the general counsel of a company with respect to a matter not dealing directly with agency work (filing, prosecution, etc.). Why should the representing agent be a gatekeeper to the general consent on a non-agency issue? However, if applicable, it would make sense for this prohibition to be limited somehow, perhaps in how 'matter' is defined.</p>
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S. 8.2(5)(b): An agent retained to act on a matter involving a corporate or other organization represented by an agent must not approach an officer or employee of the organization: ...
 b) who supervises, directs or regularly consults with the organization's agent;
 d) ...extend the same courtesy and good faith to the unrepresented person as is extended to other agents or agents in training

What constitutes "regularly consults?"

The *LSUC Rules* say:

"An individual who regularly consults with the corporation's or organization's [agent] concerning a matter will not necessarily be a person who also directs the [agent]. In some large corporations and organizations, some management personnel may direct or control counsel for some matters but not others. The mere fact that a person holds a management position does not trigger the protections of the rule." *Rules of Professional Conduct, LSUC, S.7.2-8.2[6]*.

"A person who is simply interviewed or questioned by a corporation's or organization's [agent] about a matter to gather factual information does not "regularly consult" with the [agent]. While a person's duties within a corporation or organization may include answering [agent]-related inquiries, rules 7.2-8 to 7.2-8.2 do not prohibit an inquiry of this person by opposing counsel that is related to the person's knowledge of the historical aspects leading up to the alleged injury or damage which give rise to the subject matter of the representation." *Rules of Professional Conduct, LSUC, S.7.2-8.2[7]*.

	<p>There is also no comment on how s. 8.2(5) applies to governments. The <i>LSUC Rules</i> state: “The concept of the individual who may "bind the organization" may not apply in the government context in the same way as in the corporate environment. For government departments, ministries and similar groups, rules 7.2-8 to 7.2-8.2 are intended to cover individuals who participate in a significant way in decision-making or who provide advice in relation to a particular matter.” <i>Rules of Professional Conduct, LSUC, S.7.2-8.2</i>[15].</p> <p>“In government, because of its complexity and despite its hierarchy, it may not always be clear to whom a lawyer is authorized to communicate on a particular matter and who is involved in the decision-making process. The roles of these individuals may not be discrete, as different officials at different levels in different departments provide advice and recommendations. For example, in a contract negotiation, employees from one ministry may be directly involved, but those from another ministry may also have sensitive information relevant to the matter that may require protection under rule 7.2-8.” <i>Rules of Professional Conduct, LSUC, S.7.2-8.2</i>[16].</p> <p>“In addition, the legal branch at the particular ministry is usually considered to always be "retained". There may be circumstances where the only appropriate action is to contact the legal branch. In all cases, appropriate judgment must be exercised.” <i>Rules of Professional Conduct, LSUC, S.7.2-8.2</i>[17].</p> <p>Comment: Generally - "agents" is used sometimes: "agents in training" is periodically added, making it unclear that all statements applying to agents also apply to agents in training.</p> <p>Suggest "agents in training" be removed from all points of this document. And, add in the definition of an agent that it includes agents in training.</p>
<p>S.8.4 An agent who receives a document relating to the representation of the <u>agent's</u> client and knows or reasonably should know that the document was inadvertently sent must promptly notify the <u>sender</u>. For purposes of this rule, "document" includes email or other electronic modes of transmission subject to being read or put into readable form</p>	<p>Comment: Commentary suggests this is meant to refer to an opposing agent's client.</p> <p>Comment: Suggest added an delete the communication immediately.</p>

<p>S.9: Advertising</p> <p>S.9 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.”</p>	<p>There is no description of what constitutes advertising or ‘soliciting work’. Does it have to be in a fixed medium? What if the agent took a potential client to a restaurant, or bar, or show? Is this advertising?</p> <p>The <i>LSUC Rules</i> define ‘marketing’ as “includes advertisements and other similar communications in various media as well as firm names (including trade names), letterhead, business cards and logos.” <i>Rules of Professional Conduct, LSUC</i>, s. 4.2-0.</p> <p>How does "solicit work" align with S.8.2(5)? How can you solicit without "approaching"?</p>
	<p>- It may be worthwhile to provide some examples of things that would contravene this principle:</p> <p>“(b) suggesting qualitative superiority to other agents;</p> <p>(c) raising expectations unjustifiably;</p> <p>(d) suggesting or implying the agent is aggressive;</p> <p>(e) disparaging or demeaning other persons, groups, organizations or institutions;</p> <p>(f) taking advantage of a vulnerable person or group;</p> <p>(g) using testimonials or endorsements which contain emotional appeals.” <i>Rules of Professional Conduct, LSUC</i>, s. 4.2-1[1].</p>
<p>Sources Consulted:</p>	
<p>1. <i>Rules of Professional Conduct</i>, Law Society of Upper Canada, Amendments effective October 1, 2014.</p>	
<p>2. <i>Law Society Act</i>, R.S.O. 1990, c. L.8.</p>	
<p>a. <i>County and District Law Associations</i>, RRO 1990, Reg 708.</p>	
<p>b. <i>Hearings Before the Hearing and Appeal Divisions</i>, O Reg 167/07.</p>	
<p>c. <i>Law Foundation</i>, RRO 1990, Reg 709.</p>	
<p>3. <i>Solicitors Act</i>, R.S.O. 1990, c. S.15.</p>	
<p>a. <i>Contingency Fee Agreements</i>, O Reg 195/04.</p>	
<p>4. <i>Legal Profession Act</i>, R.S.N.W.T. 1988, c. L-2, s. 42.</p>	
<p>5. <i>Judicature Act</i>, N.W.T. Reg. R-010-96, s. 681.</p>	
<p>6. Jeff Gray, “Law Society of Upper Canada backs away from radical ownership reform”, <i>The Globe and Mail</i>, (22 September 2015) online: < http://www.theglobeandmail.com/report-on-business/industry-news/the-law-page/law-society-of-upper-canada-backs-away-from-radical-ownership-reform/article26472062/></p>	

<p>7. <i>Changes to Representation of Others Before The United States Patent and Trademark Office</i> (USPTO Rules of Professional Conduct), 78 FR 20179, Published 3 April, 2013, Docket No PTO-C-2012-0034.</p>	
<p>8. Westlaw Search:</p>	
<p>a. Searched the Index to Canadian Legal Literature using the search terms:</p>	
<p>i. Adv: ("Rules #of Professional Conduct" & "Law Society #of Upper Canada")</p>	