

4 June 2019

Jeff Carl
Secretary
Trans-Tasman IP Attorneys Board
IP Australia

By email secretary.ttipab@ipaaustralia.gov.au

Consultation underway on draft Practice Note about File Ownership

Dear Jeff,

Thank you for inviting the Institute of Patent & Trade Mark Attorneys of Australia (*IPTA*) to comment on the draft Practice Note issued by Trans-Tasman IP Attorneys Board (the *Board*) on 15 May 2019. We also appreciate your kind offer to extend the deadline for IPTA to provide its comments.

The Ethics & Dispute Committee of IPTA Council has prepared and attach a mark-ed up copy of the draft Practice Note containing its suggestions.

The IPTA suggestions on client property are based on general guidance provided for lawyers by the various State Law Institutes. For lawyers, most documents in a file belong to the client, but some belong to the lawyer. Ownership generally depends on *when* a document came into existence, and *why*. The suggestions are aimed at providing guidance to registered attorneys and their clients.

IPTA has also made suggestions to the section setting out what parts are not client property. A number of the categories proposed by the Board should not be listed as they would never be in question as being client property.

In order to provide further guidance to registered attorneys regarding transfer of information and client documents to a new representative, IPTA has proposed listing the obligations under section 22 of the Code of Conduct with further directions.

IPTA is of the view that registered attorneys should have the option to charge a client for costs incurred in relation to delivering client property.

We trust that the information provided will assist the Board in finalising a suitable Practice Note. If you require further information or assistance, please contact IPTA.

Yours sincerely,



Dr Trevor J Davies

IPTA Vice President
Convenor Ethics & Disputes Committee

Attach

Ownership of Files

File ownership has been an issue in a number of recent complaints before the Trans-Tasman IP Attorneys Board (the Board). This Practice Note is published by the Board to assist registered attorneys to understand their obligations and may change from time to time.

Responsibilities of registered attorneys

The Board expects that registered patent attorneys and registered trade marks attorneys (collectively, 'registered attorneys') should maintain a file in such a manner that the client's property is, or can be, readily identified. This will allow the [registered attorney](#) to promptly comply with a request for the [return and delivery](#) of the client's property if and when it is made.

Legislative requirements

The *Code of Conduct for Trans-Tasman Patent and Trade Marks Attorneys 2018* (the Code) deals generally with the professional conduct required of registered attorneys. Section 25 of the Code deals with client or former client property, including the return of a client's property when the client asks the registered attorney for its return. However, a registered attorney need not return the client's property if the client has not satisfied a lien imposed in accordance with the *Patents Regulations 1991* (Cth) or the *Trade Marks Regulations 1995* (Cth), or the *Patents Act 2013* (NZ) or otherwise by law.

A registered attorney may claim a lien over client documents if outstanding fees are owing to the registered attorney. If a registered attorney is running several files for a client, then the lien could be applied to all the client's files.

Which parts of these files are client property that need to be released to the client on request

Examples of [documents that are](#) client property ([whether held in paper or electronic form](#)) could include:

- ~~documents, samples or other material which are owned by the client;~~
- documents, samples or other material created by the client either prior to or during the course of the retainer, and given to the registered attorney for the purpose of doing the work subject to the retainer;
- a document or information the client is entitled to have a copy during the retainer;
- documents prepared by the registered attorney for the benefit of the client;
- documents prepared by a third party and sent to the registered attorney ~~other than at the registered attorney's~~ at the client's expense;
- documents brought into existence by a registered attorney who acts only as an agent for a client for this purpose;
- ~~original receipts for payments made on behalf of the client;~~

- communications between the registered attorney, IP offices and third parties [for the benefit of the client](#);
- ~~file notes of telephone conversations relating to the work subject to the retainer;~~
- ~~filing details of a client's intellectual property rights.~~

Registered attorneys should note that paragraph 25(1)(b) of the Code provides for the registered attorney to release 'documents, samples or material to which the client may have access under an agreement between the registered attorney and the client'. This category of documents, etc. will be determined by the nature of the agreement between the client and the registered attorney, however it should not derogate from the client's right to the client's property. Registered attorneys may seek to clarify these matters in their standard retainer terms for the avoidance of doubt.

[Registered attorneys should note that section 22 of the Code requires that if a registered attorney withdraws the registered attorney's services, or ceases to act for a client, the registered attorney must take all reasonable steps to inform the client of any actions necessary to maintain the client's intellectual property rights; and to cooperate with the client and any new representative of the client to ensure the client's intellectual property rights are maintained during transfer of responsibility.](#)

[For transfer of client property to a new representative, the registered attorney should provide all information and documents required to protect, prosecute and maintain the intellectual property rights of the client by the new representative.](#)

Which parts are not client property

Examples of documents that are not client property could include:

- [documents given to a registered attorney for the attorney's own use and benefit;](#)
- [documents prepared by the registered attorney at no charge to the client solely for the registered attorney's own benefit, protection or records;](#)
- [notes of attendances by the registered attorney on the client;](#)
- ~~drafts and office copies of final accounts of profit and loss, balance sheets etc.;~~
- ~~draft and office copies of final reports, memoranda and notes requested by the client;~~
- ~~file copies of client property made at the registered attorney's expense;~~
- ~~internal cheque requisitions, photocopying requisition forms, etc.;~~
- ~~trust and other accounts printouts;~~
- internal records and memos about work done or [work](#) to be done.

Can an attorney levy charges, etc. for the extraction, copying and delivery of a client's file (and if so, when)

A client should not be charged to copy client property for the retention of a copy by the registered attorney.

In practice, an [registered](#) attorney should not levy [service](#) charges for delivery of the client's property unless the [registered](#) attorney and client have otherwise agreed. If a

charge has been agreed, then it is recommended that the charge reflect the approximate cost to the [registered](#) attorney of ~~making a copy~~[delivering the client's property](#).

In the absence of such an agreement, if a registered attorney were to charge an unreasonable amount for document storage, extraction, copying or delivery [of a client's property](#) it could be argued that such conduct is inconsistent with the registered attorney's obligation to act in the best interests of the registered attorney's client.