

THE CHARTERED INSTITUTE OF PATENT ATTORNEYS

Founded 1882 Incorporated by Royal Charter 1891



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Rules of Professional Conduct Under By-Law 14 Special Rules for Patent Attorney Litigators and Guidelines Concerning the Observance of the Rules of Professional Conduct

Rules of Professional Conduct Under By-Law 14

**(Adopted 16th February, 1989, and confirmed 9th March, 1989)
(Amended 24th January, 1996 and confirmed 7th February, 1996)
(further amended 7th July, 1999 and confirmed 4th August, 1999)
(and further amended 5th October, 2007)**

Rule 11 came into force on 5th January, 2000 on the making of the CIPA Higher Courts Qualification Regulations 2000. Rule 12 came into effect on 5th October, 2007

General

1. A Member shall practise competently, conscientiously and objectively, putting clients' interests foremost and respecting clients' confidence while observing the law and the Member's duty to any Court or Tribunal.
2. A Member's conduct shall be such as to promote well-founded public confidence in the intellectual property system, in the Institute and in its Members.

Availability

3. When unwilling to provide services, or withdrawing them, a Member shall make reasonable effort in the circumstances to enable the person wishing to use those services to make other arrangements.

Conflicts of Interest

4. Except with the approval of the clients concerned, a Member shall not act for a client on any particular matter if, having acted for another client on a conflicting matter, the Member's professional duty to either client may thereby be compromised.
5. A Member shall not act for a client if, without the knowledge and approval of that client, the Member has, or acquires, any significant interest that the Member knows, or could reasonably be expected to know, may conflict with the Member's professional duty to that client.

Liability

6. A Member in the UK offering intellectual property services as a principal in private practice shall be responsible for ensuring that funds would be available to a reasonably practicable extent to provide compensation if a client were to suffer loss as a result of the Member's professional negligence. The funds shall include professional indemnity insurance cover of at least £250,000 for each and every claim in respect of actions brought by UK persons and entities in the UK Courts.

Promotion

7. Promotional activity is permitted if it is fair, not undignified, wholly accurate, and gives a true impression.

Relations With Others

8. A Member is responsible under these Rules not only for the Member's own acts and omissions, but also for those sanctioned, expressly or otherwise, by that Member.

Use of the Institute's Name etc.

9. The President, Vice-President or Honorary Secretary may make public communication in the name of the Institute and may in doing so use any emblem of the Institute. Any other Member may do these things only on the authority of the President, of the Vice-President, or of the Council.

Professional Guidance

- 10 A Member has the right to seek individual guidance from a Council Committee, known as the Professional Guidance Committee (PGC) and having a membership entirely separate from the Professional Conduct Committee, on the propriety under these Rules of any act or course of conduct he intends to undertake or sanction.

Members Practising Before the Courts

- 11 (1) A Member of the Institute shall, when exercising any statutory right of a patent agent to litigate or be heard in any Court in the United Kingdom, observe the accompanying rules, namely the Rules of Professional Conduct for Patent Attorneys Holding and Acting Within the Scope of Litigation Right Certificates, as if made for such a member.
(2) This Rule shall come into force on the date of coming into force of regulations providing for such certificates.

Continuing Professional Development

12. Consistent with a Member's obligations under Rule 2, hereof, Members to whom the Regulations apply shall provide an annual certificate as to whether they have met the requirements of such Regulations regarding Continuing Professional Development as may be adopted.

Interpretation

13. In these Rules :
 - (1) "The Institute" means The Chartered Institute of Patent Attorneys.
 - (2) "Member" means a patent agent who is a Member of the Institute, whether or not the Member is registered as a patent agent in the United Kingdom. The Rules apply only to the conduct of Members in the course of work concerned with patents, trade and service marks, designs or copyright, or any other field insofar as any reference is made to the fact of Membership in connection with work in that field.
 - (3) A "client" includes, except in Rule 6, the employer of a Member whose job is concerned with intellectual property interests of the employer.
 - (4) RULES 3 TO 9 ARE ALL SUBJECT TO THE GENERAL RULES 1 AND 2.
 - (5) The headings to these Rules, and Guidelines on their observance, are not part of the Rules.

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The Regulations for Continuing Professional Development referred to in Rule 12 and the text of the Special Rules referred to in paragraph 11(i) is set out on the following pages:

Regulations regarding Continuing Professional Development

adopted 5th October, 2007

1. The number of hours of CPD required is currently 16 per year. For a Fellow holding a litigator's certificate these shall include 6 hours on subjects associated with litigation.
2. It will be the Institute's practice to send out a declaration form annually, with Fellows being asked to return their completed forms by the end of January. With the declaration form will be a note of the approved kinds of activity, with any maximum hours ascribable to each and the total number of hours required. The form will require a declaration that the requisite number of hours has been undertaken, and for a random sample of Fellows each year, the Secretary will ask for details of activities, by headings, totalling that number of hours or more.
3. Activities will count towards the CPD requirements of CIPA independently of whether they count towards any CPD requirements of other bodies.

4.1 Acceptable kinds of activity include:-

| | | |
|-----|---|---------------|
| (a) | Reading books, articles or law reports. | up to 4 hours |
| (b) | Preparing books, articles or law reports. | no maximum |
| (c) | Attending seminars, lectures or study courses. This includes activities organized in-house within firms and informal meetings of sole practitioners to share experience and knowledge. | no maximum |
| (d) | Speaking at seminars, lectures or study courses and preparing for speaking; for each occasion the speaking time plus a period of preparation up to twice the length of the talk. If a particular talk or lecture is given twice within the year, it should only count once. | no maximum |
| (e) | Training individual technical assistants. | up to 4 hours |
| (f) | Training in group tutorials on professional topics or examination questions. | up to 4 hours |
| (g) | Examining for the UK or European qualifications, including service on the JEB where this relates to knowledge of IP law and practice. | up to 4 hours |
| (h) | Serving on an approved committee of CIPA or other body, where concerned with intellectual property law and practice. Approved committees of CIPA are the Laws Committees and the Parliamentary Committee. | up to 4 hours |

- 4.2 The majority of CPD activity should relate to IP law and practice. However, it is recognized that Fellows may need to improve their service to clients in other areas. Acceptable CPD therefore includes:

| | | |
|-----|---|---------------|
| (a) | Keeping up to date on developments in their own specialist technological fields | Up to 4 hours |
| (b) | Undergoing training in aspects of practice management. | Up to 4 hours |

5. The system is flexible. Any activity of a kind with those listed may be expected to be accepted and the Institute will advise, on request, on any aspect of the interpretation of these Regulations.
6. The requirement applies to all Fellows currently on the Register. A Fellow retired from practice as a patent attorney is not required to comply but Fellows taking career breaks, such as maternity or paternity leave or sabbaticals, while remaining on the Register are required to comply. Fellows practising abroad should carry out CPD in topics relevant to their practices.
7. It is appreciated that some Fellows may have difficulty complying with the scheme. Such

Fellows should apply to the Secretary who has the power, in consultation with the CPD Sub-Committee, to recommend ameliorating measures in appropriate circumstances. Penalties for failing to meet the requirements are not fixed and will depend on the circumstances. Some deficiencies may be overlooked. Others might require an undertaking to make up hours in the following year.

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Application of the CPD Scheme

Sole practitioners and geographically-remote practices

The proposed scheme takes account of the needs of sole practitioners and Fellows whose practices are in locations away from London or other centres of IP activity. It aims to recognize as wide a range of CPD activities as possible, so as to give Fellows the opportunity to meet the requirement through activities that already form part of their practice. Thus, it explicitly recognizes activities organized in-house within firms and offers the possibility for sole practitioners to work together informally to share experience and knowledge. It aims to recognize any activities which provide a context for a Fellow to consider or research current IP law and practice and gives extra credit to Fellows who prepare and deliver talks, seminars etc on relevant subjects. In addition to IP law and practice, it recognizes that Fellows may need to keep up to date on developments in their own specialist technological fields and in aspects of the management of their practices or departments. It is recognized that there may well be activities that, while not falling strictly within the descriptions given in section 4 of the proposed Regulations, nevertheless constitute valid CPD and provides for Fellows to obtain guidance from the Institute.

Accreditation or approval of specific CPD activities

The proposed scheme does not require specific CPD activities to be validated or accredited; it relies on Fellows' judgement to select activities that are relevant to their practices. It measures activities by the number of hours spent on them, believing that to be the simplest approach and offering the possibility for many Fellows to maintain their CPD records using their firms' in-house time-sheet systems. Whether it be selecting suitable reading or choosing which seminar to attend, it ought to be possible to rely on a Fellow's commonsense and professionalism to distinguish between activities that are and are not useful CPD and it is felt that it really is not practicable to define in detail what would and would not be relevant to each Fellow's particular circumstances although, as in other aspects, Fellows will be able to obtain guidance from the Institute if they are not sure.

Limitations on hours counted for certain activities

In considering the amount of any one activity that can be allowed to 'count', it seems to be generally accepted that some activities ought to be limited – that they are relevant CPD but ought not to form the whole of a Fellow's CPD – and the limit for each of these activities has been set at 4 hours a year. There is obviously an arbitrary element to specifying a particular number of hours. Four has been chosen because it represents one quarter of the annual total. The sub-committee sees no merit in going further than that – assessing whether one activity could be allowed 6 hours, for example – and the general feeling from the consultation is that Fellows accept this as maintaining a reasonable balance between the need to be credible and the need to be realistic and attainable.

Attendance at committees

Attendance at committees of bodies other than CIPA - relevant committees of TMPDF, epi, ITMA, FICPI and LES, for example - is clearly as valid as attendance at CIPA's own committees. It is intended that the initial guidance will indicate which CIPA committees count and invite Fellows to make application in respect of committees of other bodies and these will be added to the approved list as and when they are approved.

Part time work, maternity/paternity leave, sabbaticals etc

It is important that all those practising as patent attorneys should take steps to keep their knowledge up to date. So, the requirement will apply in full to all those who are on the Register, regardless of how many hours a week they are currently working. Indeed, deprived of the professional development inherent in normal office contacts, it could be argued that Fellows who work part-time or who are taking breaks for maternity/paternity, a sabbatical or other similar reasons, should engage in additional CPD! It is accepted that some people's personal circumstances may be such as to make some CPD activities more difficult than they would be in normal working life and so it will be open to Fellows to apply to the Secretary for a dispensation with regard to the balance between activities. However, given that it is important that Fellows engage in formal CPD during career breaks, such dispensation will be given only in extreme circumstances. The requirement will not apply to Fellows who have fully retired from practice and Fellows who are working abroad will be able to tailor their CPD activity to their circumstances.

Amelioration

It is recognized that some Fellows may have difficulty complying with the requirements of the scheme. Such Fellows will be encouraged to consult the Secretary at an early stage. The Secretary, in collaboration with an appropriate sub-committee of the Education Committee, will have the power to recommend ameliorating measures in appropriate circumstances. The CPD Sub-Committee will, in due course, produce specific guidance covering such situations which will then be addressed on a case by case basis.

When considering the system as a whole, the guiding principle has been to produce a scheme that can be applied meaningfully to the great majority of Fellows. It was felt that it would not be acceptable to dilute the scheme unduly to address specifically the situations of a minority. For this reason the scheme has been so designed that any potential problem faced by a minority can be addressed on a case-by-case basis by the above power accorded to the Secretary.

Administration

As regards administration and recording of CPD, Fellows will complete a simple form at the end of each year, returning it within one month of the year-end, confirming that they have completed the required amount of CPD. A small random sample of Fellows will then be asked to submit more detailed information regarding the actual activities undertaken, which will be reviewed by the above-mentioned sub-committee of the Education Committee.

Non-compliance

Fellows whose records are inadequate or otherwise non-compliant will be invited to provide an explanation and any Fellow who has difficulty complying with the requirements will be encouraged to contact the Secretary, who will have the power, in consultation with the subcommittee of the Education Committee, to recommend ameliorating measures in appropriate circumstances. Penalties for failing to meet the requirements of the scheme are not fixed, and any imposed will be decided according to the circumstances. For example, a shortfall in hours might be overlooked (for instance where a practitioner has been ill) or satisfied by undertaking to do extra hours the following year. As experience is gained of the application of the scheme, it may be modified by the Council in subsequent years.

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Rules of Professional Conduct for Patent Attorneys Holding and Acting within the Scope of Litigation Right Certificates

(Special Rules of Professional Conduct)

I. Definitions

“Certificate” shall mean a certificate issued by the Chartered Institute of Patent Attorneys within the scope of the rights granted under the Courts and Legal Services Act 1990.

“Patent Attorney Litigator” shall mean a patent attorney holding a current Certificate.

“Litigation Work” shall mean the provision of professional services within the scope of a Certificate by or under the supervision of a Patent Attorney Litigator.

“Firm” shall mean a sole practitioner, a partnership or a body corporate carrying on business as a patent attorney, registered trademark attorney or solicitor, or whose primary purpose is to provide intellectual property advice to third parties for payment in respect of those services.

“Member of a Firm” shall mean an employee of the Firm and also the sole practitioner in the case of a sole practitioner, a partner of the Firm in the case of a partnership, a director of the Firm in the case of a company, and a member of the Firm in the case of a Limited Liability Partnership.

“CIPA” shall mean the Chartered Institute of Patent Attorneys.

“Employed Patent Attorney Litigator” shall mean an employee of an employer that is not a Firm.

II. Scope of Rules

- a. These Rules shall apply to Patent Attorney Litigators when performing Litigation Work.
- b. A Patent Attorney Litigator shall be responsible for ensuring that all Litigation Work performed by a person under his or her supervision shall be conducted in accordance with these Rules.
- c. A Patent Litigator shall, by applying for and holding a Certificate, agree subject to any appeal to be bound by all requirements and procedures and decisions of any person, body or committee set up to enforce these Rules and shall co-operate fully and promptly in establishing the facts in relation to any alleged breach of these Rules.
- d. If any provision of these Rules imposes requirements additional to or different from those of other rules of conduct to which a Patent Attorney Litigator is subject, these Rules shall prevail.

III. Basic Principles

A Patent Attorney Litigator shall neither do anything nor permit any person to do anything on his or her behalf, which compromises or impairs or is likely to compromise or impair any of the following:

- a. the independence or integrity of the Patent Attorney Litigator;
- b. a person’s freedom to instruct a Patent Attorney Litigator or other professional person of his or her choice;
- c. the Patent Attorney Litigator’s duty to act in the best interest of the client;

- d. the Patent Attorney Litigator's duty to the Court, which shall prevail over his or her duty to any client; and
- e. the Patent Attorney Litigator's proper standard of work.

IV. Competence

- a. A Patent Attorney Litigator shall decline to undertake Litigation Work outside his or her expertise or competence.
- b. A Patent Attorney Litigator shall consider whether, having regard to :
 - the circumstances (including in particular the gravity, complexity and likely cost) of the case;
 - the nature of the Patent Attorney Litigator's practice;
 - the Patent Attorney Litigator's ability, experience and seniority; and
 - the Patent Attorney Litigator's relationship with the client;

the best interests of the client would be served by the Patent Attorney Litigator, another Patent Attorney Litigator whether within the same patent attorney's Firm or not, a solicitor, or some other person providing litigation services.

- c. The consideration referred to in Rule IV.b shall be given as soon as practicable after receiving instructions and from time-to-time thereafter, particularly when circumstances change, and a file note shall be made on each occasion such consideration is given. If the Patent Attorney Litigator considers that the best interests of the client would be served by some other person acting, he or she must advise his or her client accordingly.

V. Conflicts of Interest

- a.
 1. A Patent Attorney Litigator must not accept instructions to act for two or more clients where there is a conflict or a significant risk of conflict between the interests of the clients.
 2. If a Patent Attorney Litigator acquires or has acquired relevant knowledge concerning a current or a former client in the course of acting for that client in any capacity, the Patent Attorney Litigator must not accept instructions to act against that client or shall henceforth cease to act against that client. The term "relevant knowledge" shall mean such knowledge of the client or the client's affairs that is not widely disseminated to the public and that is, or is likely to become, relevant to the action concerned against the client.
 3. A Patent Attorney Litigator must not continue to act for two or more clients where a conflict of interests arises between those clients.
 4. A Patent Attorney Litigator must not act where his or her interests conflict with those of a client.
- b. A Patent Attorney Litigator must not allow any person to perform Litigation Work under his or her supervision when the Patent Attorney Litigator knows or has reasonable grounds for suspecting that such person has a conflict of interest in respect of the Litigation work.
- c. A Patent Attorney Litigator who is a Member of a Firm or who is instructed by a Firm shall not act for a client in litigation against any other party who, to the Patent Attorney Litigator's knowledge after reasonable enquiry, is also a client of the Firm or concerning whom the Firm

has relevant knowledge unless both the clients after being fully informed specifically approve of the Firm acting in the litigation.

- d. Subject to Rule VI, an Employed Patent Attorney Litigator may only undertake Litigation Work for a person other than his or her employer if:
- he or she declines to act for that person if any conflict arises between the employer and that person; and
 - he or she informs that person in writing prior to commencing the or each piece of Litigation Work that he or she is an employee and that he or she must decline to act further for that person if any conflict arises between the employer and that person.

VI. Employed Patent Attorney Litigators

- a. An Employed Patent Attorney Litigator shall not act in the course of his employment with his employer as a Patent Attorney Litigator except in accordance with the following provisions of Rule VI.
- b. In the course of his employment, an employed Patent Attorney Litigator may act for the employer and the following related bodies:
- the employer's holding, associated or subsidiary company;
 - a partnership, syndicate or company by way of joint venture in which the employer and others have an interest;
 - a trade association of which the employer is a member;
 - a club, association, pension fund or other scheme operating for the benefit of employees of the employer;
 - where the employer is a public body, for another public body or statutory officer to which the employer is statutory empowered to provide legal services;
 - where the employer is an association whose members are limited to persons engaged or concerned in a particular trade, occupation or activity or otherwise having a community of interest, and is formed bona fide for the benefit of its members and not formed directly or indirectly for the benefit of the Patent Attorney Litigator or primarily for securing assistance in legal proceedings, for a member of such an association.
 - a person with whom the employer has a joint interest in the outcome of any proceedings, including in particular any licensee or licensor of the employer, or any joint owner with the employer of any intellectual property rights the subject of the relevant Litigation Work, providing that such joint interest is bona fide for the employer's benefit and is not formed directly or indirectly for securing assistance in legal proceedings.
- c. Subject to the following provisions, an Employed Patent Attorney Litigator may also act for the following persons:
- a fellow employee;
 - a director, company secretary or board member of the Patent Attorney Litigator's employer;
 - an employee, director, company secretary, board member or trustee of the employer

or of a related body of the employer within the meaning of paragraph b above;

provided that in each such case

- a) the matter relates to or arises out of the work of such person for the employer,
 - b) the Patent Attorney Litigator is satisfied that such person does not wish to instruct some other representative, and
 - c) no charge is made to such person, in relation to the Patent Attorney Litigator's costs, unless such costs are recoverable from any other source.
- d. The Employed Patent Attorney Litigator shall, before accepting instructions to act for bodies or persons other than the employer in accordance with these Rules, give written notice to the client that the employer is not able, by way of insurance or otherwise, to indemnify the client adequately in the event of a claim against the Patent Attorney Litigator for which the employer would be vicariously liable, if that be the case.
- e. The Employed Patent Attorney Litigator shall, before accepting instructions to act for bodies or persons other than the employer in accordance with these Rules, give written notice to the client that the Patent Attorney Litigator is not covered by insurance in relation to professional negligence, if that be the case.
- f. Where an Employed Patent Attorney Litigator is acting for body or person other than the employer in accordance with these Rules, any information disclosed to the Employed Patent Attorney Litigator by the client is confidential and cannot be disclosed to the employer except with the express consent of the client;
- g. Interpretation:
1. "holding" and "subsidiary" Company have the meanings assigned to them by the Company's Act 1985 (as amended from time to time) and two companies are "associated" where they are subsidiaries of the same holding company or companies; and
 2. any references to a Patent Attorney Litigator's employer include the employer's holding, associated or subsidiary company, and any references to an employee include references to an employee of such holding, associated or subsidiary company.

VII. Non-Discrimination

A Patent Attorney Litigator must not discriminate on the grounds of race, sex, disability, sexual orientation or religion in his or her professional dealings with clients, employees, solicitors, other patent attorneys, barristers or any other person. Furthermore, a Patent Attorney Litigator in any instance in which he is providing advocacy services in the course of Litigation Work must not withhold those services -

- on the ground that the nature of the case is objectionable to him or to any section of the public;
- on the ground that the conduct, opinions or beliefs of the prospective client are unacceptable to him or to any section of the public; and
- on any ground relating to the source of any financial support which may properly be given to the prospective client for the proceedings in question (for example, on the ground that such support will be available under the Legal Aid Act 1988).

VIII. Confidentiality

- a. Except properly for conduct of work on behalf of the client, a Patent Attorney Litigator is under a duty to keep confidential to his or her own Firm the affairs of a client and to ensure that the staff of the Firm do the same.
- b. The duty under Rule VIII.a applies irrespective of the source of that information.
- c. The duty under Rule VIII.a continues until the client permits disclosure or waives the confidentiality.

IX. Fees

- a. A Patent Attorney Litigator must not charge unjustifiable fees having regard to fees generally charged by professionals in the conduct of litigation of comparable complexity and difficulty to the Litigation Work in question.
- b. A Patent Attorney Litigator who is retained in connection with Litigation Work shall not enter into any arrangement to receive a contingency fee in respect of that work except if permitted to do so by the Lord Chancellor in accordance with any statute or statutory instrument or otherwise in accordance with any rule of law.

X. Legal Aid

A Patent Attorney Litigator is under a duty to consider and advise the client on the availability of legal aid where the client might be entitled to assistance or legal aid under the Legal Aid Act 1988 or any succeeding Act.

XI. Duties of a Patent Attorney Litigator

- a. A Patent Attorney Litigator whilst under a duty to do the best for a client must never deceive or mislead the Court.
- b. A Patent Attorney Litigator must not make or instruct counsel to make an allegation which is intended only to insult, degrade or annoy the other side, a witness or any other person.
- c. A Patent Attorney Litigator is under a duty to attend or arrange for the attendance of a responsible representative throughout any Court hearing attended by counsel.
- d. A Patent Attorney Litigator must comply with any order of the Court which the Court can properly make requiring the Patent Attorney Litigator and his or her Firm to take or refrain from taking some particular course of action.
- e. A Patent Attorney Litigator must comply with the letter and spirit of any undertaking given to the Court or other party whether or not that undertaking is supported by consideration.

XII. Procedural

Each Patent Attorney Litigator or Firm shall have an established procedure for dealing with complaints in regard to Litigation Work. Written details of the procedure must be available whenever a client requests them. In addition, a client shall be informed in writing, when first engaging a Patent Attorney Litigator or a Firm to do Litigation Work (whether or not the client is already a client of the Patent Attorney Litigator or his Firm in respect of other work), that such a procedure exists and that, for resolution of a complaint, the client should first contact the Patent Attorney Litigator or his Firm. In order to reduce misunderstandings concerning the levels of fees charged for Litigation Work, the client must also be informed in writing of the basis on which the work is to be charged.

XIII. Professional Indemnity Insurance

- a. Each Patent Attorney Litigator or his or her Firm must take out and maintain professional indemnity insurance cover for Litigation Work. When commencing and renewing such insurance, each Patent Attorney Litigator or his or her Firm shall ensure that the insurance provides cover in respect of each and every claim brought in the United Kingdom or elsewhere in the European Union of at least the Minimum Value (as defined in the next sentence) prevailing at the time of commencement or renewal. The Minimum Value shall be determined by the Council of CIPA from time to time but shall never be a value less than £1,000,000.
- b. A Patent Attorney Litigator shall not limit liability for professional negligence below the Minimum Value.
- c. Any limitation of liability for negligence in respect of Litigation Work must be clearly drawn to the attention of a client and be understood and accepted by him or her.
- d. The provisions of Rule XIII shall not apply to an Employed Patent Attorney Litigator when he or she is acting within the meaning of Rule VI.b or c.

Guidelines Concerning the Observance of the Rules of Professional Conduct

Issued by the Council of the Chartered Institute on 5th April, 1989 and amended on 6th June, 1990, 7th February, 1996, 6th October, 1999, 2nd April, 2003 and 4th June, 2003

General Rules (Rules 1 & 2)

- A.1 Rule 1 is about a Member's general duty to the public at large, and to clients in particular.
- A.2 Members are expected to keep their relevant knowledge and expertise up to date to the best of their ability.
- A.3 When asked to advise or act in a matter outside their expertise, Members should be frank with their clients and, whenever it seems in the client's best interest, recommend taking advice from, or transferring the whole matter to, someone better qualified to deal with the particular matter.
- A.4 Rules 1 and 2 imply avoidance of situations which are compromising or likely to raise doubts about a Member's integrity. Thus, for example

- (i) Faced with unreasonable conduct, Members should nevertheless be reasonable in handling the situation (though without prejudice to the pursuit of any appropriate legal remedy).
- (ii) Members have a duty to charge only fees which are reasonable, that is to say generally in line with professional fees elsewhere. Factors which may be taken into account are the time spent, the costs of running a practice, the urgency of the situation and any special circumstances. All this should be specified to the client before any work is done.

New clients and those who wish should be advised of the hourly rates for different classes of work, and of the anticipated costs of pieces of work, both individually and as a whole job. All clients should be advised as to costs at frequent intervals, and particularly when an estimate looks likely to be exceeded.

There is an increasing demand for fixed-price quotations for particular pieces of work. The work for which a quotation is given should be precisely defined, and a member should seek to keep the time-period covered by the quotation as short as possible in the interest of predictability, but the additional risk involved will anyway make a quotation higher than a cost-plus estimate. A quotation may be accompanied by a request for payment before work is started, and this will have the advantage that it will be less likely for the client subsequently to argue that the charge was unreasonable.

- (iii) A Member shall not impugn, explicitly or otherwise, the competence, integrity or professional reputation of another Member without clear justification. This implies a general duty not to make unfair comparisons with other Members.
- A.5 Members should observe these Rules independently of the Rules of any other body to which they may belong.
- A.6.1 A Member, acting as a representative of a client:
- in the preparation of a case for presentation;

- in the conduct of proceedings; or
- appearing on behalf of a client

in any Court, is expected to ensure that any money held on behalf of the client, in respect of the proceedings, is held on trust for the client in an account which is entirely separate from the Member's personal or professional business account.

A.6.2 Money which would have to be kept in the separate account includes that which is intended, or which may be required to be paid to a third party or to the Court, by way of settlement or as the Court might direct. Money in the separate clients' account should be held to the order of the client or the Court and any interest accruing in the account should inure to the client.

A.6.3 Money which the Member is not required to keep in such a separate clients' account includes:

- any money received on account of expected charges for the Member's services;
- costs to be incurred on the client's behalf; and
- money paid in settlement of a debt owed by the client to the Member.

Availability (Rule 3)

B.1 A Member put in an unreasonable position, particularly if expected to continue services without payment, should nevertheless ensure that a client has the opportunity to make other arrangements, giving notice reasonable in all the circumstances. This may entail contact direct rather than through an associate, if due assurance cannot otherwise be obtained.

Conflicts of Interest (Rules 4 and 5)

C.1 In Rule 4, a "conflicting matter" is not necessarily the same matter as the one in which the second client is interested. On the other hand, the word "particular" is important. In the end, whether a conflict of interest exists - or whether a personal interest (Rule 5) is "significant" - must remain questions for judgement having regard the facts of the particular case. In any event, Members are reminded that Rules 1 and 2 are over-riding. If a client cannot be told of a possible conflict of interest beyond the bare indication that it exists, or if the client's approval cannot be sought without some breach of confidence, then the Member obviously cannot act for that client.

C.2 Where a conflict of interest might arise were two clients both represented by the same Member, then if they are in fact represented by two different Members (or if there is a proposal to this effect), but a connection exists between those Members, if it is possible without breach of confidence, the first Member to find out must tell the other, and both clients must be told.

C.3 When receiving an enquiry or instructions from a new client, Members should consider the possibility of conflict.

Liability (Rule 6)

D.1 "Principal in private practice" means any partner, director of a company, member of a limited liability partnership or sole practitioner offering direct intellectual property services to the public, including those in employment if they have a private clientele.

D.2 Members must determine the actual level of cover which is appropriate to their own practice. The figure mentioned in Rule 6 is the minimum level of cover which members must have.

Failure to maintain a reasonable level of cover could be a breach of Rule 6 or of the general Rules 1 and 2.

- D.3 Members should bear in mind that advice given to a foreign client could result in losses to a UK subsidiary which might bring an action in the UK Courts. Consequently, any member who offers intellectual property services solely to overseas clients may still require insurance cover under Rule 6.
- D.4 Members who undertake overflow work, or who act as a consultant to another firm of patent agents should check that this work will be covered by professional indemnity insurance.

Promotion (Rule 7)

- E.1 Members will no doubt have regard to the epi rules and those of any other body outside the Institute to which they may belong, and to the provisions of Rule 2.

Relations with Others (Rule 8)

- F.1 As far as these Rules are concerned, Members may practise as Companies, limited or otherwise, as Limited Liability Partnerships, and in mixed partnerships.
- F.2 Members employed by, or in partnership, co-directorship, or co-membership of a limited liability partnership with anyone not a Member, should very carefully consider their position under Rule 6, especially as regards their liability for the actions of other people. Implicit in Rule 8 is the Member's responsibility to take whatever reasonable steps are practicable to ensure that neither the organization of which the Member is part, nor anyone in it, does anything to compromise the Member's duty to observe these Rules.

Use of the Institute's Name etc. (Rule 9)

- G.1 For avoidance of doubt, there is no restriction on use of the name of the Institute to indicate the fact of a person's membership.

Professional Guidance (Rule 10)

- H.1 The right in Rule 10 only applies when the Member himself actually intends (subject to being satisfied that it is proper) to do or sanction the course of action concerned.
- H.2 The PGC is empowered by Council to publish the substance of guidance given to Members, while preserving the anonymity of the person asking for guidance, when it considers that the guidance may be of value to other Members.
- H.3 The PGC is also empowered to issue statements of practice in respect in respect of any matter governed by these Rules, setting out the view of the Committee for the general guidance of Members.
- H.4 Neither individual nor general guidance will be binding on the Professional Conduct Committee or on Council in any formal professional conduct proceedings before them, but full account will be taken of the fact that such guidance was sought and given as well as of the content of that guidance.
- H.5 In particular, activities compatible with guidance given by the PGC will ordinarily be considered by Council to be contrary to these Rules only in view of the manner in which they have been carried out, and not because of their inherent nature.

Interpretation (Rule 13)

I.1 Under Rule 11 (2), the Rules apply to a Member working in some field, outside intellectual property as such, e.g. as a consultant in technology transfer, or as an executive director of an industrial company. Such people may well use their membership in connection with their work, for example by mentioning it on their business letterhead. To the extent set out in Rule 11(2), the Rules apply also to patent agents who are primarily members of other professions or of overseas professional bodies of practitioners within the field of intellectual property.

Consequent on the passing of new Rule 11 of the Rules of Professional Conduct, Council issued the following guidance to Members on 6th October, 1999.

General

The Special Rules may generally be read with “Patent Agent Litigator” replaced by “the member” and “Litigation Work” replaced by “the proceedings” or “work in the proceedings”. Where the Special Rules imply general duties on holders of the Certificate, the corresponding duties imposed under Rule 11 bear on work in particular proposed or actual proceedings, and on general conduct so far as determining ability to observe the Special Rules in any instructions that may be received.

Thus, in the definition in Special Rule 1, “Patent Agent Litigator” is rather “a patent agent when acting (or holding himself or herself out as willing to act) in proceedings where he or she is exercising a statutory right of a patent agent to litigate or be heard in any UK Court”; correspondingly “Litigation Work” is “the provision of professional services in which such a right is exercised by or under the supervision of such a patent agent”. The rest of the Special Rules appear readily understood in the required terms, including Special Rule II c) if the words “by applying for and holding a Certificate” are read as “by acting, or holding himself or herself out as willing to act, in proceedings where he or she will be exercising a statutory right of a patent agent to litigate or be heard in any UK Court”.

It is to be noted that a member acting before a Court and who is a solicitor or a barrister may not be exercising a statutory right of a patent agent, but rather rights as a lawyer. If so, the rule is inapplicable to such a member. The reference to a statutory right also formally distinguishes obligations under Rule 11 from obligations under a Litigation Rights Certificate, though the substance of the obligations is the same in either case.

Courts

It is to be noted that the context in which the present rule has been made is approval of the Institute’s application to grant Litigation Rights Certificates, giving in particular rights to litigate in the High Court. It was felt that patent agents acting before the High Court (including the Court of Session in Scotland) and any higher Court under long-existing rights, and by extension those acting in the Patents County Court under the CDP Act 1988, should be subject to the same rules as those applicable to a patent agent acting on the strength of a Certificate. The term “Court” will, however, not apply to the Comptroller’s court, nor for example to appeal bodies in trade mark or design matters not taken to the High Court.

Conflict

On conflict, one must note the general provision that the Special Rules apply to Patent Agent Litigators only when performing litigation work. In V a) 1. and 2. one must thus read “**act in Litigation Work**”, while noting that at 2. “relevant knowledge” may have been obtained when acting for the client in any capacity. At c), especially in view of the contrasting “or”, one must read “is also a client of the Firm **in Litigation Work**”, and in the next line “concerning whom the firm has relevant knowledge **obtained when acting for the client in any capacity**”.