



**THE AUSTRALIAN ASSOCIATION OF THE
FEDERATION OF INTELLECTUAL PROPERTY ATTORNEYS
FICPI AUSTRALIA**

February 16, 2022

By email secretary.ttipb@ipaaustralia.gov.au

To: Julie Baxter
(Director)
Assurance and Governance
IP AUSTRALIA

Cc ip.policy@mbie.govt.nz

Dear Julie

Trans-Tasman IP Attorneys Board Regulation Reform Public Consultation

We refer to the public consultation regarding the Trans-Tasman IP Attorney Board (TTIPAB) and thank you for the extension of time to today to provide our submission (notified by email from Patrick Johnson dated 2 February 2022).

About FICPI Australia

FICPI Australia is the Australian National Association of the International Federation of Intellectual Property Attorneys (FICPI).

FICPI is unique. It is the only international NGO whose membership consists exclusively of IP attorneys in private practice. FICPI, therefore, represents a key constituency of the international IP system.

Founded more than 100 years ago in 1906, FICPI now has more than 5,000 members in over 86 countries, including the US and Japan, Australia and New Zealand, a strong European membership and newly established national sections in India and PR China. Further details regarding FICPI can be found at www.ficpi.org.

Before being admitted, an applicant for membership of FICPI must satisfy prescribed criteria as to their character, experience and international reputation.

FICPI's members represent their clients in patent, trade mark and design matters, and related forms of IP, at the national, regional and international levels. Clients of FICPI members range from individuals and SMEs to multi-national industries, as well as universities, governmental and non-governmental organisations and other institutions, who are applicants and non-applicants alike. FICPI members have assisted in the drafting of IP laws and treaties. FICPI is, therefore, able to offer well-balanced opinions about newly proposed international, regional or national legislation or practise guidelines based on a wide range of different levels of client knowledge, experience and business needs of the IP system.

FICPI aims to enhance international cooperation within the profession of IP attorneys in private practice and to promote the training and continuing education of its members and others interested in IP protection.

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The members of FICPI Australia are all registered Patent Attorneys or registered Patent and Trade Marks Attorneys who have important roles in Patent Attorney firms conducting business in Australia.

FICPI Australia adopts the statutes of FICPI and includes in its objects to:

- aid in the tuition and introduction of practice, procedure and legislation for the benefit and protection of inventors, patentees, traders and manufacturers in Australia and other countries;
- establish inter-communication between members; and
- facilitate contact and communication of the members of its association with members of FICPI in other countries.

TTIPAB Consultation

FICPI Australia welcomes the opportunity to provide input into the TTIPAB review.

As a general principal, FICPI Australia is of the view that the public interest is best served by patent and trade mark attorneys providing high quality service. Australian attorneys generally have a reputation internationally for high quality service. While accessibility and pricing of attorney services is of a concern, generally the marketplace for attorney services provides a spread of offerings at a range of price points, bearing in mind that patent attorney services are provided by highly skilled practitioners with science and/or engineering qualifications (many at post-graduate level) as well as a legal qualification (typically a Master of Intellectual Property, or equivalent).

Any changes to the oversight of attorneys should, in FICPI Australia's view, not be to the detriment of the quality of services they provide and be balanced so that that oversight is not overly onerous on IP attorneys, given the existing rigorous qualification requirements, continuing professional education requirements and obligations to clients provided by the Code of Conduct.

FICPI Australia's response comprises the following answers to the questions posed in the 'ARRANGEMENT BETWEEN THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF NEW ZEALAND RELATING TO TRANS-TASMAN REGULATION OF PATENT ATTORNEYS CONSULTATION PAPER' dated November 2021.

Q1. How has the joint regulatory regime impacted upon the relationship between Australia and New Zealand?

FICPI Australia is not in a position to answer this question.

Q2. How has the joint registration scheme impacted upon the availability of patent attorney services in Australia and New Zealand?

FICPI Australia can only rely on the statistics provided and the experience of its members to state that there does not seem to have been any discernible impact on availability which was or is a consequence of the joint registration scheme. FICPI Australia is not aware of any shortage of patent attorney services by firms although is aware that the patent attorney labour market is currently tight in some technical areas in some geographic locations.

Q3. What improvements, if any, could be made to the way in which the Board operates?

FICPI Australia has no working knowledge of the operation of the Board, and no FICPI Australia member has approached the council with any comment about the operation of the Board.

Q4. What other actions, if any, could be undertaken to improve the economies of scale in institutional arrangements under the joint registration scheme?

FICPI Australia does not have sufficient knowledge of the costs or the staffing needs or wants of the operation of the Board and thus cannot contribute to this discussion.

Q5. How has the joint registration scheme been effective in reducing the regulatory and business compliance cost for persons practicing as patent attorneys?

FICPI Australia commends using a single fee for registration and renewal of registration to practice in both Australia and New Zealand. It believes that the CPD requirements are reasonable and commiserate with the expected professionalism of the profession in both countries.

Q6. Should any changes be considered to further facilitate reducing compliance costs and why?

FICPI Australia would urge the Board to recognise the more significant number of small to medium-sized attorney firms (sole practitioners, partnerships, Proprietary Limited entities) in existence at this time. Small to medium-sized firms sometimes find it difficult to access professional conduct and ethics content suitable to be their attorney's CPD requirements unless incurring some cost to pay for the delivery of such courses. Due to the universal nature of those topics and their importance to the stated objective of "increasing business confidence in the quality and standard of service provided by patent attorneys", the board is urged to make structured CPD courses at no or low cost to the relevant professions.

Q7. How are the current qualifications and training requirements impacting on those wanting to register and practice as patent attorneys and, therefore, on the number of attorneys available to service the needs of innovative businesses in Australia and New Zealand?

FICPI Australia considers that the current training and qualification requirements do not adversely impact those wanting to register and practice as a patent attorney. The relatively expensive University fees which patent attorney candidates have to pay to meet knowledge requirements is the function of being part of the University system. The Patent Attorney profession is no different from any profession that values University higher education, noting that the person must already hold a suitable degree to be a candidate attorney.

Any person choosing a new profession must determine the cost-benefit of the additional educational qualification and be aware of the demand for new trainee attorneys before, during but rarely after they qualify. The demand for such employment is driven by the commercial needs of firms providing the services that qualified and well-trained patent attorneys can provide. Thus, it is essential to recognise that the qualification alone and accreditation process does not and cannot ever produce a difference in the number of effective attorneys in the marketplace.

Based on some uncited research FICPI Australis understands that AU/NZ have a ratio of roughly one patent attorney for every 32,000 population (2018 figures). The AU ratio can then be compared to 1 for every 7000 people in the USA, 1 for every 22,000 population in DE, 1 for every 31,200 population in the UK and 1 per 66,900 in France. From that comparison, the Australian ratio is close to that of the UK. However, the US ratio is much lower (noting that the ratio of lawyers to population is also meagre compared to other industrialised countries).

As Dr Mark Summerfield correctly observes in his [Patentology Blog site in dated 07 Jan 2018 paper](#) "A Profile of Australian and New Zealand Patent Attorneys", there is a more fundamental underlying problem. That problem is that despite AU and NZ Government policy initiatives using encouraging names like [The National Innovation and Science Agenda](#), Australia continues to

underperform in the development and commercialisation of technological innovation. Furthermore, Australian companies and individuals generally have a poor understanding of IP and little appreciation of the value of IP rights. Indeed, for most of these companies, IP protection continues to be viewed as an expense that is best minimised – or wholly avoided – rather than a means of securing valuable intellectual assets. Until these issues are addressed at the government level and a long term policy framework established, there is unlikely to be any significant increase in demand for patent attorney services in Australia.

Hopefully, it is not labouring a point; it is posited not just by FICPI Australia that SMEs that own and develop registerable IP do better across the board than those that do not. We refer to Farre-Mensa of the Harvard Business School, the lead author on an [NBER](#) study that investigated whether patents helped start-ups grow and succeed. Yet further, the [EPO](#) study showed that SME's that have IP protection provide more economic benefits to the country and are likely to be employers of more people than SME's that do not use IP.

IP Australia's Michael Falk, Acting Director, Office of Chief Economist, has conducted and published "Research On IP rights And The Growth Of SMEs". The summary of that report made the following statement. Unlocking value in SMEs is crucial to a broad-based economic recovery: SMEs account for 99% of Australian businesses, employ 70% of Australian workers and generate 57% of Australia's Gross Domestic Product. The findings from this report suggest that IP data can be used to target support aimed at helping SMEs realise their growth potential."

There seems to be a slight mismatch in training requirements being specified in the regulations as including certain types of work conducted over a specified period of time, without specifying how much of each type of work is required or that the work is to be of any particular level of competency, and yet statements of skill seem to be required to state how much of each type of work is conducted and it seems to be inferred from the quantity of work that there is a certain level of competency. Thus, in practice the requirements of a statement of skill seem to be higher than required by the regulations. FICPI Australia views the mismatch as needing to be remedied on the regulation side in order for the public to have confidence that newly registered attorneys are competent to practice without needing supervision. FICPI Australia believes that quantity of work in each area is not a reflection of competency of work in each area.

Q8. What changes could be made to the qualifications and training requirements to, for example, increase their accessibility and reduce the time and costs to candidates to qualify for registration?

To increase accessibility, additional Universities could be approached to offer subjects required for registration. This in turn might reduce the costs of the courses due to competition.

Subsidies for firms to train patent attorneys could be considered.

There should be no reduction in the time required to qualify. As it is, the time period of 2 years is barely enough for a person to gain a passing level of skill in practice as a patent attorney. Typically, firms require in the order of 5 years of experience before an attorney is considered sufficiently skilled to require minimal level of skill.

Newly registered attorneys with only 2 years of experience would generally be regarded by FICPI Australia as not having the depth of experience to competently practice on their own.

Q9. Do the regime's qualifications and training requirements strike the correct balance between ensuring quality of services provided by new entrants to the profession and the availability and affordability of patent attorney services for businesses? If not, what changes should be considered?

In the traditional model of a new attorney working for a medium to large firm for several years after qualification, the balance between experience and skill against time seems appropriate

because firms will continue to supervise attorneys on riskier work. This working arrangement in substance is due to the University model providing inadequate knowledge and skill to be a competent patent attorney. The time frame to develop the requisite expertise and skill is generally longer than two years.

However, with an increasing number of attorneys setting up as sole practitioners or joining a start-up firm, additional protections to the public against in-experienced attorneys making errors or undertaking poor practices or having insufficient infrastructure may need to be monitored. If sufficient protections are not in place, then limitations on what inexperienced practitioners can do may need to be considered.

FICPI Australia has in the past and will continue to provide practice management seminars in a collegiate environment where the full spectrum of practical attorney experience is available. Ideally, the participants are in a conference environment so that a mix of formal and informal interaction is available and willingly provided by members of FICPI. FICPI Australia has a junior level membership level intended to encourage attorneys of 1 to five years following registration to be involved in the collegiate benefits of membership. FICPI and others should be encouraged to provide training and guidance in the business aspects of providing a professional service. Since no matter how legally and technically skilled an attorney may be, the business aspects of the service they provide is a critical part of the shared experience of the profession. FICPI Australia only sees benefits for the whole professional if practitioners are well versed in good and sound business practices.

Q10. Are the current CPE requirements sufficient to ensure the quality of patent attorney services? Are there any improvements which could be made to the CPE framework?

There is a balance to be struck as to what an attorney is able to or chooses to undertake CPE time in and the costs to do so against causing attorneys to undertake CPE in areas which may be needed as a profession as a whole, or areas in which an attorney's knowledge or skill is lower. The current requirement of 1 ethics hour per annum seems to be the correct balance, leaving attorneys to work out for themselves areas which need additional knowledge as against the availability of CPE and the costs and timing to obtain CPE.

Any improvements would need to balance a benefit of the 'improvement' against how onerous those 'improvements' are to apply.

Some flexibility could be provided to 'catch up' if an area was lacking in a given year.

Q11. What would be the costs and benefits of the Board and Secretariat undertaking a more coordinated and proactive approach to supporting compliance with the code of conduct by patent attorneys? How might the Board and Secretariat undertake a more coordinated and proactive approach?

Obviously, this would depend on what was proposed. What exactly is to be coordinated in compliance with the code? How might the Board be proactive in supporting compliance with the code?

There seem to be relatively few complaints to the Board about alleged breaches to the code. Therefore, the nature of the alleged breaches and the outcome (be it referral to the disciplinary tribunal or a finding that there is an insufficient case to refer to the tribunal) could be anonymised. A summary published on each case (possibly each year in summary), with the outcome of the Board's consideration and, if appropriate, any recommendations to avoid the cause of the complaint or that the complaint was not justified to guide and assist patent attorneys on how to avoid such complaints. Further, a simplified response system could be provided as an initial simple response step to avoid attorneys having to commit significant time and resources to defend against vexatious complaints (or complaints that attempt to avoid payment of fees). Additionally, a fee could be levied when a complaint is determined to be

vexatious, with a portion being provided to the attorney as part compensation against a vexatious complaint.

Additionally, the Board should consider using a mediation service in some instances, where complaints relate not to the standard of professional knowledge but primarily financial situations. Where there are alleged breaches of the code relating to misappropriation of funds, that is clearly within the ambit of the Board to consider. However, wherein the circumstances as identified in the complaint the business practices of the dispute are the issue, there should be a mechanism separate from the Board to deal with the situation. If following external review, the Board should become involved that option should not be precluded. In some cases, the standard of service of attorneys will relate solely to their ability to run their business, hence the points made by our submission in answer to question 9.

Q12. Is the Code of Conduct an effective mechanism for regulating attorney conduct and providing confidence in the standards of the profession?

FICPI Australia is comfortable with the Code of Conduct. The most contentious issue relates to a perception (at least) of conflict of interest due to multiple firms having a common owner. There is an anecdotal view from some overseas attorneys that they are unaware of or insufficiently aware of the common ownership group situation and scepticism of avoidance of conflicts of interest. There is also a divergence of opinion amongst members that the conflict of opinion problem is avoided. For this reason, aside from recognising that there is a divergence of opinion FICPI Australia does not adopt a position in this regard.

In accord with our view on the paucity of business related tuition and training for newly qualified attorneys it is important for the board to take a holistic view of what it means to maintain the standards of the profession and consequently the perceptions and reality of those that use the profession.

Q13. Are there any more suitable alternatives to a Code of Conduct as a means of regulating attorney conduct?

Keeping clients happy is the main means of (self) regulation of appropriate attorney conduct. Regulation should always only be a last resort. We also refer to our answers to questions 8 and 12.

Q14. What are the costs and benefits from having the disciplinary regime apply to patent attorneys after they have either voluntarily suspended or removed themselves from the register? What might be reasonable sanctions for misconduct for attorneys who have left the profession?

There seems little benefit of sanctions for misconduct against attorneys that have left the profession when the more severe penalties are suspension from registration or de-registration. The only possible additional sanction that FICPI Australia can envisage is if re-registration were to be sought, that the suspension or a part thereof be served before re-registration would occur, if appropriate, or re-registration might be denied in the case where registration would have been revoked.

Q15. What would be the costs and benefits from placing a bar on reregistration of attorneys where they have previously suspended or removed themselves from registration while disciplinary proceedings were underway? If a bar were to be imposed, what should that bar be?

The cost to the attorney may be severe if they made their livelihood from working as a patent attorney. This should only be considered in the most severe of cases. It would appear to be open to an attorney faced with such a drastic action to seek review by the AAT or a Court seeking Judicial Review.

Q16. What would be the costs and benefits for the regime from providing more capacity and guidance for Board investigations?

The guidance provided to complainants by the board seems full and sufficient.

The cost might be a lack of freedom for an attorney to defend themselves as they wish against an allegation if the guidance was overly difficult to follow or an adverse inference was to be taken if the guidance was not followed.

The benefit might be to reduce the time and resources required by an attorney in defending an application.

Q17. Would providing more information to businesses about the trans-Tasman regime assist in facilitating attorneys practising across both countries? If so, who should be providing this information and to whom?

FICPI Australia cannot envisage any additional information needed to facilitate attorneys to practise across Australia and New Zealand. Those attorneys that wish to do so are fully able to do so. Where they do in fact practice is a function of obtaining clients in both jurisdictions. They should be entirely up to the clients to select the attorney they think will best server their needs. Attorneys will also offer those services to overseas attorney firms and entities and their competency and capacity to do so is as much a practicing decision as it is a commercial decision and clients of this type are more than capable of making that determination.

FICPI Australia believes the Board should provide guidance to attorneys on whether attorneys using the term Trans-Tasman IP Attorney is authorised by the legislation as it seems to be a term (as opposed to New Zealand Patent Attorney or Australian Patent Attorney) that has been adopted by some attorneys based the on the renaming of the Board, but does not seem to find any particular authorisation in legislation.

Q18. What improvements to the Trans-Tasman patent attorney regime should be made to facilitate SMEs having access to more affordable patent attorney services?

The question seems to be premised on the assumption that patent attorney services are expensive and that the attorney regime can be used to make attorney services more affordable. FICPI Australia rejects the premise.

Patent Application processes could be largely comprise drafting and prosecution services. If clients want good quality patents then the time required is needed to be spent on the patent drafting. Such a specialised process commands an appropriate cost. If this is regarded as too much then subsidisation to appropriate applicant should be considered. Patent prosecution costs come from a 'negotiation' between patent offices and applicant as to the scope that can be allowed. Too often examiners take objections that result in unnecessary costs to applicants because the objection is wrong or wrong in part. Reducing wrong or wrong in part objections is the single biggest factor that will reduce applicant costs in the course of obtaining a patent. This however is not relevant to the patent attorney regime.

Q19. What other issues, if any, have you experienced with either the operation of the joint registration scheme or the services provided by patent attorneys? How might those issues be addressed?

FICPI Australia urges the introduction of a limitation on liability scheme similar to those provided to lawyers. Lawyers have had these schemes for many years. Patent Attorneys should also have access to a similar scheme, which will also protect the public by providing a minimum liability protection.

Related, is the issue of incorporated patent attorneys requiring professional indemnity (PI) insurance. Obviously, this would dovetail into the liability scheme noted above. However, there

is currently no guidance or requirement on the quantum of insurance regarded as adequate. There is no requirement for PI insurance for firms having a different structure. FICPI Australia suggests that firms should have for their own protection and for the public's protection no matter the structure.

FICPI Australia recommends that there should be codification of what registration entitles an attorney to do in view of prohibition on non-lawyers providing legal advice. There are areas of overlap in practice of patent attorneys that do not necessarily have explicit authorisation under the Patents Act but also could be argued to be in breach of state legislation prohibiting non-lawyers from providing legal advice. This 'grey area' should be clarified to avoid any doubt.

Additionally, FICPI Australia is concerned about non-registered persons providing patent attorney services. In particular our members frequently receive offers from overseas operators offering patent attorney services in Australia. While the difficulty of enforcement of the law against overseas entities is acknowledged, the Board should pursue warnings, in all cases and prosecution where practical. Changes to the law should also be considered. It creates an uneven playing field for Australia attorneys that must meet training, qualification, on-going education and code of conduct requirements, including the cost and time burden to do so, and is therefore not in Australia's interest to allow this to occur. Furthermore, it makes the public vulnerable to untrained, unqualified and/or unregulated operators providing services that make not be of an appropriate standard or are based on actions that may not be in the public best interest.

Q20. What are the costs and benefits of the operation of the trans-Tasman regulatory regime also encompassing of regulation trade marks attorneys in Australia?

This would provide similar benefits to trade mark attorneys and to those seeking to use a trade mark attorney in New Zealand and Australia as are provided currently to patent attorneys.

FICPI Australia supports the introduction of a Trans-Tasman Trade Mark Attorney registration.

FICPI Australia urges the Board to make better known the difference between an agent assisting trade mark applicants and a qualified and regulated trade marks attorney. The market place for such services is distorted by the regulatory requirements of being a registered trade marks attorney and those that merely offer the service with no regulation.

The Board should also make known to agents that are not lawyers or registered trade mark attorneys (in cooperation with state based lawyers practice boards) that provision of legal advice in relation to trade marks and designs is prohibited.

Q21. What improvements could be made to the regulation of trade marks attorneys in Australia?

There is currently no minimum period of experience needed to register as a trade marks attorney.

FICPI Australia recommend a minimum period of experience be obtained in relation to certain areas of skill before registration can be obtained, similar to that required for patent attorneys and preferably as suggested above. This would improve the level of skill in trade mark attorneys and aid in protecting the public from inexperienced or unskilled but registered trade mark attorneys and filers of trade marks for others for a fee who are not registered as trade marks attorneys.

It may be within the purview of the Board to exercise some control (or make recommendations) in the case the provision of an Australian address for service to IP Australia when filing and prosecuting an Australian trade mark application. Evidence collected by IP Australia indicates that in a significant number of Australian applications the address for service provided is associated with an agent that does nothing more than act as a mail box and forwarding agent

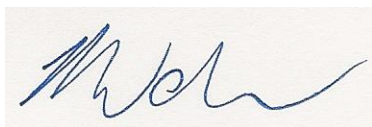
and no other IP related service is provided. By contrast the USPTO not only requires and Trade Mark applicant to provide a US address for service they also require that any communication with the USPTO relating to the prosecution of the trade mark be from an attorney registered to provide the services involved. Further, the USPTO issues sanctions against applicants and agents that do not comply with address for service requirements.

Further Consultation

Either Mr Rohan Wallace, Secretary of FICPI Australia or Mr Bill McFarlane President of FICPI Australia are available to respond to any questions.

FICPI Australia again thanks IP Australia for the opportunity to make this submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'RWallace', on a light-colored rectangular background.

Rohan Wallace
Secretary
FICPI Australia