



August 5, 2016

Via email: denis.martel@canada.ca

Denis Martel
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Innovation, Science and Economic Development Canada
473 Albert Street
Ottawa, ON K1R 5B4

Dear Mr. Martel:

**Re: Consultation on a Governance Framework for IP Agents – Governance Model,
Discipline Process and Conflicts**

I am writing on behalf of the Canadian Bar Association's Intellectual Property Law Section (CBA Section) in response to the consultation paper, "A Governance Framework for IP Agents." We thank Innovation, Science and Economic Development Canada (ISED) and the Canadian Intellectual Property Office (CIPO) for the opportunity to participate in this continuing dialogue. Our comments should be considered in conjunction with our December 2014 submission, "[Consultation on Modernizing the IP Community Report](#)"¹ and our June 13, 2016 submission on a [code of conduct for IP agents](#).²

The CBA is a national association of 36,000 lawyers, Quebec notaries, law teachers and students with a mandate to promote improvements in the law and the administration of justice. The CBA Section deals with law and practice relating to all forms of ownership, licensing, transfer and protection of intellectual property and related property rights, including patents and trade-marks.

In Canada, the IP agent community comprises lawyer agents (those qualified to practise law and registered as patent and/or trade-mark agents) and non-lawyer agents (those registered as patent and/or trade-mark agents). Non-lawyer agents practice within law firms and on their own. All CBA Section members are lawyers, and many are also licensed patent and/or trade-mark agents (lawyer agents).

The IP agent community has a long and distinguished history in Canada. For example, the Intellectual Property Institute of Canada (IPIC) – a professional association of patent agents, trade-mark agents and lawyers practising in intellectual property – is celebrating its 90th anniversary in 2016. Whether or not

¹ www.cba.org/CMSPages/GetFile.aspx?guid=4ee17ed4-0bd5-4568-bbd1-9485b466854d

² www.cba.org/CMSPages/GetFile.aspx?guid=c60d1fff-7095-468e-8295-26cc5914f5b6

they are lawyers, all new patent and trade-mark agents must meet statutory requirements, including significant prior work experience and successful completion of rigorous examinations, before being admitted to the registry of agents permitted to file applications in Canada. Through their professional association, non-lawyer agents are guided by a code of ethics and an errors and omissions insurance regime. In collaboration with their lawyer agent colleagues, they have advocated that the IP agent community hold itself to the highest standards of practice. In brief, this is a mature profession with a solid record of accomplishment.

Our December 2014 submission welcomed the implementation of a values and ethics framework for all registered patent and trade-mark agents. The CBA Section made recommendations regarding the register of agents, the qualifying process and content of exams, continuing professional development obligations, and the adoption of a code of conduct that, among others, addressed scope of practice issues. More specific recommendations regarding the proposed code of conduct were included in our June 2016 submission.

Analysis and Recommendations

This submission addresses consultation questions related to proposed governance models, a disciplinary process, and conflicts. We have grouped our answers thematically, rather than numerically.

A. Governance Models

The consultation paper invites comments on three distinct governance approaches: an administrative agency (Model 1); a mixed government and profession form of regulation (Model 2); and, self-regulation (Model 3).

Question 13: What measures are necessary to ensure the regulator is accountable to the public interest?

Question 6: What measures are necessary to ensure the regulator under all models is governed by the rules of fairness and natural justice, and avoids conflicts of interest (real or perceived)?

Question 10: How can the regulator best ensure open and transparent governance?

Question 11: What additional accountability mechanisms should be considered to ensure fairness and avoid regulatory capture?

The CBA Section believes that it is important at the outset to establish the objectives to be served by the new regulatory framework.

Question 13 states that the governing body must be accountable to the public interest. The CBA Section agrees, and recommends that the primary objective of the new entity be to serve and protect the public interest in the regulation and governance of its members. Additional objectives may include establishing, maintaining and developing standards of: qualification and practice; knowledge and skill; professional ethics and conduct; to advance IP awareness, etc.

Question 6 states that the new entity must be governed by the rules of fairness and natural justice, and avoid real and perceived conflicts of interest. As a regulator, the new entity will be bound by the duty of fairness and its decisions judged in appearance and fact by its capacity for impartiality and transparency.

The CBA Section believes that Model 3 – self-regulation – has the most potential to serve and protect the public interest in the governance of the profession; however, much depends on the details. From our perspective, the most significant of these include setting appropriate regulatory objectives,

establishing a governing body with appropriate accountabilities, and resolving potential conflicts between overlapping regimes for lawyer agents.

Our comments on regulatory objectives are set out above. The CBA Section notes that entities that regulate their members in the public interest should be distinguished from those that advocate for the interests of their members. In the legal community, this distinction characterizes the role of law societies and bar associations. The same distinction holds for medicine, architecture and many other regulated professions. The CBA Section believes that modernization of the IP agent profession should be guided by the same principles.

The CBA Section believes that the governing body should include representatives of the profession and the public, to reflect the responsibility of governing in the public interest. Given the unique structure of the IP profession in Canada, we recommend that the governing body include elected members of both the non-lawyer agent and lawyer agent community. We recommend the governing body include representatives of the public appointed by the Governor-in-Council and who are not part of the IP agent community.

The CBA Section recommends that members of the governing body be elected to defined terms (with eligibility for re-election and re-appointment) structured to ensure overlap between new and continuing members. To avoid any appearance of conflict or impropriety, we advise against including representatives of CIPO or ISED on the governing body. The CBA Section further recommends that the head of the governing body have sufficient financial and administrative authority established by legislation to operate the entity at arm's length.

Potential areas of overlap between regimes for lawyer agents are addressed in answer to Questions 15 and 16 below. As in previous submissions, the CBA Section must emphasize the importance of addressing scope of practice issues. A regulated IP agent community should have clarity about the nature of the work they are permitted to undertake and the potential consequences of unauthorized practice. The effectiveness of the code of conduct and disciplinary process depends on that clarity. Most importantly, promoting awareness of the different roles and skills of lawyer and non-lawyer agents is a matter of public protection and should be an issue of first importance for a regulator.

As with other regulated professions, it may be appropriate to provide the Minister with statutory authority to review the activities of the entity, to receive an annual report, or to request the entity to undertake certain activities. These are all measures of public accountability found in the statutory frameworks governing other self-regulated professions. The CBA Section cautions, however, that law societies in Canada have a unique role and responsibilities with respect to the administration of justice and do not normally have the same relationships with the executive branch as do other professions.

Last, but not least, ensuring that decisions of the regulatory body are subject to judicial review provides an important element of public accountability.

RECOMMENDATIONS

The CBA Section recommends Model 3 (self-regulation), including:

- **Appropriate regulatory objectives, including a primary objective “to serve and protect the public interest in the regulation and governance of the profession”**
- **An arm's length governing body with elected representatives of both the lawyer agent and non-lawyer agent community and representatives of the public appointed by the Governor-in-Council**

- **Measures of public accountability, including an obligation to provide annual reports, Ministerial oversight, and access to judicial review of decisions**

Question 9: What measures are necessary to ensure that the governance model is effective in setting rules and standards, creating incentives for compliance, monitoring behaviours, and maintaining a quality agent community?

Question 7: How does each governance model best align with the principles of cost-efficiency, ensuring timely resolution of issues, and fostering a competitive marketplace?

Effective organizations have clarity of purpose, financial and human resources sufficient to carry out their mandate, engage with stakeholders, have established, accessible and fair procedures, and are able to take decisions and be accountable for them. The CBA Section believes that a governing body composed principally of elected members and appointed lay people – and that is sufficiently resourced – is an important first step in building an effective organization. Much of what follows will depend on leadership and stakeholder engagement as the new organization takes shape. The CBA Section would welcome further consultations as specific details about the new organization are considered.

Previously, the CBA Section advocated modernizing the list of registered agents, including publishing the name, contact information, year of registration, status of license (including information on disciplinary actions and orders) and, for lawyer-agents, jurisdictions in which the members are qualified to practice law. We believe that transparency measures like a modernized list, combined with robust continuing professional development requirements and fair disciplinary procedures, will contribute significantly to public confidence in the quality of the IP agent community.

The CBA Section believes that fostering a competitive marketplace is important, but suggests this is more appropriately placed as an objective for policy-makers than a professional regulatory body. Cost-efficiency and timely resolution of issues are operating principles of importance to all administrations, including professional regulatory bodies; the CBA Section believes these are best addressed through sound management structures and resourcing.

RECOMMENDATIONS

The CBA Section recommends a modernized approach to a public list of registered IP agents, robust continuing professional development requirements, and fair disciplinary procedures.

Question 12: How does the governance framework align with the way IP agents are regulated globally?

There are both constitutional and administrative law distinctions regarding the IP profession on the whole that should be addressed before inviting comparisons with other jurisdictions, including the United States. For example, the composition of the patent profession in Canada is most similar to the U.S. in terms of having both lawyer and non-lawyer agents. However, on the trademark agent side, there are few straight comparisons among Canada's major trading partners. The CBA Section believes that Model 3, with appropriate safeguards to ensure the public interest is protected, provides the most appropriate approach for Canada.

Question 8: What additional measures might be necessary to protect against barriers to entry and mobility of agents?

In its 2014 submission, the CBA Section made a number of comments regarding barriers to entry. The CBA Section would welcome an opportunity to discuss this question and related concerns regarding agent mobility, after progress is made on the direction of governance reforms.

Question 14: What should be the review mechanism for the code under each of the models?

Under any model, the Code of Conduct should be reviewed by the new entity on a periodic basis, after broad consultation with its members, key stakeholders and the public. We believe this is the best mechanism to ensure that IP agents are bound by an up-to-date code that reflects changes in the law, technology, and practice, and that is guided by a mandate to ensure protection of the public interest.

RECOMMENDATIONS

The CBA Section recommends periodic reviews of the Code of Conduct after broad consultation with members, key stakeholders and the public.

B. Disciplinary Process

Question 3: Is the described structure appropriate? Namely: a complaint receipt function; a review function; an investigative function; a disciplinary tribunal and its decision powers; and, the appeal process. If not, how can it be improved?

The CBA Section believes the general approach in *Annex B: Disciplinary Process* is appropriate. We must emphasize, however, that the disciplinary process presents unique issues due to the many IP agents who are also practising lawyers in Canada. It is the CBA Section's position that all patent and trade-mark related services provided by a lawyer agent are *prima facie* the provision of legal services, which is regulated by law societies. Consequently, most of our comments regarding the disciplinary process are found under the Conflicts heading.

Question 4: How should the disciplinary framework ensure open and transparent proceedings while still maintaining the confidentiality of privileged information?

The CBA Section agrees that the disciplinary framework should ensure open and transparent proceedings. Guidance is available from bodies regulating professions in all jurisdictions across Canada, including provincial law societies.

IP agents now have a statutory communications privilege. The CBA position is, and remains, that this is distinct from the solicitor-client privilege protection available to clients of lawyer agents, which does not rest on statutory authority, but is a constitutionally-grounded principle of fundamental justice. However, on the question of confidentiality, it may be useful to consider the example of the Federation of Law Societies of Canada (FLSC) [Model Code of Professional Conduct](#), which provides in section 3.3-1 that confidential information may be disclosed to a law society. Likewise, section 88 of the [Legal Profession Act](#) (British Columbia) specifically provides for disclosure of information, files, and records that are confidential for the purpose of the proceedings under the Act.

Question 5: What remedies should be available to the disciplinary tribunal in the event of a breach of the code of conduct?

The CBA Section's view is that the remedies available to the disciplinary tribunal should be similar to those available to provincial law societies and other professional regulatory bodies. These include: a letter of reprimand; conditions or restrictions on practice (including supervision); a fine; a suspension; and disqualification from practice and/or, in this instance, removal from the patent or trade-mark agent register.

RECOMMENDATIONS

The CBA Section recommends that disciplinary remedies should be similar to those available to law societies and other professional regulatory bodies, including: a letter of reprimand; conditions or restrictions on practice (including supervision); a fine; a suspension; and, disqualification from practice and/or, in this instance, removal from the patent or trade-mark agent register .

C. Conflicts

Question 15: In the event of a direct conflict between the code of conduct for agents and another code of conduct the agent is required to follow (for example, a provincial law society code), such that it would be impossible follow one code without violating the other, which code should prevail?

Question 16: What measures, if any, are required to account for a situation where an action by an agent/lawyer violates the code of conduct of multiple regimes?

The CBA Section's view is that in the event of a direct conflict, the law society's code of conduct should prevail with respect to lawyer agents.

The CBA Section agrees that a mechanism should be established for communication between the two bodies to clarify the appropriate forum where there are overlapping issues or where a law society determines that it is not a matter within its jurisdiction.

RECOMMENDATIONS

The CBA Section recommends that lawyer-agents should be regulated by their law society in the event of direct conflict with the IP agent code of conduct.

In conclusion, the CBA Section welcomes the opportunity to contribute to this important initiative. We believe that IP clients must have the best protections possible in a modern regulatory framework and, together with ISED and CIPO, we are committed to advancing the interest and understanding of the public in Canada's IP system. The CBA Section looks forward to participating in further discussions relating to these important topics.

Yours truly,

(original letter signed by Tina Head for Mala Joshi)

Mala Joshi
Chair, CBA Intellectual Property Section