



Advancing Industry's View On Intellectual Property Since 1920

Nigel Reeder,
Head of Regulatory Reform Branch,
DCA
3rd Floor,
Selborne House,
54-60 Victoria Street,
London SW1E 6QW

4 April 2005

Dear Mr Reeder,

re: The Clementi Review

1. The Trade Marks and Designs Federation (TMPDF) represents major generators and users of intellectual property in the United Kingdom and a full list of current members is attached. It made submissions to Sir David Clementi in the course of the preparation of his report.
2. The members of the TMPDF are particularly concerned with legal services in intellectual property law, which are variously provided by solicitors, barristers, patent attorneys, and trade mark attorneys,¹ alone or in combination. These are all acknowledged by Sir David as legal professions (see Foreword, paragraphs 3(i) and 7 of his report). Sir David having made his recommendations, which you are now considering, TMPDF would like to make the following observations on the eventual detail of the implementation of what, to TMPDF, is the most important proposal made by Sir David (see the underlining in 5 below).
3. For TMPDF members, the key objective is a cost-effective legal service in IP matters. Costs are particularly high in those tasks where two or more of the four professions referred to in paragraph 2 above are involved. For instance, a patent or trade mark litigation usually involves at least one patent or trade mark attorney, at least one solicitor, and at least one barrister; most M&A transactions in technological industries involve at least one patent attorney and at least one solicitor.
4. A part of the cost associated with provision of legal services in such activities is associated with the duplication of work that is inevitable when the professionals are in different businesses rather than in the same business. Communication between the businesses tends towards formality so as to

¹ Registered patent agents and registered trade mark agents are permitted to describe themselves as "patent attorneys" and "trade mark attorneys" respectively, and these shorter descriptions are used here.

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establish where responsibilities and liability lie, but the extra cost of such formality does not benefit the client.

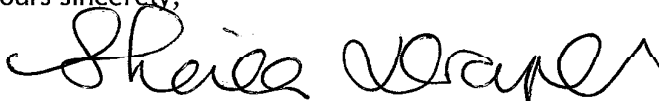
5. Therefore, TMPDF greatly welcomes Sir David's recommendation in Chapter F, paragraphs 101 to 104 that the "attention should focus" on a new regulatory system that would enable Legal Disciplinary Practices (LDPs) to be set up. Although in Chapter F Sir David does not address the IP area specifically, his recommendations clearly contemplate practices comprising two or more of the four professions referred to in 2 above. Considerable benefits would flow to TMPDF members as consumers through the elimination of the barriers between the various legal professionals involved in IP work.

6. A barrier which seems to TMPDF to be especially significant is the non-uniformity of privilege between the four legal professions involved in the provision of legal services in IP matters. There is a reference to privilege in Chapter F, paragraph 25 of the report. This seems to acknowledge that it would be impractical and/or expensive if the advice given by one member of an LDP were more or less protected than advice given by another, on account of their being different sorts of lawyer. The privilege afforded to the advice of patent and trade mark attorneys is defined by statute.² The privilege is not as broad as that afforded to the advice of solicitors, and does not extend (or does not clearly extend) to areas which by qualification and experience they may be expected to work,³ whether within or outside an LDP. For an LDP to work effectively, the client should, TMPDF believes, be able to seek and receive advice from any members of it with the same high level of protection. (Similar problems might arise with the examples of practices comprising licensed conveyancers and a barrister in Chapter F, paragraph 66.)

7. Sir David suggests in Chapter F, paragraph 25 that privilege could be dealt with by a "single entity-wide [regulatory] arrangement", in the same way as ethics should be. We have read Chapter F, paragraphs 62 to 73 referred to in paragraph 25. However, it seems to us that the privilege afforded to communications between a client and patent and trade mark attorneys will have to be extended by legislation to be the same as that afforded to communications between a client and a solicitor. This, we believe, would best to be done independently of whether patent and trade mark attorneys are in an LDP, lest LDPs be given an undue advantage.

8. We hope you find these comments useful.

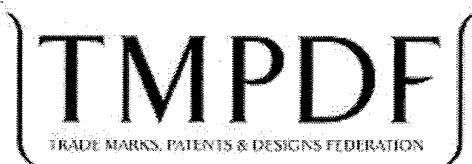
Yours sincerely,



Sheila Draper
Secretary, TMPDF

² Section 280 of the Copyright, Designs, and Patents Act 1988; Section 87 of the Trade Marks Act 1994.

³ Among these areas are - (a) copyright law and the law of the rarer intellectual property rights such as database extraction rights; (b) the law relating to ownership of intellectual property rights; (c) the criminal law relating to intellectual property infringement; (d) the law of confidence; and (e) contract law and competition law (though advice would normally be sought on these only in relation to a transaction having an intellectual property component).



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Members of TMPDF January 2005

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Babcock International Ltd
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
BTG plc
Celltech Therapeutics Ltd
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Dow Corning Ltd
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G E Healthcare Ltd
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