Mr Mike Knight,
Chief Executive,
Intellectual Property Regulation Board
3rd Floor,
95 Chancery Lane
London
WC2 1DT

27 July 2009

Ref: PP13/09

Re: definition of "corporate work" and "in private practice" in the draft Rules of Conduct

1. In our previous letter (ref PP10/09) concerning the scale of practice fees as set out in IPReg's recent consultation document, the IP Federation commented that there was a potential difficulty in the definition of "corporate work" and "in private practice" in the draft "Rules of Conduct for patent attorneys, trade mark attorneys and other regulated persons". Because this may have implications beyond the question of fees, we are writing this separate letter on the matter.

2. The Federation represents the views of British Industry on intellectual property issues. Its membership is set out in the Appendix to this letter. Most of its members employ UK-registered patent and/or trade attorneys, i.e. have in-house IP Departments.

3. The definition of "corporate work" the draft Code reads as follows (our italics):

"professional work undertaken by an employed regulated person acting *solely* as an agent on behalf of –
a) their employer;

b) a company or organisation controlled by their employer or in which their employer has a substantial measure of control;

c) a company in the same group as their employer;

d) a company which controls their employer;

e) an employee (including a director or a company secretary) of a company or organisation under (a) – (d) above, where the matter relates or arises out of the work of that company or organisation."

"In private practice" is defined as "undertaking professional work which is not *solely* corporate work".

4. **The above definition of "corporate practice" covers only *most* of what attorneys in UK in-house IP departments do**, including particularly filing UK and European patent and trade mark applications for subsidiaries of their employer, or for joint ventures of their employer. However, the word "solely", italicised by us in both definitions above, is of concern. Some other things done by in-house departments, necessary although on the margin, mean, arguably at least, that attorneys in these departments may be deemed to be "in private practice". **If this is so, it could lead to deregistration of in-house UK attorneys.** The things we have in mind arise when an attorney in company A works for company B, *not* because there is *common ownership or control of the two companies* (as is covered by the present definition of "corporate work") but because of a *common interest in the work being done* (which is not so covered). These other things, we believe, are not of concern from a regulatory point of view because they are minor in scale and because they do not amount to provision of services to the public. **In paragraphs 5 and 6 below, we describe these things in more detail and with specific examples, and in paragraph 7 we propose a simple drafting solution to the problem presented by the present wording of the definition of "corporate work".**

5. Examples of work of this type are as follows:-

(i) Company B owns one or more patent (applications) and has licensed them to company A, and company A's attorneys are allocated the task of caring for them, *i.e.* prosecuting and renewing the patent (applications), and also defending them against third-party attacks in proceedings under Section 72 of the UK Patents Act and European Patent Office opposition proceedings.

(ii) An invention is in joint ownership of companies A and B (*eg* because it was made by employees of both companies), but the attorneys of company A are allocated the task of caring for the resulting patent (applications).

(iii) Company A sells one or more patent (applications) to company B, but company B cannot, for a period of time, arrange for the patent (applications) to be cared for safely. Company B therefore needs the in-house attorneys of company A to continue to care for the patent (applications) on its behalf while appropriate arrangements are made. This can arise on a substantial scale, perhaps 100 inventions with patent (applications) in an average of 6 countries, when a business is sold by company A to company B and the relevant patents transfer to company B; following such major transactions, a year may well necessarily elapse before care of the last patent or patent application has passed safely over to the attorneys of company B.

(iv) Company A and company B both desire to have revoked a UK or European patent owned by company C. They jointly commence proceedings against company C's patent and appoint as agent an attorney from company A.

6. Activities such as 5(i) to (iv) are small-scale and/or time-limited. On average over time, they comprise only a small proportion of the work done by any in-house IP department. They are necessary for the benefit of company A *in its principal business*; company A does not wish to provide patent attorney services to company B generally (as a real "private practice" would), let alone to the public.

However, most in-house departments are continuously or intermittently engaged in these activities. For this reason, and because of the word "solely" in the two definitions cited above, such departments may consider deregistering their UK attorneys either immediately or in the near future. Once attorneys in a company have deregistered (eg because of a particular deal), it is unlikely that they will re-register if circumstances change.

7. Our proposal to deal with this problem is a simple one, involving adding a common interest limb to the definition of "corporate work" in addition to the existing common company ownership/control limbs. **The full definition is attached as the Appendix I to this letter, with the Federation's proposed changes indicated by square brackets for deletions and bold for additions.**

8. We would be very happy to discuss this matter further with IPReg. We as a Federation believe in a large and strong regulated UK profession and wish to help IPReg to avoid deregistrations by attorneys working for our member companies.

Yours sincerely,
The I P Federation

Cc: CIPA Secretariat

Appendix I

Proposed amendment to the definition of "corporate work" in the Code of Conduct

"professional work undertaken by an employed regulated person acting solely as an agent on behalf of –

a) their employer;

b) a company or organisation controlled by their employer or in which their employer has a substantial measure of control;

c) a company in the same group as their employer;

d) a company which controls their employer;

e) an employee (including a director or a company secretary) of a company or organisation under (a) – (d) above, where the matter relates or arises out of the work of that company or organisation[.]**; or**

f) another person with whom a person under (a) to (e) above has a relevant common interest."

IP Federation members 2009

The IP Federation (formerly TMPDF), represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below.

ARM Ltd
AstraZeneca plc
Babcock International Ltd
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
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Delphi Corp.
Dow Corning Ltd
Dyson Technology Ltd
ExxonMobil Chemical Ltd
Fujitsu Services Ltd
G E Healthcare
GKN plc
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Kodak Ltd
Merck Sharp & Dohme Ltd
Nokia UK Ltd
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
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