

# PATENT AND TRADEMARK AGENT PRIVILEGE NEW GOVERNANCE FRAMEWORK

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## Agent Privilege Now In Force in Canada

On June 24, 2016, by way of statutory amendment, the age-old common law concept of privilege between lawyers and their clients was extended to certain communications between patent and trademark agents (collectively "agents") and their clients. First introduced in Bill C-59 in April 2015, these amendments to the Canadian Patent Act and Trade-marks Act ensure that communications made with the expectation of confidentiality and for the purpose of seeking or giving advice between agents and their clients are protected from forced disclosure within or outside a legal proceeding. Such privilege, which belongs to the client, may only be waived, impliedly or expressly, by the client.<sup>[1]</sup>

This amendment marks a significant change in the law. Courts previously held that privilege did not extend to agents, as they are not members of the legal profession.<sup>[2]</sup> In fact, a foreign agent's communications have previously been ordered to be disclosed in Canada notwithstanding that privilege applied to the communications in the foreign agent's jurisdiction. Now, with the new provisions providing privilege for agents, not only will Canadian agent-client communications be protected, but also the communications of foreign agents will be protected where privilege applies to the communications in the foreign agent's jurisdiction.

The amendments add s. 16.1 to the Patent Act and s. 51.13 to the Trade-marks Act. For privilege to apply, the provisions mandate three criteria: the communication took place between a registered agent and his or her client, the communication was intentionally confidential, and the communication is made for "the purpose of seeking or giving advice with respect to any matter relating to the protection of an invention"<sup>[3]</sup> or "any matter relating to the protection of a trade-mark, geographical indication or mark referred to in

paragraph 9(1)(e), (i), (i.1), (i.3), (n) or (n.1)."<sup>[4]</sup> The third requirement has yet to be interpreted by the Courts, so there is currently some uncertainty as to precisely how broad the scope of the new privilege for agents will extend. Absent guidance from the Courts, what comprises "any matter" relating to the "protection of an invention" or "protection of a trade-mark" could be interpreted in a number of different ways.

While certain activities such as the drafting of a patent or trade-mark application, or the preparation of responses to office actions very likely fall within the scope of the new privilege, other situations that stray closer to contentious matters may be less clear.

Until further guidance is provided, either by the Canadian Intellectual Property Office (CIPO) or the Courts, clients and agents may wish to include assertions of privilege wherever possible (e.g., by marking documents as "PRIVILEGED", "PATENT AGENT PRIVILEGED" or "TRADE-MARK AGENT PRIVILEGED") and involving a lawyer when there is doubt as to whether the communication or work product in question would be covered by the new privilege provisions under the Patent Act and the Trade-marks Act.

The new agent privilege provisions apply retroactively to communications made before June 24, 2016, provided that the communications have remained confidential through to June 24, 2016. If the communications are sought in connection with any litigation, the new provisions will only apply to actions or proceedings commenced on or following June 24, 2016. Agent-client communications that are the subject of actions or proceedings commenced before June 24, 2016 will not enjoy the benefit of the new privilege provisions.

## **A Governance Framework for IP Agents**

On May 24, 2016, Innovation, Science and Economic Development Canada (ISED), in conjunction with CIPO, launched Consultation: A Governance Framework for IP Agents, to update the regulatory framework for the patent and trade-mark agent professions. The consultation was motivated by a perceived need to "set standards for client expectations and ensure agents respect privilege, meet professional & ethical standards, and are accountable", as patent and trade-mark agents are a "key component of the innovation ecosystem."<sup>[5]</sup> ISED and CIPO seek to introduce a new values and ethics framework (i.e., a code of conduct and a disciplinary process to enforce the code) and a governance model to administer said framework. The full consultation paper can be found here.

As part of the consultation process, a draft Interim Code of Conduct has been released. Consultations regarding the Interim Code of Conduct as well as the governance models

and disciplinary processes are continuing until July 29, 2016.

The code of conduct endeavours to cover all aspects of professionalism and ethics an agent may face. This includes: competence; confidentiality; extensive rules with regards to conflicts; quality of service; fees; withdrawal of services; duties to the regulator, members and others; communications to the regulator, CIPO and others; advertising; and unauthorized practice.

With respect to possible governance models for the regulator, three models are under consideration: an administrative agency model; a mixed-model; and, a self-regulatory model:

- The administrative agency model contemplates a regulator housed within CIPO, and mirrors the regime employed at the United States Patent and Trademark Office (USPTO);<sup>[6]</sup>
- The mixed-model shares regulatory power between both the government and the profession. Under this model, the disciplinary framework and code of conduct would be administered by an independent, tri-partite board composed of representatives of CIPO, the profession and independent members of the general public, mirroring Australia's regulatory model;<sup>[7]</sup> and
- The self-regulatory model is administered and funded by the members of the profession, with the government acting in an oversight capacity. This model mirrors the regulatory model in the UK.<sup>[8]</sup>

Overall, both the extension of privilege to agents and the introduction of a regulatory framework signal a shift in the profession to greater protection for clients and more oversight of agents. Such shift will move patent and trade-mark agent towards a regime having benefits, duties and obligations similar to the regimes that govern lawyers' conduct.

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[1] Patent Act, R.S.C., 1985, c. P-4, s. 16.1(2); Trade-marks Act, R.S.C., 1985, c. T-13, s. 51.13(2).

[2] Lumonics Research Ltd. v. Gould (1983) 70 C.P.R. (2d) 11 (F.C.A.)

[3] Patent Act, R.S.C., 1985, c. P-4, s. 16.1(1).

[4] Trade-marks Act, R.S.C., 1985, c. T-13, s. 51.13(1).

[5] Innovation, Science and Economic Development Canada, "Consultation: A Governance Framework for IP Agents", May 26, 2016, available: <https://www.ic.gc.ca/eic/site/693.nsf/eng/00130.html>.

[6] Ibid.

[7] Ibid.

[8] Ibid.

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