

Certification or licensure? Charting the move toward self-regulation for patent and trademark agents

BY SALVATORE GUERRIERO, P.ENG., BCL, LLB

While PEO has had many years experience with a “delegated authority” model, it is useful to remind ourselves of the defining characteristics of self-regulated professions. This way, we can better understand the problems they address and the merits of self-regulatory systems.

In the case of Ontario’s engineering regulator, the structure, created by the legislature and delegated to PEO for its administration, provides important protections to the public. Recent moves by certain ministries toward alternative regulatory systems, including the Ontario Ministry of Municipal Affairs and Housing’s (MMAH) decision to test engineers on their knowledge of the *Ontario Building Code*, appear to encroach upon the regime established under the *Professional Engineers Act (PEA)*. The governance structure under the PEA is based upon representation from member and public appointees, all with the common intent to promote the public interest.

In this context, it is interesting to explore the arguments the IPIC is advancing for the creation of models that resemble those in place under the PEA. In its proposals to create a self-regulating profession for patent and trademark agents, IPIC will remain as a separate membership association, while a new college will regulate the profession.

In Canada, the commissioner of patents regulates patent agents and maintains a register of those who may practise before the patent office. Typically, patent agents are scientists or professional engineers who are trained in patent law and practice. These individuals have passed rigorous examinations on all aspects of patent law and practice, including patentability of inventions, preparation of patent applications, and the legal interpretation of

What makes a self-regulatory system work? And why is it important? The Intellectual Property Institute of Canada (IPIC), the professional association that represents more than 1300 patent agents, trademark agents and lawyers specializing in intellectual property, is looking for the answers.

patents. They also provide comments on whether there has been any infringement on validity in order to provide advice to clients. Similarly, trademark agents become registered to practise by writing a set of rigorous examinations about trademark law and practice before the registrar of trademarks. These individuals are usually lawyers, but some are not.

The commissioner and the registrar both have statutory authority and are also CEOs of the Canadian Intellectual Property Office (CIPO), which has close ties with Industry Canada.

“At present, it’s in essence an unregulated profession,” says Steven Garland, P.Eng., LLB, past president of IPIC. “The profession is created by way of the *Patent Act* or the *Trade-marks Act*, because they create the professional designation of registered patent agent and trademark agent, but there is no regulation of those professionals under the act.”

Garland says that creating a self-regulated profession is important for the protection of the public, and more timely than ever. “These are highly skilled, highly trained professionals dealing with very valuable assets of their clients in terms of their intellectual property. So it’s necessary in the sense that it’s good for our profession, our practitioners, but, more importantly, good for the public given the importance the IP practitioner plays in securing intellectual property rights for the client.”

The profile of the profession has also escalated in the past 10 years because of the sheer volume of filings for patents and trademarks, something that Garland sees as the result of technology developments that are driving forces for the domestic and global economy.

“Everyone’s talking about the development of technology: information technology, biotechnology, Internet-related technology,” he says. “The primary assets of start-up companies in IT or biotech—their brick and mortar—are their intellectual property assets.”

IPIC proposal for change

IPIC’s proposal, entitled *Creating a College for the Future*, provides insights as to why self-regulation is different from certification.

The proposal is based on two pillars:

- 1) self-regulation, and
- 2) creation of a statutory privilege under applicable federal legislation to protect confidential communications between agents and clients. While the claim for statutory privilege for communications has been discussed by several commentators¹, this article focuses on IPIC’s argument for self-regulation of agents.

IPIC’s proposal (www.ipic.ca) states:

- Trademark and patent agents who are currently on CIPO’s registers will be part of the college;

- The college will manage the registers;
- The admission criteria will include a university degree, a two-year apprenticeship, proof of insurance and successful completion of exams;
- Continuing legal education will be implemented progressively by the college;
- The college will administer complaints received from the public and administer the discipline process on behalf of the public;
- The board will be made up of nine individuals elected by the college members and two lay people with knowledge of intellectual property issues; and
- The college will fund the administration of the regulatory regime by collecting dues from its members.

Founded in 1926, IPIC has a close relationship with CIPO and Industry Canada, and has advocated the development of stronger intellectual property laws in Canada and throughout the world. IPIC has a voluntary code of ethics that governs the behaviour and practice of its members, but lacks a statutory or public law basis to support its structure.

Instead, patents and trademarks are governed by the commissioner of patents and the registrar of trademarks in Canada. The *Patent Act* allows the commissioner to remove an agent or attorney from the register of patent agents on the basis of gross misconduct or any other cause deemed sufficient, but the *Patent Act* is silent and does not provide clear rules or guidance on expected professional conduct. Similarly, there are no provisions relating to conduct of trademark agents under the *Trade-marks Act*.

The lack of guidelines from the commissioner or the registrar on agent conduct creates an information gap for users of agents' services, and members of the public cannot assess whether it's appropriate to make a complaint about a registered agent. In addition, there are no provisions for disciplinary action. The most severe form of discipline available

to IPIC is expulsion from the institute for gross misconduct, but this penalty is not an effective deterrence, since membership is not required to work within the practice area.

In fact, nothing prevents a de-registered agent from practising, since there are no prohibitions in the act or regulations relating to the practice area. However, only registered patent agents may appear before tribunals headed by the commissioner of patents on behalf of clients, and only registered trademark agents may appear before the registrar of trademarks on behalf of clients.

Currently, IPIC promotes a modern code of ethics and adherence to professional standards. It provides education at all levels to its members. IPIC also works with CIPO to set and mark exams for agents.

Licensure over registration

On September 10, 1999, consultant Gavin MacKenzie delivered a report² to IPIC relating to self-regulation of the profession. MacKenzie pointed to the lack of a *regulatory* body to govern admission to the profession, to set professional standards and conduct, and to oversee discipline of patent and trademark agents in Canada. In another report, he stated that the "Registration before the Commissioner and the Registrar is not the *equivalent* of obtaining a licence to practise these professions."³

While only registered agents may file and prosecute applications on behalf of applicants, the lack of registration does not stop a non-registered person from performing all the tasks of a registered agent, except for signing the documents filed, since applicants may sign these themselves.

MacKenzie also found that the complaints and discipline processes are insufficient and enforcement powers against non-registered members are non-existent.

He also pointed out that the current regime does not meet the standards of regulatory bodies of other Canadian professions, which are typically governed by a council comprising members of the

profession and public representatives, together with a full-time staff engaged in establishing and enforcing professional standards through admission and discipline processes.

Based in part on this report, IPIC recommended that the Canadian parliament pass legislation to create a new college of patent and trademark agents to be responsible for the governance of the professions, including admission, conduct, complaints and discipline. The commissioner of patents or registrar of trademarks would continue to maintain the powers to grant patents and trademarks and set policy relating to them. The broad objectives of the college would be to ensure that those using the services of licensed patent and trademark agents, including the commissioner and registrar, are able to rely on their knowledge and proficiency.

This new regime would seek to protect consumers from anyone practising as an agent (licensed or unlicensed) who does not comply with the required standards of competence and conduct or who otherwise practises in an unauthorized manner. The regime would help develop, in writing, standards of practice to define how licensed agents are to perform their work and what is meant by professional conduct within certain relationships, all with the ultimate aim of meeting the expectations of users of these services. (The way a governing body reacts when faced with evidence of a breach of a written standard provides a measure of how the profession is governing itself to protect the public interest.)

Following consultations held in the spring of 2004 by CIPO and Industry Canada, IPIC entered a new phase in creating a professional regulatory body for patent and trademark agents. Draft legislation for the new regulatory body,

including proposed disciplinary by-laws, a code of ethics and an organizational chart, have been posted on the IPIC website, along with a call for comments and ideas from IPIC members and the public to shape the new college.

“The support has been overwhelmingly in favour of going forward,” says Garland. “There are certain details that members have questions about, because we are talking about having certain requirements in continuing professional education, for example, so there are questions in terms of remote access and availability. The questions are about the specifics of how this is going to roll out on a day-by-day basis.”

Discussions about forming a college began in the mid-1990s and current work

Another hallmark of self-regulation is the creation of internal tribunals that adjudicate cases by making factual findings and then applying legal rules set by the governing body to the facts to arrive at a decision relating to individuals prosecuted under the regime.

The degree to which parliament or a legislature sets up these administrative tribunals reflects, in part, the trust held by government in the abilities of a profession to govern its members or affect individual rights⁴. The MacKenzie report cited the need to have adjudication tribunals that are independent of prosecutorial functions. As such, certain adjudications might have to proceed before the regular courts, if the issues require additional procedural pro-

and trademark agents clearly point out the deficiencies of mere registration regimes, and the value to governments and the public of self-regulation of professionals. In an Ontario context, one cannot help but wonder whether the MMAH could have put scarce regulatory resources to better use by forcing municipalities to enforce the *Building Code Act* rather than attempting to encroach onto an existing licensing regime that already covers admission and discipline of professionals under the PEA. Clearly, reliance on self-regulatory models should be the preferred approach, as IPIC has demonstrated. ◆

Salvatore Guerriero is PEO's manager of legal and regulatory affairs.

This new regime would seek to protect consumers from anyone practising as an agent (licensed or unlicensed) who does not comply with the required standards of competence and conduct or who otherwise practises in an unauthorized manner.

with Industry Canada and CIPO to develop and draft the legislation and the regulatory framework could see a college established in 2007.

The hallmarks of governance

It is interesting to note that the proposal is to model the college on the Canadian Institute of Actuaries, which was the only other federally regulated profession in Canada until the government recently created the Canadian Society of Immigration Consultants as a self-regulating body.

IPIC based its request for self-regulatory legislation on the ability of a governing body comprising members of a profession to use its expertise to set standards for the desired behaviour of those who are governed and subject to the regime. Self-regulation legislation, therefore, provides a legal framework within which parliament or a legislature recognizes a profession as important to society. That legal framework provides the means by which the profession can proceed to define itself via the articulation of clear regulations.

tections for those subject to the laws. (IPIC's proposed by-laws provide, for example, for applications for injunctive relief before the courts for illegal practice matters, a discipline committee [equivalent to PEO's Complaints Committee], a disciplinary tribunal [equivalent to PEO's Discipline Committee], and an appeal from a disciplinary tribunal decision to the Federal Court of Canada). The parallel situation under the PEA is the prosecution of illegal practice cases before the courts (which, we call “enforcement”) and two independent *Statutory Powers Procedure Act* (SPPA) tribunals (which are the Discipline Committee and the Registration Committee). The SPPA is the legislation governing the operation of administrative tribunals created by the Legislative Assembly of Ontario and supplements the PEA for matters of procedure and practice before the tribunals.

Conclusion

The arguments put forth by IPIC in its pursuit of a regulatory college for patent

References

1. Industry Canada, *Discussion Paper on Proposals for Privilege Protection and Self-Regulation of Patent and Trade-mark Agents*, November 2003; Federation of Law Societies of Canada, *Submission to Industry Canada's Proposals for Privilege Protection and Self-Regulation of Patent and Trade-mark Agents*, February 24, 2004; National Intellectual Property Law Section, Canadian Bar Association, *Submission on Proposals for Privilege Protection and Self-Regulation for Patent and Trade-mark Agents*, February 2004.
2. Gavin MacKenzie, Report on the self-regulation project, (www.ipic.ca/english/pdf/Final_Gavin_MacKenzie_Report_.pdf), September 10, 1999.
3. *Privilege and Self-Regulation for Canadian Patent and Trade-mark Agents: A Briefing Memo*, (www.ipic.ca/english/pdf/Privilege_and_Self-Regulation_Briefing_Memo.pdf), January 29, 2003.
4. Doern Report at p. 19 of MacKenzie report cites the need to have an adjudication tribunal independent from the prosecutorial functions.