

March 23, 2023

## APPLICATION

The Investigations Committee of the College of Patent Agents and Trademark Agents (the “College”) is making this Application to the Discipline Committee of the College pursuant to s 49(1) of the *College of Patent Agents and Trademark Agents Act*, SC 2018, c 27, s 247 (“the Act”). The Discipline Committee is asked to consider the following allegations and determine if **Mathieu Audet** (“the Respondent”) has engaged in professional misconduct and/or incompetence contrary to the Act, *Code of Professional Conduct for Patent Agents and Trademark Agents* (the “Code”) and/or *By-laws of the College of Patent Agents and Trademark Agents* (Board), SOR/2021-168 (the “By-laws”).

**1. The Respondent failed to fully disclose the fees involved prior to initiating the work on behalf of the client contrary to the following provisions:**

**(a) Part 4 of the Code (Quality of Service):**

**Rule 4(5):**

An agent must take reasonable steps to advise the client of the cost of seeking or obtaining intellectual property protection, on the recommendation of the agent, in Canada or elsewhere.

**(b) Part 5 of the Code (Fees):**

**Rule 5(1):**

An agent must not charge or accept any fee or recover any disbursement, including interest, that is not fair and reasonable and is not disclosed fully and in a timely manner to the client.

**Rule 5 (5):**

In any statement of account that is provided to a client, an agent must separately and clearly detail all fees and disbursements and must not show as a disbursement to a third party any amount that has not been paid to the third party.

**2. The Respondent failed to competently perform services to the standard expected, in particular, by not considering nor reviewing the prior art search performed by the client at the start of the drafting process and by failing to do his own “prior art” search in the absence of full disclosure of the risks of not doing one, and/or the absence of informed consent, and/or failing to advise the client of the risks of not doing so, and/or misleading the client as to whether such search was performed contrary to the following provisions:**

**(a) Section 2 of the Code (Fundamental Canon):**

The most important attribute of an agent is integrity. That principle is implicit in this Code and in each of the rules and commentaries set out in it. Irrespective of the possibility of formal sanction under any of the rules in this Code, an agent must at all times conduct themselves with integrity and competence in accordance with the highest standards of the profession in order to retain the trust, respect and confidence of members of the profession and the public.

**(b) Part 1 of the Code (Competence):**

**Rule 1(2):**

An agent fails to meet standards of professional competence if

- (a) there are deficiencies in
  - (i) ...
  - (ii) their attention to the interests of clients,
  - (iii) the records, systems or procedures of their professional business, or
  - (iv) any other aspects of their professional business; and
- (b) the deficiencies referred to in paragraph (a) give rise to a reasonable apprehension that the quality of service they provide to clients may be adversely affected.

**Rule 1(3):**

An agent must assume complete professional responsibility for all agency services that they provide and maintain direct supervision over staff and assistants such as agents in training, students, clerks and legal assistants to whom they may delegate particular tasks and functions.

**(c) Part 4 of the Code (Quality of Service)**

**Rule 4(1):**

The agent must give the client competent advice and service based on a sufficient knowledge of the relevant facts, an adequate consideration of the applicable law and the agent's own experience and expertise.

**Rule 4(2):**

The agent's advice must be open and transparent and must clearly disclose what the agent honestly thinks about the merits of the matter at issue and the likely results.

**3. The Respondent failed to deliver competent and ethical quality of service in relation to the totality of fees charged to the client in this matter, contrary to the following provisions:**

**(a) Part 5 of the Code (Fees):**

**Rule 5(1):**

An agent must not charge or accept any fee or recover any disbursement, including interest, that is not fair and reasonable and is not disclosed fully and in a timely manner to the client.

**Rule 5(5):**

In any statement of account that is provided to a client, an agent must separately and clearly detail all fees and disbursements and must not show as a disbursement to a third party any amount that has not been paid to the third party.

**COMMENTARY**

**The factors that may be taken into account in determining that the amount of an account represents a reasonable fee in a given case include the following:**

- (a) the time and effort required and expended;
- (b) the nature of the matter, including its difficulty and urgency, its importance to the client, its monetary value and any other special circumstances such as postponement of payment and the uncertainty of reward;
- (c) whether any special skill or service has been required and provided;
- (d) the results obtained;
- (e) the customary fees charged by other agents of equal standing in the same locality in similar matters and circumstances;
- (f) ...
- (g) any relevant agreement between the agent and the client;
- (h) the experience and ability of the agent;
- (i) any estimate or range of fees provided to the client by the agent;
- (j) ...
- (k) whether the client has consented to the fee; and
- (l) the direct costs incurred by the agent in providing the services.

For greater clarity, nothing in this provision restricts an agent's ability to provide discounted or low-cost services. An agent must provide to the client in writing, before or within a reasonable time after commencing a representation, as much information regarding fees, disbursements and interest as is reasonable and practical in the circumstances, including the basis on which fees will be determined. An agent must be ready to explain the basis of fees charged and disbursements recovered from the client. If something unusual or unforeseen occurs that may substantially affect the amount of a fee or disbursement, the agent must give the client a prompt explanation. ...

**4. The Respondent failed to clearly communicate with the client throughout the course of his mandate thereby failing to provide services in accordance with the standards expected, contrary to the following provisions:**

**(a) Part 1 of the Code (Competence):**

**Rule 1(2):**

An agent fails to meet standards of professional competence if

- (a) there are deficiencies in
  - (i) ...
  - (ii) their attention to the interests of clients,
  - (iii) the records, systems or procedures of their professional business, or
  - (iv) any other aspects of their professional business; and
- (b) the deficiencies referred to in paragraph (a) give rise to a reasonable apprehension that the quality of service they provide to clients may be adversely affected.

**(c) Part 4 of the Code (Quality of Service):**

**Rule 4 (4)**

An agent must act on the client's instructions in a reasonably prompt manner and must reply to all of the client's inquiries.

**5. The following are particulars of the allegations:**

- (a) On or about February 15, 2022, the College received a complaint from PR who identified himself as a client of the Respondent from February 2020 until April 2022 when the business relationship ended. Mr. R expressed concern about the communication and services provided by the Respondent, the quality of the work performed by the Respondent and the reasonableness of the fees charged with respect to a patent application.
- (b) The business relationship between PR and the Respondent had commenced in February 2020 when PR had consulted the Respondent regarding a potential patent application. In the fall of 2020, the Respondent had prepared and filed a Provisional Patent Application on behalf of PR without performing any prior art searches, nor reviewing the prior art search performed by PR's wife. The Respondent invoiced PR the sum of \$6 062.06 for this work.
- (c) On or about August 12, 2021, PR became aware that the Respondent had since changed firms when contacted by a member of the Respondent's new firm seeking instructions with respect to finalizing the patent application process.
- (d) The patent application process was finalized by October 29, 2021, which consisted of both a non-Provisional patent application (USPTO) **and** a PCT application. During this process, the Respondent did not provide any written advice, opinion, recommendation or information regarding:
  - i. the risk of not, and the benefit of, updating the prior art searches performed by PR's wife;
  - ii. the option of filing **only** a PCT patent application (and not also a non-Provisional patent application);
  - iii. the patentability of PR's invention;
  - iv. an overall description of the entire patent application process;
  - v. a written explanation or estimate regarding the overall cost of seeking or obtaining intellectual property, in this case patent protection.
- (e) The Respondent did not take any steps to conduct a prior art search, review prior searches conducted by the client and/or to obtain the client's informed consent not to conduct such searches or review.
- (f) On October 29, 2021, the Respondent's agent in training recommended that PR proceed with a USPTO Prioritized Examination for an extra fee. Despite his inquiry to the Respondent for particulars of the extra fee, PR was never provided with a written estimate of the anticipated cost of the prioritized examination.
- (g) On October 31, 2021, the Respondent invoiced PR the total sum of \$13,050.46 for the patent application in the United States and the USPTO Prioritized Examination which included \$3,328.89 for fees and taxes for the prioritized service that PR was not aware of and did not expect [invoice 9854572].
- (h) The Respondent did not keep track of his time or a description of the efforts required or expended to prepare the United States patent application [USPTO] and did not provide a description of the efforts expended to explain the fee charged.
- (i) The Respondent further submitted a separate invoice [invoice 9854540] on October 31, 2022 in the amount of \$ 6,392.20 with respect to the international PCT application.

- (j) The Respondent did not keep track of his time or a description of the efforts required or expended to prepare the PCT application and did not provide a description of the efforts expended to explain the fee charged.
- (k) Following the filing of the 2 applications, the Respondent performed additional steps without ever explaining to the client the possible steps that would follow the filing of the 2 applications or providing the client with written notice of the fees that would be incurred for this additional work.
- (l) On February 8, 2022, the Respondent provided a copy of a PCT search report along with a further invoice in the sum of \$942.80.
- (m) On February 9, 2022, the Respondent submitted to PR a further invoice in the amount of \$557.63 for “preparing and filing an IDS”.
- (n) Following the negative opinion contained in the PCT search report, PR instructed that no further steps that would result in fees be taken without prior approval.
- (o) On March 16, 2022, the Respondent sent a further reporting letter to PR along with the opinion of USPTO and a further invoice in the sum of \$592.12. When the client took issue with the invoice, the Respondent’s agent in training admitted to misunderstanding the client’s instructions.

Respectfully,



C. Kristin Dangerfield, Chair

Investigations Committee