

NEW YORK STATE BAR ASSOCIATION
Professional Ethics Committee Opinion

completion by B, with the client's knowledge and consent. We should call to your attention, however, the provisions of Canon 34 prohibiting a division of legal fees, except with another lawyer and then only based upon a division of service and responsibility. It would be improper to make payment of any portion of fees collected by B directly to the widow.

Referring now to new matters coming into B based upon inquiry for A, no payment or arrangement for payment to the widow is proper in view of Canon 34 referred to above.

Opinion #49 - 1/26/67 (7-67)

Topic: Advertising.
Announcement of Patent Specialty.

Digest: Patent lawyer may circulate an announcement to other patent lawyers and to members of patent law association who are non-lawyers.

Canon: Former Canons 27, 35, 46, 47

QUESTION

A law firm whose letterhead reads:

A and B
Counselors at Law

Patent Trademark
and Copyright Law

asks our opinion on whether or not it would be proper to circularize a proposed announcement (a) directly among local patent lawyers; or (b) through the mailing service of a local patent law association that admits lawyers only but which, due to a grandfather clause, has a few patent agent members who are non-lawyers. The announcement, among other things, reads:

A and B

specializing in domestic and foreign
patent and trademark causes and offering
legal advice on international licensing
and litigation problems in the field of
industrial property.

The inquiring attorneys call attention to the fact that in New York City there is a handful of New York City firms which are not law firms, consisting of both lawyers and non-lawyers, without so indicating on their letterheads, and who attempt to circumvent the prohibition against the practice of law by non-legal entities by contending that they are dealing with lawyer-clients only, and that large United States corporation entrust their foreign patent and trademark work to these firms.

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OPINION

Both the Chicago Bar Association and the New York County Lawyers' Association have had extended and troublesome experience with these so-called non-lawyer firms who have been granted permission by the Patent Office to practice before it provided they do not call themselves lawyers but only "patent agents" (unless by reason of a grandfather clause they had described themselves as "patent attorneys" before a certain date). These two bar associations either brought proceedings or threatened to bring proceedings against a number of these non-lawyer groups, and in New York a stipulation was obtained from them not to deal directly with a client, corporate or otherwise, but only with a lawyer or with the legal department of a corporation.

The canons involved are:

Canon 35. Intermediaries. This canon provides that professional services of a lawyer should not be controlled or exploited by any lay agency, person or corporate, which intervenes between the client and the lawyer and provides that a lawyer's relation to his client should be personal, and the responsibility should be direct to the client.

Canon 27. Advertising Direct or Indirect

Canon 46. Notice of Specialized Legal Service.

Canon 47. Aiding the Unauthorized Practice of Law.

Canon 47 prohibits a lawyer from permitting his name to be used in aid of or to make possible the unauthorized practice of law by any lay agency, personal or corporate.

Canon 46 on Notice of Specialized Legal Service reads:

Where a lawyer is engaged in rendering a specialized legal service directly and only to other lawyers, a brief, dignified notice of that fact, couched in language indicating that it is addressed to lawyers, inserted in legal periodicals and like publications, when it will afford convenient and beneficial information to lawyers desiring to obtain such service, is not improper.

This canon would permit an announcement of services in the patent and trademark field couched in language indicating that it is addressed to lawyers, and it should indicate that the service is to be rendered to lawyers only. The proposed notice should so indicate. See Drinker, Legal Ethics, page 220.

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We give no opinion on whether A and B are authorized or competent to advise on foreign patents and trademarks under the laws of other countries and we would disapprove the announcement regarding "offering legal advice on international licensing and litigation problems in the field of industrial property", since this field would not be a recognized legal specialty.

Neither are we passing on whether or not the non-lawyer organizations referred to by A and B are observing the stipulations which they have previously signed requiring them to deal only directly with lawyers or law departments who take direct responsibility for their corporate clients, as the matter of such violations, if any, would be within the jurisdiction of the Committee on Grievances.

A prior opinion of this Committee, Opinion No. 21 - 12/20/65 (10-65), stated that it was not improper for a lawyer who practices one of the recognized specialties of admiralty, patents or trademarks to so indicate on his letterhead. The Committee gave this opinion notwithstanding that Canon 27, adopted by the State of New York, had omitted the last sentence of Canon 27 of the American Bar Association to the same effect.

In response to the specific question asked by A and B, assuming their proposed announcement is modified as indicated, it could properly be circulated directly among local patent lawyers and by the mailing service of a local patent law association which admits lawyers only, except for a few patent agent members who are not lawyers.

Opinion #50 - 2/17/67 (3-65)

Topic: Unauthorized Practice of Law.
Assisting Client Practice Law.

Digest: Improper for lawyer to make limited appearance on behalf of client so client could then privately negotiate a settlement.

Canon: Former Canons 29, 47

QUESTION

I have been asked to represent a steamship line, which is the defendant in a Seaman's action in Federal Court under the Jones Act, in the following limited manner:

"This will confirm our instructions that you will arrange at mutual convenience of (Plaintiff's attorney) and your office for examination before trial of (the Plaintiff).

"The purpose of same is to develop a clearer picture of what actually transpired as facts, heretofore, developed appears to be highly controversial.