ILLINOIS STATE BAR ASSOCIATION

ISBA Advisory Opinion on Professional Conduct

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This Opinion was AFFIRMED by the Board of Governors in January 2010. Please see the 2010 Illinois Rules of Professional Conduct 1.2(a) and (e), 1.4, 1.5(e), 7.1, and 7.4 with its Comments [2] and [3] . This opinion was affirmed based on its general consistency with the 2010 Rules, although the specific standards referenced in it may be different from the 2010 Rules. Readers are encouraged to review and consider other applicable Rules and Comments, as well as any applicable case law or disciplinary decisions.

Opinion No. 96-08
May 16, 1997

Topic: Communications concerning a lawyer's services; Delegation of performance of services to outside firms.

Digest: 1. It is not misleading for a law firm to hold itself out as concentrating its practice in intellectual property law despite the fact that it does not do patent work. However, it may not hold itself out as "specializing" in any field of practice.

2. A law firm may not have outside lawyers perform legal services without client disclosure and consent.

Ref.: Illinois Rules of Professional Conduct, Rules 1.1(c), 1.2(a), 1.4, 1.5(f), 7.1(a), 7.4(a), (b) and (c). ISBA Advisory Opinion on Professional Conduct, No. 92-07

FACTS

A law firm holds itself out as "specializing" or "concentrating" its practice in intellectual property law, but has no lawyers admitted to practice before the United States Patent and Trademark Office. When clients come to the firm for the filing of patent applications, the firm "farms out" the application work to other

firms who have licensed patent/trademark lawyers. It is unknown whether the clients are informed of this practice.

QUESTIONS

1. If a firm holds itself out as practicing intellectual property law, should it be capable of providing all legal disciplines embraced by the term, including patent prosecution?
2. If the clients are not informed that the firm's lawyers are not licensed patent/trademark lawyers, or that the legal work is being "farmed out," is the firm misleading the clients?

OPINION

We are of the belief that while the law firm may properly hold itself out as "concentrating" its practice in intellectual property law, it cannot hold itself out as "specializing" in such area. We are additionally of the view that the firm cannot "farm out" patent work without informing and obtaining the consent of the client.

Initially, the cornerstone of all communications concerning a lawyer's services is that they not be misleading. Rule 7.1(a) provides:

> A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it:
>
> > (a) Contains a material misstatement of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.

Additionally, Rule 7.4(a) provides:

> A lawyer or law firm may specify or designate any area or field of law in which the lawyer or firm concentrates or limits the practice of law.

In the present instance, the firm holds itself out as concentrating (see later discussion regarding "specializing") in the field of intellectual property law. This appears appropriate, despite the fact that it does not do patent work. The term "intellectual property law" is broader than the practice of patent law, and encompasses several practice areas including patent law, copyright law, trademark law, trade secrets, licensing, etc. The fact that a lawyer may practice in one or more, but not all of these areas, does not render his holding himself out as concentrating his practice in intellectual property law as false or misleading. Thus, we believe that the present designation of the firm as concentrating in intellectual property law is not misleading under Rule 7.1(a), and is appropriate under Rule 7.4(a).

However, the firm's holding itself out as "specializing" in any given area of practice is improper. Rule 7.4(c) provides:

> Except when identifying certificates, awards or recognitions issued to him by an agency or organization, a lawyer may not use the terms "certified," "specialist," or "expert," or any other, similar terms to describe his qualifications as a lawyer or his qualifications in any subspecialty of

the law.

Rule 7.4(b) similarly states that "[t]he Supreme Court of Illinois does not recognize certifications of specialties in the practice of law...." Rule 7.4(b) does go on to recognize patent and trademark law as entitled to special treatment, but nowhere sanctions the use of the term "specialty" with regard thereto. Rather, it provides, in subsection (1), that "a lawyer admitted to practice before the United States Patent and Trademark Office may use the designation 'Patents,' 'Patent Attorney,' 'Patent Lawyer,' 'Registered Patent Attorney,' or any combination of those terms." Similarly, it provides in subsection (2), that "A lawyer engaged in trademark practice may use the designation 'Trademarks,' 'Trademark Attorney' or 'Trademark Lawyer' or any combination of those terms." Thus, regardless of the field of law in which the subject law firm can fairly be said to be concentrating or limiting its practice, it cannot hold itself out as specializing in such area.

The firm's "farming out" of the patent work to other firms creates further problems. Such conduct is clearly violative of Rule 1.1(c), absent the client's consent thereto. Such Rule provides:

> After accepting employment on behalf of a client, a lawyer shall not thereafter delegate to another lawyer not in the lawyer's firm the responsibility for performing or completing that employment, without the client's consent.

In Opinion No. 92-07, we stated that under Rule 1.1(c), a law firm could not hire outside lawyers to cover court calls and depositions for the firm without the client's knowledge and consent. Such Opinion additionally relied upon Rule 1.2(a), requiring a lawyer to consult with a client as to the means of obtaining a client's objectives, and Rule 1.4, requiring that a lawyer keep a client reasonably informed about the status of a matter.

Moreover, as was discussed, in Opinion No. 92-07, assuming the firm to whom the duties are delegated is to receive a portion of the fees, then Rule 1.5(f) would require a signed consent from the client after the disclosure of substantial information as is specified in the Rule.

Accordingly, any "farming out" of the patent work without compliance with the aforesaid Rules would be improper.

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