



**New York State Bar Association  
Committee on Professional Ethics**

Opinion 1072 (11/13/15)

**Topic:** Partnership, multi-jurisdiction

**Digest:** Before entering into a partnership with a foreign lawyer, a New York lawyer must engage in an independent inquiry to confirm that the educational requirements for the foreign lawyer are equivalent to those for a New York lawyer and that such a partnership would not compromise the New York lawyer’s ability to uphold the ethical requirements of this State, including those governing attorney-client confidentiality. Both determinations are beyond the jurisdiction of this Committee.

**Rules:** 5.4(b), 5.8(a), 7.5(d)

**FACTS**

Background

1. The inquiring lawyer would like to form a partnership with a Japanese “benrishi,” a professional licensed to practice intellectual property law under Japan’s Patent Attorney Act (the “Act”). A benrishi may practice patent, copyright, trademark, unfair competition and trade secret law. They may represent clients in administrative and some court proceedings, custom seizure matters, the prosecution of trademark applications and negotiations regarding intellectual property rights.
2. Benrishi differ from patent *attorneys* licensed to practice patent law in the United States. One significant difference is that benrishi do not need to have a law school degree. The bar exam they must pass focuses on intellectual property law.<sup>1</sup>
3. Benrishi also differ from patent *agents* in the United States. They may represent clients in court in certain matters, including before the Tokyo High Court concerning appeals from the Japan Patent Office. Further benrishi do not need to have technical backgrounds, although many do.

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<sup>1</sup> Japanese lawyers, or bengoshi, may become benrishi without taking the benrishi exam.

## The Patent Attorney Act

4. The Patent Attorney Act establishes the requirements for *benrishi*. As translated in an unofficial transaction,<sup>2</sup> the Act describes the role of *benrishi* (translated as “patent attorneys”<sup>3</sup>) as engaging “in the business of representing others regarding procedures with the Japan Patent Office as pertaining to patents, utility models, designs or trademarks, or international applications or international applications for registration, and procedures with the Minister of Economy, Trade and Industry with regard to application[,] an objection or to any award pertaining to patents, utility models, designs or trademarks, giving expert opinions and handling other affairs pertaining to matters relating to the said procedures,” representing clients in certain customs matters, and representing clients in certain alternative dispute resolution procedures. Act, Article 4. Further, *benrishi* may represent clients in court in certain matters specified by the Act, in some cases only with an attorney,<sup>4</sup> unless otherwise allowed by the court. *See* Act, Articles 5 & 6.

5. To qualify to become a *benrishi*, an individual must (i) complete the practical training and (ii) pass the *benrishi* exam, be an attorney at law or have worked as an examiner or trial examiner at the Japan Patent Office for a total of seven or more years. *See* Act, Article 7.

6. The practical training consists of a three-month course offered by the Minister of Economy, Trade and Industry (or the designated training agency), on the laws, regulations and practices relating to the business of *benrishi*. The trainer or leader of the practical training is an experienced *benrishi*. *See* Act, Article 16.

7. The *benrishi* exam consists of a (i) a short answer examination on the law and regulations relating to patents, utility models, designs and trademarks (referred to as “industrial property rights”), treaties on industrial property rights and other laws and regulations necessary for performing the business of a *benrishi*; (ii) an essay examination on laws and regulations relating to industrial property rights and another topic selected by the examinee from those prescribed by the government; and (iii) an oral examination on the laws and regulations relating to industrial property rights. *See* Act, Article 10. According to the inquirer, the pass rate on the exam has ranged from under three percent to approximately seven percent. There are also continuing education requirements.

8. Once qualified, an individual submits an application for registration with the Japan Patent Attorneys Association. *See* Act, Article 18.

9. The Act also regulates certain conduct of *benrishi*. Relevant here, for example, the Act prohibits disclosure and misappropriation of client secrets without any “justifiable grounds,” although the Act does not provide any further guidance on what constitutes justifiable grounds. *See* Act, Articles 30 & 77.

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<sup>2</sup> [www.japaneselawtranslation.go.jp](http://www.japaneselawtranslation.go.jp).

<sup>3</sup> This Committee is not controlled by the definitions of others. We will therefore use the term “*benrishi*” rather than “patent attorney.”

<sup>4</sup> Although not specified in the text, this reference would appear to be to a Japanese “*bengoshi*.”

10. The Act further prohibits a *benrishi* from taking certain cases that would result in a conflict of interest, including cases in which the *benrishi* has been consulted by and retained by the adverse party, cases in which the *benrishi* has been consulted by the adverse party and formed a “relationship of mutual trust” and cases in which the prospective client is adverse to a current client in another matter, unless the current client consents. *See* Act, Article 31.

11. Violations of the Patent Attorney Act may result in admonition, suspension or prohibition of all business. *See* Act, Article 32.

12. The Patent Attorney Act also establishes the Japan Patent Attorney Association, and *benrishi* automatically become members of the Association. The Association’s purpose is to guide, communicate with and supervise its members in order to maintain the dignity of *benrishi*, advance and improve the business of *benrishi* in consideration of the missions and duties of *benrishi*, and to engage in the registration of *benrishi*. *See* Act, Articles 56 & 60. Further, the Association maintains a Registration Screening Board, responsible for overseeing registration, including denying registration and rescinding or cancelling registration, of *benrishi*. *See* Act, Article 70.

## QUESTION

13. May a member of the New York State bar enter into a partnership with a Japanese *benrishi*?

## OPINION

14. The New York Rules of Professional Conduct (the “Rules”) prohibit partnerships between lawyers and nonlawyers if any of the activities of the partnership consist of the practice of law. *See* Rule 5.4(b); *see also* Rule 5.8(a) (noting that multi-disciplinary practice between lawyers and nonlawyers is incompatible with the core values of the legal profession and allowing only for contractual relationships between New York lawyers and non-legal professionals under specific circumstances not applicable here).

15. We previously have noted that this prohibition, seemingly disallowing a partnership with any lawyer not admitted to practice in New York, is tempered by Rule 7.5(d), which recognizes partnerships “between or among lawyers licensed in different jurisdictions.” *See* N.Y. State 658 (1993); *see also* N.Y. State 542 (1982). We also previously have noted that the reference in Rule 7.5(d) to “lawyers licensed in different jurisdictions” includes lawyers licensed in foreign countries. *See* N.Y. State 542.

16. However, the mere fact that a foreign “lawyer” is licensed in another country is not by itself sufficient to reach the conclusion that a New York lawyer may permissibly form a partnership with the foreign lawyer. We have previously opined that an inquiry must also be

made into (i) whether the foreign country's educational requirements for admission are generally similar to those for New York attorneys and (ii) whether the standards of professional conduct and discipline governing the foreign attorney are essentially compatible with New York's standards. *See* N.Y. State 542 (1982); N.Y. State 658 (1993).

#### Educational Requirements for Benrishi

17. In N.Y. State 646, dealing with Japanese bengoshi, we noted that, if a foreign lawyer's educational training is of insufficient rigor, the New York lawyer's partnership with the foreign lawyer might compromise the New York lawyer's ability to uphold the standards of professional conduct applicable in this state. At the time we issued N.Y. State 646, there was no requirement that bengoshi have a law school degree, although they were required to complete a two-year training period and legal apprenticeship at the Legal Training and Research Institute.<sup>5</sup> As noted above, benrishi need not have a law school degree. They must complete a three-month practical training course, and, if they are not bengoshi, must pass the benrishi exam or have worked as an examiner or trial examiner at the Japan Patent Office for seven or more years.

18. In N.Y. State 646, we concluded that the educational requirements for admission to practice law appeared to be no less rigorous in Japan than in the United State. Nevertheless, given the Committee's limited familiarity with Japanese legal practice, we held that "a New York lawyer proposing to enter into a partnership with a Japanese lawyer should undertake an independent inquiry to confirm that the partnership will not compromise the New York lawyer's ability to uphold ethical standards."

19. We reach the same conclusion here. When conducting that independent inquiry, the New York lawyer should consider the educational requirements for admission of benrishi and determine whether they are essentially compatible with New York's standards. *Cf.* 22 NYCRR 521.1 (Regulation as to Licensing of Foreign Legal Consultants)(Appellate Division may license as a foreign legal consultant an applicant who is a member in good standing of a recognized legal profession in a foreign country, the members of which are admitted to practice as attorneys or counselors at law or the equivalent and are subject to effective regulation and discipline by a duly constituted professional body or a public authority).

#### Standards of Professional Conduct for Benrishi

20. Before a New York lawyer may ethically form a partnership with the foreign lawyer, the New York lawyer must conclude that the partnership would not be likely to compromise the New York lawyer's ability to uphold the standards of professional conduct in this State. *See* N.Y. State 646 (1993). As we said in N.Y. State 646, of particular concern is the New York lawyer's duty of confidentiality under the Rules: "A New York lawyer's sharing of client confidences with a foreign partner could result in inappropriate disclosures or misuse of those confidences if the foreign partner lacked adequate understanding of, or respect for, this ethical obligation. *See id.*

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<sup>5</sup>In N.Y. State 646, we noted that there were various classes of "legal professionals" licensed in Japan to perform different types of work that lawyers perform in the United States, including those that engage in patent and tax practice. However, we did not address those other legal professionals in that opinion.

21. As noted above, the Act prohibits *benrishi* from disclosing or misappropriating client secrets without any “justifiable grounds,” although the Act does not provide any further guidance on what constitutes justifiable grounds. *See* Act, Articles 30 & 77.

22. Although it is beyond our jurisdiction to determine whether the ethical standards that apply to *benrishi* are equivalent to those applicable in New York, we are aware that courts in the U.S. have upheld the application of the attorney-client privilege to *benrishi*. *See Eisai Ltd. v. Dr. Reddy’s Laboratories, Inc.*, 406 F.Supp.2d 341 (S.D.N.Y. 2005)(upholding lower court ruling that American courts should respect as a matter of comity the privilege accorded by Japanese law to *benrishi*). *See also Knoll Pharms. Co. v. Teva Pharms. USA, Inc.*, No. 01 C 1646, 2004 WL 2966964, at \*3 (N.D.Ill. Nov.22, 2004) (holding documents privileged because “under Japanese law, documents reflecting communications between patent agents and clients are exempt from production”); *VLT Corp. v. Unitrode Corp.*, 194 F.R.D. 8, 17-18 (D.Mass. 2000) (holding letter to *benrishi* privileged where “Japanese law would treat the [letter] as privileged” and where application of the privilege “would not be clearly inconsistent with important policies embodied in federal law” (quotation omitted)); *see also Murata Mfg. Co., Ltd. v. Bel Fuse Inc.*, No. 03 C 2394, 2005 WL 281217, at \*2-\*3 (N.D.Ill. Feb.3, 2005) (holding, where parties stipulated that Japanese law controlled privilege issue, that Japanese law accorded privilege to *benrishi*-client communications).

23. Ultimately, however, the New York lawyer who proposes to enter into a partnership with a Japanese *benrishi* must reach his or her own conclusion that the partnership will not compromise the New York lawyer’s ability to uphold New York ethical standards: “[T]he New York lawyer who enters into a partnership with lawyers licensed in Japan or any other foreign country has an obligation to ensure that participation in the law partnership does not compromise the lawyer’s ability to abide by the ethical standards of this State, including the standards governing attorney-client confidentiality.”

If the New York lawyer concludes that the educational requirements for admission are generally similar to those for New York attorneys and that the standards of professional conduct and discipline governing *benrishi* are essentially compatible to New York’s standards, such that a partnership with a Japanese *benrishi* would not compromise the New York lawyer’s ability to uphold the ethical requirements of this State, then the New York lawyer may form a partnership with the *benrishi*.

24. Finally, any partnership between the New York lawyer and a *benrishi* would also need to be in conformity with the substantive law of New York and the ethical codes and laws of Japan. *See* N.Y. State 646 (1993).

## CONCLUSION

25. Before entering into a partnership with a foreign lawyer, a New York lawyer must engage in an independent inquiry to confirm that the educational requirements for the foreign lawyer are equivalent to those for a New York lawyer and that such a partnership would not compromise the New York lawyer’s ability to uphold the ethical requirements of this State, including those

governing attorney-client confidentiality. Both determinations are beyond the jurisdiction of this Committee.

(18-15)