

Professional Responsibility Before the Office of Enrollment and Discipline: Cases and Considerations



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United States Patent and Trademark Office



Authority for OED's Regulation of Conduct

- 35 U.S.C. § 2(b)(2)(D): *“The Office may establish regulations, not inconsistent with law, which...
 - may govern the ... conduct of agents, attorneys, or other persons representing applicants or other parties before the Office....”*
- 35 U.S.C. § 32: *“The Director may...suspend or exclude...from further practice before the Patent and Trademark Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under this section 2(b)(2)(D)....”*
- *See also Bender v. Dudas*, 490 F.3d 1361, 1368 (Fed. Cir. 2007)



OED Discipline: Timing for Disciplinary Actions

- The AIA amended 35 U.S.C. § 32 to require disciplinary proceedings to be commenced not later than the earlier of:
 - 10 years after the misconduct occurred, or
 - One year from when the misconduct was made known to the USPTO.
- 37 C.F.R. § 34(a) explains that disciplinary proceedings begin with the filing of a complaint.
- 37 C.F.R. § 34(d) specifies that the timing for filing a complaint shall be within one year after the date on which the OED Director receives a grievance.
- 37 C.F.R. § 11.1 defines “grievance” as a “written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner.”



OED Discipline: Grievances

- An investigation may be initiated pursuant to information from any source suggesting possible grounds for discipline. 37 C.F.R. § 11.22(a).
- Common Sources of Information:
 - External to USPTO: Clients, Colleagues, Others.
 - Internally within USPTO: Patent Corps, Trademark Corps, Other.
 - Other: Published Decisions, News Articles.
- Duty to report professional misconduct:
 - 37 C.F.R. § 11.803



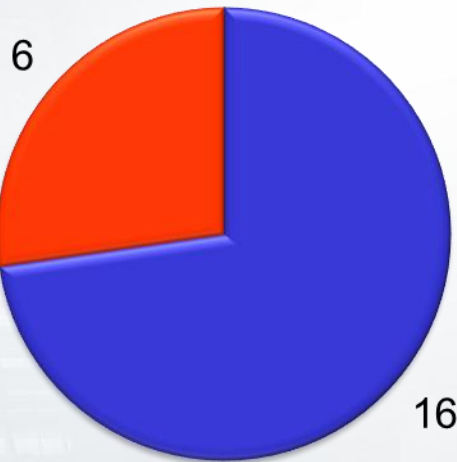
Total Number of OED Disciplinary Decisions

Breakdown of Reciprocal vs. Non-Reciprocal Formal Decisions

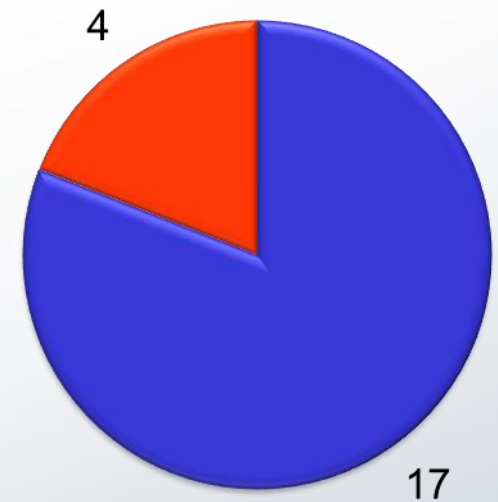
FY12



FY13



FY14*

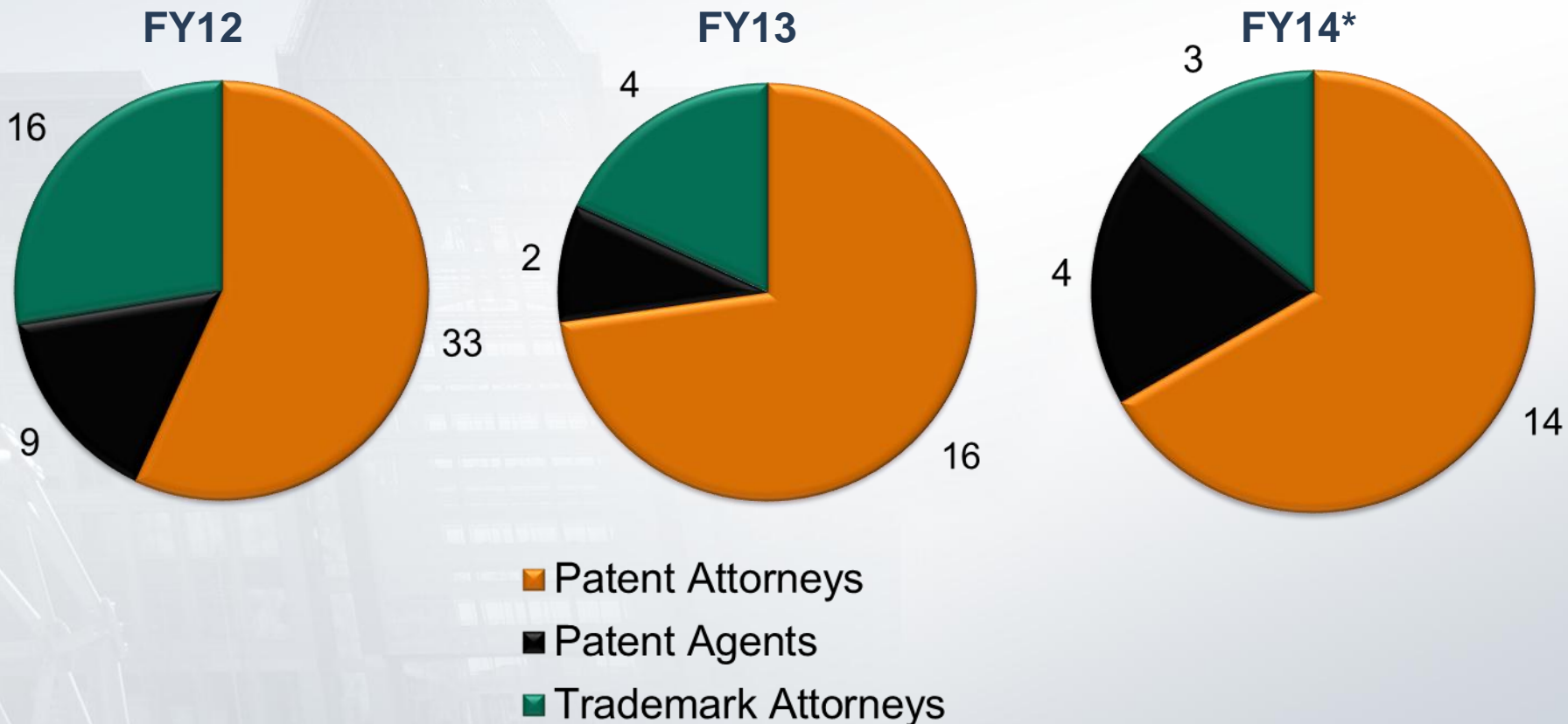


■ Non-Reciprocal ■ Reciprocal



Total Number of OED Disciplinary Decisions

Breakdown of Disciplinary Decisions by Practitioner Type



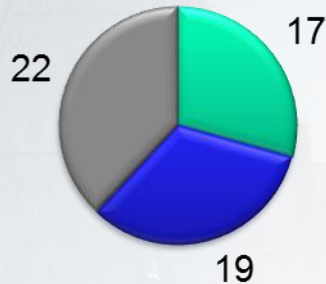


OED Disciplinary Decisions

FY12



■ Fomal Discipline
■ Warning

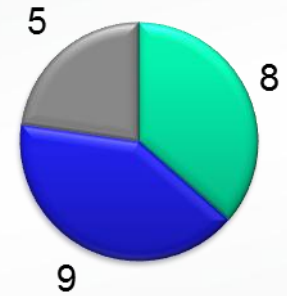


■ Exclusion
■ Suspension
■ Reprimand

FY13

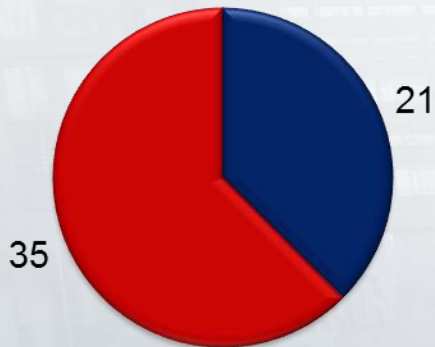


■ Fomal Discipline
■ Warning

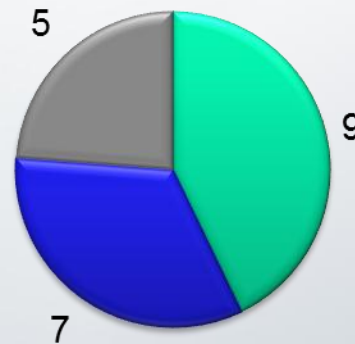


■ Exclusion
■ Suspension
■ Reprimand

FY14*



■ Fomal Discipline
■ Warning



■ Exclusion
■ Suspension
■ Reprimand



Frequent Causes of Grievances

- Neglect
- Dishonesty, Fraud, Deceit, Misrepresentation
- Fee-Related Issues
- Unauthorized Practice of Law



Examples of Neglect

- Failure to reply to Office actions
- Failure to communicate with client
 - Duty to reply to client inquiries
 - Duty to report Office communications
- Failure or delay in filing patent application
- Failure to revive or assist in reviving abandoned applications
- Failure to turn over files to new representative



Examples of Neglect

- *In re Gibson* (USPTO D2012-28)
 - Trademark attorney; disciplinary complaint alleged:
 - Made untimely filings.
 - Failed to respond to Office actions and inform clients of Office correspondence.
 - Allowed TM applications to become abandoned without client knowledge or consent.
 - Excluded from practice before the USPTO for this and other misconduct.
- *In re Frantz* (USPTO D2012-28)
 - Patent and trademark attorney; disciplinary complaint alleged:
 - Neglected 33 patent and 19 trademark matters.
 - Allowed applications to go abandoned without informing clients.
 - Excluded from practice before the USPTO.



Examples of Neglect

- *In re Tachner* (USPTO D2012-30)
 - Patent attorney; disciplinary complaint alleged:
 - Failed to report Office communications and docket due dates.
 - Applications became abandoned.
 - Patents expired for failure to pay maintenance fees.
 - Used handwritten docket book and “white board” for docketing USPTO due dates; later simple MS Word document was used.
 - Staff was undertrained and underequipped.
 - Suspended from practice before USPTO for 5 years.
- Internal organization, systems, and office structure are important.
- Practitioners are responsible for using adequate staff and equipment to handle client matters.



Examples of Dishonesty, Fraud, Deceit or Misrepresentation

- Concealing information from client, *e.g.*,
 - Date of Office action
 - Date of abandonment
 - Reason for abandonment
 - Misrepresenting to client status of abandoned application as pending
- Making false or misleading statements to USPTO, *e.g.*,
 - In advocacy before examiners, TTAB, PTAB
 - To revive abandoned application
 - To obtain extension of time for reply
 - In response to an OED inquiry



Examples of Dishonesty, Fraud, Deceit or Misrepresentation

- *In re Chan* (USPTO D2011-21)
 - Patent agent:
 - Had clients sign oaths or declarations prior to any application preparation.
 - Received public reprimand.

- *In re Hicks* (USPTO D2013-11)
 - Trademark attorney:
 - Sanctioned by EDNY for non-compliance with discovery orders.
 - Federal Circuit affirmed sanction and found appellate brief to contain “misleading or improper” statements.
 - Received public reprimand and one-year probation.



Examples of Dishonesty, Fraud, Deceit or Misrepresentation

- *In re Goldstein* (USPTO D2014-10)
 - Patent attorney; disciplinary complaint alleged:
 - Falsely informed clients he filed patent and TM applications on their behalf.
 - Misled clients that applications were being examined.
 - Created and sent clients fake USPTO filing receipts for patent applications.
 - Created phony cease and desist letters allegedly sent to potential infringers.
 - Created phony response to fictitious inquiry from patent examiner.
 - Billed clients for legal services he did not perform and USPTO fees he did not pay.
 - Excluded from practice before the USPTO.



Examples of Dishonesty, Fraud, Deceit or Misrepresentation

- *In re Massicotte* (USPTO D2012-22)
 - Trademark attorney:
 - Received TM Office actions prior to end of response period.
 - Applications went abandoned for failure to respond.
 - Petitions to revive claimed that Office actions were not received prior to the expiration of the response period.
 - Suspended for 2 years.

- *In re Reardon* (USPTO D2012-19)
 - Patent agent; president of non-profit organization.
 - Disciplinary complaint alleged:
 - Misappropriated at least \$116,894 from non-profit org. for personal use.
 - Used non-profit's credit card for personal use without authorization.
 - Submitted false annual financial reports to conceal his conduct.
 - Excluded from practice before the USPTO.



Examples of Fee-Related Issues

- Repeated failure to reply to fee-related Missing Parts
- Failure to return client's advanced fees
- Improper commingling of client's advanced legal fees with practitioner's funds
- Checks returned or EFTs dishonored for insufficient funds
- Failure to disclose fee escrow and business relationship with invention development companies
- Charging excessive interest on unbilled fees.



Examples of Fee-Related Issues

- *In re Scott* (USPTO D2011-34)
 - Patent attorney:
 - Did not keep sufficiently formal accounting records for his business account.
 - Had 5 checks returned for insufficient funds, totaling \$4,665.00.
 - Made good on all checks; no lasting harm to clients.
 - Received public reprimand.

- *In re York* (USPTO D2011-35)
 - Patent attorney:
 - Contract attorney to law firm, claimed firm owed him money.
 - *Inter alia*, deposited payments from firm client into personal account without informing firm.
 - Used firm's deposit account in violation of firm policy.
 - Received public reprimand and 2 year probation.



Examples of Fee-Related Issues

- *In re Riley* (USPTO D2013-04)
 - Patent attorney:
 - Client paid \$2000 for patent application preparation and filing.
 - Attorney did nothing but kept money and ignored client.
 - Client obtained small-claims court judgment, but attorney ignored it.
 - Excluded from practice before the USPTO.

- *In re Peterson* (USPTO D2011-54)
 - Patent attorney; disciplinary complaint alleged:
 - Convicted of theft from client's business checking account by using a check debit card to withdraw funds and by writing checks on the account without client's knowledge, permission, or consent
 - Excluded from practice before the USPTO.



Examples of Fee-Related Issues

- *In re Lane* (USPTO D2013-07)
 - Patent agent:
 - Respondent sent notice to client of charges for services rendered but did not demand payment, as parties were working on potential business relationship that would subsume the charges.
 - Respondent later sent an invoice for the charges and added an 18% interest charge from first notice.
 - Because client was unaware that interest was accruing, interest charge was excessive fee and disreputable conduct.
 - Respondent also committed dishonest conduct by leading client to believe that interest would not apply before including the interest charge on a subsequent invoice.
 - 18 month suspension added to earlier discipline.



Examples of the Unauthorized Practice of Law

- Non-attorneys practicing before the Office in TM matters.
 - Patent agents practicing before the Office in TM matters.
- Unregistered individuals practicing before the Office in patent matters.
 - Excluded or suspended attorneys/agents practicing before the Office in patent matters.
- Foreign attorneys practicing before the Office in Patent or TM matters.
- Patent agents practicing state law.



Examples of UPL

- *In re Walters* (USPTO D2011-18)
 - Patent attorney:
 - Licensed to practice law in North Carolina but not Virginia; had law office in Virginia.
 - Did not make it clear that she was unlicensed in Virginia and therefore only able to practice before Federal agencies and courts.
 - Provided legal services in Virginia State matters.
 - Received public reprimand.



Examples of UPL

- *In re Seto* (USPTO D2009-38)
 - Patent agent:
 - Hired as patent examiner; did not inform OED that he had been hired by USPTO, as required.
 - Did not withdraw from all matters before the USPTO upon hiring.
 - Continued to prosecute patent applications while working at the USPTO.
 - Assisted in preparation of TM applications while working at USPTO.
 - Knew practice before the Office was not permitted for employees.
 - For this and other misconduct, received 5 year suspension.
- *In re Zborovsky* (USPTO D2011-62)
 - Patent agent:
 - Filed at least 78 TM applications with the USPTO between 1994 and 2010.
 - Filed responses to Office actions in TM applications.
 - Held himself out as authorized to practice before the Office in TM cases.
 - Received 3 year suspension.



Examples of UPL

- *In re Rayve* (USPTO D2011-19)
 - Patent attorney:
 - Suspended from practice before the USPTO in 2008 for 2 years.
 - While suspended, advised clients on patent applications and prepared and filed applications.
 - For this and other misconduct, received additional 3 year suspension.

- *In re Jaeger* (USPTO D2012-29)
 - Patent & TM attorney:
 - Licensed in PA and MN.
 - Went voluntary inactive in PA and was suspended in MN.
 - Continued to practice in TM matters before the Office.
 - Excluded from practice before the USPTO.



Examples of UPL

- *In re Campbell* (USPTO D2014-11)
 - Patent agent:
 - Represented person in Colorado state matter involving careless driving and DUI charges.
 - Attempted to claim he was “attorney in fact” for driver.
 - Arrest warrant was issued for driver because Respondent was not authorized to appear on her behalf in court.
 - Sued City of Colorado Springs in civil court on behalf of driver.
 - Represented himself as “Federal attorney” and gave his USPTO Reg. No. to judge.
 - Appeared on behalf of driver in license revocation hearing.
 - Introduced himself as “legal representative” of driver
 - For this and other misconduct, excluded from practice before the USPTO.



Other Conduct that Adversely Reflects on Fitness to Practice

- *In re Tassan* (USPTO D2003-10)
 - Patent and trademark attorney:
 - TTAB issued Final Decision sustaining opposition to client's trademark application.
 - Attorney left voicemail messages for 3 different TTAB Administrative Judges.
 - Each voicemail message contained expletives and abusive language.
 - Reprimanded
 - Prohibited from communications with TTAB judges for 2 years
 - Ordered to complete anger management course



Additional Recent Examples of Misconduct

- *In re Tendler* (USPTO D2013-17)
 - Patent attorney:
 - Filed Rule 131 declaration re: actual reduction to practice.
 - Later learned from client that the facts were not accurate.
 - Did not advise office in writing of inaccuracy
 - 4 year suspension for conduct prejudicial to the administration of justice.

- *In re Caracappa* (USPTO D2014-02).
 - Patent attorney:
 - Authorized subordinate to send email to PTAB judge regarding *Inter Partes* Review without copying opposing counsel.
 - Received public reprimand.



Decisions Imposing Public Discipline Available In FOIA Reading Room

- ▶ <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>
 - ▶ In the field labeled “Decision Type,” select “Discipline” from the drop down menu.
 - To retrieve all discipline cases, click “Get Info” (not the “Retrieve All Decisions” link).

- ▶ Official Gazette for Patents
 - http://www.uspto.gov/news/og/patent_og/index.jsp
Select a published issue from the list, and click on the “Notices” link in the menu on the left side of the web page.



The USPTO Rules of Professional Conduct

- Final Rules Effective: **May 3, 2013.**
 - 78 Federal Register 20179
- 37 C.F.R. §§ 11.101-901.
- Old rules (37 C.F.R. Part 10) apply to activity prior to effective date.
- Based on 2011 Update to ABA Model Rules.
- Comments and Annotations to ABA Model Rules: non binding, but may be useful information.



USPTO Rules of Professional Conduct: 37 C.F.R. Part 11

- **Section 1:** Client – Practitioner Relationship
§§ 11.101-11.118.
- **Section 2:** Counselor – §§ 11.201, 11.203-204.
- **Section 3:** Advocate – §§ 11.301-11.307, 11.309.
- **Section 4:** Transactions with Persons Other Than Clients
§§ 11.401-11.404.
- **Section 5:** Law Firms and Associations – §§ 11.501-11.507.
- **Section 7:** Information About Legal Services
§§ 11.701-11.705.
- **Section 8:** Maintaining the Integrity of the Profession
§§ 11.801-11.804.
- **Savings Clause** – § 11.901.



USPTO Rules of Professional Conduct: Confidentiality

- Bob is a patent attorney for Company X. He represents Company X in both general litigation and patent prosecution matters. While working on a litigation matter, he learns confidential information regarding Company X that is material to the patentability of claims pending in one of the patent applications Bob is handling for Company X.



USPTO Rules of Professional Conduct: Confidentiality

- Is Company X aware of Duty of Disclosure?
- Compliance with the Duty of Disclosure as an exception to client confidentiality rules.
 - Mandatory exception: 37 C.F.R. § 11.106(c).
 - See permissive exceptions in state ethics rules.
- What if Company X won't consent to disclosure?
- Ethical Context vs. Patent/Court Context.



Conflicts of Interest

- Law Firm X, is hired by Widget Corp. to defend against a patent infringement suit brought by Research Inc. However, Law Firm X had previously performed patent prosecution work for Research Inc. and still holds power of attorney for some of Research Inc.'s patents.



USPTO Rules of Professional Conduct: Safekeeping Property

- Registered patent agent Gary represents Bernice in prosecution of a single patent application before the USPTO. The prosecution was difficult and Gary spent much more time on the matter than he anticipated when he quoted Bernice a price for the work. The application is allowed and issues as a patent. Bernice has paid Gary the quoted price, but Gary is upset. When the “ribbon copy” of the issued patent is transmitted to Gary, he does not automatically forward it to Bernice.



Terminating Representation

- Terry, a registered practitioner, takes over prosecution of a U.S. utility patent application for Company A, who changes the correspondence address to Terry's business address. A power of attorney is not filed in the application, but Terry files an Office Action response in a representative capacity pursuant to 37 CFR § 1.34. Terry then learns that she must withdraw from representation of Company A due to a conflict with another firm client. Terry is unable to change the correspondence address for the application under 37 C.F.R. § 1.33 (because she does not hold power of attorney). She requests that Company A change the correspondence address, but Company A is slow to do so.
- The USPTO continues to send correspondence regarding the application to Terry.



Terminating Representation

- Registered practitioner Trent represents Maria in a U.S. utility application that recently received a Notice of Allowance. Trent reported the Notice of Allowance to Maria and requested pre-payment of the issue fee. Maria has not yet provided pre-payment of the issue fee to Trent. The payment date for the issue fee is approaching.



Terminating Representation

- Gail is a patent attorney who works as an associate for Firm W. Gail handles all of the patent prosecution matters for Firm W's clients and is the only practitioner associated with Firm W's USPTO customer number. Gail accepts an in-house position at Technology Incorporated and gives 2 weeks notice to Firm W. Firm W wants to continue to represent its patent clients.
- Resources with additional information on withdrawal:
 - 37 C.F.R. § 11.116.
 - MPEP 402.06.
 - USPTO form PTO/AIA/83 (04-13).



Unauthorized Practice of Law

- 37 C.F.R. § 11.5(b): Practice before the Office
 - “Includes, but is not limited to, law-related service that comprehends any matter connected with the presentation to the Office relating to a clients rights, privileges, duties, or responsibilities under the laws or regulations administered by the Office for the grant of a patent or registration of a trademark, or for enrollment or disciplinary matters.”
- Accordingly, practice before the office includes:
 - Rendering opinions on patentability of inventions.
 - Rendering opinions on registration of trademarks.
 - Representing clients in OED matters.



Unauthorized Practice of Law

- Tom is a trademark paralegal working for a law firm and has provided services to Company D for several years. Representatives of Company D often call him directly with questions and issues.
- Joanne is a trademark paralegal and works for a trademark prosecution attorney at a large law firm. As part of her daily responsibilities, Joanne handles telephone calls for the attorney relating to trademark matters. One day Joanne receives a telephone call from a Trademark Examining Attorney. The Trademark Examining Attorney proposes a minor amendment that would place a pending trademark application in publishable condition.



Contacting OED

For Informal Inquiries, Contact OED at
571-272-4097

THANK YOU