UNITED STATES
PATENT AND TRADEMARK OFFICE

Professional responsibility and practice before the USPTO

Office of Enrollment and Discipline

United States Patent and Trademark Office

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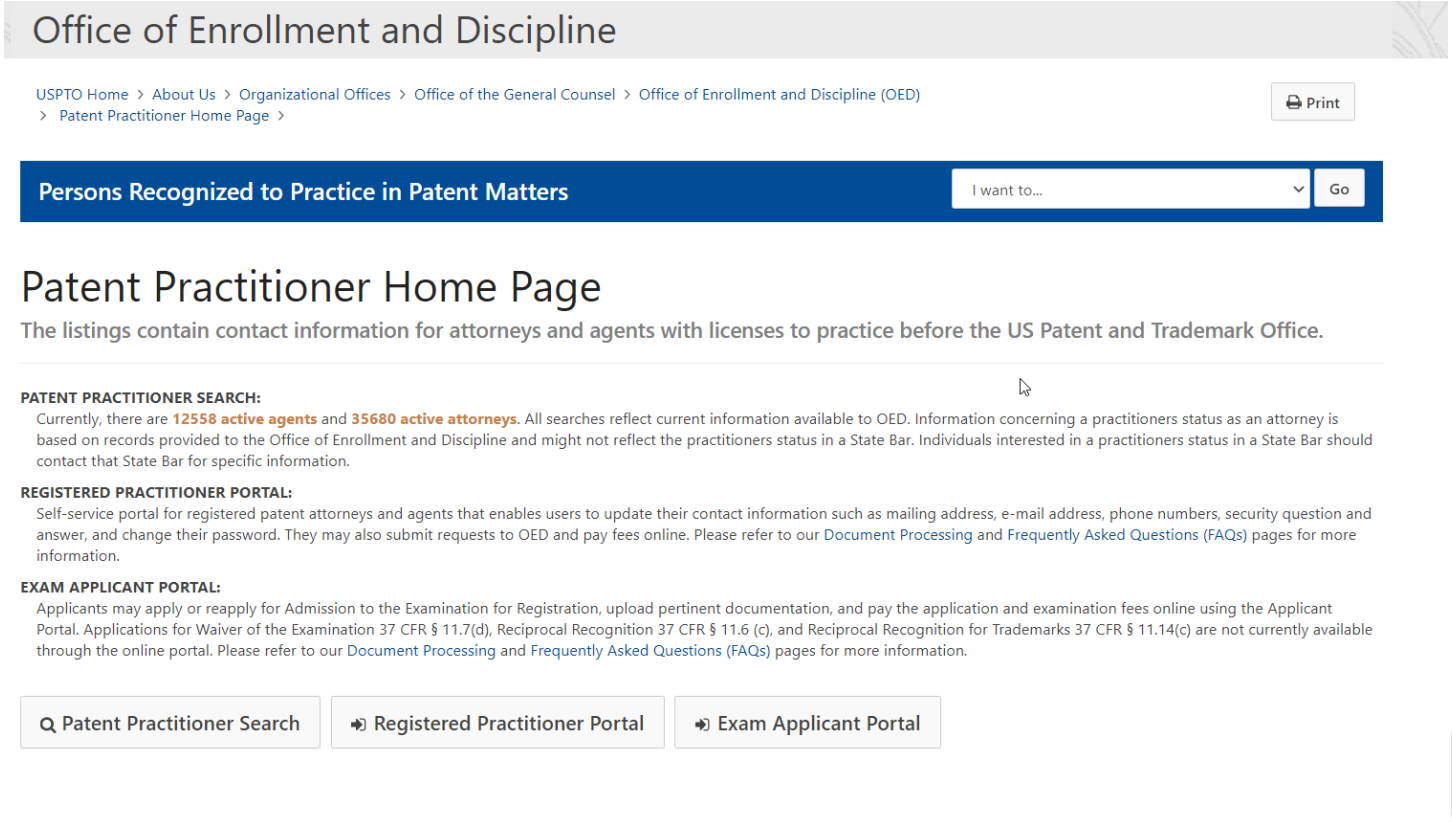
uspto

Register of patent practitioners

oedci.uspto.gov/OEDCI/



Registration statement/CLE

- Final rule published August 3, 2020: 85 FR 46932
  - Proposed guidelines published October 9, 2020: 85 FR 64128
- Biennial registration statement replaces survey of registered practitioners
  - No active patent practitioner fee
  - Registered practitioners will be required to file a registration statement with OED biennially.
    - *See* 37 C.F.R. § 11.11(a)(2)
  - Notice will be provided 120 days in advance of due date.
- Voluntary certification of CLE
  - *See* 37 C.F.R. § 11.11(a)(3)
  - Recognition of CLE completion in online practitioner directory
  - Certification of six credits of CLE within preceding 24 months: 5 credits in patent law and practice, 1 credit in ethics

Trademarks: U.S. counsel rule

- Increase in foreign parties not authorized to represent trademark applicants improperly representing foreign applicants in trademark (TM) matters
- Fraudulent or inaccurate claims of use are a burden on the trademark system and the public and jeopardize validity of marks
- Effective August 3, 2019:
  - Foreign-domiciled trademark applicants, registrants, and parties to Trademark Trial and Appeal Board proceedings must be represented at the USPTO by an attorney who is licensed to practice law in the United States.
- Final rule: 84 Fed. Reg. 31498 (July 2, 2019)
- Canadian patent agents no longer able to represent Canadian parties in U.S. TM matters
- Canadian TM attorneys and agents are only able to serve as additionally appointed practitioners
  - Clients must appoint U.S.-licensed attorney to file formal responses.
  - USPTO will only correspond with U.S. licensed attorney.

Trademarks: U.S. counsel rule

Dear,

I would like to rent a U.S. lawyer's license or get granted to use your U.S. attorney licensed information.At same time,I pay you yearly fee.

If you are interested in it and want to discuss more,you can contact me.

Regards,
Francis

OED Diversion Pilot Program

- In 2016, the ABA Commission on Lawyer Assistance Programs and the Hazelden Betty Ford Foundation published a study of about 13,000 currently practicing attorneys and found the following:
  - About 21% qualify as problem drinkers
  - 28% struggle with some level of depression
  - 19% struggle with anxiety
  - 23% struggle with stress
- Other difficulties include social alienation, work addiction, sleep deprivation, job dissatisfaction, and complaints of work-life conflict
- In 2017, the USPTO launched the Diversion Pilot Program

OED Diversion Pilot Program – criteria

- Willingness and ability to participate in the program
- No public discipline by the USPTO or another jurisdiction in the past three years
- Misconduct at issue must not:
  - Involve misappropriation of funds or dishonesty, fraud, deceit, or misrepresentation
  - Result in or be likely to result in substantial prejudice to a client or other person
  - Constitute a "serious crime" (see 37 C.F.R. § 11.1)
  - Be part of a pattern of similar misconduct or be of the same nature as misconduct for which practitioner has been disciplined within the past five years

Pro Bono Programs

- USPTO Law School Clinic Certification Program:
  - Allows students in a participating law school's clinic program to practice before the USPTO under the strict guidance of a law school faculty clinic supervisor
  - Limited recognition for participating students
  - www.uspto.gov/lawschoolclinic
- USPTO Patent Pro Bono Program:
  - Independent regional programs located across the nation work to match financially under-resourced inventors and small businesses with volunteer practitioners to file and prosecute patent applications
  - Inventors and interested attorneys can navigate the USPTO website to find links to their regional program: www.uspto.gov/probonopatents

Select OED regulations

Office of Enrollment and Discipline (OED)

Practice before the office

- Activities that constitute practice before the USPTO are broadly defined in 37 C.F.R. §§ 11.5(b) & 11.14:
  - Includes communicating with and advising a client concerning matters pending or contemplated to be presented before the office (37 C.F.R. § 11.5(b))
  - Consulting with or giving advice to a client in contemplation of filing a patent application or other document with the office (37 C.F.R. § 11.5(b)(1))
  - Consulting with or giving advice to a client in contemplation of filing a trademark application or other document with the office (37 C.F.R. § 11.5(b)(2))
  - Nothing in this section (37 C.F.R. § 11.5(b)) proscribes a practitioner from employing or retaining non-practitioner assistants under the supervision of the practitioner to assist the practitioner in matters pending or contemplated to be presented before the office
  - *See also* 37 C.F.R. § 11.14 for details regarding individuals who may practice before the office in trademark and other non-patent matters

OED discipline: grievances and complaints

- An investigation into possible grounds for discipline may be initiated by the receipt of a grievance (see 37 C.F.R. § 11.22(a))
- Grievance: "a written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner" (37 C.F.R. § 11.1)
- In the course of the investigation, the OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from:

  i. The grievant

  ii. The practitioner, or

  iii. Any person who may reasonably be expected to provide information and evidence needed in connection with the grievance or investigation

  (37 C.F.R. § 11.22(f)(1))

OED discipline: grievances and complaints

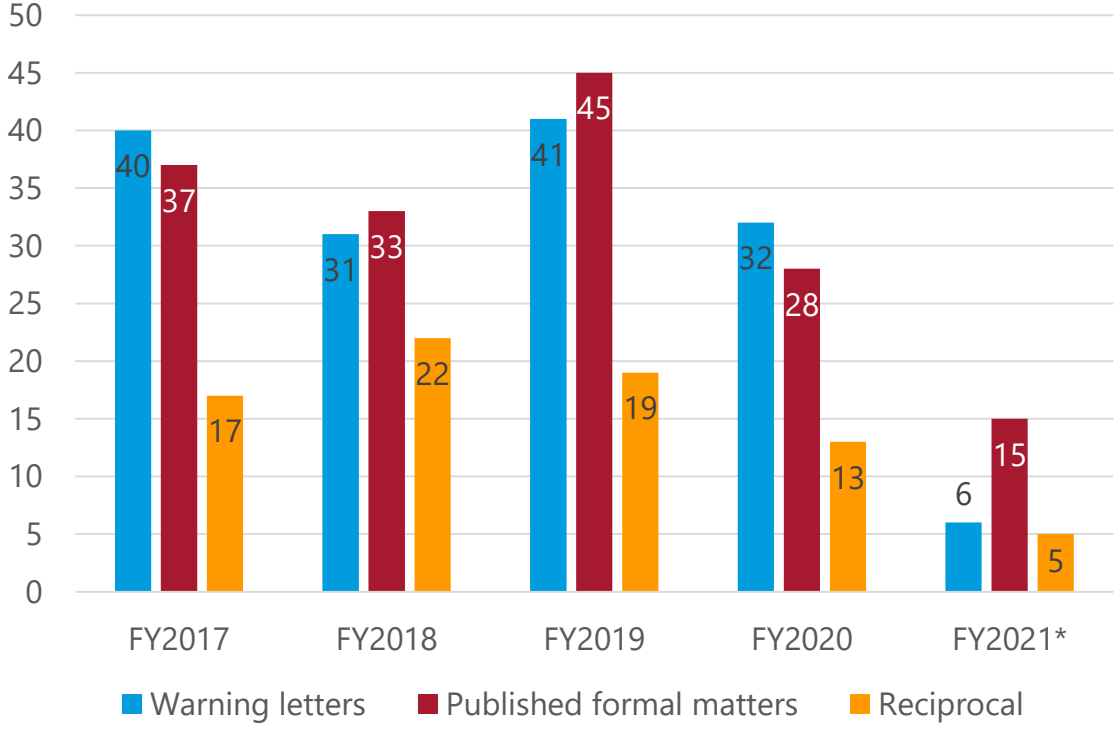
- Upon the conclusion of an investigation, the OED Director may:
  - Close the investigation without issuing a warning or taking disciplinary action
  - Issue a warning to the practitioner
  - Institute formal charges upon the approval of the Committee on Discipline, or
  - Enter into a settlement agreement with the practitioner and submit the same for approval of the USPTO Director.

  (37 C.F.R. § 11.22(h))
- Self-reporting is often considered as a mitigating factor in the disciplinary process.

Other types of discipline

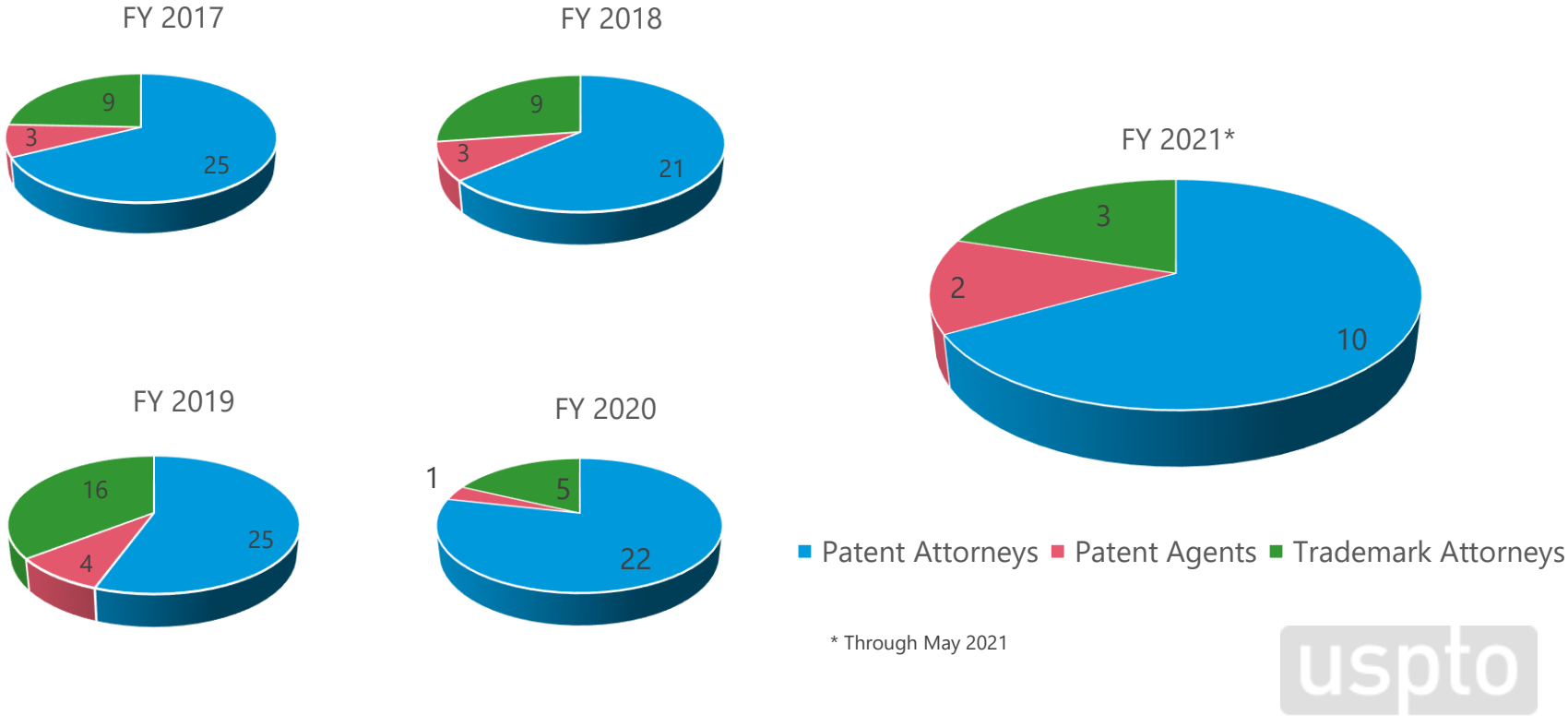
- Reciprocal discipline (37 C.F.R. § 11.24)
  - Based on discipline by a state or federal program or agency
  - Often conducted on documentary record only
- Interim suspension based on conviction of a serious crime (37 C.F.R. § 11.25)
  - Referred to a hearing officer for determination of final disciplinary action

USPTO disciplinary matters



* Through May 2021

USPTO disciplinary matters



* Through May 2021

Office of Enrollment and Discipline

Ethics scenarios and select case law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Patent agent privilege

- *In re Queen's University at Kingston*, 820 F.3d 1287 (Fed. Cir. 2016)
  - U.S. District Court granted Samsung's Motion to Compel documents, including communications between Queen's University employees and registered (non-lawyer) patent agents discussing prosecution of patents at issue in suit
  - Federal Circuit recognized privilege only as to those activities that patent agents are authorized to perform (*see* 37 C.F.R. § 11.5(b)(1))
- *In re Silver,* 540 S.W.3d 530 (Tex. 2018)
  - Lower court ruled that communications between client and patent agent were not protected from discovery because Texas law did not recognize patent agent privilege
  - Supreme Court of Texas overturned, citing patent agents' authorization to practice law
- *Rule on Attorney-Client Privilege for Trials Before the Patent Trial and Appeal Board*, 82 Fed. Reg. 51570 (Nov. 7, 2017)

Patent agent privilege

- *Onyx Therapeutics, Inc. v. Cipla Ltd. et. al.*, C.A. No. 16-988-LPS (consolidated), 2019 WL 668846, (D. Del. Feb. 15, 2019)
  - U.S. District Court found that a group of documents it inspected *in camera* would "almost certainly be within the scope of attorney client privilege," but not be "protected by the narrower patent agent privilege," because they were not "reasonably necessary and incident to" the ultimate patent prosecution
  - Documents were communications between scientists referencing prior art found by an individual who performed a patent assessment at the direction of a patent agent
  - Email discussion among the scientists was found not to be protected by the patent-agent privilege "because the assessment was done as part of a plan to develop new chemical formulations, not to seek patent protection for already-developed formulations"

Conflict of Interest

***In re Gray*, Proceeding No. D2017-02 (USPTO Feb. 22, 2017).**

- Exclusion on consent of patent attorney.

- Disciplinary complaint alleged:
  - Respondent's firm had agreement with companies to provide patent legal services to referred clients.
  - Respondent's relationships posed numerous conflicts of interest issues with respect to referred clients.
  - Directed associate to withhold filing of client applications until client paid 3rd party company $125 fee.
  - Did not consult with client regarding the appropriate type of protection.
  - Failed to supervise associate to ensure compliance with conflict and other rules.

Conflict of Interest

***In re Virga*, Proceeding No. D2017-14 (USPTO Mar. 16, 2017).**

- 5-year suspension of patent attorney (settlement).
  - Eligible to petition for reinstatement after 2 years; must take MPRE.
- Contracted with Desa Industries, Inc d/b/a World Patent Marketing ("WPM").
- Agreed to prepare, file, and respond to Office actions for clients referred by WPM.
- Attorney was unaware of amount WPM charged clients; clients were not likely aware of his compensation from WPM.
- Did not confirm that legal fees were deposited in trust account.
- Did not consult with clients regarding appropriateness of the patent protection sought.
- Failed to respond to Office actions for referred clients.

Conflict of Interest

***In re Mikhailova*,** Proceeding No. D2017-18 (USPTO June 16, 2017).

- Patent Agent contracted with Desa Industries, Inc d/b/a World Patent Marketing ("WPM") to prepare, file, and respond to Office actions for clients referred by WPM.
- Permitted WPM to act as full intermediary with clients.
- Settlement: 20 month suspension with 28 months probation.
- Rule highlights:
  - 37 C.F.R. § 11.105(b) – communicating scope of representation/fee.
  - 37 C.F.R. § 11.107(a) – Conflict of interest; current clients.
  - 37 C.F.R. § 11.108(f) – Accepting compensation from third party.
  - 37 C.F.R. § 11.504 – Permitting 3rd party payer to regulate judgment.
  - 37 C.F.R. § 11.505 – Unauthorized Practice of law.

Conflict of Interest

***In re Mikhailova*,** Proceeding No. D2017-18 (USPTO June 16, 2017).

…under circumstances where a non-practitioner third party refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party, **the inventor would likely be unable to provide the requisite informed consent absent a meaningful discussion with the practitioner that fully informs the referred inventor of the actual and potential conflicts of interest arising from the fee arrangement between inventor, third party, and practitioner**.

Additionally, **the practitioner must communicate the scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible**, *see* 37 C.F.R. § 11.105(b), and **shall obtain informed consent whenever limiting the scope of the representation** (e.g., such as when only preparing and filing an application and not prosecuting it), *see* 37 C.F.R. § 11.102(c).

Conflict of Interest

***In re Mikhailova*,** Proceeding No. D2017-18 (USPTO June 16, 2017).

Under circumstances where a non-practitioner third party regularly refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party, practitioners may unwittingly violate the fee-sharing prohibition if the practitioner does not know the amount the inventor has paid to the third party for patent legal services. If the entire amount received by the third party for the practitioner's compensation is not distributed to the practitioner and any undistributed compensation held by the third party is not returned to the inventor, then the practitioner has likely impermissibly shared fees with a non-practitioner. Hence, a practitioner is reasonably expected to question carefully the inventor and the referring non-practitioner third party about the amounts being charged to the inventor for the patent legal services to ensure the entire amount is remitted to the practitioner.

Conflict of Interest

***In re Mikhailova*,** Proceeding No. D2017-18 (USPTO June 16, 2017).

Where a non-practitioner third party refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party, **the practitioner may not merely fill a purchase order. Instead, the practitioner must independently assess the suitability of the sought-after patent protection and communicate his or her assessment to the inventor**…By remaining passive and merely providing the patent legal services purchased by the referred inventor, a practitioner may be found to have formed a *de facto* partnership with the non-practitioner and also may be assisting the company to commit the unauthorized practice of law.

Hence, when a practitioner receives a referral for patent services from a non-practitioner company that aims to assist inventors in protecting and/or marketing their inventions, **the practitioner is reasonably expected to obtain copies of all documents exchanged between the company and the inventor so that the practitioner may understand whether company is engaging in practice before the Office in patent matters** as defined in 37 C.F.R. § 11.5(b)(1).

Conflict of Interest

37 C.F.R. § 11.107

(a) Except as provided in paragraph (b) of this section, a practitioner shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:

(1) The representation of one client will be directly adverse to another client; or

(2) There is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client, a former client or a third person or by a personal interest of the practitioner.

(b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a) of this section, a practitioner may represent a client if:

(1) The practitioner reasonably believes that the practitioner will be able to provide competent and diligent representation to each affected client;

(2) The representation is not prohibited by law;

(3) The representation does not involve the assertion of a claim by one client against another client represented by the practitioner in the same litigation or other proceeding before a tribunal; and

(4) Each affected client gives **informed consent**, confirmed in writing.

Conflict of Interest

37 C.F.R. § 11.108(f)

A practitioner shall not accept compensation for representing a client from one other than the client unless:

(1) The client gives **informed consent**;

(2) There is no interference with the practitioner's independence of professional judgment or with the client-practitioner relationship; and

(3) Information relating to representation of a client is protected as required by §11.106.

37 C.F.R. § 11.504(c)

A practitioner shall not permit a person who recommends, employs, or pays the practitioner to render legal services for another to direct or regulate the practitioner's professional judgment in rendering such legal services.

Conflicts of interest/client communication

- ***In re Starkweather***, Proceeding No. D2018-44 (USPTO Oct. 17, 2019)
  - Practitioner received voluminous referrals from marketing company
    - Did not obtain informed consent from clients in light of this arrangement
    - Took direction regarding applications from company
    - When company operations were shut down and payments stopped, practitioner halted client work, including completed applications
    - Signed clients' names on USPTO documents
  - Settlement: three-year suspension, MPRE, 12 hours of ethics CLE
  - Rule highlights:
    - Competence: 37 C.F.R. § 11.101
    - Abiding by client's decisions: 37 C.F.R. § 11.102
    - Diligence: 37 C.F.R. § 11.103
    - Client communication: 37 C.F.R. § 11.104
    - Conflicts: 37 C.F.R. § 11.107
    - False statements to a tribunal: 37 C.F.R. § 11.303
    - Taking direction from 3rd party payer: 37 C.F.R. § 11.504(c)

Conflicts of interest/client communication

- ***In re Starkweather*** - For signing client's name on documents filed with the USPTO:
  - 37 C.F.R. § 11.101 Competence
    - "A practitioner shall provide competent representation to a client. Competent representation requires the legal, scientific, and technical knowledge, skill, thoroughness and preparation reasonably necessary for the representation."
  - 37 C.F.R. § 11.102(a) Scope of representation and allocation of authority between client and practitioner
  - 37 C.F.R. § 11.303 Candor toward the tribunal
    - "(a) A practitioner shall not knowingly:
      - (1) Make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the practitioner;

      * * * * *

      - (3) Offer evidence that the practitioner knows to be false. If a practitioner, the practitioner's client, or a witness called by the practitioner, has offered material evidence and the practitioner comes to know of its falsity, the practitioner shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.

      * * * * *

    - (d) In an ex parte proceeding, a practitioner shall inform the tribunal of all material facts known to the practitioner that will enable the tribunal to make an informed decision, whether or not the facts are adverse."
  - 37 C.F.R. § 11.804(c) Misconduct: Dishonesty, fraud, deceit, misrepresentation
  - 37 C.F.R. § 11.804(d) Misconduct: Conduct prejudicial to the administration of justice

Signatures on patent documents

- 37 C.F.R. § 1.4(d)(1) Handwritten signature.
  - "Each piece of correspondence, except as provided in paragraphs (d)(2), (d)(3), (d)(4), (e), and (f) of this section, filed in an application, patent file, or other proceeding in the Office which requires a person's signature, must:
    - (i) Be an original, that is, have an original handwritten signature personally signed, in permanent dark ink or its equivalent, by that person; or
    - (ii) Be a direct or indirect copy, such as a photocopy or facsimile transmission (§1.6(d)), of an original. In the event that a copy of the original is filed, the original should be retained as evidence of authenticity. If a question of authenticity arises, the Office may require submission of the original.
- 37 C.F.R. § 1.4(d)(2) S-signature.
  - "(i)…the person signing the correspondence must insert his or her own S-signature…"
- 37 C.F.R. § 1.4(d)(4)(ii) Certification as to the signature.
  - "The person inserting a signature under paragraph (d)(2) or (d)(3) of this section in a document submitted to the Office certifies that the inserted signature appearing in the document is his or her own signature."
- Current waiver of 37 C.F.R. § 1.4(e) (original handwritten signatures in permanent dark ink).
  - *See* 85 FR 17502 (March 30, 2020) ("This waiver is effective until further notice is provided by the Office. Such notice may take place by publication of a document in the Federal Register and the USPTO's website.").


GoAnimate

Disreputable or Gross Misconduct

In re Schroeder, Proceeding No. D2014-08 (USPTO May 18, 2015).

- Patent Attorney:
  - Submitted unprofessional remarks in two separate Office action responses.
  - Remarks were ultimately stricken from application files pursuant to 37 C.F.R. § 11.18(c)(1).
  - Order noted that behavior was outside of the ordinary standard of professional obligation and client's interests.
  - Aggravating factor: has not accepted responsibility or shown remorse for remarks.
- Default: 6-month suspension.
- Rule highlights:
  - 37 C.F.R. § 10.23(a) – Disreputable or gross misconduct.
  - 37 C.F.R. § 10.89(c)(5) – Discourteous conduct before the Office.
  - 37 C.F.R. § 10.23(b)(5) – Conduct prejudicial to the administration of justice.
  - 37 C.F.R. § 11.18 – Certification upon filing of papers.

Disreputable or Gross Misconduct

In re Tassan, Proceeding No. D2003-10 (USPTO Sept. 8, 2003).

- Registered practitioner who became upset when a case was decided against his client, and left profane voicemails with TTAB judges.
- Called and apologized one week later; said he had the flu and was taking strong cough medicine.
- Also had a floral arrangement and an apology note sent to each judge.
- Mitigating factors: private practice for 20 years with no prior discipline; cooperated fully with OED; showed remorse and voluntary sought and received counseling for anger management.
- Settlement: Reprimanded and ordered to continue attending anger management and have no contact with board judges for 2 years.

Decisions imposing public discipline available in "FOIA Reading Room"

- foiadocuments.uspto.gov/oed/
- Official Gazette for Patents
  - 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 webpage.

Thank you!

OED

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