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The Honorable Jon Dudas  
Acting Under Secretary of Commerce for Intellectual Property and  
Acting Director of the United States Patent and Trademark Office  
2121 Crystal Drive  
Arlington, VA 22202

Notice of Proposed Rulemaking  
Changes to Representation of  
Others Before the United States Patent and Trademark (68 Fed. Reg. 69441  
(December 12, 2003))

Dear Acting Director Dudas:

In the Federal Register Notice dated December 12, 2003, the U.S. Patent and Trademark Office (“PTO”) requested public comments regarding the above identified Notice of Proposed Rulemaking (“PR”). Presented herein are the comments of the American Bar Association. The ABA appreciates the opportunity to offer comments on the rule and practice changes proposed by the PTO.

The PR is a comprehensive effort by the PTO to:

“Improve the PTO's processes for handling applications for registration, petitions, investigations, and disciplinary proceedings. The changes also are intended to bring standards of ethical practice before the PTO into closer conformity with the Rules of Professional Conduct adopted by the majority of States, while addressing circumstances particular to practice before the PTO.” (68 Fed. Reg. 69442, right column)

The ABA supports these goals of the PTO, and believes many of these PR contribute to achieving these goals.

We particularly welcome the next sentence indicating that:

“As these environments change (e.g., by adoption of amendments to the Model Rules of Professional Conduct of the American Bar Association) the PTO will consider whether to make further changes to the rules. This rule making is being conducted under the auspices of the General Counsel of the United States Patent and Trademark PTO, James Toupin (703) 308-2000, and the supervision of the OED Director, Harry I. Moatz (703)

305-9145. They would appreciate feedback on the overall rule making process in addition to any comments on the merits of the Sections.”

The specific invitation to comment on the process being used in this rule making is very important, in view of the complexity of some of the issues being addressed and the widely varying views on some aspects of these issues. This is an extensive and novel package with many individual components. The depth of consideration and study required for proper review of such a package is concomitantly extensive.

The ABA also wishes to express its appreciation for the two extensions of time to provide these comments. The first extension explicitly sought comment on “whether the Rules of Professional Conduct should include the revisions to the Model Rules as amended by the American Bar Association at the end of its February 2002, Midyear Meeting, also known as the Ethics 2000 revisions.” Fed. Reg. 69: 4269-70 (Jan. 29, 2004). The PTO further explained:

“The PTO seeks comments regarding Sections 11.100 through 11.900 in subpart D, in part, because the Sections do not contemplate inclusion of the Ethics 2000 revisions to the Model Rules of Professional Conduct. The Ethics 2000 revisions have not been widely adopted by state bars. Sections 11.100 through 11.900, in large part, are based on the widely adopted Model Rules of Professional Conduct. The extended comment period provides the public an opportunity to address Sections 11.100 through 11.900, and whether the Ethics 2000 revisions should be included in the rules adopted by the PTO. *Id.* at 4270.”

The PTO extended the comment period to June 11, 2004 for the Rules of Professional Conduct and proposals for annual fees, mandatory continuing education, and processes for handling investigations and disciplinary proceedings. Fed. Reg. 69: 9986-7 (Mar. 3, 2004).

These comments were prepared by a Task Force appointed by Robert W. Sacoff, Chair of the Section of Intellectual Property of the ABA and included representation of relevant ABA entities. The Task Force was chaired by Carol Langford (CA), Chair of ABA-ILP Section Committee 502, Ethics and Professional Responsibility, Adjunct Professor of Ethics at the University of San Francisco School of Law and former Chair of the California State Bar Committee on Professional Responsibility and Conduct. The members of the Task Force were Ronald E. Myrick (MA), Co-Chair of ABA-IPL Section Committee 103, USPTO Relations, James Hammond (VA), Chair of ABA-IPL Subcommittee on PTO Ethics Rules, Lucian Pera (TN), member of the ABA Ethics 2000 Commission on Evaluation of the Rules of Professional Conduct, and Mark Tuft (CA), Past Chair of the California State Bar Committee on Professional Responsibility and Conduct. The Task Force also included Hon. Barbara K. Howe (MD), Chair of the ABA Standing Committee on Professional Discipline and Marvin L. Karp (OH), Chair of the ABA Standing Committee on Ethics and Professional Responsibility. Members of the Staff of the ABA Center for Professional Responsibility (Director, Jeanne P. Gray, Regulation Counsel Mary M. Devlin, and Ethics Counsel George A. Kuhlman), also provided input and assistance, along with William H. LaFuze (TX), ABA-IPL Section Chair-Elect and Hayden Gregory, ABA-IPL Section Legislative Liaison.

#### A. History of ABA Proceedings, Documents and Resolutions

The ABA Model Rules of Professional Conduct (“Model Rules”) have a long history of study and comment. Some of that history is available at [www.abanet.org/cpr/ethics2k.html](http://www.abanet.org/cpr/ethics2k.html). The development of the Model Rules is relevant because of the respect the Model Rules have garnered in stating a set of balanced norms. The balance achieved by the Model Rules took time and discussion with open debate involving many people. It is not necessary for the PTO to duplicate such debate and so robust a process, in general. But before significant departure from the fruits of such a balanced and robust debate should be adopted, a somewhat similar vigorous process should be employed to assure the wisdom of the departures. The PTO may also wish to consider whether it would be advisable under the circumstances now and for the contemplated future to create a standing advisory committee to study such issues and advise the PTO over a period spanning the environmental changes to which the PTO alluded in its notice as quoted above. In particular, the PTO should republish the proposed rules as they may be revised following the initial comment period, and then allow sufficient time to receive and consider further comments of the patent bar and of the public before finally adopting these proposals.

The American Bar Association has also been the national leader in improvements in lawyer discipline for since 1908. The ABA has conducted two national studies and close to 50 individual studies of state and other tribunals’ lawyer discipline systems.

In 1968, the ABA established the Clark Committee (chaired by former U.S. Supreme Court Justice Tom Clark. A report by the Clark committee can be found at PROBLEMS AND RECOMMENDATIONS IN DISCIPLINARY ENFORCEMENT (Clark Report), 1 (1970).

In 1989, the ABA established the McKay Commission (chaired by former N.Y.U. Law School Dean Robert B. McKay) to examine the effects of the Clark Report and to study additional reforms. LAWYER REGULATION FOR A NEW CENTURY (McKay Report), (1992).

The policies recommended in these reports, as adopted by the ABA House of Delegates (“House”) are embodied in the ABA Model Rules for Lawyer Disciplinary Enforcement (“MRLDE”) available at <http://www.abanet.org/cpr/disenf/home.html>. The MRLDE are a comprehensive policy document of the Association’s recommendations for disciplinary procedural rules. The MRLDE reflect the best practices and policies in lawyer disciplinary enforcement. The MRLDE are used by the ABA Standing Committee on Professional Discipline when invited, as it has been on over 40 occasions, by state supreme courts to send teams into states to study and evaluate their lawyer discipline systems. Although directed to state supreme courts, the MRLDE nevertheless embody the Association’s recommendations for fair and effective lawyer discipline systems in other contexts. Hence, they inform these ABA comments on the PR of the U.S. Patent and Trademark Office (“PTO”).

With respect to federal agency discipline, the ABA House of Delegates adopted Report No. 123 in August 1982. As approved, it reads:

*Resolved*, that the American Bar Association endorses the enactment of legislation which would provide that:

1. Except as existing legislation expressly provides, no federal agency shall adopt standards of practice to govern the professional conduct of attorneys who represent

clients subject to the administrative procedures of or Rule by that federal agency, except such standards of practice as are required to apply subparagraph 2(b) below.

2. Except as existing legislation expressly provides, a federal agency shall exercise disciplinary authority over an attorney only (a) in conformity with formal disciplinary action taken against such attorney in a jurisdiction where such attorney is admitted to practice, or (b) affecting such attorney's participation in a particular proceeding before it, as immediately necessary to maintain order in or assure the integrity of such proceeding.

*Further Resolved*, that the American Bar Association recognizes that it is important that state disciplinary authorities afford federal agencies an effective means of securing review of charges by such federal agencies of professional misconduct arising out of the practice of attorneys before the agencies; and that it is a matter of clear and important policy of the American Bar Association to encourage and assist state disciplinary authorities to fulfill this function.

*Further Resolved*, That the American Bar Association authorizes the Standing Committee on Professional Discipline to initiate and coordinate efforts to assure that state disciplinary authorities function in a manner which provides federal agencies with an effective forum to which professional responsibility complaints arising out of agency practice can be brought; and, to this end, the Standing Committee shall establish liaison with appropriate state bar associations or other groups within each state which would directly undertake these efforts at the state level.

In addition, the Standing Committee on Professional Discipline is responsible for the ABA's National Lawyer Regulatory Data Bank (NLRDB), which receives reports of public sanctions and other regulatory actions from all states and the District of Columbia, some federal courts and some federal agencies. The Data Bank has received reports of public regulatory actions from the PTO since 2001. It is referenced in Section 11.59(a) under its former name, the National Discipline Data Bank.

## B. General Comments

We offer the following comments of general applicability to the PR.

1. Intellectual property lawyers often practice primarily before the PTO, which has the expertise and resources to detect misconduct in a specialized area where state disciplinary agencies are unlikely to learn of that type of misconduct. It appears that some of the PR deal with appearances before the PTO or matters very closely linked to practice before the PTO. Other rules, however, seem to govern practice not so clearly directly before the PTO, such as fee agreements, supervisory responsibilities, conflicts of interest of a more general nature, and "litigation". The PTO should consider the suitability of rules of such potential breadth as they may impinge on the role traditionally entrusted to the highest courts of the states and the District of Columbia. The PTO should be guided by the public interest and by fairness in view of the roles, interests, and capabilities of state disciplinary agencies. Of course, in the case of patent agents, the PTO would typically be the sole licensing and governing authority. Accordingly, a

broader scope of rules may be appropriate for patent agents. However, it should be made explicit that the PR do not apply to patent infringement litigation in the courts.

2. The ABA applauds the fact that the PR do not preempt state regulation of lawyers. Section 11.1 retains the language of the 1984 Rule: “Nothing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary for the United States Patent and Trademark PTO to accomplish its Federal objectives.” Further, the PTO explicitly states that “Paragraph (b) of Section 11.19 would recognize the authority of state bars to discipline practitioners for misconduct involving or related to practice before the PTO in any matter.” 239 Fed. Reg. 69455 (Dec. 12, 2003). Thus, Section 11.19(b) states:

“Jurisdiction of courts and voluntary bar associations. Nothing in these rules shall be construed to deny to any State or Federal Court such powers as are necessary for that court to maintain control over proceedings conducted before it, such as the power of contempt. Further, nothing in these rules shall be construed to prohibit any State or Federal Court, or a voluntary or mandatory bar association from censuring, reprimanding, suspending, disbaring, or otherwise disciplining its member, including registered practitioners for conduct regarding practice before the PTO in any matter.”

3. The PTO should strive to avoid adding unnecessary regulatory complexity, paperwork and transactional expense, both to the PTO and the regulated bar. For example, the process for administration of registration fees and the process for administration of the CLE program seem to be unduly complicated with potential serious outcomes for mere oversight or mistakes that are intimidating at best to the busy practitioner. It should be made very clear that the rights of clients should not be compromised as a result of a mistake in the registration or disciplinary process, whether such mistake is made by the PTO or an attorney. For example, a paper signed by a suspended attorney should be no less effective vis-à-vis protecting the rights of the client as a paper signed by an attorney in good standing; the PTO may have more of an issue with an attorney who signs a paper while under suspension but the client should not suffer for it. It should further be made explicit that violations of any of Subpart A-D sections do not, in and of themselves, provide a separate basis for challenging patent or trademark validity, enforceability, or infringement.

4. The ABA has long supported the concept of mandatory continuing legal education. The concerns expressed here are primarily with process and scope. The mandatory continuing education program is only partially defined. Failure to comply with the program’s requirements seems to carry significant consequences, for example being suspended from practice. Also, requiring voluntarily inactive practitioners to continue to satisfy mandatory CLE requirements departs from the practice in many states with CLE requirements. While such innovations as internet delivery of CLE are laudable, the PTO should give further consideration to “piggy-backing” on existing programs by permitting an attorney to fulfill PTO requirements by fulfilling that attorney’s state-based CLE requirements, where appropriate programs exist.

5. The PTO attempts to define the practice of law before the PTO at pages 69445-69446. There are a great many ramifications to that definition as the ABA has seen recently. At the 2003 ABA Annual Meeting, the House of Delegates adopted two policies:

Resolution 10B urged “each jurisdiction that regulates the practice of law to continue to define what constitutes the practice of law by case law decisions of its highest court or by court rule. Resolution 100 recommended that:

... each state and territory (1) adopt a definition of the practice of law that should include the basic premise that the practice of law is the application of legal principles and judgment to the circumstances or objectives of another person or entity, and (2) determine who may engage in the practice of law and under what circumstances, based upon the potential harm and benefit to the public. The determination should include consideration of minimum qualifications, competence and accountability.

6. The PTO should be explicit that the PR are for prospective operation and effect only.

7. The PTO should also clarify that the PR are not the standard for civil liability and/or substantive declaratory relief vis-à-vis any patent or trademark registration.

8. The ABA would like to note that the observation by the PTO quoted above on page two of this letter in regards to the adoption of the Ethics 2000 revisions should be adjusted. Nine states have adopted their own version of the Ethics 2000 revisions; the degree to which they have followed Ethics 2000 is remarkable. There is significant evidence that we are moving towards more uniformity, rather than less.

### C. Comments on Specific Provisions

#### 1. Part I

a. The addition of a series of fees is noted. The PTO at page 69442, right column, describes the fees as follows:

“Section 1.21 would be amended to revise one paragraph into two distinct fees, add ten paragraphs to provide for ten new fees, as well as to reserve paragraph (3), redesignate another paragraph and change a section citation therein. These fees are intended to fund the costs of the registration examination process, disciplinary system, and maintain the roster of registered practitioners up-to-date. Bar disciplinary activities are generally regarded as being in the interest of maintaining the Bar's reputation for integrity and supporting the willingness of potential clients to engage the services of practitioners. The continual updating of the PTO roster is also in the interest of assuring that registered practitioners are identified to the public they seek to serve. The cost is currently met by funds from application, issue, or maintenance fees. By adopting these fees to be paid by registered practitioners, the costs of these activities are not passed on to applicants. Thus, the PTO will recover the costs associated with these activities from the practitioners instead of the public in general. The funds would be directed to these activities and would not be diverted to support other proposals. The fees are based on the status of the registered practitioner.”

b. The MRLDE recommend adequate funding of lawyer discipline through fees assessed upon lawyers admitted in the jurisdiction. While it may be reasonable to charge practitioners for

the costs of administering their registrations, it is important that only the costs be recovered and that the process for administering the charges not materially add to the costs. The processing system should be as efficient as possible as should the ancillary sources of costs, including the CLE program proposed in Subpart A, if that too will be funded by these fees. As a government agency with a monopoly on the roles it plays, it is especially important that the PTO self govern its efficiency to minimize the costs it passes on to the public and to licensed practitioners. Moreover, the PTO relies on 35 USC 41(d) to support the annual fee by rule, rather than Congressional action. 35 USC 41(d) provides that: "The Director shall establish fees for all other processing, services, or materials relating to patents not specified in this section ...." Then the paragraph goes on to list fees for such things as recording a document affecting title, charges for photocopying and providing black-and-white copies of patents. The statute may not be broad enough to encompass an annual fee for all attorneys and agents.

c. There appears to be no mechanism in place to require an accounting for the income produced by the proposed new licensing fees. They should not be excessive or diverted to other governmental functions.

## 2. Part II, Subpart A

Subpart A sets forth in Section 11.1 a number of definitions that are very significant. Perhaps most important is the definition of "Full Disclosure." Its definition and others will be considered in the discussion of Subpart D because the issues are better understood in the context of how the term is used in the rules.

## 3. Part II, Subpart B

Subpart B covers recognition to practice before the PTO. In addition to the general comments made above, the following additional comments are submitted in regard to Subpart B. The PTO has an important and longstanding role in licensing practitioners before it. As respects attorneys, it shares that responsibility with the states or at least benefits from their joint and similar activities. It has been engaged in that role for a very long time.

a. On page 69449, left column, the PTO asks for comments on two alternatives for accepting a state's determination on the moral character of persons seeking to become registered. The alternatives are stated as follows:

"One option is to require applicants who are attorneys to submit a certified copy of their State Bar application and moral character determination. The PTO may accept the moral character determination as meeting the requirements set forth in Section 11.7(g)."

"The second option is to require these applicants to submit a certified copy of their State Bar application and moral character determination and for the PTO to accept the State Bar's character determination as meeting the requirements set forth in Section 11.7(g) if, after review, the PTO finds no substantial discrepancy between the information provided with their PTO application and the State Bar application and moral character determination. In such a case, OED will accept the moral character determination of the State Bar as meeting the requirements set forth in Section 11.7(g), so long as this acceptance is not inconsistent with other rules and the requirements of 35 U.S.C.

2(b)(2)(D). If the PTO finds that there is substantial discrepancy or if OED obtains or receives other or new information, or if the determination of moral character conflicts with other rules or Section 2(b)(2)(D), the PTO reserves the right to make an independent decision.”

We recommend that the PTO adopt the second option for the reasons stated in support of the second option in the PR package. Deference to the determination of a state on character and fitness may be given but need not be required in the face of a discrepancy or new or additional information.

b. In the PR, perhaps the most significant addition to the role that the PTO has played previously is its proposed CLE and testing program. It is believed that the PTO has been developing a program of this nature for some time and the present proposal may be the next logical step in advancing the overall effort. Still, there is much about the program that is to be defined in detail and much that is to be proved as to efficacy and efficiency.

Accordingly, the PTO should move deliberately but with due regard for the experience of the many states who have been engaged in similar activities for some time. It cannot be said that the PTO has a greater interest in ensuring the competence of the practitioners before it than do the courts of the many states that have been working for years on perfecting their approaches to CLE for the purpose of ensuring the competence of those who serve the public in their several states. Accordingly, the PTO should proceed with pilot programs and testing, progressively ensuring that its processes benefit from experience earned along the way. The processes presented in the PR seem complicated and somewhat formalistic; complication and formalism are not conducive to effectiveness. However, in principle, the ABA is supportive of CLE programs and would likely participate as a PTO pre-approved sponsor.

Moreover, the PTO and any third party who offers a CLE program pursuant to the PR should provide a certificate of completion of a course immediately after the course has been successfully completed. Since courses will be offered over the Internet, the potential for transmission errors may exist. It would be very easy for a person to believe that he or she has successfully completed a course, but that completion does not get communicated to the PTO. Written proof of completion will enable the practitioner to correct such a mistake, should it occur.

c. Section 11.7(b)(4) provides that the OED Director shall administer a registration examination to determine whether the individual possesses the legal, scientific and technical qualifications to enable him or her to render applicants valuable service. The PTO proposes to fulfill this objective through a frequently administered computer-based examination using a slate of questions randomly selected from a large data bank of questions, and answers that will be publicly available. During the past thirty years the Patent Bar Exam has contained some questions that had been in past exams and some new questions. Only the questions from past exams were publicly available. However, most new questions were similar in content or addressed the same topics as questions in previous exams. The use of new questions in each exam assured that the person who passed the exam had not merely memorized the answers to a body of questions.

The PTO now proposes to make publicly available all questions that will be on the exam. Since all questions will be multiple choice, it is now possible for someone to simply memorize the questions and answers. A test for which one can memorize the questions and answers does not measure the person's legal and technical competence.

Past Patent Bar Exams have included several questions on Title 35, Sections 102, 103 and 112 of the patent statute. Since everyone who practices before the PTO should be familiar with these provisions of the law, the PTO properly included questions in this area on every exam. A randomly generated set of exam questions may omit questions on these key sections of the patent laws. The exam should be structured so that questions involving Title 35, Sections 102, 103 and 112 are always included.

d. The proposed CLE requirement and monitoring of this activity will require additional staffing in the PTO Office of Enrollment. It is not clear that the additional fees will be directed to this effort, as they should be.

e. Section 11.10, paragraph (b) relates to the written undertaking required of practitioners who worked in the PTO. Subparagraphs (1) and (2) are unclear. The PTO appears to be and should be concerned with practitioners who worked for the PTO and subsequently leave the PTO to advocate for a client's work that the practitioner was involved in while at the PTO. Merely advocating for a client "to the United States," as provided by paragraph (b)(1)(i), should not be a concern. Thus, paragraphs (b)(1)(iii) and (b)(2)(iii) are necessary parts of the written undertaking. Therefore, "or" should be "and" between paragraphs (b)(1)(ii) and (iii). Likewise, "or" should be "and" between paragraphs (b)(2)(ii) and (iii).

f. With respect to the consequences of administrative suspension under Sections 11.8, 11.11, 11.12, and 11.18 for failure to either pay the annual administrative fee or complete the PTO CLE requirements, the PTO should provide enhanced and supplemental notice and opportunity to be heard provisions so that the chances of an incorrect and inappropriate administrative suspension are virtually eliminated.

g. We suggest that the terms "trick" and "device" are too vague for a violating the basis of 11.18.

#### 4. Part II, Subpart C

Subpart C covers investigations and disciplinary proceedings. The standards and processes specified in this Subpart generally appear to be fair and to conform to due process requirements. However, the PTO should ensure that adequate time to respond to disciplinary process is provided for the practitioners.

a. The MRDLE can provide a most useful reference for the PTO in the finalization of this Subpart. The disciplinary review board should not be composed solely of PTO employees, and review should not be limited to the Director alone. The MRLDE recommend the independence of disciplinary officials, and recommend that one third of the members of disciplinary adjudicative bodies be non-lawyers. Other such departures from the MRDLE should be reviewed prior to finalization.

b. Rule 11.16 on page 69530, seems to give the PTO blanket authority to examine all books, records and financial accounts, not just fiduciary or trust accounts, and not just of the registered individual but of his/her entire firm. In Table 1 on page 69505, the Section is simply characterized as “New” with no Part 10 concordance listing. This Section can and should be clarified to limit the books and records subject to inspection to those “maintained by or for the practitioner for practice before the PTO, unless the PTO has good cause to expand the investigation.” Moreover, all such trust account records should be treated as confidential and their use should be limited to the PTO’s disciplinary proceeding.

Section 11.16 provides that:

“A practitioner ... agrees that the OED Director may examine *financial books and records maintained by or for the practitioner for the [sic] practice before the PTO, including, without limitation, any and all trust accounts, including any trust account that may not be in compliance with the Rules of Professional Conduct, fiduciary accounts, and operating accounts maintained by the practitioner or his or her law firm* [emphasis added]. The OED Director may also examine any trust account maintained by a practitioner whenever the OED Director reasonably believes that the trust account may not be in compliance with the Rules of Professional Conduct.”

Rule 30 of the MRLDE provides:

### **RULE 30. VERIFICATION OF BANK ACCOUNTS**

**A. Generally.** Whenever disciplinary counsel has probable cause to believe that bank accounts of a lawyer that contain, should contain or have contained funds belonging to clients have not been properly maintained or that the funds have not been properly handled, disciplinary counsel shall request the approval of the chair of a hearing committee selected in order from the roster established by the board to initiate an investigation for the purpose of verifying the accuracy and integrity of all bank accounts maintained by the lawyer. If the reviewing member approves, counsel shall proceed to verify the accuracy of the bank accounts. If the reviewing member denies approval, counsel may submit the request for approval to one other chair of a hearing committee selected in order from the roster established by the board.

**B. Confidentiality.** Investigations, examinations, and verifications shall be conducted so as to preserve the private and confidential nature of the lawyer's records insofar as is consistent with these rules and the lawyer-client privilege.

### **Commentary**

Evidence that one account of a lawyer has not been properly maintained or that funds of one client have not been properly handled should constitute cause for verifying the accuracy of all accounts containing the funds of any client maintained by the lawyer.

Examples of cause warranting audit include a check drawn on a client trust account returned for insufficient funds, failure to timely distribute funds to a client, or failure to file a certificate of compliance with the jurisdiction's audit rule.

c. On page 69460, middle column, the PTO asks for comments on the standard of proof in disciplinary proceedings, as follows:

“Section 11.49, like current Section 10.149, would provide that the OED Director would have the burden of proving a violation of the imperative PTO Rules of Professional Conduct by clear and convincing evidence. The Respondent would have the burden of proving any affirmative defense by clear and convincing evidence. It is reported that the PTO is among a minority of agencies that apply the clear and convincing standard in their disciplinary proceedings. Agencies are not required to apply that standard to their disciplinary proceedings under the Administrative Procedure Act. *See Steadman v. SEC*, 450 U.S. 91 (1981); and *Checkosky v. SEC*, 23 F.3d 452, 475 (D.C. Cir. 1994). See also Rules Governing Misconduct by Attorneys or Party Representative, Final Rule, 61 Fed. Register 65323, 65328-29 (Dec 12, 1996). Comments are invited whether the PTO should continue to use the "clear and convincing" standard, or adopt the preponderance of evidence standard established by the Administrative Procedure Act.”

The PTO should retain its current standard of proof (clear and convincing evidence) because of the nature of disciplinary proceedings; they are not merely civil nor are they criminal proceedings but *sui generis* making mere “preponderance of the evidence” inappropriate. Absent a demonstrated need to change the standard of proof, it should not be changed. Experience under the new rules should be obtained and a basis for dissatisfaction with the operation of the existing standard should be demonstrated before so fundamental a provision as the standard of proof is changed. This is in accord with the standard applied in the vast majority of states and the MRLDE.

d. On page 69462, middle column, the PTO asks for additional comment as follows:

“Comment is invited whether the PTO should delete the provisions of Section 10.58(c) and (d), and not adopt proposed paragraphs (e) and (f) of Section 11.58. Permitting the suspended or excluded practitioner to aid another practitioner places at least some suspended or excluded practitioners in conflict with state laws or court orders. For example, a number of states' disciplinary jurisdictions prohibit suspended or excluded attorneys from acting as paralegals. Also, permitting a suspended or excluded practitioner to aid another practitioner provides the former with an opportunity to continue serving the same clients from whose cases the practitioner was required to withdraw. This can be not only confusing for the clients, but also provides the suspended or excluded practitioner with an opportunity to maintain some appearance of a continued practice. Further, the PTO is and will continue to reciprocally discipline attorneys suspended or disbarred by state disciplinary authorities. Permitting the practitioner reciprocally disciplined by the PTO to engage in conduct proscribed by state laws or court orders, such as aiding a practitioner by preparing patent or trademark applications, leads to conflicting circumstances. The same conflicts can arise if a state disciplines an attorney

following discipline imposed by the PTO. Accordingly, the PTO wishes to consider comments favoring or disagreeing with such a change to the current practice.”

The provisions of Section 11.58(d) & (e) are a reasoned approach to fairness to the practitioners involved and to the public. The supervision of a disciplined practitioner is required and protections are provided. Protection of the public and other affected persons could be achieved by an ample notice requirement contemporaneously with activities that might be a concern to the PTO.

e. Contacts with clients and “any party who may be expected to have information” about an attorney without contacting the attorney first under Section 11.22 should be rare and should require close internal scrutiny within the PTO.

f. Section 11.25 would disqualify a practitioner convicted by a foreign court of a serious crime involving crimes of morale turpitude. Because not all other countries always meet minimum due process standards, a conviction in a foreign court should not result in automatic disqualification as proposed.

g. Section 11.36(g) provides for notice of a respondent’s intent to raise disability in mitigation. Disability itself should not be a mitigating factor. Rather, as Section 9.32(i) of the ABA STANDARDS FOR IMPOSING LAWYER SANCTIONS (1992) provides, mental disability or chemical dependency, including alcoholism or drug abuse can be a mitigating factor only if:

(1) There is medical evidence that the respondent is affected by a chemical dependency or mental disability;

(2) The chemical dependency or mental disability caused the misconduct;

(3) The respondent’s recovery from the chemical dependency or mental disability is demonstrated by a meaningful and sustained period of successful rehabilitation; and

(4) The recovery arrested the misconduct, and recurrence of that misconduct is unlikely.

#### 4. Part 11, Subpart D

##### General Discussion

Subpart D covers the PTO Rules of Professional Conduct. The PR appear to incorporate formally and selectively only certain “black letter” rule texts of the ABA Model Rules and do not include the Comments to the current ABA Model Rules, which serve a critical function in providing guidance to the practitioner. Very often, the subtle nuances that cannot be articulated in the rule text are, of necessity, covered in the rule comments. To determine whether, and to what extent, the absence of rule comments in the PR is problematic requires a rule-by-rule evaluation and, in each case where a deficiency is found, consideration should be given to adding appropriate language to that rule text. Preferably, the PTO should adopt explanatory and illustrative Comment to the PR identical to the Comments contained in the ABA Model Rules (and adopted or being adopted by many U.S. jurisdictions).

The extensive, and frequently repetitive, “Discussion” of the Sections, as it appears in 126 untitled columns of fine print, published in the PR would be extremely difficult to work with; commentary that would follow each rule assures that the practitioner has easy access to the rule and the additional materials that will help him or her to comprehend fully the rule’s purpose and application.

Moreover, in numerous instances, the PR include a non-exhaustive listing of examples of conduct or actions that would be prohibited by a respective rule. In almost all instances the examples would be better placed in true comments that should accompany each rule. This approach should be followed consistently throughout the PR.

The PTO should consider adopting the more extensive “Terminology” section of the ABA’s Model Rules, and place the section immediately preceding the rest of the rules, rather than have them precede the materials relating to disciplinary procedure. The PTO should specifically adopt and consistently use the concept of “informed consent” contained in the Model Rules. The PR addresses the concept of informed consent with a variety of different approaches and terms throughout, with little or no explanation.

The PTO should insert a specific Comment in the PR sufficient to make it clear that advance waivers of consent, such as those recognized in Comment [22] to the ABA Model Rule 1.7 and in District of Columbia Ethics Opinion 309 (2001), are explicitly recognized by USPTO as well.

In modifying rule text, if commentary is preferred, then the PTO should give consideration to including a new provision in Subpart D stating expressly that practitioners should refer to the PTO’s explanatory discussion published in the Federal Register in construing their obligations under the rules. However, the PTO discussion occasionally exceeds in breadth the scope of the rule discussed, leading to confusion, if not misunderstanding. In any event, the PTO should make explicit that the Discussions are not fully analogous to the Comments to the ABA Model Rules of Professional Conduct. To account for all the respected legal authority omitted from the PTO Discussions, we suggest inclusion of the following paragraph:

“The omission from the Discussion published on December 12, 2003, or thereafter, is not intended to have any binding legal effect, nor is it intended to be a rejection of any of the legal principles reflected in the following sources of authority: Comments of the ABA Model Rules in effect as of December 2003, the ABA Formal Opinions, the various states’ ethics rules, the various state ethics opinions, federal and state case law, or other recognized and established authorities. Rather, it would be counterproductive (if not impossible) to list and discuss the potential significance of all pertinent legal authority, and the new Rules should be interpreted in a manner not inconsistent with the PTO’s interest in modernizing and updating its Rules to come more into line with modern practice.”

#### Specific Comments in regard to Subpart D

With respect to certain groups of proposed sections we suggest:

1. “Safe harbors” should be explicitly provided for in at least some, if not all, of the proposed PTO disciplinary rules in Subpart D to protect patent practitioners who are also attorneys admitted to practice law in one or more states. This permits the OED to regulate patent agents, who may not be attorneys or a member of any state’s bar, without unfairly forcing US attorneys into facing a dilemma when their home state bar (where their practice is located) may have inconsistent ethical requirements. At least the following PTO Sections should have such a safe harbor for the entire rule. Such safe harbor “exceptions” here would not appear to violate notions of preemption: Sections 11.106, 11.107, 11.108, 11.109, 11.110, 11.111, 11.112, 11.113, 11.303 and 11.805.

2. With the exception of special rules with respect to invention promoters and attorneys who take a pecuniary interest in their client’s patent and trademark properties under Section 11.108, we suggest the elimination of the defined concept of “full-disclosure” and reliance instead on the concept of “informed consent” in Sections 11.102, 11.104, 11.106, 11.107, 11.109, 11.110, 11.111, 11.112, and 11.113. At the very least, if the concept of “full disclosure” must be retained, then we suggest that the PTO amend the definition to make it explicit that the concept of “full disclosure” is flexible depending upon the circumstances and may be less extensive for sophisticated clients, particularly those with in-house or other independent counsel, than it is for sole inventors or individuals. See PTO comment on page 69494. The standard should be that manner of disclosure that should have been reasonably understood by the client.

3. With respect to Sections 1.102(c) and 1.106(a)(1), we recommend that the standard of disclosure called for be that of “informed consent” as defined in the ABA Model Rules, and that the PTO’s proposal that such consent be in writing be deleted. With respect to Section 1.104(2)(a), we recommend deletion of the requirement that the written and informed consent of a foreign client to his or her lawyer’s communicating through a foreign (referring) lawyer be deleted; the ABA rule relating to communications with clients contains no such requirement. Finally, with respect to proposed Section 1.11, (Successive Government and Private Employment) we urge that the ABA standard of informed consent, confirmed in writing, be adopted. The ABA Model Rule definition of “confirmed in writing” should be included in the PTO definitions so that it is plain that the client need not generate the writing or countersign the writing (although the practitioner should be free as a matter of prudence in certain circumstances to require the client to sign), but that the attorney should be permitted to send a confirmatory letter to the client reflecting reasonable informed consent.

4. The proposed PTO rules do not include the ABA’s new terminology rule, ABA Model Rule 1.0. Subpart A of the proposed PTO rules includes definitions set forth in Section 11.1 and these definitions cover many but not all of the definitions found in current ABA Model Rule 1.0. The PTO should assure that all key terms are adequately defined in Section 11.1 or within specific rules. For example, the concept of “informed consent” in “writing” is used in several important rules (i.e., 11.105 [Fees], 11.108 [Conflict of interests: Prohibited Transactions], 11.109 [Conflict of interest: Former Client]) but only the terms “consent” and “full disclosure” are defined in Section 11.1. The PTO’s effort to include a definitions section in the PR that is similar to the current ABA Model Rule 1.0 is commendable and the above observation is intended only to suggest a possible modest enhancement.

The following comments pertain to individual sections or at most two sections:

#### **5. Section 11.101**

- This Section closely parallels (but narrows) the substance of ABA Model Rule 1.1. It omits the Comments to ABA Model Rule 1.1; these should be adopted as appropriate interpretation of the meaning of the language of the Section.
- Specific acts that could demonstrate or constitute incompetence should be referred to in comment, rather than “black letter”. In addition, subparagraph (c)’s Rule that filing a frivolous claim constitutes incompetence seems unnecessary and imprecise, especially in light of the prohibition against filing such claims under Section 11.301.
- Paragraph (c)(2) seems out of place.
- Paragraph (c)(3) should be omitted. Use of such a procedure may or may not be an indication of lack of competency, particularly in view of some recent announcements by the PTO reversing previous instructions in some procedures. Such an absolute rule conflicts with a generally accepted standard for adjudicating disciplinary and civil cases whereby a single occurrence or incident does not necessarily constitute a disciplinable offense.
- Paragraph (c)(4) seems out of place and should be deleted.

#### **6. Section 11.102**

- Paragraph (c), requires that the client “consent in writing” to any limitation on the scope of representation. We do not believe that a writing is necessary in this context.
- Paragraph (e) provides helpful guidance to practitioners concerning the propriety of advising clients on proposed conduct, while maintaining the ban on assistance of criminal or fraudulent conduct. The PTO’s proposal omits the helpful comments to ABA Model Rule 1.2, which should be adopted with the Section. The PTO should amend its proposal to include the omitted substance of the second sentence of ABA Model Rule 1.2(a), amend its proposal to delete a writing requirement for agreed limitations on the scope of representation, and add to its proposal the adoption of the appropriate comments to ABA Model Rule 1.2, which provide much helpful guidance on these topics.

#### **7. Section 11.103**

- The Section carries forward antiquated language from the former ABA Model Code of Professional Responsibility, which was superseded in 1983, concerning representing a client “zealously . . . within the bounds of the law.” The current formulation of ABA Model Rule 1.3, which simply and directly requires that a lawyer “act with reasonable diligence and promptness,” is far superior. In similar fashion, the three subdivisions of PR 11.103(c) should be deleted.
- The Comments to ABA Model Rule 1.3 should also be adopted as helpful guidance in this area. (a) and (b) would require practitioners to act with "reasonable promptness" and diligence in prosecuting applications before the PTO. However, on many occasions a client will request that actions be deferred for various reasons that are important to the client. There is no indication of what is meant by "reasonable promptness" in accompanying comments. It also appears inconsistent with Section 11.302(a). We suggest elimination of this point.

- The examples of conduct that would be violative of this provision are more appropriately placed in comment, rather than in the “black letter” of the Rule.

#### **8. Section 11.104**

- Model Rule 1.4 was reformulated to lay out more clearly a lawyer’s various duties to communicate with a client. This newer ABA formulation is superior to, and more comprehensive than, the formulation of PR 11.104(a). The specificity provided in PR 11.104(a)(a) and (2) would be more appropriately provided as a part of a comment to the rule. Similarly, the specificity provided in PR 11.104(d) should be moved to a comment providing guidance on the specific meaning of the rule. The comments to ABA Model Rule 1.3 should also be adopted as helpful guidance in this area.
- Paragraph (a)(2) seeks to require practitioners, representing a foreign client through a foreign patent firm, to obtain written consent from the client to conduct communications through the foreign firm. Such a proposal is out of step with the reality of such representations and should be deleted from the rules. American practitioners are aware that in such situations the real client is the party being represented and that the foreign patent firm is not the client. Thus, in conducting conflict checks, firms should ascertain the identity of the real client from the foreign practitioner. However, in most cases the real client is not involved in the choice of the US practitioner but relies on the expertise of the foreign patent firm. The foreign firm also works with the client to coordinate the client's international patenting strategy, and its lawyers are patent professionals in their own jurisdictions. Communications from the U.S. practitioner to the real client necessarily flow through the foreign firm, and this is both appropriate and proper. In addition the lumping of such situations together with those involving invention promoters is inappropriate.

#### **9. Section 11.106 and Section 11.113**

- The ABA’s 2003 amendments to the two corresponding Model Rules actually bring them more into conformity with the parallel rules as they have been adopted by a majority of jurisdictions. In light of the PTO’s wish to have the PR embody such conformity, it should adopt the revisions to Model Rules 1.6 and 1.13.
- Paragraph (c) would require a practitioner to disclose all information required by Rule 56. Practitioners in fact should disclose all such information; however, the institution of this rule would require them to do so even if the client gives contrary instructions. In such a situation, the attorney should presumably seek to first convince the client that this rule must be complied with and, if unsuccessful, should seek to withdraw from representation. The Section as written would set up a conflict between attorney and client that should not exist.
- The PTO should eliminate the “in writing after full disclosure” requirement from Section 11.106(a)(1), as being unworkable and inconsistent with ABA Model Rule 1.6, which requires only that the client give “informed consent”. Based on current implementations charts, only one of the 50 U.S. States (Maine) is believed to have a writing requirement for consent to disclosure of client confidential information.
- Insert an explicit “general publicly known information” exception in Section 11.106(a)(1) to permit a practitioner to disclose information relating to the representation of a client, as

long as it is consistent with the Restatement approach and the lawyer's fiduciary responsibility.

- Clearly express in Sections 11.106(c) and 11.303 that a practitioner is required to disclose client confidences to the PTO only in connection with matters pertaining to that particular client or a closely affiliated client as defined by the PR. In other words, to avoid putting a practitioner in an untenable dilemma with respect to many State ethics rules where confidentiality might be thought to trump candor, make it clear that a practitioner is not required to disclose client A's confidences to the PTO in connection with client B's matters

#### **10. Section 11.107**

- The PTO should consider inserting a specific Comment in connection with 11.107 to state affirmatively that a practitioner who represents one constituent (such as a subsidiary of a corporation) of an organization does not thereby automatically represent, for conflicts purposes, another constituent (such as the parent or another corporate subsidiary) of that organization as is expressed in Comment [34] to ABA Model Rule 1.7.
- The discussion that applies to this Section does not contain any reference to the situation that is frequently described as the "thrust-upon" conflict of interest that arises through no act of a practitioner, but rather by some intervening act of one or more clients. This common situation is important and it should be addressed in appropriate commentary that would accompany Section 11.107.
- In general, the PTO Section 11.107 does not include an express thrust upon conflict exception for giving the practitioner and his client relief when conflicts unforeseeably arise after a representation has begun. Rather, the PTO Discussions simply state that "[I]f such a conflict arises after a representation has been undertaken, the practitioner should withdraw from the representation." 68 Fed. Reg. 69474, col. 1. The PTO Discussions further state that "...[I]f a conflict only arises after a representation has been undertaken, and the conflict falls within 11.107(a), or if a conflict arises under 11.107(b), then the practitioner should withdraw from the representation, complying with 11.106. Where a conflict is not foreseeable at the outset of representation and arises only under 11.107, a practitioner would have to seek consent to the conflict at the time that the actual conflict becomes evident." 68 Fed. Reg. 69476, col. 3. This makes little sense and could unfairly burden a practitioner and deprive one or more of his or her clients of counsel of choice through no one's fault, when the conflict is unforeseeable at the time the representation begins.

The ABA Model Rules recognize the burden that unforeseeable or "thrust upon" conflicts can present in Comment [5] to ABA Model Rule 1.7:

"Unforeseeable developments, such as changes in corporate and other organizational affiliations of the addition or realignment of parties in litigation, might create conflicts in the midst of a representation, as when a company sued by the practitioner on behalf of one client is bought by another client represented by the practitioner in an unrelated matter. Depending on the circumstances, the practitioner may have the option to withdraw from one of the representations in order to avoid the conflict. The practitioner must seek court approval where necessary and take steps to minimize

harm to the clients. See Rule 1.16. The practitioner must continue to protect the confidences of the client from whose representation the practitioner has withdrawn. See Rule 1.9(c).”

This section should be made to conform in all respects to the ABA Model Rule 1.7 and its Comments.

The PTO’s discussions in connection with 11.107 need to harmonize more with the proposed rule of 11.07, which should be brought more into line with PR 1.07.

#### **11. Section 11.108**

- Paragraph (c) of this Section lacks a provision, contained in the ABA Model Rule (1.8), prohibiting a practitioner from *soliciting* a gift from a client. It would seem from the language of the Rule, which prohibits a practitioner from *preparing* an instrument in which he or she is the beneficiary of a substantial gift, that the PTO would want to proscribe direct solicitation of gifts as well. Therefore, we recommend that this prohibition be included in the Rule. Additionally, there is an exception to the prohibition against advancements to the client to allow for the payment of “costs to remedy results of an act or omission by practitioner[s].” Although the exception is reasonable, it does not seem that such expenditures are appropriately characterized as “advancements” in the more usual sense; hence it suggests that the provision might be deleted.
- “Confirmed in writing” is unclear
- This uses the old language “lien granted by law,” as opposed to the newer language “lien authorized by law,” which was held to be significant in a recent ABA opinion.

#### **12. Section 11.110**

- This Section on imputation of conflicts of interest within a law firm lacks the ABA Model Rule’s exception for the “purely personal” conflict of one member of the firm, which is not to be imputed to other members of the firm. This is an important and needed exception to the rule requiring imputation of conflicts, and we recommend that it be included in the PTO Rule on the subject. Therefore, Section 11.110 should be expressly modified to include language from ABA Model Rule 1.10 making it clear that certain (e.g., nonproblematic) personal interest conflicts are not imputed to other practitioners in a firm. (We are unclear as to the purpose of likening a lawyer’s association with an invention promoter to the association of lawyers in a firm.)

#### **13. Section 11.114**

- The PTO proposes to adopt the 1983 version of ABA Model Rule 1.14, rather than the 2002 version. The language in ABA Model Rule 1.14 (2002 version) is much clearer and more concise and should be adopted by the PTO in place of Section 11.114. The procedure, precedent and authority of the PTO to appoint a guardian for a client who has immediate or prospective interests in front of the PTO are unclear and doubtful. If the practitioner is vested with the authority to seek the appointment of a guardian, the PR should include the protections under ABA Model Rule 1.14(c).

#### **14. Section 11.115**

- This Section, rather than stating an ethical concept, as is the objective of the majority of the Model Rules, contains an extensive “laundry list” or set of accounting requirements that would be better placed in commentary than in black letter.

**17. Section 11.118**

- The PTO has “reserved” this rule, rather than proposing its adoption. We believe that this rule regarding the obligations of a lawyer with respect to the “prospective” client is as relevant in the area of patent practice as anywhere else, and strongly recommend that the PTO adopt it. See Model Rule 1.18.

**18. Section 11.201**

- The Comment to ABA Model Rule 2.1 offers helpful guidance on these issues and should be adopted

**19. Section 11.202**

- As a part of its revisions to the ABA Model Rules, Rule 2.2 was deleted for a number of reasons, and should be omitted from this Section. Former ABA Model Rule 2.2, upon which the Section apparently has been based, was confusing to lawyers everywhere and virtually never used or applied in the approximately twenty years that it has been adopted in many states. Further, it introduces an otherwise unknown concept to the rules – that of an “intermediary” – that is unfamiliar to lawyers and, the ABA ultimately found, unhelpful. Instead, the ABA decided to treat the issue of multiple representation, which former ABA Model Rule 2.2 was designed to address, by adopting a deeper and more extensive set of Comments to the concurrent conflict of interest rule, ABA Model Rule 1.7. This Section should not be adopted, but the relevant Comments to ABA Model Rule 1.7 should be adopted.

**20. Section 11.203**

- The requirement in this rule, paragraph (a)(2), calling for “informed consent” after “full disclosure,” is an example of the irregular treatment given the concept of “informed consent” throughout the PTO Rules. In a “Terminology” section, “informed consent” should be defined to include the concept of appropriate disclosure, and redundancies of this type may be avoided throughout the Sections.

**21. Section 11.301**

- This Section should include the amendment adopted in 2002 to ABA Model Rule 3.1 that requires that there be a basis in law and fact that is not frivolous.

**22. Section 11.302**

- This provision retains the prohibition against a practitioner bringing a proceeding for no cause other than “to harass or maliciously injure another,” which was deleted in the 2002 revisions to Model Rule 3.2, the analog to this Rule. We believe, as did the Ethics 2000 Commission and the ABA House of Delegates, that the language retained by the PTO here is unnecessary in an ethics rule, and that its subject matter is cause for redress through civil action for damages that might result from such unwarranted prosecution of a matter. As a result, we recommend that it be deleted.

### **23. Section 11.303**

- A practitioner is prohibited, under this Section, from offering evidence that he or she believes is misleading. This concept was removed from the Model Rules, based upon the conviction that the standard was too imprecise to be enforceable. We recommend that the PTO Rule limit the prohibition to false evidence or statements.
- The comments accompanying proposed Section 11.303(b) state that the duty of disclosure extends through the length of the patent term. As written, however, it appears broader than the current legal standard. At the present time the duty of disclosure exists whenever, during the patent term, the practitioner or client is involved in a proceeding before the PTO, including the original prosecution, interferences, reissue applications and reexaminations. There is no duty of disclosure after patent issuance if the patent is not involved in any proceeding before the PTO. The wording of this comment would appear to impose a positive obligation to seek correction or reissue whenever any possible defect or shortcoming is discovered in an issued patent.
- In addition, this Section does not include the requirement that the practitioner correct a false statement of law or fact previously made by practitioner to the tribunal. In subparagraphs (a)(4) and (c) the words "or misleading" should be eliminated. ABA Model Rule 3.3 requires a lawyer only to reveal information that is false. This section imposes on the practitioner the duty to take remedial steps where information related to the patent is found to be misleading, even though it is not false. This appears to be an ambiguous standard as any evidence submitted could arguably be misleading. Subparagraphs (c) and (d) appear to be inconsistent. The rule does not include the revisions to ABA Model Rule 3.3 adopted in 2002.

### **24. Section 11.305**

- We note that the syntax in the structure of the Section is not consistent with the introduction to this Section.

### **25. Section 11.401**

- The helpful Comment to ABA Model Rule 4.1 should also be adopted.

### **26. Section 11.402**

- This Section should be amended in a number of respects. First, the extensive detail provided in the "black letter" text of the Section should be removed or seriously limited, and a broad, general rule adopted that would parallel ABA Model Rule 4.2, with treatment of several issues moved to comment language. The Section appears to be limited in coverage to a represented "party," a term which has been read by some courts and authorities (and that was frequently misunderstood by practitioners quickly reading the rule) to limit the rule's applicability to pending litigation. Most versions of ABA Model Rule 4.2 have now been amended or interpreted to reach more broadly to any represented individual or entity, regardless of whether they are a party to any pending litigation. Adopting the ABA Model Rule formulation of "person" would squarely address this issue. In Section 11.402(b), the PTO proposes to adopt the most confusing standard extant of which constituents of a represented organization are covered by the rule. The reference to a person "who has the authority to bind a party organization"

leaves uncertain whether the reference is to evidentiary admissions or to contractual authority. A similar formulation was expressly and intentionally removed from ABA Model Rule because of the significant confusion it has created in case law in a number of jurisdictions. In place of this formulation, the standard set out in ABA Model Rule 4.2, Comment [7], would be far superior. In place of the specific language proposed in Section 11.402(b), Comment [7] makes explicit and clear reference to contractual authority. In addition, Comment [7] extends the protection of the rule to (1) entity constituents who supervise, direct, or regularly consult with the entity's lawyer on the matter, and (2) entity constituents whose acts or omissions concerning the matter may be imputed to the entity for purposes of civil or criminal liability. These are notable omissions from the Section.

**27. Section 11.403**

- The Section should be amended to include an additional sentence contained as the third sentence in the “black letter” of ABA Model Rule 4.3, which broadly limits the giving of legal advice by a lawyer to unrepresented persons where there is the real possibility of a conflict of interest. This would be an important addition to the Section. Further, the comments to ABA Model Rule 4.3 are quite helpful and should be adopted.

**28. Section 11.404**

- The Section should be amended to include ABA Model Rule 4.4(b), which was recently added by the ABA and addresses the receipt by a lawyer of inadvertently sent or produced documents. The rule requires that the lawyer provide notice to the sender of receipt of documents where the lawyer knows or reasonably should know that the document was inadvertently sent to the lawyer. This is a not uncommon problem upon which practitioners should be given clear guidance. Further, the Comments to ABA Model Rule 4.4 provide helpful guidance to practitioners and should be adopted.

**29. Section 11.504**

- Since not all practitioners before the PTO are lawyers, by attempting to adopt certain portions of ABA Model Rule 5.4, the PTO has crafted a rule that ends up actually permitting fee-sharing arrangements between lawyers and non-lawyers. There are currently no jurisdictions (with the possible exception of the District of Columbia) that permit fee-sharing between lawyers and non-lawyers. This section is directly against ABA policy. Likewise, this section as drafted suggests that a non-lawyer practitioner may have ownership in a law firm, and may form a partnership with the lawyer.

**30. Section 11.505**

- Rule 5.5 of the ABA Model Rules, recently amended to address with considerable specificity the phenomenon of “multi-jurisdictional” practice of law,” was revised in response to a demonstration that uniformity in the way in which the jurisdictions address the question of who will be admitted to practice, and under what circumstances, is one of the single most important goals to be achieved in rules of professional conduct. Once again in light of the PTO's commitment to being in conformity with the states we encourage the PTO to adopt the ABA's new language on this subject.

**31. Section 11.506**

- This Section on restrictions on the right to practice should be amplified to prohibit, in addition to “partnership or employment” “agreements,” “shareholder,” “operating,” and “other types” of agreements, so as to be more comprehensive and to comport with actual practices.
- This Section properly limits its application to matters pending before the PTO and otherwise follows ABA Model Rule 5.6. No changes are recommended except to pick up the 2002 Model Rule revisions to include ‘shareholder’, ‘operating’, and “other similar types of agreements”.

**32. Section 11.602**

- This Section appears to extend the authority of the PTO to regulate the acceptance of appointments by unnamed tribunals.

**33. Section 11.603**

- The Section should be adopted, and the Comments to ABA Model Rule 6.3 should also be adopted.

**34. Section 11.604**

- The Section should be adopted, and the Comments to ABA Model Rule 6.4 should also be adopted.

**35. Section 11.701**

- With regard to paragraph (a) "a practitioner, or another on behalf of a practitioner," we would question whether the PTO has jurisdiction over someone who is not registered to practice before the PTO. The ABA wisely deleted subparagraphs (2) and (3) from the current Model Rule 7.1 and the PTO should do the same. The prohibitions under (1) are sufficient to cover (2) and (3). Paragraphs (b), (c), (d) and (e) do not have any counterpart in the ABA Model Rules, and appear to cross over with the provisions of PR 11.703. To the extent that they do cross over PR 11.703, they appear to be inconsistent. This Section contains numerous prohibitions against acts of solicitation of clients, a subject squarely addressed by Section 11.703. To the extent they would not duplicate the provisions of Section 11.703, the prohibitions should be transferred to that Section. Please note that Section 11.701 attempts to obtain jurisdiction over, or to control conduct of, “another, on behalf of the practitioner.” Although we recognize the intention of the Section effectively to prohibit another from doing that which a practitioner could not do directly himself or herself, the fact remains that these Rules can only govern the conduct of practitioners; the language needs to be reworked to accommodate the intended purpose, prohibiting the practitioner from *allowing* another to behave as prescribed in the Section.

**36. Section 11.702**

- The requirements of Section 11.702(b) should be deleted for the same reasons that record-keeping requirements have been deleted from the ABA Model Rules. It is unclear what is meant by "legal service organization." It is also unclear whether the "legal service organization" has to be approved, and whether it can be for-profit. Paragraph (d)

provides that a practitioner who is a lawyer may pay for a law practice in accordance with Section 11.117. However, Section 11.117 is not limited to lawyers. Section 11.703(d) should be eliminated from the PR rules.

**37. Section 11.703**

- Paragraph (a) should track current ABA Model Rule 7.3 to avoid ambiguity and potential claims of constitutional vagueness.

**38. Section 11.705**

- Paragraph (c) should say a “practitioner who is a lawyer.”

**39. Section 11.801**

- Section 11.801(b), appears to limit its confidentiality exception to apply only to Section 11.801(b), and not to Section 11.801(a). There appears to be no good policy reason for such a limitation, and the analogous provisions of ABA Model Rule 8.1 extend the confidentiality exception to the entirety of the particular rule. Doing otherwise would, at a minimum, render the section quite confusing and might have unanticipated effects. The Comments to ABA Model Rule 8.1 should also be adopted, though they may require some modification to the extent that Section 11.801(a) appears to be slightly broader than ABA Model Rule 8.1(a).

**40. Section 11.802**

- This Section should be adopted, and the helpful comments to ABA Model Rule 8.2 should also be adopted, with minor amendments to accommodate the addition of certain administrative judges to Section 11.802(a).

**41. Section 11.803**

- The Section should be adopted, and the Comments to ABA Model Rule 8.3 should also be adopted.
- Paragraphs (d) and (e) of this Section set out specific steps that must be taken by practitioners who are disciplined for violations of the rules. This material would be more appropriately placed with the portion of the PR that address disciplinary proceedings.

**42. Section 11.804**

- Paragraph (h)(9) would make failure to report a change of address within 30 days professional misconduct. The inequity of such a rule is self-evident. The difficulties that this section would impose on practitioners would be substantial. Accordingly, the section should be revised appropriately.
- The language of Section 11.804(e) omits the prohibition contained in the parallel section of ABA Model Rule 8.4(e) that prohibits “stat[ing] or imply[ing] an ability . . . to achieve results by means that violate the Rules of Professional Conduct or other law.” This prohibition should be added to this section.
- Paragraph (h)(1) is unnecessary and should be deleted because any conduct covered and prohibited by this language would already constitute a violation of Section 11.804(c), which bans “conduct involving dishonesty, fraud, deceit or misrepresentation.” The Comments to ABA Model Rule 8.4 are quite helpful and should be adopted.

**43. Section 11.806**

- The definition of “sexual conduct,” which appears to resemble some statutory definitions, is less desirable language for the purpose of prohibiting sexual relations between a lawyer and the lawyer’s client than the language of the ABA Model Rule 8.6, which should be substituted for the PTO-proposed language.
- In the interest of providing a higher, and more appropriate, level of client protection, Section 11.806 should be amended so as to more closely parallel ABA Model Rule 1.8(j). Substituting the ABA model would accomplish this in several ways.

Please accept our appreciation for the opportunity to comment on this important proposal. We look forward to assisting in any way possible to complete the process. Please do not hesitate to contact Robert W. Sacoff, Chair of the ABA Section of Intellectual Property Law, at 312-554-7934 or myself if you have any questions about our submission or if you require additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dennis W. Archer". The signature is fluid and cursive, with the first name "Dennis" being the most prominent.

Dennis W. Archer

cc: IPL Officers and Council  
Task Force on USPTO Ethics Rules  
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