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Harry I. Moatz
Director of Enrollment and Discipline
Mail Stop OED-Ethics Rules
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

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

Dear Director Moatz:

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. As a member of the State Bar of Texas Intellectual Property Section, I am expressing my concern with some of the proposed PTO rules, including 11.104(a)(2), 11.106 through 11.110, 11.802-804, 11.8(d), and 11.13(g)(4). See Federal Register, Vol. 68, No. 239 dated Friday December 12, 2003.

First, proposed Rules 11.106 through 11.110 regarding Confidentiality of Client Information and Conflict of Interest are more onerous and will require a practitioner before the PTO to comply with a higher standard than that imposed by the ABA Model Rules of Professional Conduct and the Texas Disciplinary Rules of Professional Conduct. In particular, unlike the Model Rules and Texas Rules which require consent of a client following consultation, proposed rules 1.106(a)(1) and 11.107 require a client to give "informed consent in writing after full disclosure." The proposed definition of "full disclosure," requires the practitioner to give an explanation of the differing interests involved in a transaction, the advantages of seeking independent legal advice, and a detailed explanation of the risks and disadvantages to the client entailed in any agreement or arrangement, including not only any financial losses that will or may foreseeably occur to the client, but also any liabilities that will or may foreseeably accrue to the client. This proposed PTO rule appears to codify potential business conflicts into ethical conflicts.

The PTO states that this departure from the Model Rules is intended to provide both the client and practitioner with certainty regarding communication and a stronger record (Id. at 69464). However, no justification is provided as to why practitioners before the PTO need a stronger record or greater certainty regarding communication. The extra burden and increased cost of client representation such proposed rules would have on the practitioner on a daily basis far outweigh the benefit of adopting rules stricter than the Model Rules.

It is respectfully recommended that the more stringent requirement of the "written consent after full disclosure" provision be reevaluated and that the PTO adopt the ABA Model Rules relating thereto.

Also, Proposed Rule 11.104(a)(2) regarding communications with intermediaries of foreign clients is impractical, unnecessary and should be deleted from the proposed rules. This Proposed Rule appears to require practitioners representing a foreign client through a foreign patent agent or associate to obtain written consent from the client to conduct communications through the foreign firm. While the ultimate client is not the foreign patent agent or associate, in most cases the ultimate client relies on the foreign patent agent or associate to choose a practitioner who is registered to practice before the PTO. Communications from the PTO practitioner to the ultimate client should flow through the foreign agent or associate as a matter of course. This Proposed Rule is impractical and unnecessary.

In addition, Proposed Rule 11.803(d)(1) contains a requirement for mandatory self-reporting within ten days by a practitioner who is found guilty or pleads no contest to apparently any criminal charge other than traffic violations that do not involve alcohol. Although the word "Crime" is defined in Proposed Rule 11.1 to include only felonies, Rule 11.802(d)(a) on its face contains an enigmatic exception for certain misdemeanor crimes, indicating that the self-reporting rule would encompass crimes less serious than felonies. It may be a laudatory goal for the PTO to eliminate from the practice persons convicted of serious thefts or crimes of violence, but it is difficult to see the need for the PTO to gather information about matters such as pleas of no contest or convictions for such "crimes" as fishing without a license or even driving while intoxicated, or to make it a rule violation if one fails to self-report such matters to the PTO. Moreover, this proposed rule has no analog in the current PTO rules, the Model Rules or the Texas Rules. Instead, it is apparently an overzealous attempt to monitor all moral infractions by practitioners, no matter how tenuous the relationship to patent office practice, and to create a trap for the unwary practitioner who likely would not realize the need to report these matters to the PTO because state bar rules do not require it. Such a draconian rule is not justified.

Further, Proposed Rule 11.804(h)(9) is unnecessarily harsh and should be modified or deleted. This Rule provides that the failure to report a change of address within 30 days is professional misconduct. This is simply unfair and unnecessary.

Equally unjustified is the proposed rule requiring a $100 annual fee. See Proposed Rule 11.8(d). This is in effect yet another tax that does not tie the source of the funds with the expenditures for which the fee is purportedly gathered. The PTO has attempted to justify this proposed fee by claiming it would cover the costs of the disciplinary system and be used to maintain the roster of practitioners. However, it is well known that the PTO does not have control over the use of funds it receives and the assurances to the contrary in the Federal Register

are not binding. This proposed fee would simply add more money to that which can be diverted elsewhere. Consequently, there is no justification for the proposed fee.

Finally, the proposed rule regarding continuing education (CLE) requirements should be modified to permit a law firm or corporate law department to become an approved sponsor of continuing education programs to satisfy the CLE requirement. See Proposed Rule 11.13(g)(4). There is no justification for preventing a law firm or a corporate law department from seeking approval and delivering CLE programs to their employees to satisfy the proposed CLE requirement. The State Bar of Texas and many other bars around the country allow and even encourage such "in-house" CLE programs, subject to bar approval for content. Such a modification of the proposed rule to allow in house programs is warranted for the convenience of practitioners and their employers.

Respectfully submitted,

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