

**UNITED STATES  
PATENT AND TRADEMARK OFFICE**



# Professional Responsibility and Practice Before the USPTO

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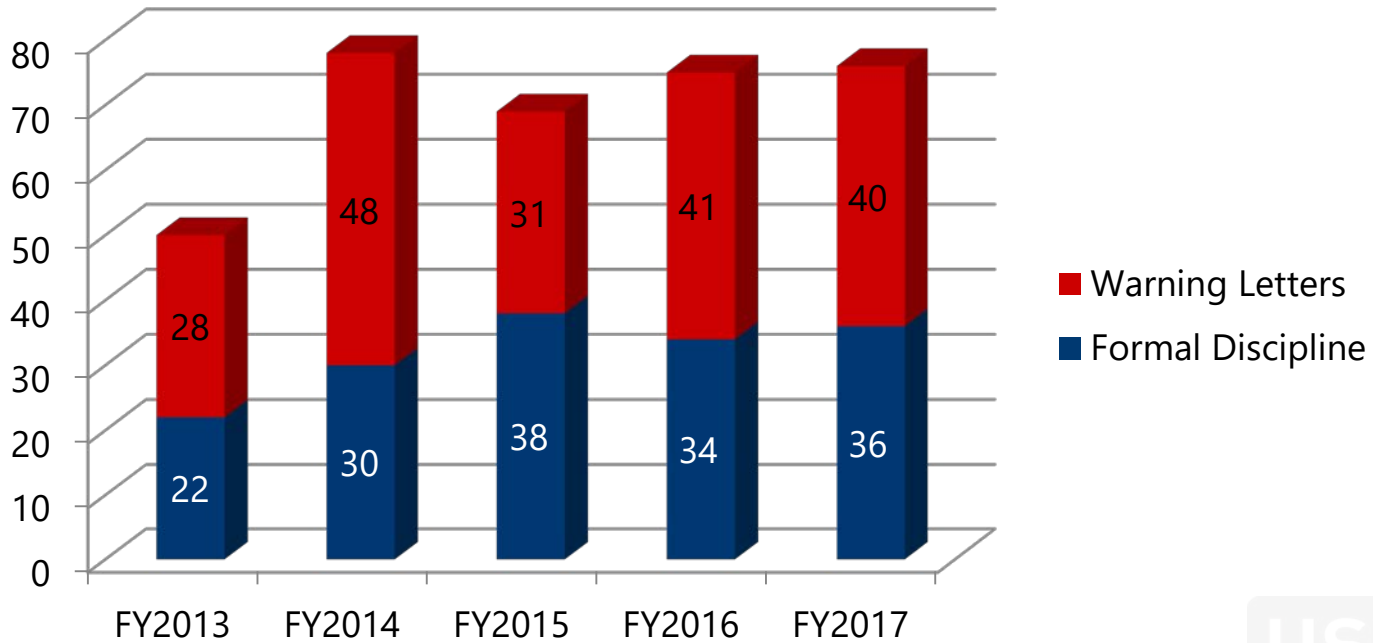
# Office of Enrollment and Discipline

## Discipline at OED

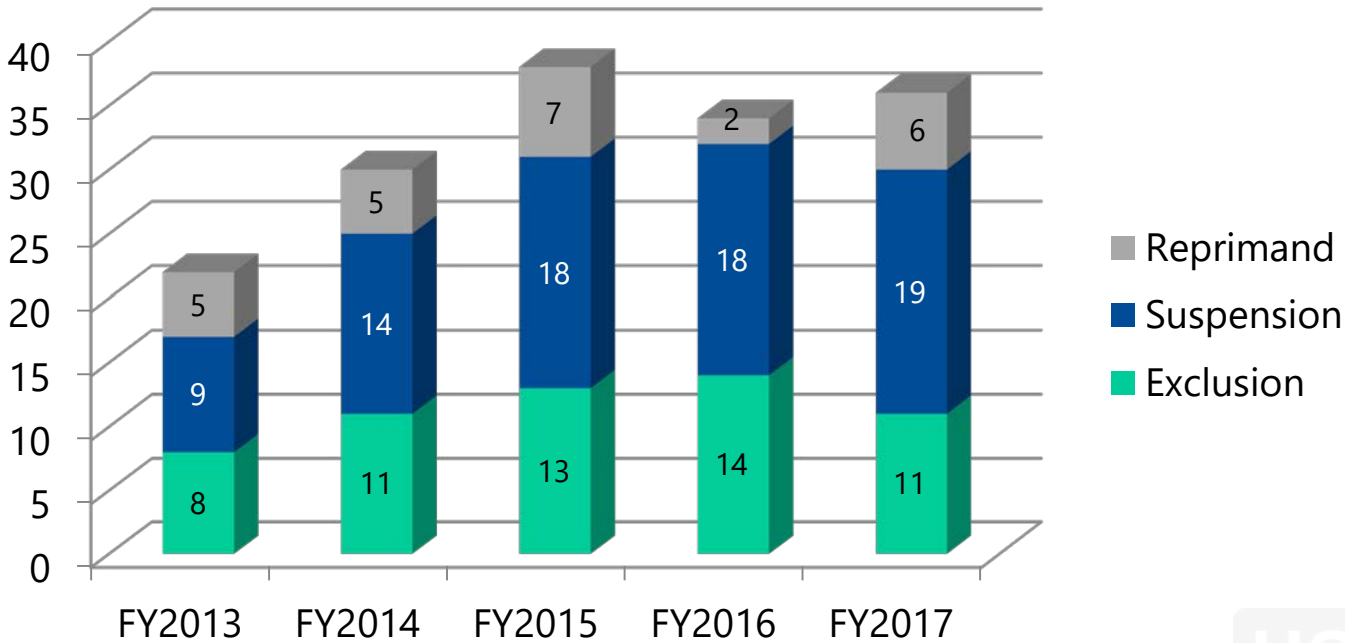
# OED – Diversion Program

- A 2016 ABA Commission on Lawyer Assistance Programs and Hazelden Betty Ford Foundation published a study of 13,000 currently-practicing attorneys and found the following:
  - Between 21-36% qualify as problem drinkers
  - Approximately 28% struggle with some level of depression
  - 19% struggle with anxiety
  - 23% struggle with stress
  - Other difficulties include suicide, social alienation, work addiction, sleep deprivation, job dissatisfaction, and complaints of work-life conflict.
- USPTO announced diversion as two-year pilot program on November 3, 2017.
- Available to practitioners who engaged in minor misconduct resulting from:
  - Physical, mental, or emotional health issues; or
  - Practice management issues.
- Misconduct must have resulted in little to no harm to client.
- Misconduct must not:
  - Involve the misappropriation of funds or dishonesty, deceit, fraud, or misrepresentation;
  - Result in or likely result in substantial prejudice to a client or other person;
  - Constitute a “serious crime” under 37 C.F.R. § 11.1; or
  - Be a part of a pattern of similar misconduct or be of the same nature of misconduct for which the practitioner has been disciplined within the past 5 years.

# OED Discipline: Warnings vs. Formal Discipline



# USPTO Disciplinary Decisions



# Office of Enrollment and Discipline

Select Case Law Review

# 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.
  - Engaged in numerous conflicts of interest with respect to referred clients.
  - Directed associate to withhold filing of client applications until client paid 3<sup>rd</sup> 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 Gray* and *In re Virga*: rule highlights:

### 37 C.F.R. § 11.107(a)

...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.

# Conflict of Interest

## *In re Gray* and *In re Virga*: rule highlights:

### 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.



# Conflict of Interest

## *In re Gray* and *In re Virga*: rule highlights:

37 C.F.R. § 11.501 Responsibilities of partners, managers, and supervisory practitioners:

- (a) A practitioner who is a partner in a law firm, and a practitioner who individually or together with other practitioners possesses comparable managerial authority in a law firm, shall make **reasonable efforts** to ensure that the firm has in effect measures giving **reasonable assurance** that all practitioners in the firm conform to the USPTO Rules of Professional Conduct.
- (b) A practitioner having direct supervisory authority over another practitioner shall make reasonable efforts to ensure that the other practitioner **conforms to the USPTO Rules of Professional Conduct**.
- (c) A practitioner shall be responsible for another practitioner's violation of the USPTO Rules of Professional Conduct if:
- (1) The practitioner orders or, with knowledge of the specific conduct, **ratifies the conduct** involved; or
  - (2) The practitioner is a partner or has comparable managerial authority in the law firm in which the other practitioner practices, or has direct supervisory authority over the other practitioner, and **knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action**.

# Conflicts of Interest

***In re Radanovic***, Proceeding No. D2014-29  
(USPTO Dec. 16, 2014).

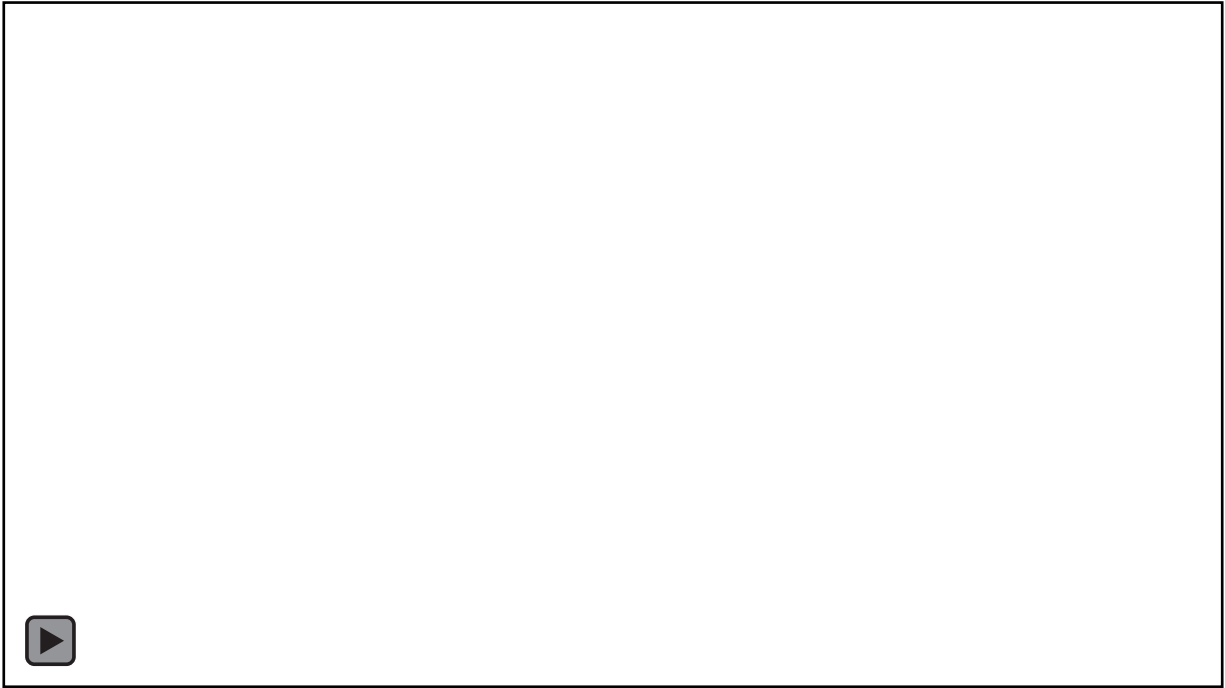
- Represented co-inventors who later disputed inventorship.
- Respondent indicated that he did not believe there were differing interests or that his representation of first co-inventor was directly adverse to second co-inventor because there was no evidence from second co-inventor that he made a contribution to the allowed subject matter.
- Received public reprimand.
  - Mitigating factors included clean 50-year disciplinary history.
- Rule highlights:
  - 37 C.F.R. § 10.66(b);
  - 37 C.F.R. § 11.107(a);
  - 37 C.F.R. § 11.109(a).

# Conflicts of Interest

*In re Radanovic*, Proceeding No. D2014-29  
(USPTO Dec. 16, 2014).

37 C.F.R. § 11.109(a)

A practitioner who has formerly represented a client in a matter shall not thereafter represent another person **in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client** unless the former client gives informed consent, confirmed in writing.



# 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 voluntarily 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.

# Neglect/Candor

*In re Kroll*, Proceeding No. D2014-14  
(USPTO March 4, 2016).

- Patent attorney:
  - Attorney routinely offered (and charged \$) to post client inventions for sale on his website.
  - Did not use modern docket management system.
  - Attorney failed to file client's application, but posted the invention for sale on his website.
  - Attorney filed application 20 months after posting on the website.
- Aggravating factors included prior disciplinary history.
- Received two-year suspension.
- Rule highlights:
  - 37 C.F.R. § 10.23(a) – Disreputable or gross misconduct.
  - 37 C.F.R. § 11.18(b) – Certification upon filing of papers.
  - 37 C.F.R. § 10.77(c) – Neglect.

# Neglect/Candor

*In re Kroll*, Proceeding No. D2014-14 (USPTO March 4, 2016).

- 37 C.F.R. § 11.18(b): By presenting to the Office...any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that—
  - (1) All statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true...
  - (2) To the best of the party's knowledge, information and belief, **formed after an inquiry reasonable under the circumstances**,
    - (i) The paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of any proceeding before the Office;
    - (ii) The other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
    - (iii) The allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
    - (iv) The denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

# Deceit/Conduct Prejudicial to the Administration of Justice

*In re Kroll*, Proceeding No. D2016-23 (USPTO March 4, 2016).

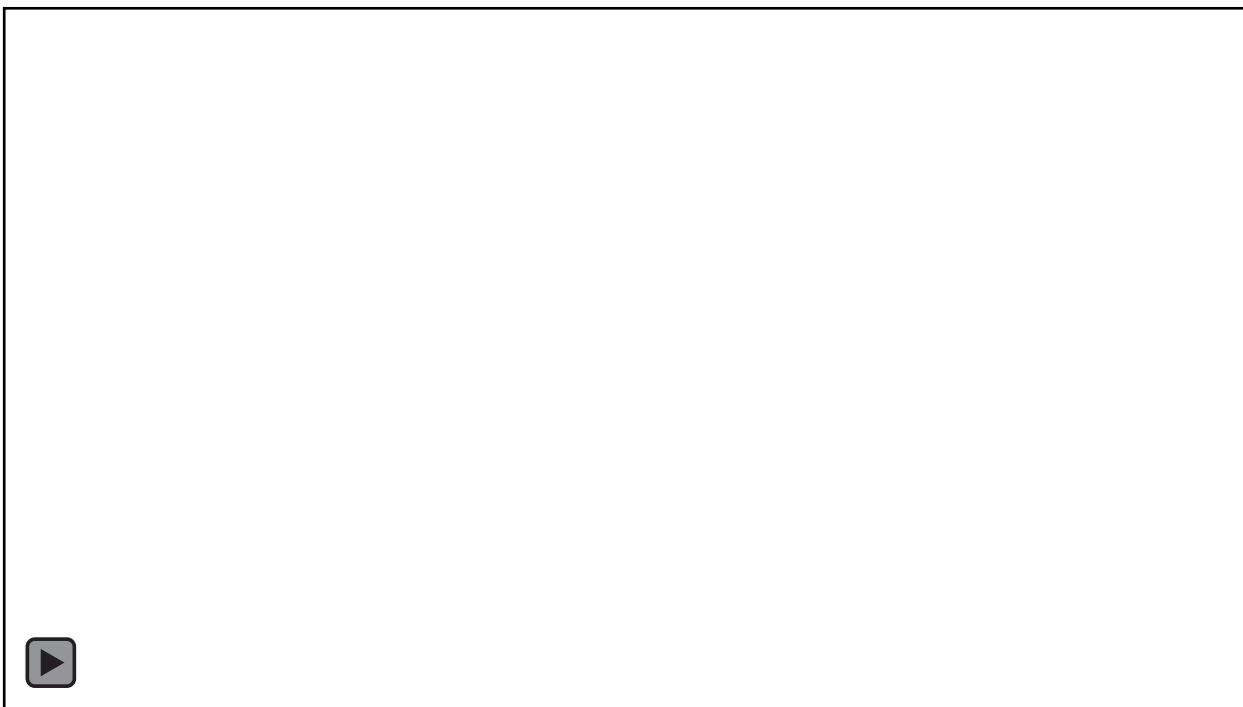
- Patent attorney:
  - Offered money back guarantee to obtain patent for client's invention.
  - Amended claims during prosecution of 1<sup>st</sup> application to add specific features without authorization from client.
    - 1<sup>st</sup> application issues as a patent.
  - Filed 2<sup>nd</sup> application on another aspect of clients invention. Again offers money back guarantee.
    - The prior patent presented an obstacle to broad protection in the 2<sup>nd</sup> application.
  - Prior to filing 2<sup>nd</sup> application, attorney inserts additional features into specification without informing client.
  - During prosecution, the additional features are added to claims to overcome rejection using prior patent without client authorization.
  - On multiple occasions, attorney offered to pay – and did pay – client not to file an ethics grievance.
- Aggravating factors included prior disciplinary history.
- Excluded from practice.

# Deceit/Conduct Prejudicial to the Administration of Justice

*In re Kroll*, Proceeding No. D2016-23 (USPTO March 4, 2016).

On the attempt to avoid ethical complaint via payment:

Respondent additionally violated his duty to the public, the legal system, and the legal profession by prejudicing the administration of justice through his efforts to conceal his client's grievances through quid pro quo arrangements. As noted above, his actions to avoid full restitution and to hide his malfeasance are contrary to the public's interest in promoting transparency regarding an attorney's professionalism; undermine the legal profession's ability to self-police its membership; and, frustrate the administration of justice by preventing the proper adjudication of ethical complaints.



# Misrepresentation/UPL

*In re Swyers*, Proceeding No. D2016-20  
(USPTO January 26, 2017).

- Disciplinary complaint alleged:
  - TM attorney established The Trademark Company, PLLC.
  - Permitted non-attorneys to practice TM law for him with little to no supervision.
  - Multiple fraudulent or digitally manipulated TM specimens were filed with USPTO.
  - Failed to deposit client advance funds into a client trust account.
  - Failed to cooperate with OED investigation.
- Exclusion on consent.
- Rule highlights:
  - 37 C.F.R. § 10.23(b)(5) – Conduct prejudicial to the administration of justice.
  - 37 C.F.R. § 10.23(c)(2)(ii) – Giving false or misleading information to the Office
  - 37 C.F.R. § 10.47(a) & (c) – Aiding the unauthorized practice of law.

# Communication/Cooperation/UPL

***In re Terzo***, Proceeding No. D2016-35 (USPTO November 2, 2016).

- Exclusion on consent of registered patent attorney.
- Disciplinary complaint alleged:
  - Took over the representation of a suspended practitioner's trademark clients without informing the clients.
  - Did not consult with the clients prior to filing their applications.
  - Relied on a "Trademark Questionnaire" filled out by the clients.
    - Did not determine the accuracy of the information set forth in the questionnaire.
  - Directed non-practitioner assistants to provide clients with legal advice.
    - Directed one paralegal to prepare, sign his (Terzo's) name, and file TM applications without direct supervision.
    - Allowed paralegal to approve examiner's amendments.
    - Directed non-lawyer assistants to provide patent legal advice and legal services to clients.
  - Required advance payment for services; deposited payments into operating account before earning fees or incurring expenses.
  - Did not cooperate with the disciplinary investigation.



# Communication/Cooperation/UPL

*In re Terzo*, Proceeding No. D2016-35 (USPTO November 2, 2016).

- 37 C.F.R. § 11.104 Communication:

(a) A practitioner shall:

- (1) Promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required by the USPTO Rules of Professional Conduct;
- (2) Reasonably consult with the client about the means by which the client's objectives are to be accomplished;
- (3) **Keep the client reasonably informed about the status of the matter;**
- (4) Promptly comply with reasonable requests for information from the client; and
- (5) Consult with the client about any relevant limitation on the practitioner's conduct when the practitioner knows that the client expects assistance not permitted by the USPTO Rules of Professional Conduct or other law.

(b) **A practitioner shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.**

# Communication/Cooperation/UPL

*In re Terzo*, Proceeding No. D2016-35 (USPTO November 2, 2016).

- 37 C.F.R. § 11.104 Safekeeping property:

(a) A practitioner shall hold property of clients or third persons that is in a practitioner's possession in connection with a representation **separate from the practitioner's own property...**

- 37 C.F.R. § 11.505 Unauthorized practice of law:

**A practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.**

- 37 C.F.R. § 11.801 Registration, recognition, and disciplinary matters:

An applicant for registration or recognition to practice before the Office, or a practitioner in connection with an application for registration or recognition, or a practitioner in connection with a disciplinary or reinstatement matter, shall not:

(a) Knowingly make a false statement of material fact; or

(b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, **fail to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it**, or knowingly fail to respond to a lawful demand or request for information from an admissions or disciplinary authority, except that the provisions of this section do not require disclosure of information otherwise protected by §11.106.

# Duty of Candor

***In re Tandler***, Proceeding No. D2013-17 (USPTO Jan. 8, 2014).

- Patent attorney filed Rule 131 declaration re: reduction to practice with USPTO.
- Soon after, attorney learned that the inventor did not review the declaration and that declaration contained inaccurate information.
- Respondent did not advise the Office in writing of the inaccurate information and did not fully correct the record in writing.
- District court held resultant patent unenforceable due to inequitable conduct, in part, because of false declaration. *Intellect Wireless v. HTC Corp.*, 910 F. Supp. 1056 (N.D. Ill. 2012). Federal Circuit upheld.
  - 1<sup>st</sup> requirement is to expressly advise PTO of existence of misrepresentation, stating specifically where it resides.
  - 2<sup>nd</sup> requirement is that PTO be advised of misrepresented facts, making it clear that further examination may be required if PTO action may be based on the misrepresentation.
  - It does not suffice to merely supply the Office with accurate facts without calling attention to the misrepresentation.
- 4 year suspension (eligible for reinstatement after 2 years).

# Decisions Imposing Public Discipline Available In FOIA Reading Room

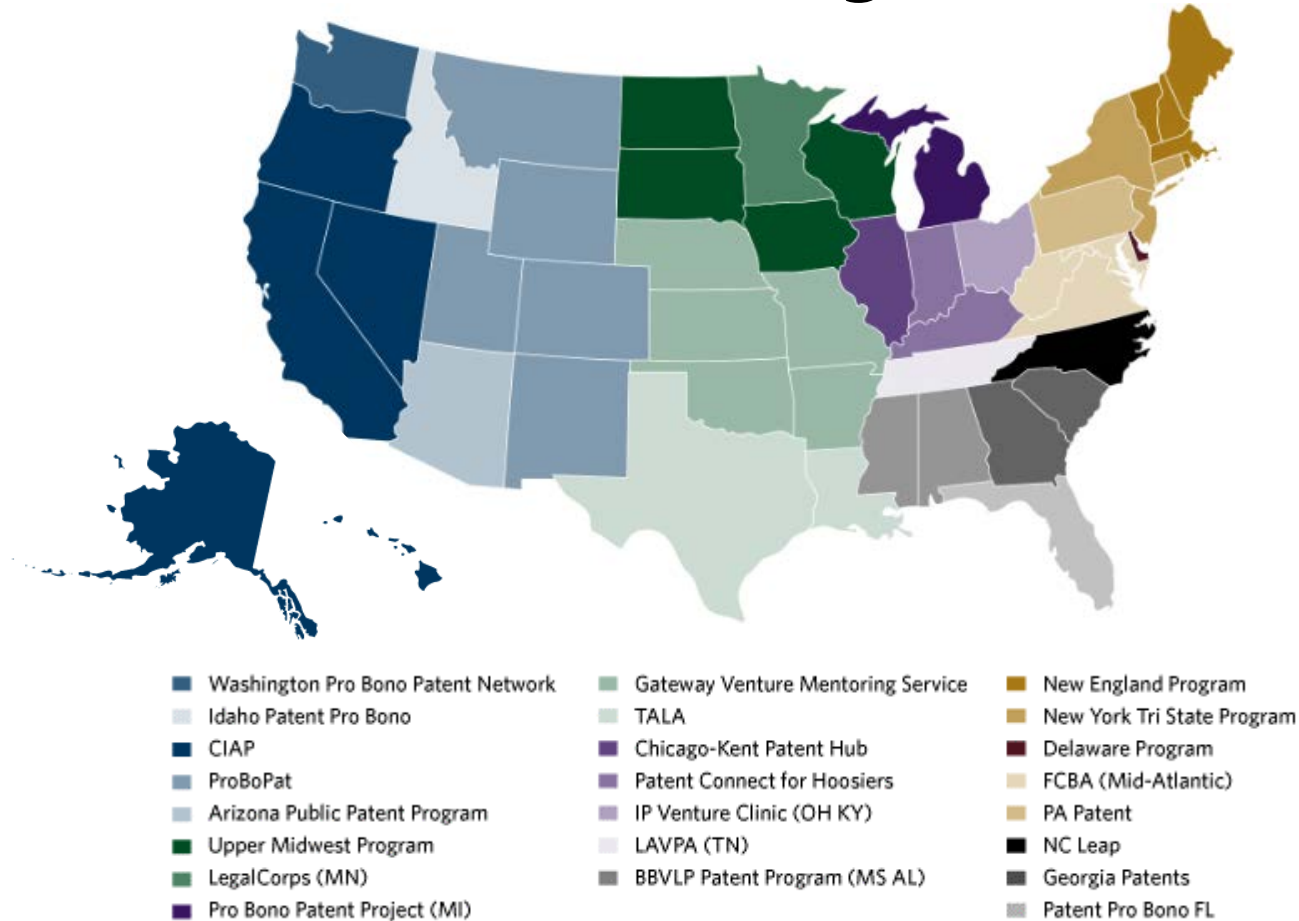
- ▶ <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>
  - ▶ In the field labeled "Decision Type," select "Discipline" from the drop down menu.
    - To retrieve all discipline cases, click "Get Info" (not the "Retrieve All Decisions" link).
- ▶ Official Gazette for Patents
  - [http://www.uspto.gov/news/og/patent\\_og/index.jsp](http://www.uspto.gov/news/og/patent_og/index.jsp) Select a published issue from the list, and click on the "Notices" link in the menu on the left side of the web page.

# Patent Pro Bono Program

- Assists financially under-resourced independent inventors and small businesses.
  - Section 32 of the AIA calls on the USPTO to work with and support IP law associations to establish *pro bono* programs.
  - 50 state coverage achieved and maintained since August 2015.
- Promote small business growth and development.
- Help ensure that no deserving invention lacks patent protection because of a lack of money for IP counsel.
- Inventors and interested attorneys can navigate the USPTO website to find links to their regional program: <http://www.uspto.gov/probonopatents>.
- The Arts and Business Council of Greater Philadelphia - PA Patent program serves inventors in Pennsylvania.
  - Contact: <http://artsbusinessphl.org/pa-patent/>
- USPTO *Pro Bono* Contacts:
  - John Kirkpatrick - [john.kirkpatrick@uspto.gov](mailto:john.kirkpatrick@uspto.gov), 571-270-3343.
  - Grant Corboy – [grant.corboy@uspto.gov](mailto:grant.corboy@uspto.gov), 571-270-3102.



# Patent Pro Bono Program Coverage



# Contacting OED

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

THANK YOU

