

UNITED STATES
PATENT AND TRADEMARK OFFICE



Ethical Considerations of Practice before the USPTO

William R. Covey

Deputy General Counsel for Enrollment and Discipline and
Director Office of Enrollment and Discipline
United States Patent and Trademark Office

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Register of Patent Practitioners

- Register of persons authorized to practice before the USPTO in patent matters is found on USPTO website:
<https://oedci.uspto.gov/OEDCI/>.
- New web portal enables practitioners to:
 - Indicate whether they are currently accepting new clients;
 - Change official address with OED;
 - Change name;
 - View certain transactions with OED; and
 - Add email addresses to receive certain communications and reminders from OED.
- Register now lists persons granted limited recognition.
- More updates to come.

Law School Clinic Certification Program

- Allows students in a participating law school's clinic program to practice before the USPTO under the strict guidance of a Law School Faculty Clinic Supervisor.
- The OED Director grants participating law students limited recognition to practice before the USPTO.
- Signed into law on December 16, 2014.
- 63 law schools actively participate:
 - 27 trademark only,
 - 6 patent only,
 - 30 both.
- Added 32 new clinic programs in recent 2016-2017 expansion.
- For additional information:
 - <https://www.uspto.gov/learning-and-resources/ip-policy/public-information-about-practitioners/law-school-clinic-1>

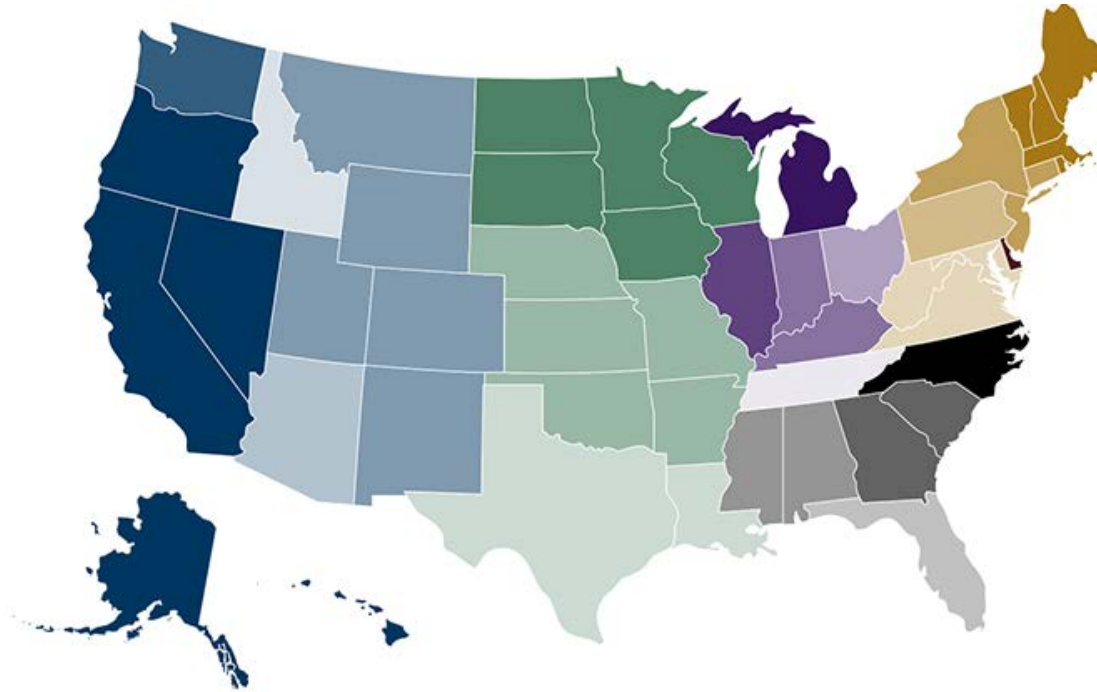


Patent Pro Bono Program

- 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>.
- Chicago-Kent Patent Hub serves under-resourced inventors in Illinois.
 - Contact: Mary Anne Smith; phone: (312) 906-5379; email: patenthub@kentlaw.iit.edu
- USPTO *Pro Bono* Contacts:
 - John Kirkpatrick - john.kirkpatrick@uspto.gov, 571-270-3343.
 - Grant Corboy – grant.corboy@uspto.gov, 571-270-3102.



Current Coverage



- | | | |
|--------------------------------------|--------------------------------------|------------------------------|
| ■ Washington Pro Bono Patent Network | ■ Gateway Venture Mentoring Service | ■ New England Program |
| ■ Idaho Patent Pro Bono | ■ TALA | ■ New York Tri State Program |
| ■ CIAP | ■ Chicago-Kent Patent Hub | ■ Delaware Program |
| ■ ProBoPat | ■ PatentConnect for Hoosiers (IN KY) | ■ FCBA (Mid-Atlantic) |
| ■ Arizona Public Patent Program | ■ IP Venture Clinic (OH) | ■ PA Patent |
| ■ LegalCorps (MN) | ■ LAVPA (TN) | ■ NC Leap |
| ■ Pro Bono Patent Project (MI) | ■ BBVLP Patent Program (MS AL) | ■ Georgia Patents |
| | | ■ Patent Pro Bono FL |

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.

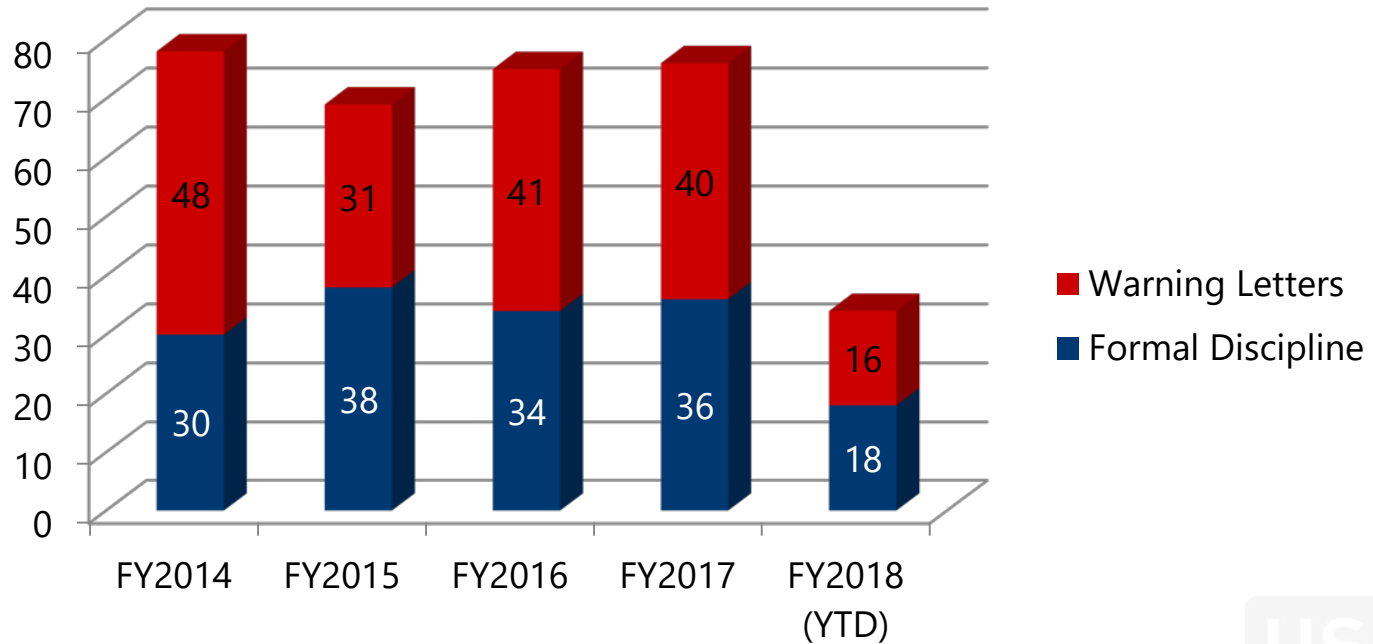
OED Discipline: Grievances and Complaints

- An investigation of possible grounds for discipline may be initiated by the receipt of a grievance. *See* 37 C.F.R. § 11.22(a).
- Grievance: “a written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner.” 37 C.F.R. § 11.1.
- Common Sources of Information:
 - External to USPTO: Clients, Colleagues, Others.
 - Internally within USPTO: Patent Corps, Trademark Corps, Other.
- Duty to report professional misconduct:
 - 37 C.F.R. § 11.803.

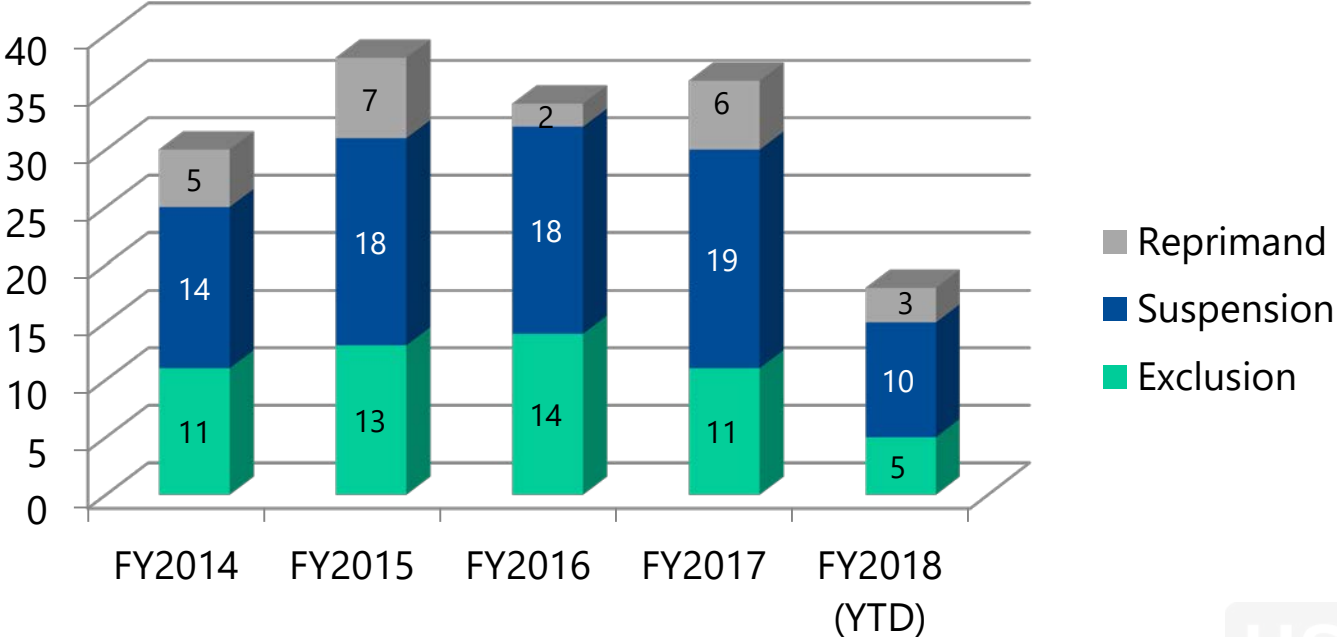
OED Discipline: Grievances and Complaints

- If investigation reveals that grounds for discipline exist, the matter may be referred to the Committee on Discipline to make a probable cause determination. *See* 37 C.F.R. § 11.32.
- If probable cause is found, OED Director may file a complaint under 37 C.F.R. § 11.34. *See* 37 C.F.R. § 11.32.
- 37 C.F.R. § 11.34(d) specifies that the timing for filing a complaint shall be within one year after the date on which the OED Director receives a grievance.
- 37 C.F.R. § 11.34(d) also states that no complaint may be filed more than 10 years after the date on which the misconduct occurred.

OED Discipline: Warnings vs. Formal Discipline



USPTO Disciplinary Decisions

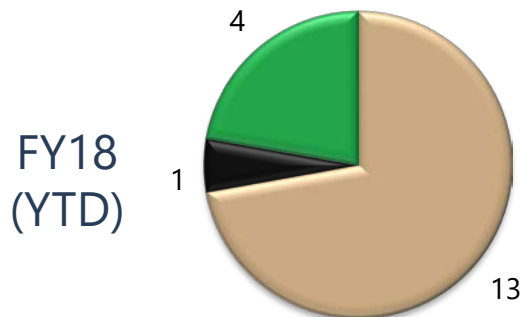
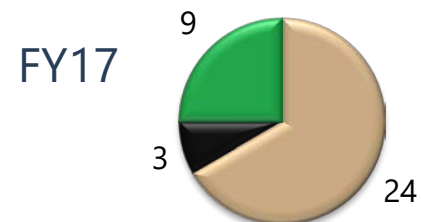
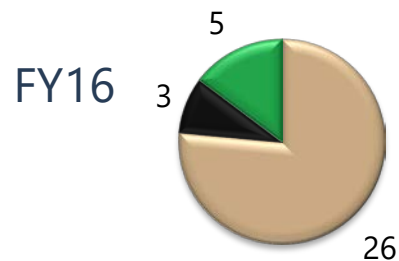
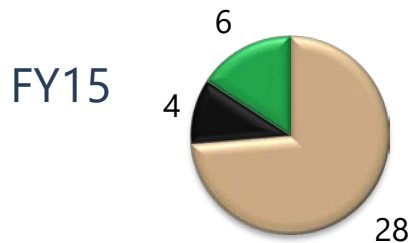
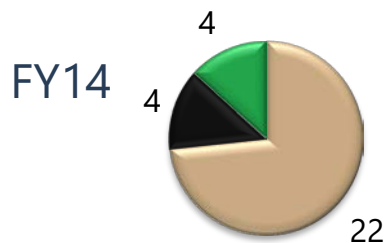


Other Types of Discipline

- Reciprocal discipline. 37 C.F.R. § 11.24.
 - Based on discipline by a state or federal program or agency.
 - Usually conducted on documentary record only.
- Interim suspension based on conviction of a serious crime. 37 C.F.R. § 11.25.

USPTO Disciplinary Decisions

Breakdown of Disciplinary Decisions by Practitioner Type



- Patent Attorneys
- Patent Agents
- Trademark Attorneys

Office of Enrollment and Discipline

Discussions of Select Case Law

Patent Agent Privilege

- ***In re Queen's University at Kingston***, 820 F.3d 1287 (Fed. Cir. 2016).
 - Federal Circuit recognized privilege **only** as to those activities which Patent Agents are authorized to perform.
See 37 C.F.R. § 11.5(b)(1).
- ***In re Silver***, 540 S.W.3d 530 (Tex. 2018)
 - Lower court ruled that communications between client and patent agent were not protected from discovery because Texas law did not recognize patent agent privilege.
 - Supreme Court of Texas overturned, citing patent agents' authorization to practice law.

Conflict of Interest – Third Parties

- ***In re Gray***, Proceeding No. D2017-02
(USPTO Feb. 22, 2017).
 - Exclusion on consent.
- ***In re Virga***, Proceeding No. D2017-14
(USPTO Mar. 16, 2017).
 - 5-year suspension
- ***In re Mikhailova***, Proceeding No. D2017-18
(USPTO June 16, 2017).
 - 20 month suspension.
- ***In re Montgomery***, Proceeding No. D2018-02
(Jan. 10, 2018)
 - 4-year suspension.

Conflict of Interest

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

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.

Supervisory Practitioners

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**.

Conflict of Interest

37 C.F.R. § 11.102

(a) Subject to paragraphs (c) and (d) of this section, a practitioner shall abide by a client's decisions concerning the objectives of representation and, as required by §11.104, **shall consult with the client as to the means by which they are to be pursued.** A practitioner may take such action on behalf of the client as is impliedly authorized to carry out the representation. A practitioner shall abide by a client's decision whether to settle a matter.

* * *

(c) A practitioner may limit the scope of the representation if the limitation is reasonable under the circumstances **and the client gives informed consent.**

Conflict of Interest

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

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

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

Conflict of Interest

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

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

Conflict of Interest

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

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

Conflict of Interest

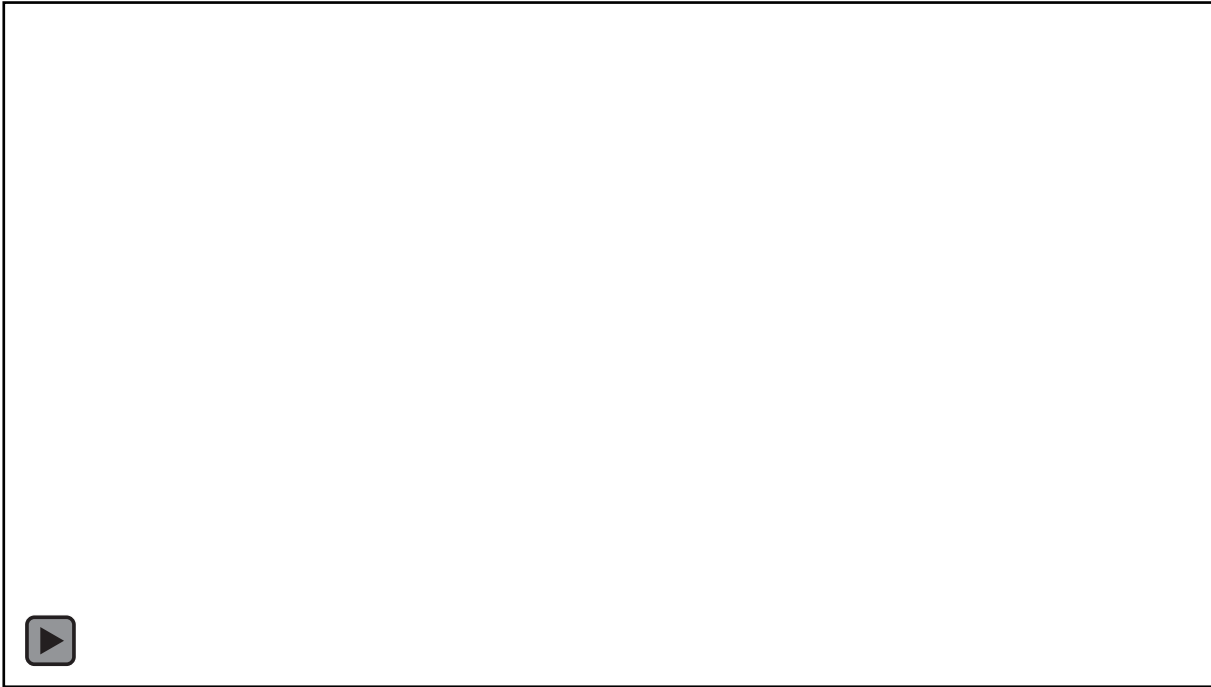
In re Mikhailova, Proceeding No. D2017-18
(USPTO June 16, 2017).

Regarding communications with clients, the USPTO Director is aware that a practitioner may communicate with someone other than the client in cases where there is a bona fide corporate liaison or a foreign agent who conveys instructions to the practitioner. In such an arrangement, **the practitioner may rely upon instructions of the corporate liaison or the foreign agent as to the action to be taken in a proceeding before the Office so long as the practitioner is aware that the client has consented to have instructions conveyed through the liaison or agent.** Accordingly, nothing in this notice should be construed as contradictory to the discussion entitled "Practitioner's Responsibility to Avoid Prejudice to the Rights of a Client/Patent Applicant" set forth in *Official Gazette* Notice published at 1086 OG 457 (Jan. 12, 1988) or the discussion entitled "Responsibilities of Practitioners Representing and Clients in Proceeding Before The Patent. and Trademark Office" set forth in *Official Gazette* Consolidated Notice published at 1421 OG 2690 (Dec. 29, 2015).



Hypothetical

- Registered patent agent Alvin works for Pharma, Inc.
 - Practice focus is chemical patent prosecution.
- Tamara is Alvin's neighbor and the president of a small startup, DisruptU, Inc., a lifestyle-based app company.
 - Tamara asks Alvin to provide help with their early stage patent work.
 - Mostly provisional application drafting from technical disclosure.
- Alvin drafts and enters into a "consulting agreement."
 - Agreement explicitly disclaims legal representation.
- After a disagreement over scheduling, Alvin withdraws from the consulting position.
 - Tamara files a grievance with OED.



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).

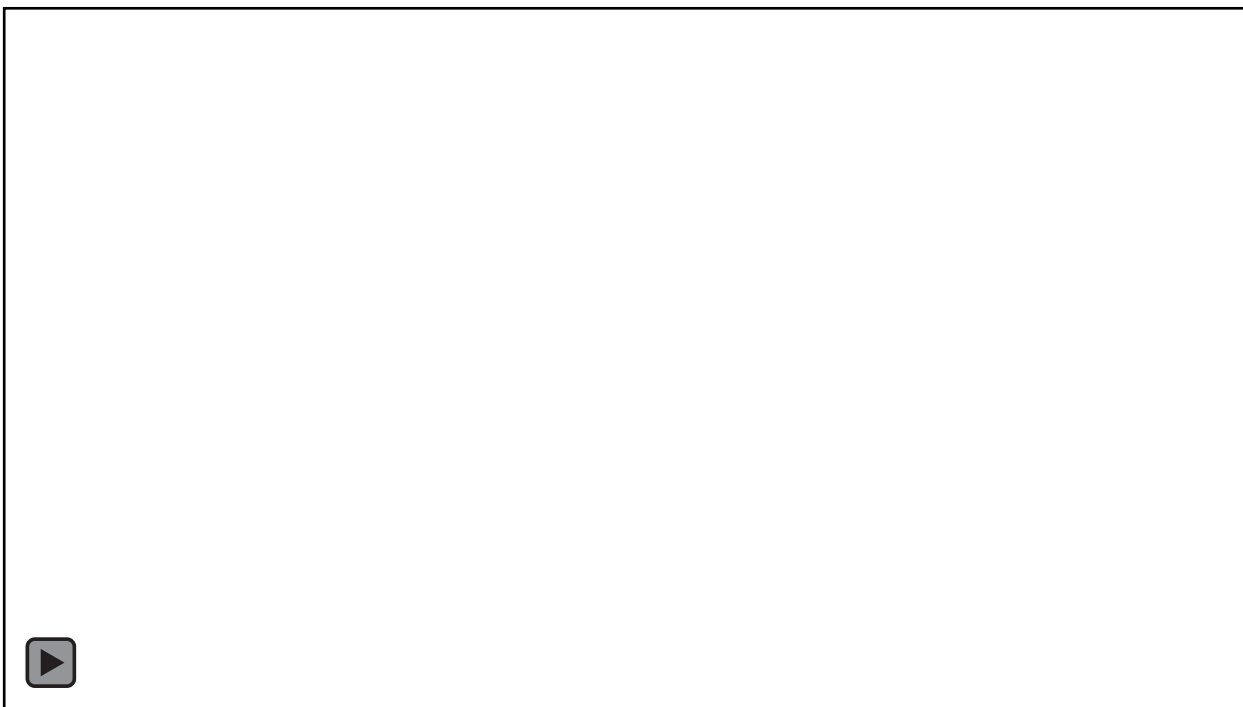
- Patent attorney:
 - Offered money back guarantee to obtain patent for client’s invention.
 - Amended claims during prosecution of 1st application to add specific features without authorization from client.
 - 1st application issues as a patent.
 - Filed 2nd application on another aspect of clients invention. Again offers money back guarantee.
 - The prior patent presented an obstacle to broad protection in the 2nd application.
 - Prior to filing 2nd 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.

Duty of Candor

In re Tendler, 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.
 - 1st requirement is to expressly advise PTO of existence of misrepresentation, stating specifically where it resides.
 - 2nd 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).

Dishonesty, Fraud, Deceit or Misrepresentation

- ***In re Throne***, Proceeding No. D2015-19 (USPTO April 22, 2015).
 - Patent attorney was sentenced to nearly 6 years in prison for swindling about \$5 million from window-covering company Hunter Douglas while employed as one of the company's leading patent attorneys.
 - After learning of the civil complaint filed against Mr. Throne by Hunter Douglas, OED opened an investigation into the allegations of misconduct.
 - In response to OED's inquiry, Mr. Throne voluntarily resigned from practice before the USPTO, and was excluded on consent.

Dishonesty, Fraud, Deceit or Misrepresentation

- ***In re Caracappa***, Proceeding No. D2015-37 (USPTO Jan. 5, 2016).
 - Disciplinary complaint alleged:
 - Patent attorney conspired with in-house counsel to defraud employer.
 - In-house counsel would assign work to respondent, who did not perform the work but would bill the employer.
 - In-house counsel would do the work and would receive a majority of the employer's payments to respondent.
 - Defrauded employer of \$2.4 million dollars.
 - Excluded on consent.
 - Rule highlights:
 - 37 C.F.R. § 11.804(b) – Criminal acts that adversely reflects on honesty, etc.
 - 37 C.F.R. § 11.804(d) – Conduct that is prejudicial to administration of justice.

Inequitable Conduct

Ohio Willow Wood Co. v. Alps South, LLC, **813 F.3d 1350 (Fed. Cir. 2016)**

- Concurrent litigation and reexamination for patent at issue. Patentee used same firm for both litigation and reexam. Firm established an ethical screen between the two teams.
- Director of research at patentee company was the connection between litigation and reexamination teams. He was not a registered practitioner, but had experience in patent matters.
- Director knew of evidence that contradicted arguments made by reexam counsel in favor of patentability.
- Federal Circuit affirmed district court finding of inequitable conduct for failure to bring the evidence to the attention of the USPTO.

Decisions Imposing Public Discipline Available In FOIA Reading Room

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

Contacting OED

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

THANK YOU

