

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



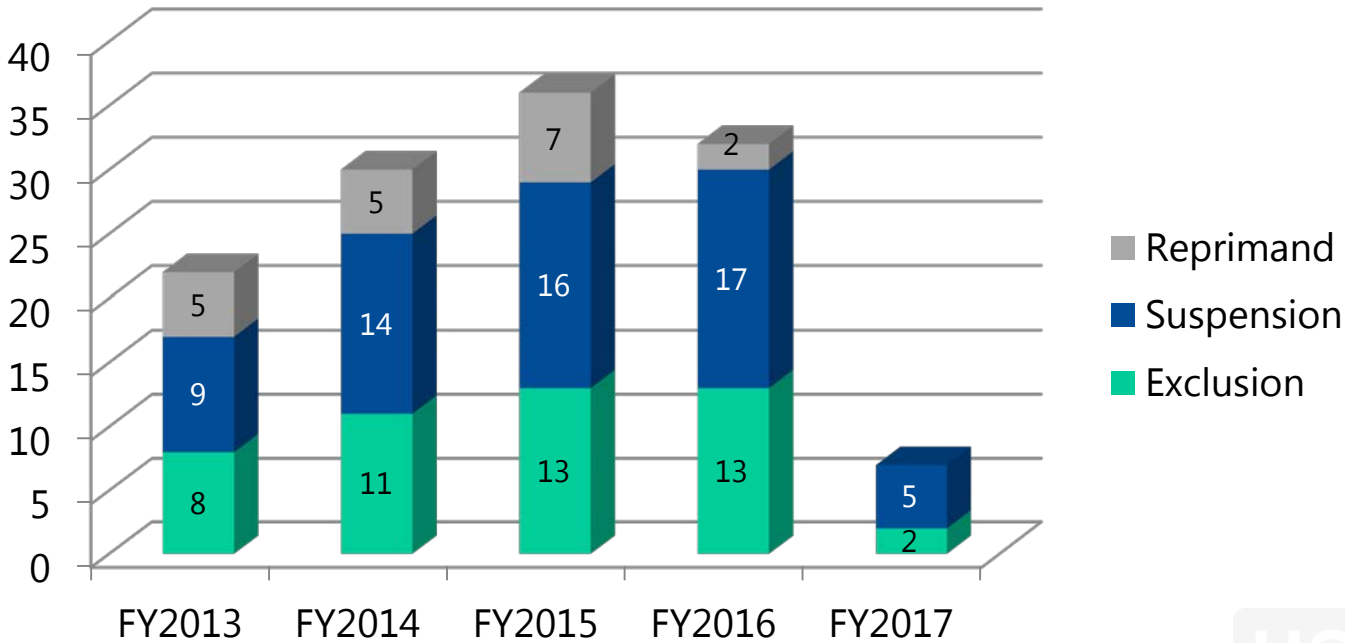


Roundtable Discussion: OED Updates and Cases

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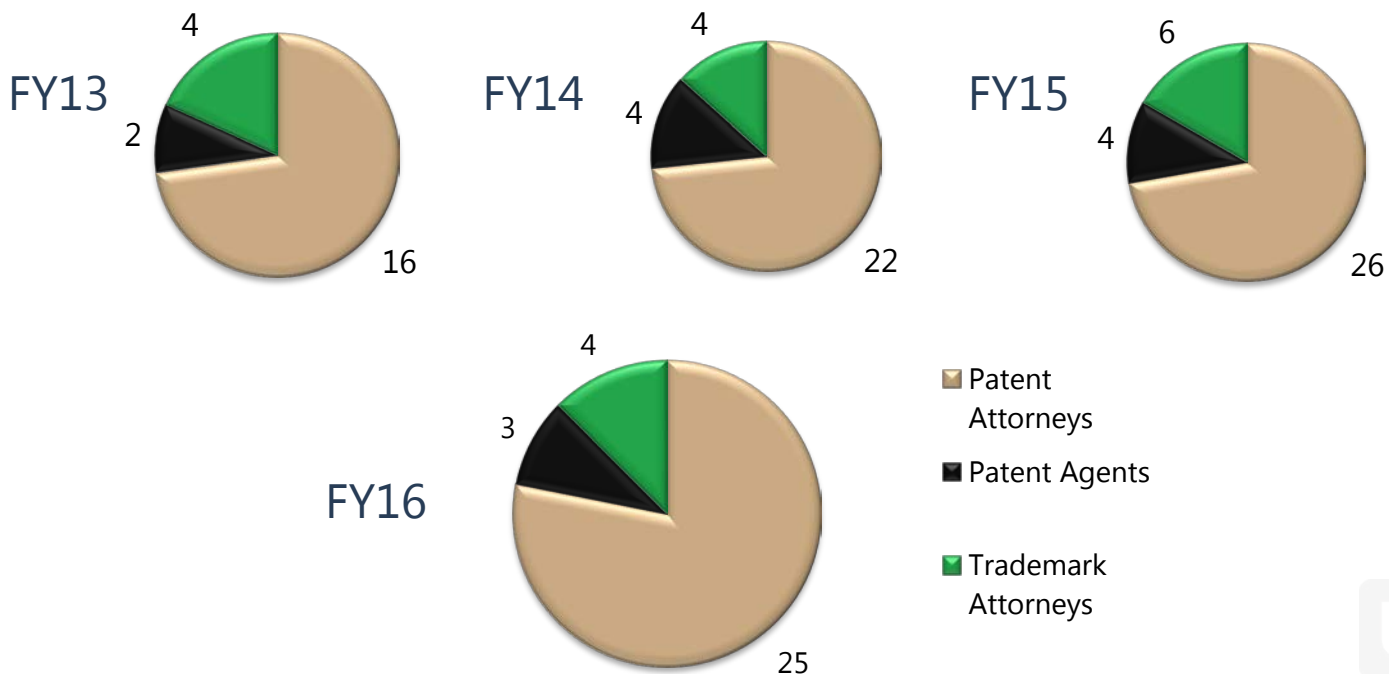


USPTO Disciplinary Decisions



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Breakdown of Disciplinary Decisions by Practitioner Type



Updates to 37 C.F.R. § 1.56

Current 37 C.F.R. § 1.56

- (a) . . . Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability as defined in this section."
- (b) . . . information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or (2) It refutes, or is inconsistent with, a position the applicant takes in: (i) Opposing an argument of unpatentability relied on by the Office, or (ii) Asserting an argument of patentability.
- (b) . . . A prima facie case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(emphasis added)

Therasense, Inc. v. Becton, Dickenson & Co., **649 F.3d 1276 (Fed. Cir. 2011)**

- Materiality standard is “but-for” materiality.
 - Prior art is but-for material if the PTO would not have allowed a claim had it been aware of the undisclosed prior art.
- Materiality prong may also be satisfied in cases of affirmative egregious misconduct
- Intent to deceive USPTO must be weighed independent of materiality.
 - Courts previously used sliding scale when weighing intent and materiality.
- Intent to deceive must be single most reasonable inference to be drawn from evidence.

2011 Proposed Changes to 37 C.F.R. § 1.56

- Initial NPRM issued on July 21, 2011 (76 FR 43631)
- 2011 Proposed Amendment to 37 C.F.R. § 1.56(b)
 - Information is material to patentability if it is material under the standard set forth in [*Therasense*]. Information is material to patentability under *Therasense* if: (1) The Office would not allow a claim if it were aware of the information, applying the preponderance of the evidence standard and giving the claim its broadest reasonable construction; or (2) The applicant engages in affirmative egregious misconduct before the Office as to the information.
- Similar proposed amendment to 37 C.F.R. § 1.555.
- USPTO received feedback from 24 commenters.

2016 Notice of Proposed Rulemaking

- NPRM issued October 28, 2016; <https://www.federalregister.gov>.
- Comment period ended on December 27, 2016.
- 2016 NPRM addresses comments received to 2011 proposed rules.
- Proposed amendment to 37 C.F.R. § 1.56 (emphasis added):
 - (a) . . . Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office **all information known to that individual** to be material to patentability under the **but-for materiality standard** as defined in paragraph (b) of this section. . . . Information material to the patentability of a claim that is cancelled or withdrawn from consideration need not be submitted if the information is not material to the patentability of any claim remaining under consideration in the application. . . . However, no patent will be granted on an application in connection with which **affirmative egregious misconduct** was engaged in, fraud on the Office was practiced or attempted, or the duty of disclosure was violated through bad faith or intentional misconduct. The Office encourages applicants to carefully examine: (1) Prior art cited in search reports of a foreign patent office in a counterpart application, and (2) The closest information over which individuals associated with the filing or prosecution of a patent application believe any pending claim patentably defines, to make sure that any material information contained therein is disclosed to the Office.
 - (b) Information is but-for material to patentability if the Office would not allow a claim if the Office were aware of the information, applying the preponderance of the evidence standard and giving the claim its broadest reasonable construction consistent with the specification.

Decorum Before the Office

Hypothetical #1

- Registered practitioner receives a Final Office action from Examiner in a pending application. The practitioner believes that the examiner has a fundamental misunderstanding of a certain claim term.
- The practitioner files an RCE with a claim amendment that she believes clarifies the claim term beyond all doubt. With the RCE, the practitioner requests an in-person interview with the Examiner.
- During the interview, the Examiner maintains a position similar to that from the Final Office action.
- The practitioner is upset that her clarifying amendment didn't change the Examiner's position and asks the Examiner if he understands English.

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.
 - Suspended from practice before USPTO for 6 months.

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.

Patents Ombudsman - Purpose



- Facilitates complaint-handling when applications become stalled in the examination process.
- Tracks complaints to ensure each is handled within 10 business days FY2016 averaged 6.2 business days.
- Provides feedback regarding training needs based on complaint trends.

Patents Ombudsman Program



- 1-800-786-9199.
- 571-272-5555.
- <http://www.uspto.gov/patent/ombudsman-program>.
- ombudsmanprogram@uspto.gov.

Conflicts of Interest

Hypothetical #2

- Registered practitioner undertakes representation of two co-inventors in the filing of a patent application for their invention.
 - No written engagement agreement.
- USPTO issues a Notice of Allowance for the application.
- Inventor #1 then asserts that Inventor #2 did not invent any subject matter in the allowed claims.
- Practitioner employs an “independent” attorney to provide an opinion on inventorship of the allowed claims.
 - Opinion concludes that Inventor #1 is the sole inventor.
- Practitioner abandons the application in favor of a continuation naming only Inventor #1.

Conflicts of Interest

- ***In re Radanovic***, Proceeding No. D2014-29 (USPTO Dec. 16, 2014)
 - Represented co-inventors who later disputed inventorship.
 - Respondent represented 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.
 - Rules:
 - 37 C.F.R. § 10.66(b): no multiple employment if practitioner's independent professional judgment is or is likely to be adversely affected or if it would be likely to involve representing differing interests.
 - 37 C.F.R. § 11.107(a): no representation if it will be directly adverse to another client or if there is a significant risk that representation will be materially limited by responsibilities to another client.
 - 37 C.F.R. § 11.109(a): no representation of a client in a substantially same matter in which client's interests are materially adverse to the interests of a former client – without informed consent.
 - Received public reprimand.
 - Mitigating factors included clean 50-year disciplinary history.

Conflicts of Interest

- *In re Newman*, Proceeding No. D2015-14 (USPTO Nov. 12, 2015)
- *In re Blackowicz*, Proceeding No. D2015-13 (USPTO May 11, 2015)
 - Respondents did not obtain informed consent from initial trademark applicants regarding conflicting relationships or payment arrangement.
 - Respondents claimed that because work appeared to “originate” from a longstanding client, the status of the initial trademark applicants was not appreciated.
 - Rules:
 - **37 C.F.R. § 10.62(a)**: personal conflicts.
 - **37 C.F.R. § 10.66(a)-(c)**: conflicts between multiple clients.
 - **37 C.F.R. § 10.68(a) & (b)**: 3rd party payment; allowing 3rd party payer to direct practitioner’s professional judgment.
 - **37 C.F.R. § 11.102(a)**: failing to abide by client’s decisions.
 - **37 C.F.R. § 11.104(a) & (b)**: client communication.
 - **37 C.F.R. § 11.107(a) & (b)**: conflicts between multiple clients.
 - **37 C.F.R. § 11.108(f)**: accepting payment from 3rd party.
 - **37 C.F.R. § 11.109(a)**: representing client adverse to former client in same or substantially related matter.
 - **37 C.F.R. § 11.504(c)**: allowing 3rd party payer to direct professional judgment.
 - Newman: 30-day suspension; 18-month probation; MPRE; CLE.
 - Blackowicz: 30-day suspension; 13-month probation; MPRE; CLE, practice monitor.

Conflict of Interest

Maling v. Finnegan, 42 N.E. 3d 199 (Mass. 2015).

- Plaintiff engaged law firm to prosecute patents for screwless eyeglass hinge.
- After patents were obtained, plaintiff learned that firm had simultaneously represented another client in the same industry.
- Plaintiff's work was done in firm's Boston office; 2nd party's work was done in D.C. office.
- Plaintiff alleges that firm belatedly commenced preparation of one of his applications and that it inexplicably took a long time to do so.
- Plaintiff alleges he would not have made investment in developing his product if firm had disclosed its conflict and work on 2nd party's patents.

Maling (cont.)

- Appellate court stated that subject matter conflicts may present a number of potential legal, ethical, and practical problems, but they do not, standing alone, constitute actionable conflict of interest that violates Mass. Rule of Professional Conduct 1.7 (Conflict of Interest).
- Court did not find that competing for patents in the same space placed clients directly adverse to one another.
 - Analogized with two clients attempting to obtain radio broadcast licenses.
- Court discussed likelihood of interference as a barometer for conflict between two clients in same space.
- No evidence or even allegation that Plaintiff's claims were altered or limited because of simultaneous representation.

Maling (cont.)

KEY TAKEAWAY:

“This court has not defined a minimum protocol for carrying out a conflict check in the area of patent practice, or any other area of law. However, no matter how complex such a protocol might be, law firms run significant risks, financial and reputational, if they do not avail themselves of a robust conflict system adequate to the nature of their practice.”

Duty of Candor

Hypothetical #3

- Registered practitioner undertakes representation of inventor to draft and file patent application with USPTO.
- Practitioner also offers to post the invention, including a detailed description, for sale on his website.
- Inventor agrees to have the invention posted for sale.
- Practitioner misplaces the client's file and forgets to file the application with the USPTO.
- 18 months after the invention was posted on the practitioner's website, practitioner finds the file and immediately files the application with the USPTO.

Duty of Candor

- ***In re Kroll***, Proceeding No. D2014-14 (USPTO Mar. 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.
 - Client hired Attorney to prepare and file application.
 - Attorney failed to file the application, but posted the invention for sale on his website.
 - Application file was discovered by chance. Attorney determined it had not yet been filed, and filed it 20 months after posting on the website.
 - Did not investigate whether the invention had been posted on his website and
 - Did not inform client about delay in filing.
 - Aggravating factors included prior disciplinary history.
 - Received two-year suspension.

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).

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

