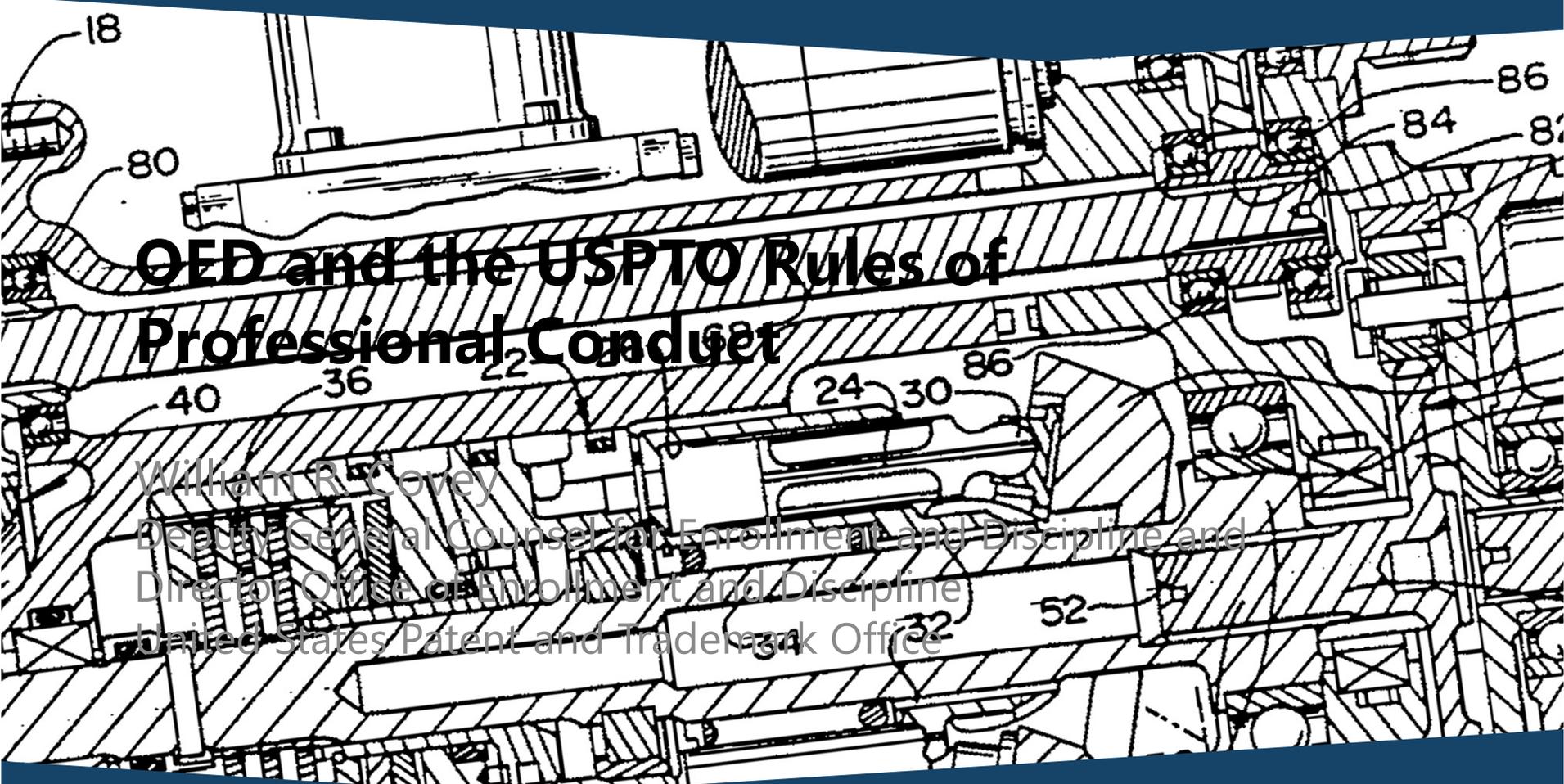


UNITED STATES
PATENT AND TRADEMARK OFFICE

uspto



OED and the USPTO Rules of Professional Conduct

William R. Covey
Deputy General Counsel for Enrollment and Discipline and
Director, Office of Enrollment and Discipline
United States Patent and Trademark Office

UNITED STATES
PATENT AND TRADEMARK OFFICE



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>.
- USPTO *Pro Bono* Contacts:
 - John Kirkpatrick - john.kirkpatrick@uspto.gov, 571-270-3343.
 - Grant Corboy – grant.corboy@uspto.gov, 571-270-3102.



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.



2016 Notice of Proposed Rulemaking

- NPRM issued October 28, 2016; <https://www.federalregister.gov>.
- 60 day comment period.
- 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.



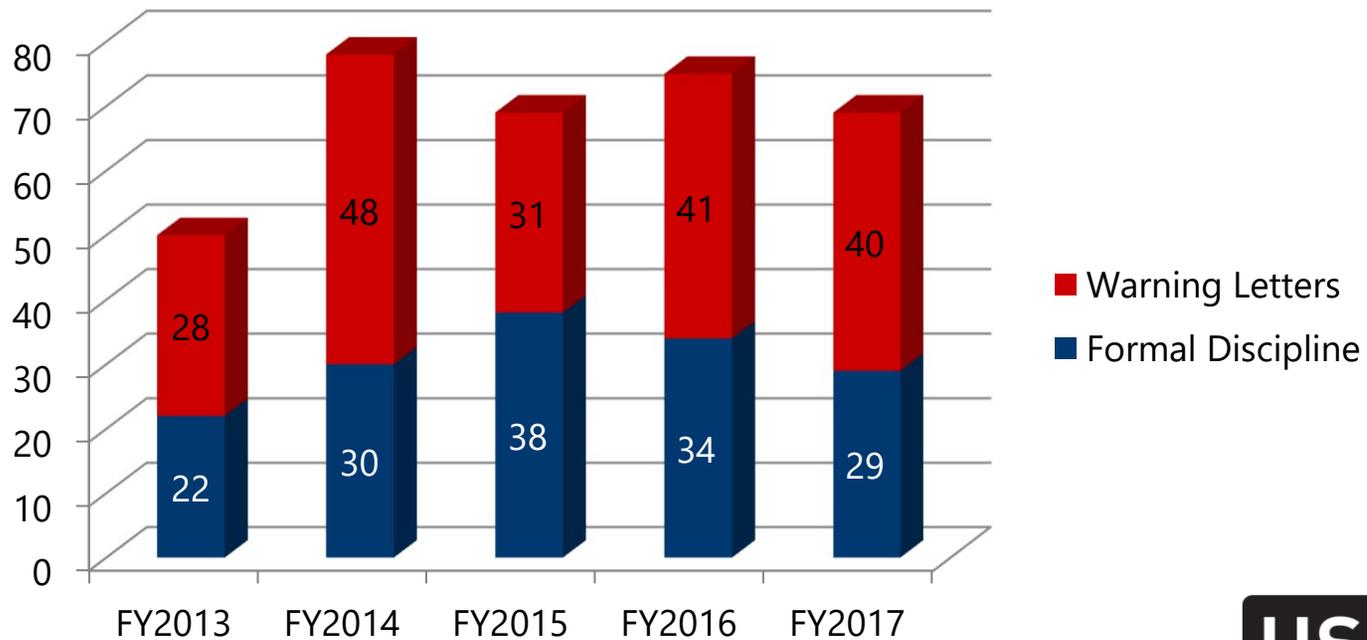


Office of Enrollment and Discipline

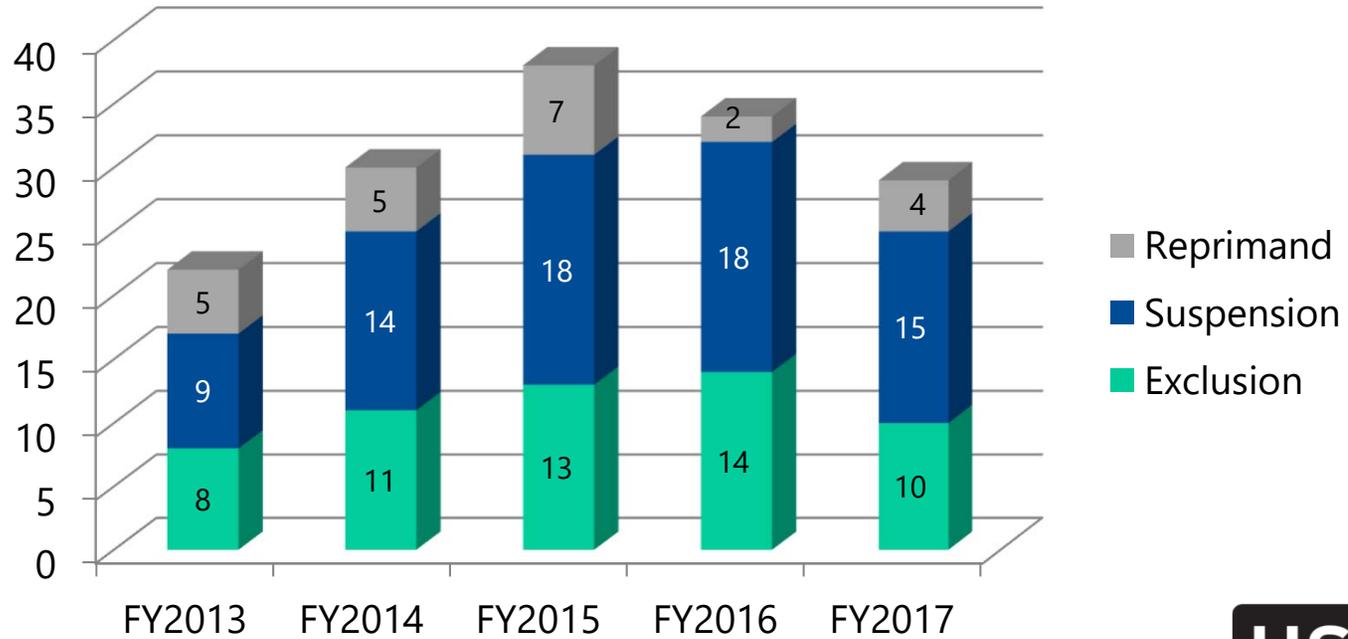
Discipline at OED

uspto

OED Discipline: Warnings vs. Formal Discipline

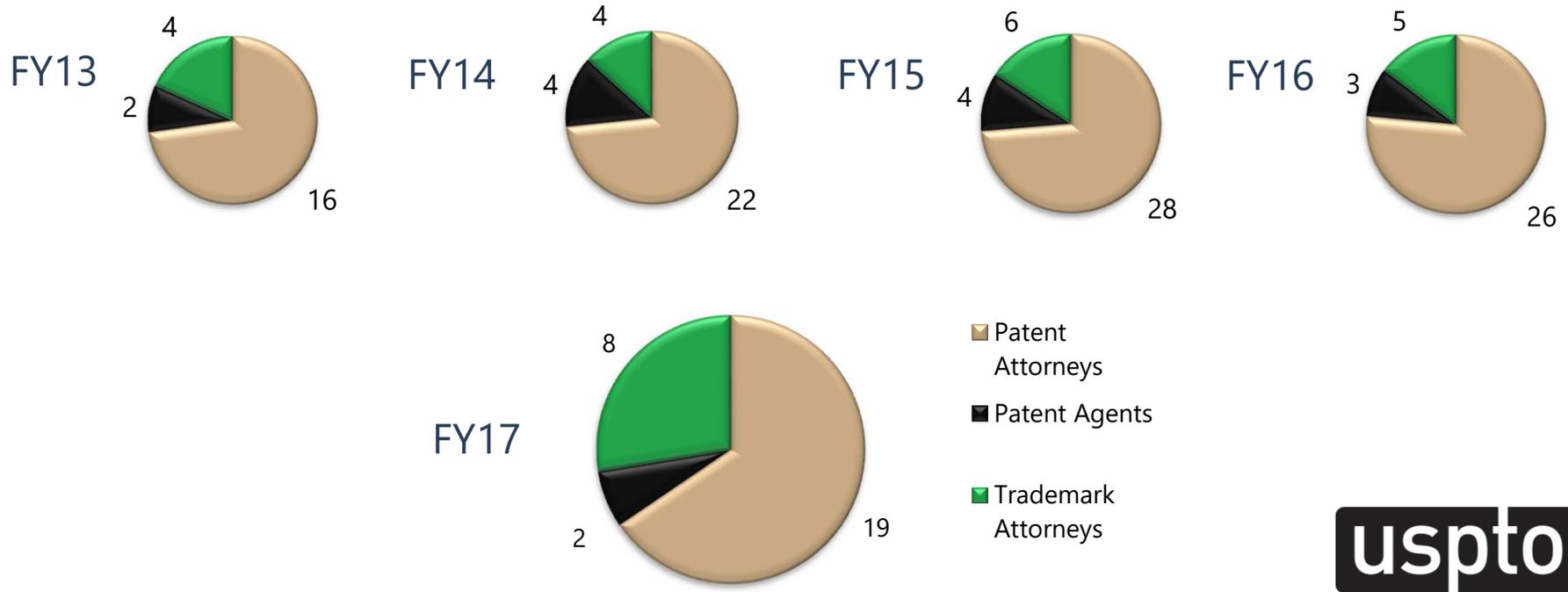


USPTO Disciplinary Decisions



USPTO Disciplinary Decisions

Breakdown of Disciplinary Decisions by Practitioner Type





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 3rd 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 Gray, Proceeding No. D2017-02 (USPTO Feb. 22, 2017).

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, Proceeding No. D2017-02 (USPTO Feb. 22, 2017).

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, Proceeding No. D2017-02 (USPTO Feb. 22, 2017).

37 C.F.R. § 11.501

- (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

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

- Patent Agent contracted with Desa Industries, Inc d/b/a World Patent Marketing (“WPM”) to prepare, file, and respond to Office actions for clients referred by WPM.
- Permitted WPM to act as full intermediary with clients.
- Settlement: 20 month suspension with 28 months probation.
- Rule highlights:
 - 37 C.F.R. § 11.105(b) – communicating scope of representation/fee.
 - 37 C.F.R. § 11.107(a) – Conflict of interest; current clients.
 - 37 C.F.R. § 11.108(f) – Accepting compensation from third party.
 - 37 C.F.R. § 11.504 – Permitting 3rd party payer to regulate judgment.
 - 37 C.F.R. § 11.505 – Unauthorized Practice of law.



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).



Conflicts of Interest

In re Ramberg, Proceeding No. D2017-12 (USPTO Feb. 14, 2017).

- Patent attorney undertook joint representation of two clients who he listed as co-inventors on a provisional patent application.
- A company owned by Inventor #1 is listed as the “Applicant” on the provisional.
- Attorney later filed trademark application for company of Inventor #2.
- Did not advise regarding potential conflicts or obtain consent for undertaking the TM matter.
- Filed utility application naming only Inventor #1.
- Continued representation of both parties
- Failed to inform Inventor #2 that he was left off of the utility application.
- Public reprimand, CLE attendance, and MPRE passage.



Conflicts of Interest

In re Ramberg, Proceeding No. D2017-12 (USPTO Feb. 14, 2017).

37 C.F.R. § 11.107(b)

Notwithstanding the existence of a concurrent conflict of interest under paragraph (a) of this section, a practitioner may represent a client if:

- (1) The practitioner reasonably believes that the practitioner will be able to provide competent and diligent representation to each affected client;
- (2) The representation is not prohibited by law;
- (3) The representation does not involve the assertion of a claim by one client against another client represented by the practitioner in the same litigation or other proceeding before a tribunal; and
- (4) Each affected client gives informed consent, confirmed in writing.



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.
- 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.

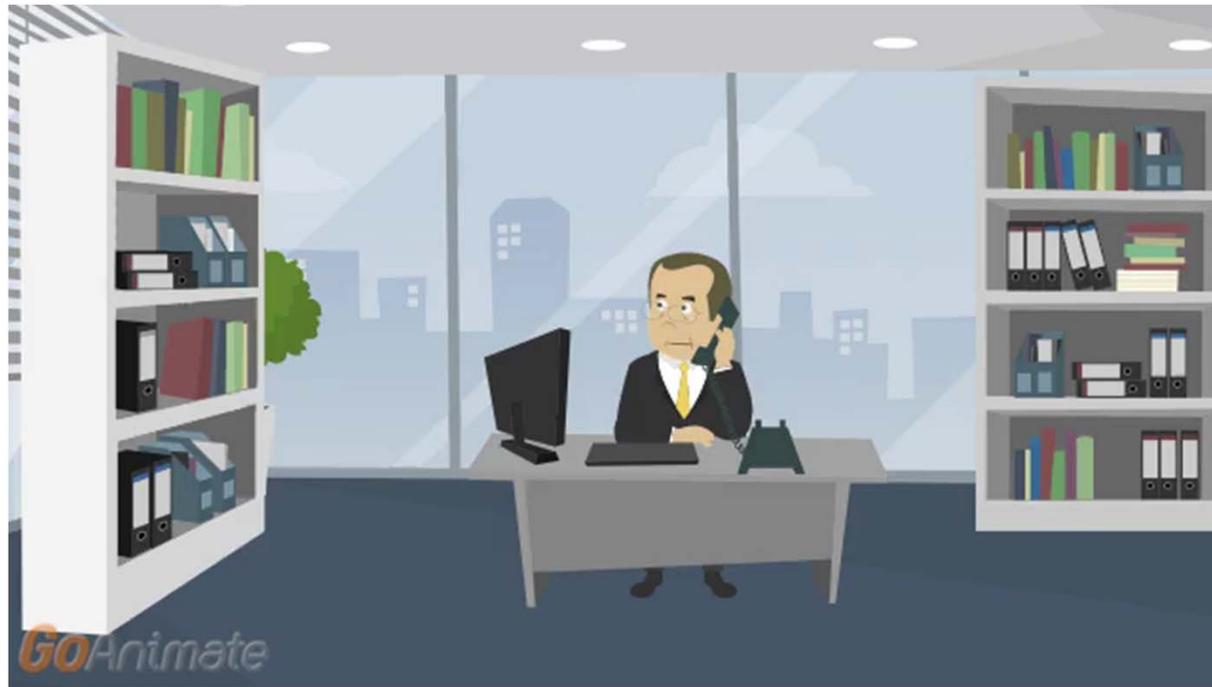


Serious Crime

In re Walter, Proceeding Nos. D2017-06 & D2017-21
(USPTO Feb. 14, 2017).

- Patent attorney was convicted in 2012 of endangering the welfare of a child in the third degree in New Jersey.
- USPTO initiated a proceeding under 37 C.F.R. § 11.25 (serious crime).
- In 2017, Mr. Walter was disbarred by the State of New Jersey (D-101 077467) for the crime.
- USPTO initiated a proceeding under 37 C.F.R. § 11.24 (reciprocal)
- An exclusion on consent resolved both USPTO proceedings.





uspto

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.





uspto

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.



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.



Communication/Cooperation/UPL

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

- Disciplinary complaint alleged:
 - Mr. Terzo entered into a law firm partnership agreement with a practitioner who was emergency suspended by his state bar.
 - Mr. Terzo took over the representation of the suspended practitioner's trademark clients without informing the clients and did not consult with the clients prior to filing their applications.
 - Instead, Mr. Terzo relied on a "Trademark Questionnaire" filled out by the clients and directed non-practitioner assistants to provide clients with legal advice.
 - Mr. Terzo did not cooperate with the disciplinary investigation.
- Exclusion on consent.
 - 37 C.F.R. § 11.101 – Competence.
 - 37 C.F.R. § 11.115 – Safekeeping property.
 - 37 C.F.R. § 11.505 – Unauthorized practice of law.



Neglect/Candor

In re Etkin, Proceeding No. D2016-05 (USPTO Jan. 8, 2016)

- Disciplinary Complaint Alleged:
 - Attorney allowed applications to go abandoned without client approval.
 - Misled clients regarding status of abandoned applications.
 - Advised client to file a Track 1 CIP application and allow the original application to go abandoned. Took \$, but failed to file it; fabricated documents purporting to show filed Track 1 application.
 - Advised a client that an abandoned application could be revived within 5 years. Client waited to petition after multiple consultations on the subject. Ultimately filed Petition to Revive, certifying that the entire delay had been unintentional.
- Exclusion on consent.
- Rule highlights:
 - 37 C.F.R. § 11.101 – Competence.
 - 37 C.F.R. § 11.104 – Communication.
 - 37 C.F.R. § 11.804(c) – Conduct involving dishonesty, fraud, deceit, or misrepresentation.



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.



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



