

UNITED STATES  
PATENT AND TRADEMARK OFFICE



# Candor, Disclosure, & OED

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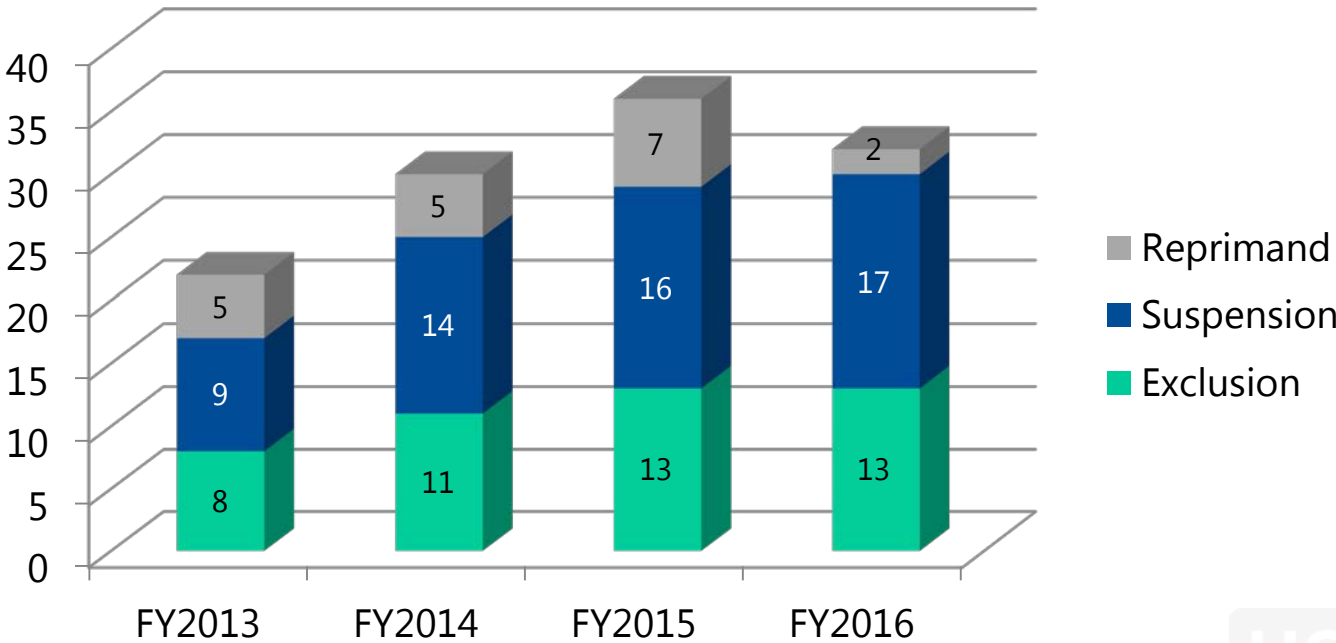
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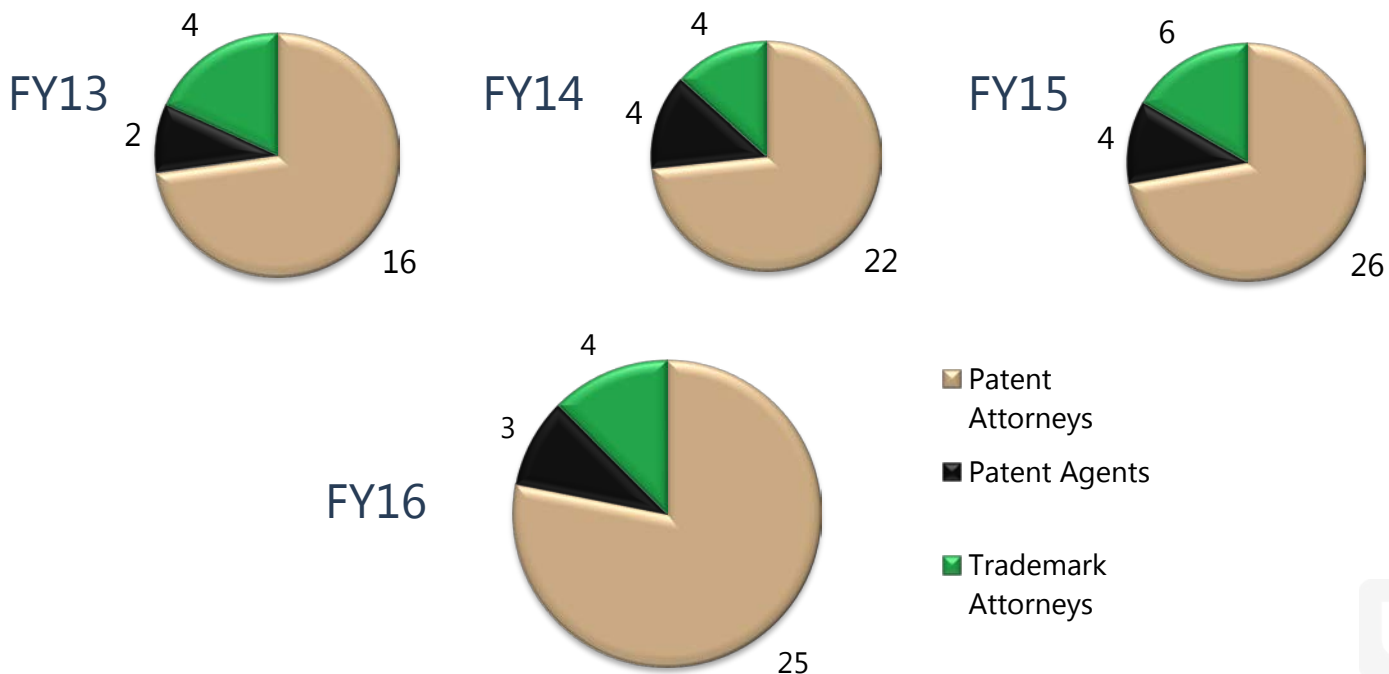


# USPTO Disciplinary Decisions



# USPTO Disciplinary Decisions

## Breakdown of Disciplinary Decisions by Practitioner Type



# Duties of Candor, Disclosure, and Good Faith

- 37 C.F.R. § 1.56 - Duty to disclose information material to patentability.
- 37 C.F.R. § 1.555 - Information material to patentability in *ex parte* and *inter partes* reexamination proceedings.
- 37 C.F.R. § 11.18(b) - Signature and certificate for correspondence filed in the Office.
- 37 C.F.R. § 11.106(c) - Confidentiality of information.
- 37 C.F.R. § 11.303(a)-(e) - Candor toward the tribunal.
- 37 C.F.R. § 11.801(a)-(b) - Registration, recognition, and disciplinary matters.
- 37 C.F.R. § 11.804(c) - Misconduct (dishonesty, fraud, deceit, misrepresentation).
- 37 C.F.R. § 42.11 - Duty of candor; signing papers; representations to the Board; sanctions.

# 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, Dickinson & 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 issues October 28, 2016; <https://www.federalregister.gov>.
- Comments due 60 days after publication date.
- 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.

# Inequitable Conduct

## ***In re Tendler*, D2013-17 (USPTO 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).



# Candor Toward Tribunal

## ***In re Hicks*, D2013-11 (USPTO 2013)**

- Attorney sanctioned by EDNY for non-compliance with discovery orders.
- Federal Circuit affirmed sanction and found appellate brief to contain “misleading or improper” statements.
  - Brief reads, “Both the Magistrate and the District Court Found that RTI's and its Litigation Counsel Hicks' Pre-Filing Investigation Was Sufficient.” However, neither the magistrate judge nor the district court ultimately found that RTI's or Mr. Hicks's pre-filing investigation was “sufficient.”
  - Mr. Hicks also failed to inform the court that a case citation was non-precedential and therefore unavailable to support his legal contentions aside from “claim preclusion, issue preclusion, judicial estoppel, law of the case, and the like.”
  - *Rates Technology, Inc. v Mediatrix Telecom, Inc.*, 688 F.3d 742 (Fed. Cir. 2012)
- Received public reprimand and one-year probation.



# Misrepresentations to the Office

## ***In re Massicotte*, D2012-22 (USPTO 2012)**

- Office actions sent to practitioner in several trademark matters.
  - Practitioner received the Office actions prior to the expiration of their response periods.
- Applications became abandoned for failure to respond to the Office actions.
- Practitioner filed petitions to revive unintentionally abandoned applications indicating that the Office actions were not received prior to the expiration of the response period.
  - Petitions were granted based on this assertion.
- Practitioner received 2-year suspension.
  - Eligible for reinstatement after 2 months.
  - 2-years probation after reinstatement.

# Lack of Candor

## ***In re Anonymous, D2014-05 (USPTO 2014)***

- Practitioner received TM rejection finding client's mark generic.
- Attorney received correspondence and exhibits from a competitor indicating that the mark was used generically by others.
- Attorney read the correspondence, but *purposefully* did not look at the exhibits.
- Attorney later submitted a declaration including a sworn statement in support of acquired distinctiveness of the mark, including assertions of "substantially exclusive and continuous use" of the mark.
- USPTO accepted the assertions and registered the mark.
- In a related infringement action, court found that mark was obtained by fraud on the Office: the acquired distinctiveness assertion was a material misrepresentation made with the intent to deceive the USPTO.
- Attorney received reprimand.

# 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.



# Information Disclosure Statements

## ***In re Janka, D2011-57 (USPTO 2011)***

- Patent attorney was part of litigation team for infringement suit. District court found contempt connected with attorney's submission of IDS to USPTO in a reexamination proceeding. IDS contained documents covered by a protective order.
- IDS was prepared by the attorney, forwarded to colleague (registered practitioner) who filed it with USPTO.
- Attorney argued that he believed the confidentiality of the documents had been waived and therefore they were not covered by protective order.
- Conduct violated 37 C.F.R. § 10.77(b) – handling legal matter without preparation adequate under the circumstances.
- Received public reprimand.

# Information Disclosure Statements

## ***In re Bollman*, D2010-40 (USPTO 2011)**

- Related to *In re Janka*, D2011-57 (USPTO 2011).
- Patent attorney received an assembled IDS from practitioner involved in litigation related to pending reexamination proceeding. He filed the IDS (6 boxes of documents) without inspecting them. Did not file documents as confidential.
- Some of the documents were confidential and subject to a protective order in the related litigation.
- Submitting the IDS without inspection of the documents held to be a false certification pursuant to 37 C.F.R. § 11.18(b).
- Received public reprimand and 2 years' probation.



# 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.

# OED Investigations

- Court decisions are not dispositive, but are considered in ethical investigations.
  - Including factual findings and legal analysis.
- Court decisions can represent an incomplete record of events.
- OED conducts its own investigation.
  - Contacts practitioner.
  - Considers information not available to court.

# Contacting OED

For informal inquiries, contact OED at  
571-272-4097

THANK YOU

