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PATENT AND TRADEMARK OFFICE
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PAT LAB 507: USPTO Disciplinary Actions for the Patent Practitioner

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AGENDA

- What is the Office of Enrollment and Discipline (OED)?
- OED Disciplinary Jurisdiction and Process
- Other Functions of OED that You Never Knew About!
- Sanctions and Other Outcomes of the OED Disciplinary Process
- Most Common Examples of Misconduct Disciplined by OED

Functions of the Office of Enrollment and Discipline

- The Office of Enrollment and Discipline (OED) is primarily responsible for:
  - Registering attorneys and agents to practice before the USPTO
  - Developing and administering the registration examination (Patent Bar)
  - Investigating allegations of misconduct by practitioners
  - Administering and overseeing the USPTO Law School Clinic Certification and Patent Pro Bono programs

OED: enrollment

- Authorization to practice before the USPTO in patent matters:
  - Attorneys, agents, limited recognition.
- 3 factors for registration:
  - Scientific and technical qualifications;
  - Legal competence: registration exam; and
  - Moral character.

  See 37 C.F.R. § 11.7 and General Requirements Bulletin.

Design Patent Practitioner Bar

- On November 16, 2023, the USPTO published a final rule establishing new technical criteria for applicants that wish to practice design patent work only.
- The application process for design patent practitioner applicants began January 2, 2024.
- The final rule expanded the technical criteria to now *also* include a bachelor's, master's or doctorate of philosophy degree in industrial design, product design, architecture, applied arts, graphic design, fine/studio arts, art teacher education, or a degree equivalent to one of the listed degrees.
- Once scientific and technical criteria are met, design patent practitioner applicants must take and pass the current registration examination and pass a moral character evaluation.
- Upon registration, design patent practitioners may practice in design patent matters only.
  - If an applicant or registered practitioner meets the scientific and technical criteria to sit for admission to the registration examination (Category A, B, & C; *see* Bulletin for Admission to the Examination for Registration to practice in Patent Cases Before the USPTO here https://www.uspto.gov/sites/default/files/documents/OED_GRB.pdf), then they can also practice design patent matters.
- Additional information about becoming a design patent practitioner may be found at: https://www.uspto.gov/sites/default/files/documents/OEDDesignBarFlyer.pdf.

Practice before the USPTO

- Activities that constitute practice before the USPTO are broadly defined in 37 C.F.R. §§ 11.5(b) and 11.14:
  - Includes communicating with and advising a client concerning matters pending or contemplated to be presented before the USPTO (37 C.F.R. § 11.5(b));
  - Consulting with or giving advice to a client in contemplation of filing a **patent application** or other document with the USPTO (37 C.F.R. § 11.5(b)(1)); or
  - Consulting with or giving advice to a client in contemplation of filing a **trademark application** or other document with the USPTO (37 C.F.R. § 11.5(b)(2)).
  - Nothing in this section (37 C.F.R. § 11.5(b)) proscribes a practitioner from employing or retaining non-practitioner assistants under the supervision of the practitioner to assist the practitioner in matters pending or contemplated to be presented before the USPTO.
  - *See also* 37 C.F.R. § 11.14 for details regarding individuals who may practice before the USPTO in trademark and other non-patent matters.

Practice before the USPTO and Artificial Intelligence (AI)

- On April 11, 2024, the USPTO issued a Federal Register notice, Guidance on Use of Artificial Intelligence-Based Tools in Practice Before the United States Patent and Trademark Office. *See* https://www.federalregister.gov/documents/2024/04/11/2024-07629/guidance-on-use-of-artificial-intelligence-based-tools-in-practice-before-the-united-states-patent.
- When practicing before the USPTO, practitioners' use of AI may implicate ethical considerations.
- 37 C.F.R. § 11.18 imposes duties on parties and practitioners in connection with submissions before the USPTO, including the practitioner's signature pursuant to 37 C.F.R. §§ 1.4(d)(1), 2.193.
- 37 C.F.R. § 11.18(b), in part, stipulates that parties presenting papers to the Office make a certification, formed after a reasonable inquiry, as to evidentiary support for factual contentions and allegations.
- *See* https://www.uspto.gov/initiatives/artificial-intelligence/artificial-intelligence-resources

OED

OED Disciplinary Jurisdiction and Process

OED: discipline

- Mission: protect the public and the integrity of the patent and trademark systems.
- Statutory authority:
  - 35 U.S.C. §§ 2(b)(2)(D) and 32.
- Disciplinary jurisdiction (37 C.F.R. § 11.19):
  - All practitioners engaged in practice before the USPTO, *e.g.*, TM, pro hac vice in PTAB, those representing others in OED proceedings, etc.; and
  - Non-practitioners who engage in or offer to engage in practice before the USPTO.
- Governing regulations:
  - USPTO Rules of Professional Conduct 37 C.F.R. §§ 11.101-11.901; and
  - Procedural rules: 37 C.F.R. §§ 11.19-11.60.

Investigation and formal complaint process

- OED investigation begins with receipt of a grievance by the OED Director.
  - Grievance: a written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner. *See* 37 C.F.R. § 11.1.
  - Self-reporting is often considered as a mitigating factor in the disciplinary process.
- Time period for filing formal complaint = 1 year from receipt of grievance but not later than 10 years from date of misconduct.
  - *See* 35 U.S.C. § 32 and 37 C.F.R. § 11.34(d).
- After investigation, OED Director may:
  - Terminate investigation with no action;
  - Issue a warning to the practitioner;
  - Institute formal charges with the approval of the Committee on Discipline; or
  - Enter into a settlement agreement with the practitioner and submit the same to the USPTO Director for approval.

  37 C.F.R. § 11.22(h).

USPTO disciplinary proceedings

- Referral to the Committee on Discipline (COD)
  - OED presents results of investigation to the COD
  - COD determines if probable cause of misconduct exists
- If probable cause is found, the Solicitor's Office, representing the OED Director, files formal complaint with hearing officer
  - Hearing officer issues an initial decision; and
  - Either party may appeal initial decision to USPTO Director, otherwise it becomes the final decision of the USPTO Director.

See 37 C.F.R. §§ 11.22, 11.23, 11.32, 11.34, 11.40, 11.54 and 11.55.

OED: other functions you never knew about!

- Pro Bono programs:
  - Law School Clinic Certification Program; and
  - Patent Pro Bono Program.
- Outreach:
  - Speaking engagements: continuing legal education, roundtables/panels, diversion, pro bono, recent rulemaking, etc.

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Sanctions and Outcomes of OED Disciplinary Process

Warnings – 37 C.F.R. § 11.21

"A warning is neither public nor a disciplinary sanction. The OED Director may conclude an investigation with the issuance of a warning. The warning shall contain a statement of facts and identify the USPTO Rules of Professional Conduct relevant to the facts."

- A warning will not be an option if a formal complaint has been filed with a hearing officer.

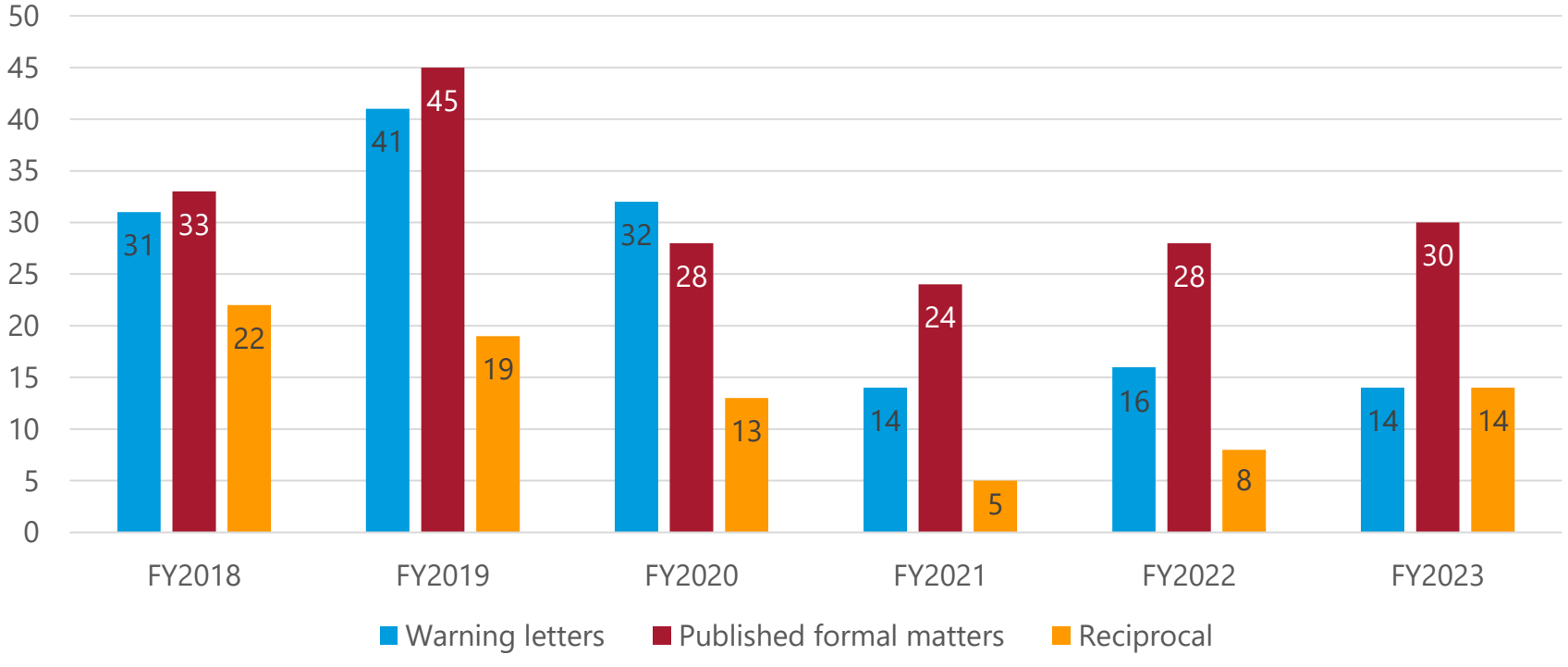
Disciplinary sanctions -37 C.F.R. § 11.20

- Exclusion from practice before the USPTO
  - minimum of five years. *See* 37 C.F.R. § 11.60(b)
  - reinstatement only upon grant of petition. *See* 37 C.F.R. §§ 11.58(a), 11.60(a)
- Suspension from practice before the USPTO for an appropriate period
  - reinstatement only upon grant of petition upon expiration of suspension period. *See id.*
- Reprimand or censure
- Probation (in lieu of or in addition to other sanctions)
- Possible conditions

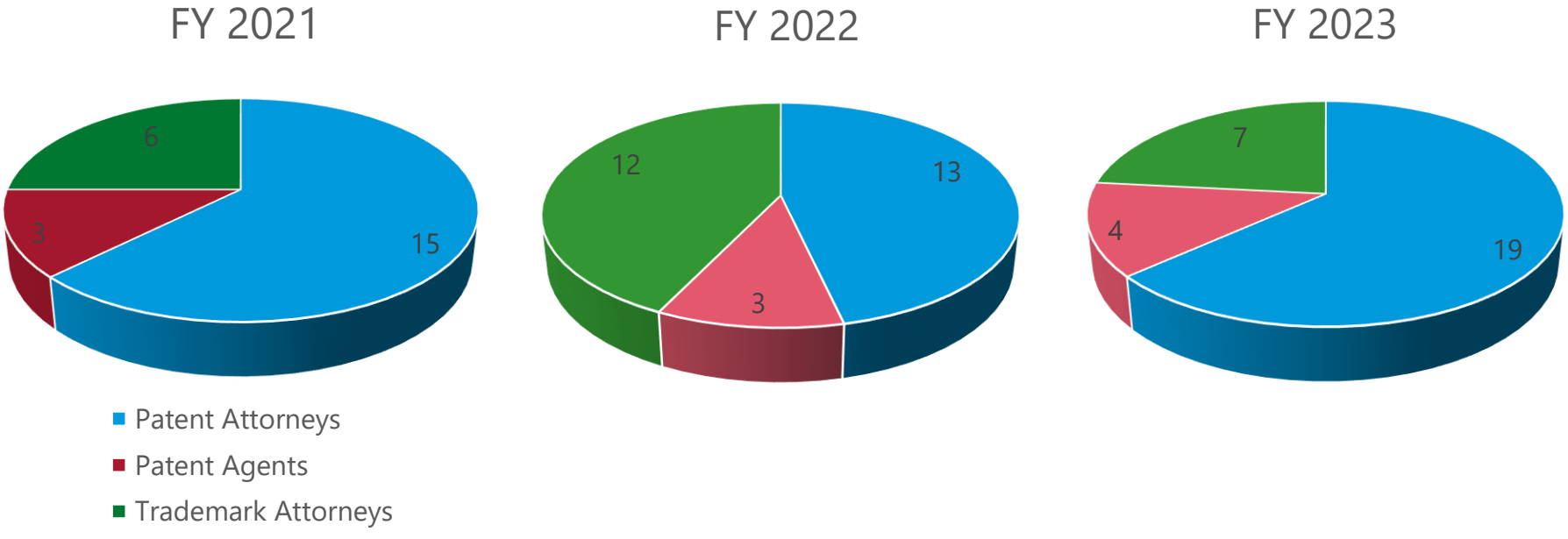
Other types of discipline

- Reciprocal discipline (37 C.F.R. § 11.24):
  - Based on discipline by a state or federal program or agency, and
  - Often conducted on documentary record only
- Interim suspension based on conviction of a serious crime (37 C.F.R. § 11.25):
  - Referred to a hearing officer for determination of final disciplinary action
- Exclusion on Consent (37 C.F.R. § 11.27)

USPTO disciplinary matters



USPTO disciplinary matters



OED Diversion Program
37 C.F.R §11.30

- In 2016, the ABA Commission on Lawyer Assistance Programs and the Hazelden Betty Ford Foundation published a study of about 13,000 currently practicing attorneys and found the following:
  - About 21% qualify as problem drinkers;
  - 28% struggle with some level of depression;
  - 19% struggle with anxiety; and
  - 23% struggle with stress.
- Other difficulties include social alienation, work addiction, sleep deprivation, job dissatisfaction, and complaints of work-life conflict.
- The USPTO launched the Diversion Pilot Program in 2017 and it became formalized as a rule in August 2023.
- Guidance available at: **https://www.uspto.gov/sites/default/files/documents/Diversion_Guidance_Document.pdf**

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Ethics Scenarios and Select Case Law

OED: Examples of misconduct

- Neglect of client matters;
- Failure to communicate with the client;
- Lying to the client;
- Lack of candor to the USPTO;
- Conflicts of interest;
- Patent agent privilege;
- Duty of Disclosure, Candor and Good Faith; and
- Fee and trust account issues.

Neglect/candor

- There are *many* sections in the USPTO Rules of Professional Conduct related to Neglect and Candor
- Highlights:
  - 37 C.F.R. § 10.23(a) – Disreputable or gross misconduct;
  - 37 C.F.R. § 11.18(b) – Certification upon submitting of papers; and
  - 37 C.F.R. § 10.77(c) – Neglect.

Neglect/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;
  - Failed to file client's application, but posted the invention for sale on his website; and
  - 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 submitting of papers; and
  - 37 C.F.R. § 10.77(c) – Neglect.

Conflicts between clients

Conflict of interest

37 C.F.R. § 11.107 Conflict of interest; Current clients.

(a) Except as provided in paragraph (b) of this section, 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, *cont'd*

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.

See also 37 C.F.R. **§ 11.108(f) and 11.504(c)**

Conflict of interest

- *In re Radanovic, Proceeding No. D2014-29* (USPTO December 16, 2014)
  - Patent attorney:
    - Represented two joint inventors of patent application.
    - No written agreement regarding representation.
    - Attorney became aware of a dispute where one inventor alleged that the other did not contribute to the allowed claims.
    - Continued to represent both inventors.
    - Expressly abandoned application naming both inventors in favor of continuation naming one.
  - Mitigating factors included clean 50-year disciplinary history.
  - Received public reprimand.

Patent agent privilege

Patent agent privilege

- Patent agent privilege is a legal privilege that allows clients to confidentially share information with their patent agents to obtain legal advice without fear that those communications will be discovered in subsequent litigation
- Patent agent privilege applies to communications (1) between client and patent agent that (2) was intended to be confidential and (3) was "made for the purpose of seeking or giving advice with respect to any matter."
  - Preparing and prosecuting patent applications
  - Consulting with clients about filing patent applications
  - Drafting patent application specifications and claims
  - Drafting amendments or replies to communications
- The most common scenarios in which this comes up is during litigation about whether conduct on the part of a patent agent qualifies as the unauthorized practice of law (under the laws of the state in which they practice) or within patent agent privilege
  - Case law applying state law varies widely about what types of communications are covered by patent agent privilege

Patent agent privilege

- *Onyx Therapeutics, Inc. v. Cipla Ltd. et. al.*, C.A. No. 16-988-LPS (consolidated), 2019 WL 668846, (D. Del. Feb. 15, 2019)
  - U.S. District Court found that a group of documents it inspected in camera would "almost certainly be within the scope of attorney client privilege," but would not be "protected by the narrower patent agent privilege," because they were not "reasonably necessary and incident to" the ultimate patent prosecution.
  - Documents were communications between scientists referencing prior art found by an individual who performed a patent assessment at the direction of a patent agent.
  - Email discussion among the scientists was found not to be protected by the patent-agent privilege "**because the assessment was done as part of a plan to develop new chemical formulations, not to seek patent protection for already-developed formulations.**"

Patent agent privilege

- *In re Queen's University at Kingston*, 820 F.3d 1287 (Fed. Cir. 2016)
  - U.S. District Court granted Samsung's motion to compel documents, including communications between Queen's University employees and registered (non-lawyer) patent agents discussing prosecution of patents at issue in suit.
  - Federal Circuit recognized privilege **only** as to those activities that 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.
- *Rule on Attorney-Client Privilege for Trials Before the Patent Trial and Appeal Board*, 82 Fed. Reg. 51570 (Nov. 7, 2017)

OED Hotline

Contact OED with your questions!

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Email: OED@uspto.gov

Mailing Address:
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U.S. Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

Decisions imposing public discipline available in “FOIA Reading Room”

- foiadocuments.uspto.gov/oed/

Resources

- Pro Bono Patent Program: https://www.uspto.gov/patents/basics/using-legal-services/pro-bono/patent-pro-bono-program
- Law School Clinic Certification Program: https://www.uspto.gov/sites/default/files/documents/Law_school_clinic_map_11-2-23.pdf
- OED Speaking Engagements: https://www.uspto.gov/about-us/organizational-offices/office-general-counsel/office-enrollment-and-discipline/speaking

Thank you!

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