

December 17, 2012

Mail Stop OED-Ethics Rules,  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Attn: William R. Covey, Deputy General Counsel for Enrollment and Discipline and Director of the Office of Enrollment and Discipline

Via email: (*ethicsrules.comments@uspto.gov*)

**Re: Comments on Notice of Proposed Rulemaking—“Changes to Representation of Others Before the United States Patent and Trademark Office,” 77 Fed. Reg. 64190 (October 18, 2012)**

The Minnesota Intellectual Property Law Association (MIPLA) is grateful for the opportunity to provide input with respect to the Notice of Proposed Rulemaking (NPR) entitled “Changes to Representation of Others before the United States Patent and Trademark Office.”

MIPLA is an independent organization of nearly 500 members in and around the Minnesota area representing all aspects of private and corporate intellectual property practice, as well as the academic community. MIPLA represents a wide and diverse spectrum of individuals, companies and institutions involved directly or indirectly in the practice of patent law before the United States Patent and Trademark Office.

The comments submitted herewith reflect the general views of the Board of MIPLA after consultation and input from the IP Law and Patent Practice Committees and do not necessarily reflect the view or opinions of any individual members or firms of the committees of MIPLA or any of their clients.

### **1. Overall Comments/Suggestions.**

MIPLA agrees with the intended purpose of the proposed rules of bringing the USPTO rules of professional conduct into closer conformity with the rules adopted by the American Bar Association (ABA). Further, MIPLA agrees with the goal of providing attorneys with consistent and professional conduct standards as well as large bodies of both case law and opinions written by discipline authorities that have adopted the ABA rules. MIPLA cautions however that the large body of case law related to the ABA rules of professional conduct has all been created by State Courts and may vary substantially from state to state. In certain cases, the case law may include decisions which are contradictory to one another. MIPLA agrees that a body of precedent specific to practice before the USPTO will develop over time and that practitioners may refer to various other sources for guidance in the meantime, however, it needs to be understood that time will be required for a body of case law to develop, and until that time practitioners may have to deal with the problem of contradictory state court decisions and state agency opinions.

## **2. Clarify Proposed Rule 11.106 By Adding Citation to USPTO Rule 1.56.**

As compared to the model rules of professional conduct, Proposed Rule 11.106, which relates to maintaining the confidentiality of information, states that a practitioner shall not reveal information relating to the representation of a client unless “the disclosure is permitted by paragraph (b) of this section or the disclosure is required by paragraph (c) of this section.” Proposed Paragraphs (b)(2) and (b)(3) provide that a practitioner *may* reveal confidential client information to prevent “inequitable conduct before the Office.” Proposed Paragraph (c) provides that a practitioner “*shall* disclose to the Office information necessary to comply with the applicable duty of disclosure provisions.” These amendments are added to the ABA model rules of professional conduct; neither currently exists in the ABA version of the rules.

MIPLA notes that the may/shall relationship between preventing inequitable conduct and complying with the applicable duty of disclosure seems to indicate that inequitable conduct would be considered by the Office of Enrollment and Discipline to be broader than the duty of disclosure. Regarding Proposed Paragraphs (b)(2) and (b)(3), MIPLA suggests adding a reference to 37 C.F.R. § 1.56 (Rule 56) in an effort to clarify and define inequitable conduct. With regard to Proposed Paragraph (c), MIPLA suggests adding language to clarify what specific duty or duties of disclosure are being referred to (e.g., IDS submissions). If the requirement refers to the duty of disclosure within Rule 56 generally, the final Paragraph (c) should clearly state this.

For example, a situation could arise where, without a practitioner’s knowledge, a client signs a falsified affidavit attesting to, for example, results of experimental use, earlier reduction to practice or inventorship. The practitioner may later become aware of this act. In such a situation the attorney would have no duty of disclosure, yet the practitioner’s continuing prosecution of the application with knowledge of the false affidavit would not fulfill the practitioner’s “duty of candor and good faith in dealing with the Office,” per Rule 56. Adding clarifying language to Proposed Paragraphs (b)(2) and (b)(3) may serve to establish clear guidance to practitioners as to when confidential client information *may* be revealed.

Further, under the ABA Rules, lawyers occasionally find themselves in a position where they are required to withdraw from representation under ABA Rule 1.16(a)(1), and to correct a false statement of material fact under ABA Rule 3.3(a)(1), but may not reveal confidential client information under ABA Rule 1.6(b)(2) or (b)(3) because the false statement does not itself constitute a crime or fraud. This is most common where a lawyer later learns that they have advocated for a client based on falsified information. This misalignment of the Rules has led to the practice of “noisy withdrawal,” where the lawyer withdraws in a manner that removes their endorsement from previous advocacy without disclosing confidential client information. Because Rule 56 includes “the duty to disclose information ... with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned,” inclusion of a reference to Rule 56 in Proposed Paragraphs (b)(2) and (b)(3) would align Proposed Rules 11.116, 11.106 and 1.303, thereby permitting full disclosure to the Office in the event of such a withdrawal.

Accordingly, MIPLA believes that by amending Proposed Rules 11.106(b)(2) and (b)(3) to recite “or other action that fails to comply with § 1.56” in place of the proposed language “or inequitable conduct before the office,” and amending Proposed Rule 11.106(c) to recite “a practitioner shall disclose to the Office all information known to be material to patentability in accordance with §1.56 in the manner prescribed by §§ 1.97(b)-(d) and 1.98,” in place of the proposed language “a practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions,” would significantly clarify the Proposed Rule.

Finally, MIPLA notes that, in light of *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc), the USPTO has proposed amendments to Rule 56 (*see* 76 Fed. Reg. 43631), but no amendment to the rule has yet been made final. MIPLA respectfully suggests that for consistency and clarity, the final amendment to Rule 56 be incorporated into the proposed amendments to the ethics rules, thus providing practitioners with a clearer understanding of which duty of disclosure provisions are applicable.

### **3. Address Whether Proposed Rule 11.106 Qualifies as "Other Law" When in Conflict With State Professional Responsibility Requirements.**

MIPLA is concerned that the added language of rule 11.106 paragraphs (b)(2) and (c), could be used to create a situation where a practitioner would be in violation of their state equivalent of ABA Rule 1.6 if they comply with proposed Patent Office Rule 11.106. As previously stated, Proposed Paragraph (b)(2) provides that a practitioner *may* reveal confidential client information to prevent “inequitable conduct before the Office,” while Proposed Paragraph (c) provides that a practitioner “*shall* disclose to the Office information necessary to comply with the applicable duty of disclosure.” ABA Rule 1.6, and at least the Minnesota equivalent rule, contains no such exceptions to the prohibition on revealing confidential client information.

The amendments of Proposed Rule 11.106 are generally consistent with ABA Rule 1.6, in that a lawyer *may* reveal information relating to the representation of a client if the lawyer reasonable believes it necessary “to comply with other law or a court order.” ABA Rule 1.6(b)(6); Minn. Rule 1.6(b)(9). Additionally, under Minn. Rule 1.6(b)(1), a lawyer may reveal confidential client information if “the client gives informed consent.” Nevertheless, it raises the question as to whether Proposed Rule 11.106 would qualify as “other law” that supersedes a state’s adoption of ABA Rule 1.6.

For example, pertaining to the exception allowing compliance with other law, the comments to Minn. Rule 1.6 state that “[w]hether such a law supersedes Rule 1.6 is a question well beyond the scope of these rules.” Minn. Rule 1.6 cmt. 10. Furthermore, MIPLA notes that the comments to Minn. Rule 1.6 continue on to state that “[w]hen disclosure of information relating to the representation appears to be required by other law, the lawyer must discuss the matter with the client to the extent required by Rule 1.4.” *Id.* “Absent informed consent of the client to do otherwise, a lawyer should assert on behalf of the client all nonfrivolous claims that the order is not authorized by other law and that the information sought is protected against disclosure by the attorney-client privilege or other applicable law.” Minn. Rule 1.6 cmt. 11. The Minnesota rules comments also indicate that in the advance of an adverse ruling, the lawyer must consult with the client about the possibility of an appeal. *Id.*

Nevertheless, certain parts of the Minnesota Rules of Professional Conduct imply that under some circumstances the duty to a tribunal (i.e., the USPTO) overrides the duty to keep client confidences. For example, Minn. Rule 3.3(d) states that “in an *ex parte* proceeding, a lawyer shall inform the tribunal of all material facts known to the lawyer that will enable the tribunal to make an informed decision, whether or not the facts are adverse.” The comments to this rule state that “if withdrawal from the representation is not permitted ... the advocate must make such disclosure to the tribunal ... even if doing so requires the lawyer to reveal information that otherwise would be protected by Rule 1.6.” Minn. Rule 3.3 cmt. 10. Minn. Rule 3.4(c) further states that “A lawyer shall not ... knowingly disobey an obligation under the rules of a tribunal except for an open refusal based on an assertion that no valid obligation exists.”

Accordingly, MIPLA believes that there is support for the USPTO to assert that Proposed Rule 1.6 qualify as “other law,” and thereby provide a valid exception the obligations to keep confidences under a state’s adoption of ABA Rule 1.6. Explicitly stating that Proposed Rule 1.6 qualifies as “other law” would help clarify matters to practitioners in the event of a conflict.

#### **4. Clarify and Explain the Apparent Redundancy in Proposed Rule 11.303(e).**

Proposed Rule 11.303 generally parallels the model rules of professional conduct in paragraph (d), which indicates that in an *ex parte* proceeding, a practitioner shall inform the tribunal of all material facts known to the practitioner that will enable to the tribunal to make an informed decision, whether or not the facts are adverse. *See* ABA Rule 3.3(d). However, Proposed Rule 11.303 adds paragraph (e): “[i]n a proceeding before the Office, the Practitioner shall disclose to the Office information necessary to comply with the applicable duty of disclosure provisions.” USPTO Proposed Rule 11.303(e). Here again, MIPLA asks the Patent Office to clarify that the applicable duty of disclosure provisions are contained in Rule 56. In particular, MIPLA believes that the language of Proposed Rule 11.303(e) should be consistent with the above suggested changes to Proposed Rule 1.106(c).

Secondly, MIPLA requests that the USPTO explain why Paragraph (e) is not redundant as compared to Paragraph (d). In other words, are Paragraph (d) and Paragraph (e) intended to apply two different standards to practitioners, or are the standards intended to be consistent? MIPLA also questions whether paragraph (d) may, in fact, be in conflict with the decision in *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc).

#### **5. Eliminate Conflict Between Rule 11.107 and Rules 11.106 & 11.303.**

Although Proposed Rule 11.107 is unchanged from the ABA version of the rule, MIPLA notes that a potential conflict is raised by the amendments to Proposed Rules 11.106(c) and 11.303(e). Specifically, the requirement that a practitioner shall disclose confidential client information to the Office necessary to comply with the duty of disclosure provisions, presents the possibility that a practitioner representing two clients seeking patents in a similar subject matter could be required to reveal confidential information of one client during the prosecution of the other client’s application.

Although most, if not all, practitioners have systems in place to prevent representation of clients with subject matter conflicts, in reality subject matter conflicts do still arise from time to time. Given the amendments to Proposed Rules 11.106(c) and 11.303(e), withdrawal from one or both clients upon discovery of such a subject matter conflict would not relieve the practitioner of the requirement to disclose the confidential information. Moreover, withdrawal may not always be permissible. In particular, per MPEP 402.06, if there is an outstanding office action, a request for withdrawal must be submitted in time to be approved by the Director at least thirty days prior to the latest deadline.

Further, the matter is not settled as to whether the duty of candor trumps a practitioner's duty to maintain client confidentiality. MIPLA notes Judge Neumann's comments in her concurring opinion in *Molins PLC v. Textron Inc.*, 48 F.3d 1172 (Fed. Cir. 1995):

[The duty of disclosure] does not reach the confidential patent application that an entirely unrelated client happened to entrust to the same lawyer.... privilege is the client's, not the lawyer's. The PTO rules can not be interpreted to require otherwise.... Indeed, such behavior is contrary to the PTO code of professional responsibility.

Judge Neumann goes on to cite 37 C.F.R. § 10.56, which states that “[a] practitioner should preserve the confidences and secrets of a client.”

MIPLA believes that this uncertainty could be substantially alleviated by amending Proposed Rule 11.106(c) to recite “a practitioner shall disclose to the Office all information known to be material to patentability ... for the client being represented in the proceeding,” and Proposed Rules 11.303(e) to recite “in a proceeding before the Office, a Practitioner shall disclose to the Office all information known to be material to patentability ... for the client being represented in the proceeding.”

#### **6. Clarify and Explain Proposed Rule 11.801(d).**

Proposed Rule 11.801 generally parallels ABA Rules 8.1, so far as paragraphs (a), (b), and (c) are concerned. However, the Patent Office added paragraph (d) in Proposed Rule 11.801, which states that a practitioner shall not “[f]ail to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it.” MIPLA respectfully request that the Patent Office provide further explanation as to what activities paragraph (d) is intended to cover and prohibit that are not already prohibited by paragraphs (a), (b), and (c). Here, MIPLA requests clarification as to whether two standards are intended, one in paragraphs (a), (b), and (c) and another in paragraph (d), or if a single consistent standard is intended. Practitioners deserve to have a clear indication of what activities are prohibited by paragraph (d) as compared to paragraphs (a), (b), and (c). If a single consistent standard is intended, MIPLA suggests deleting the paragraph (d), as it would be unnecessarily duplicative.

Submitted on behalf of MIPLA

/Brad Pedersen/