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P.O. Box 1450
Alexandria, Virginia 22313-1450

Via Email Only

Re: Proposed Rules of Professional Conduct

Dear Mr. Covey:

The following comments are submitted with respect to the proposed rules published for comment in the Federal Register at 77 FR 64189 (October 18, 2012). Briefly, in addition to the distinctions between the proposed rules and the ABA Model Rules, not all states have adopted the ABA Model Rules in all respects. Focusing on my home state in particular, the following are considered to be significant differences between the Rules of Professional Conduct in the State of Indiana ("IRPC") and the proposed rules for the USPTO:

1. Confidentiality of Information:

IRPC Rule 1.6 (and the ABA Model Rule) does not make the same allowance as proposed rule in §11.106(b)(2) and (3) for revealing information to prevent "inequitable conduct before the Office." Further, there is no exemption under IRPC 1.6 for the disclosure which would be required under §11.106(c). Thus, revealing such confidential information, while permitted under the Office's rule, would appear to violate IRPC.

Also, since §11.106(b)(2) and (3) still impose the requirement that the inequitable conduct "is reasonably certain to result in substantial injury to the financial interests or property of another," the Office's proposal probably lacks any substantive value in practice. It is very unlikely to be "reasonably certain" that inequitable conduct will result in such injury unless there are both an issued patent and an otherwise successful litigation. How often could a practitioner actually have such fore-knowledge during prosecution of the patent application?

Presumably, the duty of disclosure referred to in §11.106(c) is already "impliedly authorized in order to carry out the representation" by way of 37 CFR §1.56 (which each of the patent inventors receives notice of prior to the prosecution of the patent application, since each must acknowledge that rule in making the affidavit or declaration of inventorship). Thus, §11.106(a) should already

cover the subject matter of §11.106(c). Repetitious recital of a duty in published regulations should be avoided in order to prevent confusion and uncertainty. If it is considered that clarification is needed, that can be more appropriately accomplished via a "Comment" to §11.106(a) explaining that the duty of disclosure is an example of a disclosure which is so "impliedly authorized."

Accordingly, none of the proposed amendments to §11.106 are considered to be necessary or appropriate.

2. Safekeeping Property:

IRPC 1.15(b) provides that "A lawyer may deposit his or her own funds reasonably sufficient to maintain a nominal balance in a client trust account."

In contrast, §11.115(b) provides that "a practitioner may deposit the practitioner's own funds in a client trust account for the sole purpose of paying bank service charges on that account, but only in an amount necessary for that purpose."

Services charges are not the same as the requirement which banks may have for a nominal balance. Thus, the two rules would be in conflict on their face. I suggest that the proposed rule be amended (or interpreted via a Comment) to read:

> A practitioner may deposit the practitioner's own funds in a client trust account for the sole purpose of paying bank service charges or otherwise maintaining a nominal balance on that account, but only in an amount necessary for that purpose.

3. Trust Accounts:

IRPC 1.15(f) sets forth a strict requirement that the lawyer shall maintain and interest-bearing trust account under certain circumstances, called an IOLTA account, wherein the interest earned is provided to the Indiana Bar Foundation. The proposed rules of §11.115(c), permitting the practitioner to only withdraw earned funds, and §11.115(d), requiring a full accounting and prompt delivery of any unused funds in the account, would seem to be in direct conflict with the IOLTA account process since the client would not be getting all of the funds remaining in the account. Moreover, the required records of §11.115(f)(1) are not the type of records required by the IOLTA accounts. Thus, does the "savings" provision of §11.115(f)(4) apply where the nature of the trust accounts are so substantially different?

4. Evaluations by Third Parties:

IRPC 2.3(c) does not permit the exemptions being proposed now under §11.203(c). Under what circumstances would such a disclosure be "required," as opposed to "authorized?" The preceding sections of that rule make no reference or suggestion to a required disclosure. If there is some requirement of such a disclosure that is already "impliedly authorized in order to carry out the representation," then this addition to §11.203(c) is also best omitted and dealt with substantively in a Comment.

5. Candor toward the Tribunal:

What "information" does §11.303(e) contemplate which is not already required under §11.303(a)(2), dealing with applicable law, and §11.303(d), dealing with applicable facts? Redundancy in published regulations leads to ambiguity and confusion, and should be avoided.

6. Professional Independence:

IRPC 5.4 differs from the ABA Model Rule in that it does not permit the sharing of fees recited in ABA Rule 5.4(a)(4) with respect to nonprofit referral organizations. Thus, the permissive sharing in proposed rule §11.504(a)(4) would also appear to violate Indiana law. If the USPTO adopts such a rule, it should be prefaced by limitation of: "If also permitted by the applicable law of the practitioner's jurisdiction," in order to avoid misleading practitioners into thinking the USPTO rule supercedes that state rule (despite the warning of §11.505(a)).

Similarly, IRPC 7.3 differs from the ABA Model Rule in that it does not permit the practitioner to participate in such prepaid legal service plans as are described in ABA Rule 7.4(d). Thus, the proposed rule of §11.704(d) should also include as a warning the preface of "If also permitted by the applicable law of the practitioner's jurisdiction."

7. Disciplinary Matters:

Neither the ABA Model Rules nor IRPC 8.1 imposes the "request" or "cooperation" requirements of §11.801(c) and (d). When is a "request" not a "demand?" Further, what are the limits of "cooperation," given the history of the Office of Enrollment in requesting information which is clearly beyond the scope of its lawful purview? I.e., does refusing to allow examination into non-relevant matters become a lack of cooperation, even if otherwise a lawful exercise (or preservation) of the practitioner's and/or his client's rights? Exactly what scope of new authority are we granting to the Office under the guise of a "cooperation"requirement?

Respectfully submitted,

/Ryan M. Fountain

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