

UNITED STATES  
PATENT AND TRADEMARK OFFICE



# Professional Responsibility and Practice Before the USPTO

William R. Covey

Deputy General Counsel for Enrollment and Discipline and  
Director Office of Enrollment and Discipline  
United States Patent and Trademark Office

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# 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.

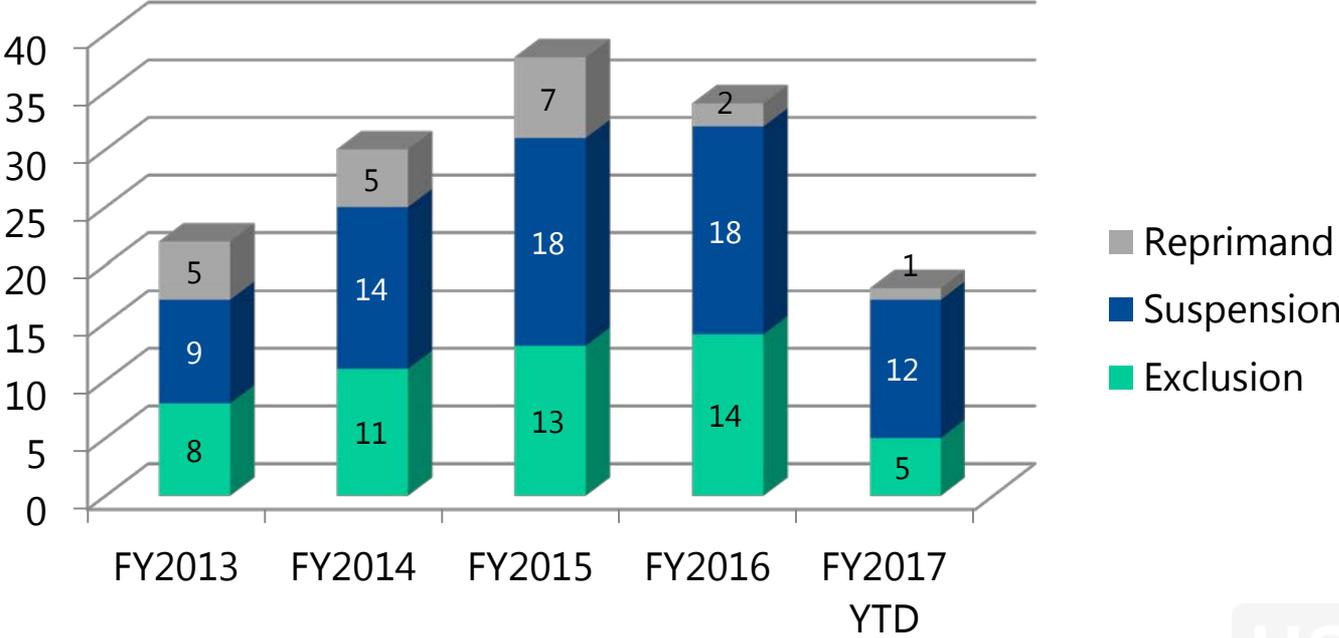
# Law School Clinic Certification Program

- Allows students in a participating law school's clinic program to practice before the USPTO under the strict guidance of a Law School Faculty Clinic Supervisor.
- The OED Director grants participating law students limited recognition to practice before the USPTO.
- Signed into law on December 16, 2014.
- 50 law schools actively participate:
  - 23 trademark only,
  - 8 patent only,
  - 19 both.
- Accepting new applications from law school clinics through December 29, 2017.
- As of January 1, 2017, over 580 patent applications and over 2,216 trademark applications filed through program.

# Office of Enrollment and Discipline

## Discipline at OED

# USPTO Disciplinary Decisions



# OED Discipline: Grievances and Complaints

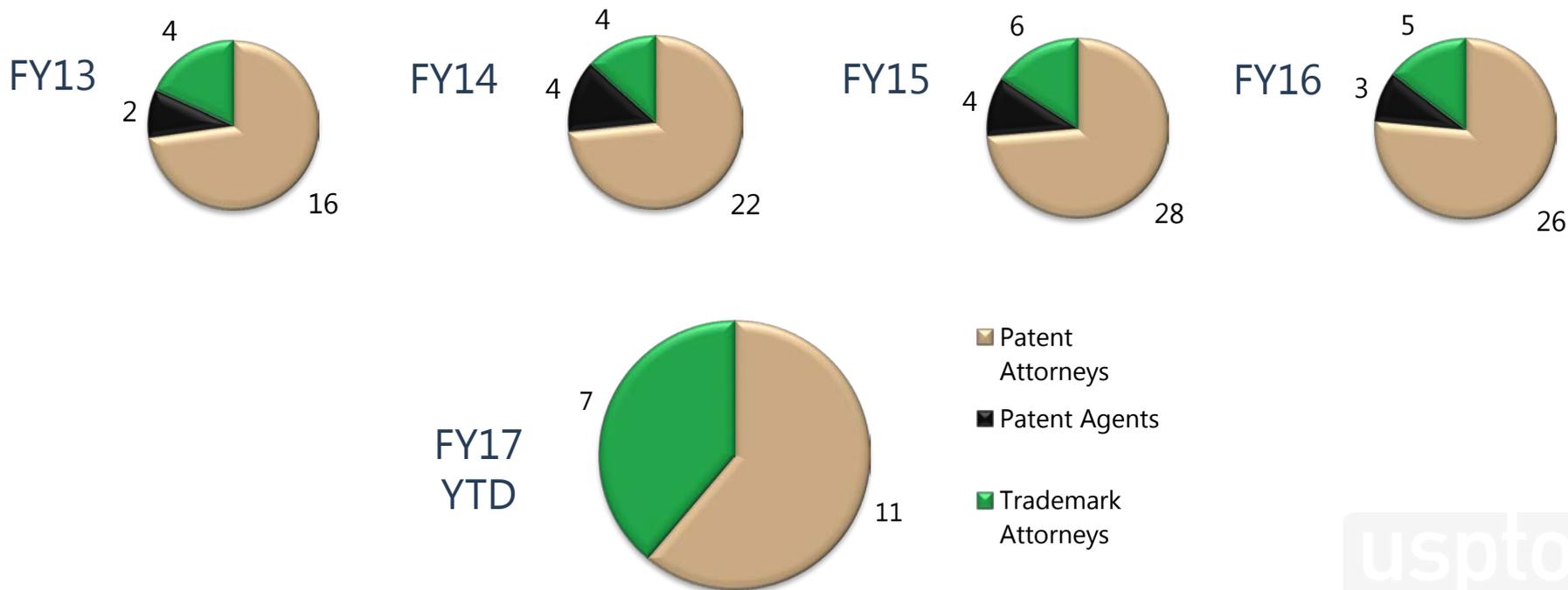
- An investigation of possible grounds for discipline may be initiated by the receipt of a grievance. *See* 37 C.F.R. § 11.22(a).
- Grievance: “a written submission from any source received by the OED Director that presents possible grounds for discipline of a specified practitioner.” 37 C.F.R. § 11.1.
- Common Sources of Information:
  - External to USPTO: Clients, Colleagues, Others.
  - Internally within USPTO: Patent Corps, Trademark Corps, Other.
- Duty to report professional misconduct:
  - 37 C.F.R. § 11.803.

# OED Discipline: Grievances and Complaints

- If investigation reveals that grounds for discipline exist, the matter may be referred to the Committee on Discipline to make a probable cause determination. *See* 37 C.F.R. § 11.32.
- If probable cause is found, OED Director may file a complaint under 37 C.F.R. § 11.34. *See* 37 C.F.R. § 11.32.
- 37 C.F.R. § 11.34(d) specifies that the timing for filing a complaint shall be within one year after the date on which the OED Director receives a grievance.
- 37 C.F.R. § 11.34(d) also states that no complaint may be filed more than 10 years after the date on which the misconduct occurred.

# USPTO Disciplinary Decisions

## Breakdown of Disciplinary Decisions by Practitioner Type



# Other Types of Discipline

- Reciprocal discipline. 37 C.F.R. § 11.24.
  - Based on discipline by a state or federal program or agency.
  - Usually conducted on documentary record only.
- Interim suspension based on conviction of a serious crime. 37 C.F.R. § 11.25.

# Office of Enrollment and Discipline

Proposed Revision of 37 C.F.R. § 1.56

# 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 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

Select Case Law Review

# Conflict of Interest

***Maling v. Finnegan***, 42 N.E. 3d 199 (Mass. 2015).

- Plaintiff engaged law firm to prosecute patents for screwless eyeglass hinge.
- After patents were obtained, plaintiff learned that firm had simultaneously represented another client in the same industry.
- Plaintiff's work was done in firm's Boston office; 2<sup>nd</sup> party's work was done in D.C. office.
- Plaintiff alleges that firm belatedly commenced preparation of one of his applications and that it inexplicably took a long time to do so.
- Plaintiff alleges he would not have made investment in developing his product if firm had disclosed its conflict and work on 2<sup>nd</sup> party's patents.

## ***Maling (cont.)***

- Appellate court stated that subject matter conflicts may present a number of potential legal, ethical, and practical problems, but they do not, standing alone, constitute actionable conflict of interest that violates Mass. Rule of Professional Conduct 1.7 (Conflict of Interest).
- Court did not find that competing for patents in the same space placed clients directly adverse to one another.
  - Analogized with two clients attempting to obtain radio broadcast licenses.
- Court discussed likelihood of interference as a barometer for conflict between two clients in same space.
- No evidence or even allegation that Plaintiff's claims were altered or limited because of simultaneous representation.

# Conflict of Interest

## ***Erfindergemeinschaft Uropep GbR v. Eli Lilly, et al.,***

No. 2:15-CV-1202-WCB, 2016 WL 760909 (E.D. Texas Feb. 26, 2016).

(Federal Circuit Judge Bryson)

- Law firm represents plaintiff in patent litigation commencing in March of 2015
- Firm previously represented co-defendant in a separate patent infringement matter.
  - Hired as counsel in March 2011; case settled in November 2013.
  - Engagement agreement expressly limited representation to the case at issue, and included waiver of future conflicts.
- In May of 2015, firm sent previous client a disengagement letter to formally end attorney-client relationship.

## ***Uropep (cont.)***

- Court ruled that previous client was indeed a former client as original engagement letter was clear about finite nature of representation.
- Current action was found not to be adverse to former client because:
  - The current and former actions are not “substantially related.”
  - Firm had not received significant confidential information from former client.
- No determination on validity of advance waiver since court found there was no need for a waiver.

# Conflict of Interest

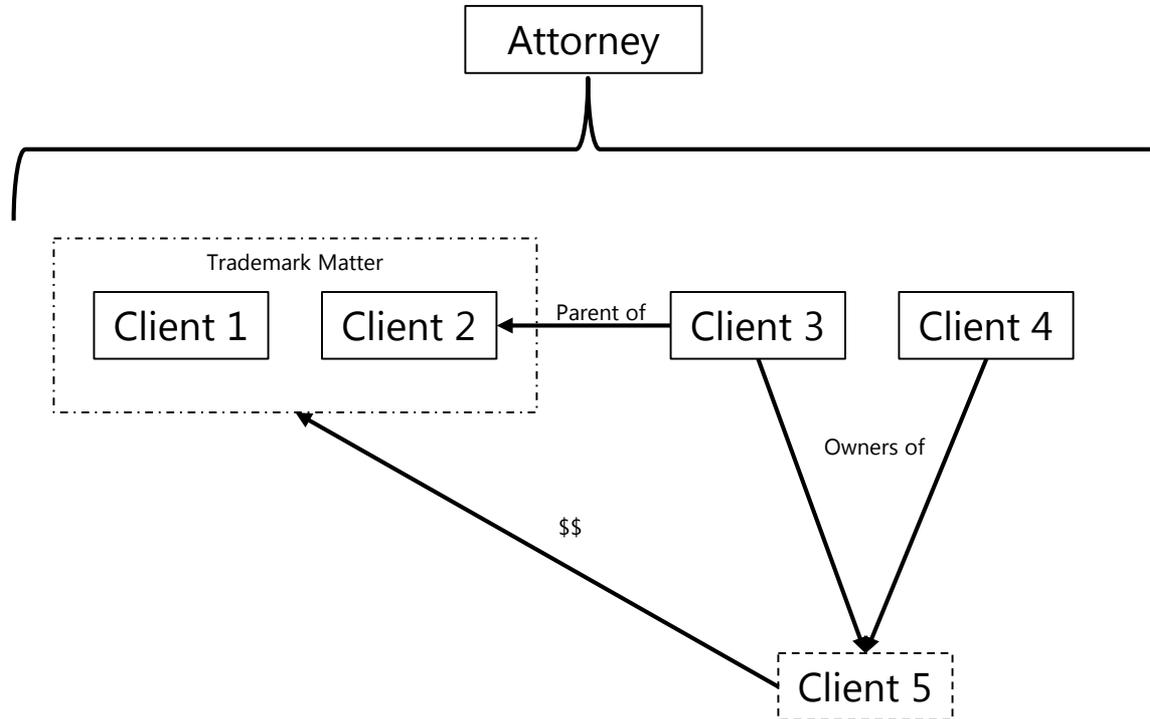
***In re Blackowicz***, Proceeding No. D2015-13 (USPTO May 11, 2015).

***In re Newman***, Proceeding No. D2015-14 (USPTO Nov. 11, 2015).

- Newman (Partner) asks Blackowicz (Associate) to represent Client 1 & Client 2, who co-own TM application.
- Newman and Blackowicz also represent Client 2's father (Client 3), Client 2's uncle (Client 4), and the father's company (Client 5).
- No disclosures to Clients 1 & 2 regarding potential effects of co-representation or in light of representation of Clients 3, 4 & 5.
- Work on Client 1 & 2's application is billed to Client 5.
  - No disclosures are made regarding possible issues with this arrangement.
- Clients 3 and 4 were copied on confidential emails with Clients 1& 2.
- Dispute develops between Client 1 and Client 2.



# Conflicts of Interest



# Conflict of Interest

***In re Blackowicz***, Proceeding No. D2015-13 (USPTO May 11, 2015).

***In re Newman***, Proceeding No. D2015-14 (USPTO Nov. 11, 2015).

- Blackowicz and Newman correspond with Client 2 and Client 3 regarding the TM application and the dispute between Client 1 and Client 2.
  - Discussed abandonment of joint application in favor of new applications for the same mark owned by Client 3's company (Client 6).
- Blackowicz abandoned co-owned application. Did not consult with Client 1.
- Filed new applications on behalf of Client 3's company for same mark.
- Client 1 complained and Blackowicz filed petition to reinstate the co-owned application, even though, if granted, the co-owned application would have been directly adverse to Client 6 applications.

# Conflict of Interest

***In re Blackowicz***, Proceeding No. D2015-13 (USPTO May 11, 2015).

- Settlement.
- 30-day suspension.
- Required to take MPRE & attain score of 85 or better.
- 13-month probation with practice monitor.
- Mandatory conflicts CLE attendance.

***In re Newman***, Proceeding No. D2015-14 (USPTO Nov. 11, 2015).

- Settlement.
- 30-day suspension.
- Required to take MPRE and attain score of 85 or better.
- 18-month probation.
- Mandatory practice management or conflicts CLE attendance.



# 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.
- Conduct violated:
  - 37 C.F.R. 11.107(a)(1) & (2) and (b)(3) & (4).
  - 37 C.F.R. 11.104(a)(1)-(5) and (b).
- Steeement: Public reprimand, CLE attendance, and MPRE passage.



# 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.
- Rules:
  - 37 C.F.R. § 10.66(b): no multiple employment if practitioner's independent professional judgment is or is likely to be adversely affected or if it would be likely to involve representing differing interests.
  - 37 C.F.R. § 11.107(a): no representation if it will be directly adverse to another client or if there is a significant risk that representation will be materially limited by responsibilities to another client.
  - 37 C.F.R. § 11.109(a): no representation of a client in a substantially related matter in which client's interests are materially adverse to the interests of a former client – without informed consent.
- Settlement: Public reprimand.
  - Mitigating factors included clean 50-year disciplinary history.

# Conflict of Interest

***In re Laux***, Proceeding No. D2016-39 (USPTO March 9, 2017)

- D.C. attorney worked for USPTO.
- While a USPTO employee, prepared and filed trademark applications on behalf of a relative and relative's companies, identifying herself as attorney of record in each.
- Received ethics training informing her that this behavior was prohibited.
- Violated USPTO Rules of Professional Conduct.
  - 37 C.F.R. §§ 11.111; 11.116(a); 11.505; 11.804(d).
  - *See also* 18 U.S.C. § § 203 and 205.
- Settlement: 30-day suspension.

# Conflict of Interest

*In re Karasik*, Proceeding No. D2011-58  
(USPTO Feb. 15, 2012).

- Trademark Attorney:
  - Represented clients in connection with a land-development transaction.
  - A dispute arose between the clients and attorney informed them that she could no longer represent them due to the conflict.
  - Afterwards, attorney reviewed documents relating to the same matter for one of the clients.
  - Attorney also later participated in a modification of the land deal for the same client.
  - Supreme Court of California found that attorney accepted employment adverse to a former client without informed consent.
- Settlement: Public reprimand and 3 years probation.

# Conflict of Interest

*In re Lane*, Proceeding No. D2011-64 (USPTO Feb. 8, 2012).

- Patent Agent:
  - Represented cardiothoracic surgeon in obtaining patent protection for medical device.
  - Entered into contract with client to assist in development and marketing of invention.
  - During representation of the client, filed a patent application in same technology area naming himself as an inventor, but excluding the client.
  - Did not obtain consent after full disclosure of actual or potential conflicts caused by business relationship or additional patent application.
- Settlement: Public reprimand and 2 years probation.

# Conflict of Interest

***In re Watkins***, Proceeding No. D2006-04  
(USPTO June 18, 2008).

- *State Bar of Arizona v. Watkins*, (Arizona Supreme Ct. No. SB-07-00062-D)
  - Patent Attorney represented TASER company in patent matters.
  - Took stock options as payment for representation.
  - Claimed to have invented new power source for use in stun guns.
  - Filed paperwork with USPTO indicating that TASER employee was sole inventor of new power source.
  - After he cashed out stock options, attorney revealed that he was joint inventor of new power source and demanded payment.
  - Filed application naming himself as co-inventor.
- Settlement: Exclusion.

# Neglect/Candor

## *In re Kroll* (USPTO D2014-14)

- Patent attorney:
  - Attorney routinely offered (and charged \$) to post client inventions for sale on his website.
  - Did not use modern docket management system.
  - Client hired Attorney to prepare and file application.
  - Attorney failed to file the application, but posted the invention for sale on his website.
  - Application file was discovered by chance. Attorney determined it had not yet been filed, and filed it 20 months after posting on the website.
    - Did not inform client about delay in filing.
- Aggravating factors included prior disciplinary history.
- Received two-year suspension.

# Neglect/Misrepresentation

***In re Lahser***, Proceeding No. D2016-27 (USPTO June 10, 2016).

- Patent attorney:
  - Retained by client to file three provisional patent applications, one non-provisional patent application, and a trademark application.
  - Did not report or respond to an Office action, application abandoned.
  - After Petition to Revive, multiple non-compliant amendments filed.
  - Did not report or explain developments in application to client.
  - Overcharged client for filing fees and did not submit fees to Office.
  - Did not report or respond to Office action in continuation application, which went abandoned.
  - Client paid for trademark application that was prepared but not filed.
  - Made restitution to client and cooperated with disciplinary investigation.
- Settlement: 12 months suspension with eligibility to request reinstatement after 9 months.

# 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.
- Suspended from practice before USPTO for 6 months.

# Communication/Cooperation with Disciplinary Investigation

*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

# Dishonesty, Fraud, Deceit or Misrepresentation

- ***In re Throne***, Proceeding No. D2015-19 (USPTO April 22, 2015).
  - Patent attorney:
    - Sentenced to nearly 6 years in prison for swindling about \$5 million from window-covering company Hunter Douglas while employed as one of the companies leading patent attorneys.
    - After learning of the civil complaint filed against Mr. Throne by Hunter Douglas, OED opened an investigation into the allegations of misconduct.
  - In response to OED's inquiry, Mr. Throne voluntarily resigned from practice before the USPTO, and was excluded on consent.

# 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.

# Contacting OED

For Informal Inquiries, Contact OED at  
571-272-4097

THANK YOU

