MILES & STOCKBRIDGE P.C.

Cameron K. Weiffenbach
(703) 610-8632
cweiffenbach@milesstockbridge.com

December 14, 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

Dear Director Covey:

I want to thank the Office for the opportunity to comment on the proposed rules with respect to representation of others before the U.S. Patent and Trademark Office. Upgrading the Rules of Professional Responsibility to model after the ABA Model Rules is a significant step forward and brings the Office professional responsibility rules in line with almost all State professional responsibility rules and significantly reduces conflict of rules issues for practitioners who are attorneys.

While for the most part, the proposed rules are well written and well thought out, as a registered practitioner, as former Director of the Office of Enrollment and Discipline (OED), and as one who has represented a number of practitioners in matters before OED for the last 12 years, I would like to offer the following comments and suggestions for clarification of some of the proposed rules.

The proposed rules, if implemented, must be clear and understandable to those who practice and represent persons before the Office. There are terms in the proposed rules that I believe need to be clearly defined for the simple reason that practitioners need to know their scope.

While I recognize that most of the terms and expressions identified forth below were taken word for word from the ABA Model Rules, the ABA annotated and provided comments on its rules so as to define the scope of the terms and expressions in the rules. The proposed Office rules are not annotated. Nor is there any comment as to how the rules, and the terms identified below and contained therein, will be interpreted by the Office. Therefore, I suggest that the terms be defined, annotated and/or comments be added to the rule package so that the practitioner knows how and the extent to which the rules will be enforced by the Office. The

following are examples of terms and expressions that should be defined, annotated and/or provide comments:

11.102(a) and 11.104(a)(2): "consent".

11.107(a)(1) and 11.303(a)(2): "directly adverse".

11.107(a)(2): "significant risk" and "materially limited".

11.107(b): "concurrent conflict of interest".

11.108(a)(1): "fair and reasonable".

11.109(a), (b) and (b)(1): "matter", "substantially related" and "materially adverse" (see comments below).

11.110(a)(1): "significant risk of materiality".

11.110(b)(1) and 11.118(c): "substantially related", "matter" and "materiality adverse".

11.113(c)(1) and (e): "highest authority" (e.g., in a corporation, is this the Board of Directors, the president or the CEO the highest authority?).

11.114(a): "normal client-practitioner relationship".

11.115(f)(x): "client files" and "trust account transactions" (see comments below).

11.303(d): "material," "material facts" and "duty of disclosure provisions" (see the comments below).

11.701: "materially misleading".

Proposed Rules 11.107(b)(4), 11.108(g), 11.109(a) and (b)(2), 11.112(a), 11.118(d)(1) require "informed consent." The proposed rules further require that informed consent be "confirmed in writing." The ABA Model Rules, from which the aforementioned proposed rules were taken, do not require that informed consent be confirmed in writing. While a prudent practitioner should confirm consent in writing, should a practitioner who can provide adequate evidence of informed consent from a client, but failed to confirm the consent in writing, be disciplined? It would appear from the rules as proposed that a technical failure to

obtain informed consent in writing would be a ground for discipline by the Office, irrespective of sufficient evidence that there was informed consent. I believe the Office in a commentary could indicate that it would be prudent for a practitioner to obtain consent in writing, but not make written consent a mandatory requirement. In this situation, discipline should not be based on a failure to comply with a technical requirement of the rules.

Proposed Rule 11.109: The term "matter" in proposed Rule 11.109(a) should be defined. It is proposed to delete the definition of the term from the definitions in Rule 11.1. I suggest that the definition of the term be retained and that the Office add to the already existing definition, --representation of others before the Office--. Also, practitioners moving between firms should know of the implications of proposed Rule 11.109, as the rule would be interpreted by the Office.

Proposed Rule 11.115(f)(vii): The proposed rule requires that the practitioner maintain "physical or electronic equivalents of all ... pre-numbered canceled checks, and substitute checks provided by a financial institution." If this proposed rule requires that practitioners and law firms maintain an archive of actual or electronic copies of canceled checks, this is unrealistic since it is common practice today for financial institutions not to return canceled checks to their customers. To have practitioners obtain and maintain copies of such checks would place an unnecessary financial burden on practitioners. It is suggested that in the comments regarding the proposed rule, the Office could indicate that should the Office institute an investigation regarding compliance with the rule, the Office may require a practitioner to obtain and provide the Office with copies of canceled or substitute checks. In this regard, it is suggested that the proposed rule 11.115(f)(vii) be changed to read:

> The physical or electronic equivalents of all checkbook registers, bank statements and records of deposit as provided by a financial institution.

Proposed Rule 11.115(f)(x) is not clear. If the Office is requiring practitioners to maintain trust account records in "client files", then it is not clear what constitutes the "client files" or a "trust account transaction." In medium to large firms, the trust accounting is centralized and normally records are not maintained in the client file, but in the firm's accounting system. Billing invoices normally include an indication of amounts in a retainer and amounts of the retainer remaining after fees for services are deducted. However, practice varies as to whether the invoices are retained in the client's file or retained in a separate folder or file. If there are several matters associated with a client, then what constitutes the client's file? For the foregoing reasons, the terms or expressions "client files" and "trust account transactions" need to be clarified.

Proposed Rule 11.118(d)(2)(ii): What must be included in the "written notice"? A practitioner could reasonably comply with the rule by giving the required written notice, but the Office may subsequently find the "written notice" to be inadequate, therefore subjecting the practitioner to discipline. The practitioner needs to be aware via the rule of what exactly the Office considers to be minimum information that must be contained in the notice. According to the ABA comments, the notice includes a "general description of the subject matter about which the lawyer was consulted, and of the screening procedures employed ...." *Annotated Model Rules of Professional Conduct*, Sixth Ed., Center for Professional Responsibility, American Bar Association, p. 262 (2007). For the foregoing reasons, the proposed rule should be amended to specify the minimum requirements for an adequate "written notice."

Proposed Rule 11.303(a)(2): The phrase "if such authority is not otherwise disclosed" is not clear. Disclosed by whom?

Proposed Rule 11.303(a)(3): While I recognize that this section of the rule is taken verbatim from the ABA Model Rules, for clarity, it is suggested that a comma (,) be inserted between "practitioner" and "who" and between "proceeding" and "shall".

Proposed Rule 11.303(d): As proposed, the Office would have authority to determine what is or is not a material fact in a proceeding outside the Office. I do not believe the Office has such authority under 35 U.S.C. § 32. The tribunal itself is the only body that can make such a determination. It is suggested that this proposed rule be limited to an *ex parte* proceeding before the Office, and not to tribunals in general. Also, the term "material facts" is unclear in view of the *Therasense* decision. *Therasense v. Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011)(*en banc*). Are "material facts" limited to the "but for" test? See proposed change to Rule 1.56 published in the Federal Register at 76 FR 140 at 43631 (July 21, 2011). In the Federal Register notice, the Office stated: "While Therasense does not require the Office to harmonize the materiality standard underlying the duty of disclosure and the inequitable conduct doctrine, the Office believes that there are important reasons to do so." I take this to mean that it is Office policy now that the materiality standard for USPTO duty of disclosure and the materiality standard for inequitable conduct are one in the same. However, since the proposed change to Rule 1.56 has not been implemented as of the date of the submission of these comments, the Office should define the meaning of "material facts."

Proposed Rule 11.303(e): The proposed rule is so open ended that it puts duty of disclosure back to the pre-*Therasense* reasonable examiner standard. As noted *supra*, the Office has not redefined the materiality standard in Rule 1.56, but the apparent policy is that the materiality standard is the "but for" test set forth in *Therasense*. The expression "duty of disclosure provisions" needs to be defined. The original rule, 10.23(c)(10), stated that a practitioner

shall not "knowingly" violate or cause to violate the requirements of Rules 1.56 and 1.555. Rule 11.303(e) as proposed eliminates the element of "knowingly." As proposed, a practitioner could be disciplined for failing to disclose material information through negligence or gross negligence. It is clear from the *Therasense* decision that intent is an element, but that negligence or gross negligence do not meet the threshold of intent. Proposed Rule 11.303(d) needs to be revised to comport with the materiality holding in *Therasense* and to include an intent element. The rule as proposed allows the Office (i) to decide what is or what is not material without notice to the practitioner as to what the materiality standard is that is being used to determine materiality and (ii) to discipline practitioners who, through negligence, fail to disclose material information. Discipline should be based on clear and convincing evidence that the practitioner knowingly or intentionally failed to disclose to the Office material information in violation of the duty of disclosure Rules 1.56 and 1.555. Under the Administrative Procedures Act, 5 U.S.C. § 558(c), the practitioner's conduct must be willful in order for the Office to take away the practitioner's license to practice before the Office.

Proposed Rule 11.403: For clarity, the phrase "shall not state or imply that the practitioner is disinterested" should be changed to -- shall not state or imply to such person that the practitioner is disinterested--" While I recognize that the phrase comes directly from the ABA Model Rule 4.3, the proposed USPTO rule does not contain annotations. It is clear from the ABA annotations that the representation is to the person who is not represented by the practitioner. In the absence of an annotation, it is suggested that the proposed rule be revised for clarity.

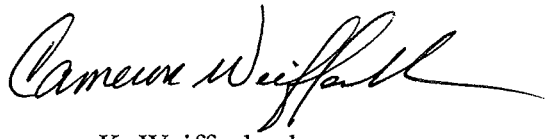
Proposed Rule 11.503(c)(2): It is suggested that "the law firm" be changed to --the practitioner's firm" because a group of patent agents may not be able to form a "law firm" under State law, but can only form a partnership.

Proposed Rule 11.504(b): It is not clear what the phrase "practice of law" means if the practitioner is a patent agent. A patent agent can only practice law to the extent licensed by the Office. It is suggested that the phrase be changed to --practice before the Office--.

Proposed Rule 11.804(h): The proposed rule appears to be a carryover from Rule 10.23(c)(5) and the inclusion in the proposed rule is more than likely based on *Sheinbein v. Dudas*, 465 F.3d 493, 495 (Fed. Cir. 2006). However, I do not see any reason for the proposed rule in view of Rule 11.24. It appears to be redundant. Rule 10.23(c) is a compilation of situations specific to what the Office had experienced in disciplinary matters prior to 1983, and which were not specifically covered by the ABA Model Code. At the time Rule 10.23(c) was implemented, Part 10 did not include any provisions for reciprocal discipline. Rule 10.23(c)(5) was included so that the Office could impose reciprocal discipline. Now, the

Office has separate reciprocal discipline rules outside the code of professional responsibility. The Office has always had the power initiate its own investigation and rendering discipline using the reported other jurisdiction discipline as a grievance. For all of the foregoing reasons, I do not see the necessity of proposed Rule 11.804(h).

The opinions expressed herein are those of the undersigned and do not necessarily reflect the views of the Miles & Stockbridge, P.C. law firm or its clients.



Cameron K. Weiffenbach
1751 Pinnacle Drive, Suite 500
McLean, VA 22102-3833
Direct: 703.610.8632
Cell: 301.580.2538
Fax: 703.903.9000