

Professional Responsibility for Trademark Practitioners



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Authority for OED's Regulation of Conduct

- 35 U.S.C. § 2(b)(2)(D): “*The Office may establish regulations, not inconsistent with law, which....*
 - (D) may govern the ... conduct of agents, attorneys, or other persons representing applicants or other parties before the Office....”
- Practitioners are subject to discipline for not complying with USPTO regulations, regardless of whether their conduct was related to practice before the Office:
 - Attorney reprimanded and placed on 1 year probation after being sanctioned by EDNY for noncompliance with discovery orders. Fed. Cir. affirmed sanction and found his appellate brief to contain “misleading or improper” statements. *In re Hicks* (USPTO D13-11).
 - Patent agent excluded for misappropriation of non-profit organization’s funds. *In re George Reardon* (USPTO D12-19).



The USPTO Rules of Professional Conduct

- Final Rule published on **April 3, 2013**
 - 78 Federal Register 20179.
- Effective: **May 3, 2013.**
- 37 CFR §§ 11.101-901, and other provisions.
- Old rules (37 CFR Part 10) apply to activity prior to effective date.
- Removed Practitioner Maintenance Fee Rules
- Based on 2011 Update to ABA Model Rules



USPTO Rules of Professional Conduct: Crosswalk

ABA Model Rules of Professional Conduct	USPTO Rules of Professional Conduct
political contributions for the purpose of obtaining or being considered for that type of legal engagement or appointment.	
Rule 8.1 Bar Admission And Disciplinary Matters	§ 11.801 Registration, recognition and disciplinary matters.
An applicant for admission to the bar , or a lawyer in connection with a bar admission application or in connection with a disciplinary matter, shall not:	An applicant for registration or recognition to practice before the Office , or a practitioner in connection with an application for registration or recognition , or a practitioner in connection with a disciplinary or reinstatement matter, shall not:
(a) knowingly make a false statement of material fact; or	(a) Knowingly make a false statement of material fact; or
(b) fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, or knowingly fail to respond to a lawful demand for information from an admissions or disciplinary authority.	(b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, fail to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it. or

Modifications

Deletions



USPTO Rules of Professional Conduct: 37 CFR Part 11

- **Section 1:** Client – Practitioner Relationship – §§ 11.101-11.118.
- **Section 2:** Counselor – §§ 11.201, 11.203-204.
- **Section 3:** Advocate – §§ 11.301-11.307, 11.309.
- **Section 4:** Transactions with Persons Other Than Clients – §§ 11.401-11.404.
- **Section 5:** Law Firms and Associations – §§ 11.501-11.507.
- **Section 7:** Information About Legal Services – §§ 11.701-11.705.
- **Section 8:** Maintaining the Integrity of the Profession – §§ 11.801-11.804.
- **Savings Clause** – § 11.901.



USPTO Rules of Professional Conduct: Client-Practitioner Relationship

- New definition of “Fraud or Fraudulent” (§ 11.1).
 - Different from ABA Model Rule Definition.
 - No Definition in Old Disciplinary Rules (Part 10).
- 37 CFR § 11.101: Competence
- 37 CFR § 11.103: Diligence
- 37 CFR § 11.104: Communication



USPTO Rules of Professional Conduct: Client-Practitioner Relationship

- 37 CFR § 11.106 – Confidentiality of information.
- 37 CFR § 11.107 through 11.112 – Conflicts.
- Explicit References to Writings:
 - § 11.105: Scope of representation and fee terms: “preferably in writing.”
 - Required writings throughout, *e.g.*, §§ 11.107, 11.108, 11.109, 11.110, 11.112, 11.117. 11.118.



Statute of Limitations

- The Leahy-Smith America Invents Act (AIA) amended 35 U.S.C. § 32 to require disciplinary proceedings to be commenced not later than the earlier of:
 - 10 years after the misconduct occurred, or
 - One year from when the misconduct was made known to the USPTO, as prescribed in the regulations governing disciplinary proceedings.
- “Grievance” means a written submission, ***regardless of the source***, received by the OED Director that presents possible grounds for discipline of a specified practitioner. 37 CFR §11.1.



USPTO Rules of Professional Conduct: Recordkeeping

- § 11.115 – Safekeeping property.
- Follows ABA Model Rules for Client Trust Account Records.
- *“Where the practitioner’s office is situated in a foreign country, funds shall be kept in a separate account maintained in that foreign country or elsewhere with the consent of the client or third person.”*
- Provides “Safe Harbor” provision which enables many practitioners to follow their local state rules.



USPTO Rules of Professional Conduct: Advocate

- § 11.303 Candor Toward Tribunal
 - (a) Prohibitions against false statements/evidence.
 - (b) disclosure of criminal or fraudulent behavior
 - (c) Sections (a) and (b) apply even if information is protected by § 11.106.
 - (d) disclosure of material facts to tribunal in *ex parte* proceedings.
 - (e) Shall disclose information necessary to comply with Duty of Disclosure.



USPTO Rules of Professional Conduct: Law Firms and Associations

- Managerial Supervision of subordinates and non-practitioners.
 - § 11.501 Responsibilities of partners, managers, and supervisory practitioners.
 - § 11.502 Responsibilities of a subordinate practitioner.
 - § 11.503 Responsibilities regarding nonpractitioner.



USPTO Rules of Professional Conduct: Law Firms and Associations

- 37 CFR § 11.505 – Unauthorized Practice of Law
 - “*A practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.*”
- 37 CFR § 11.507 Responsibilities regarding law-related services.



Unauthorized Practice of Law

- Filing and Prosecution of Applications
 - *People v. Corbin*, 82 P.3d 373 (Colo.O.P.D.J. 2003) – Suspended attorney engaged in practice of law by filing and prosecuting trademark applications. **Disbarred.**
- Trademark Opinion/Application
 - *People v. Harris*, 915 N.E.2d 103 (Ill. App. Ct. 2009) – Lapsed attorney rendered a trademark opinion while knowingly lacking the authority to practice law. **Criminal Conviction** (false impersonation of an attorney).



Unauthorized Practice of Law

- Non-Practitioner Assistants/Paralegals
 - *In re Jensen*, D2009-46 (2009) – **Reprimanding** attorney for aiding unauthorized practice of law when he knew and permitted service company employee to sign and file papers in trademark applications.
- Non-Practitioner Form Assistance
 - *Statewide Grievance Committee v. Goldstein*, 1996 WL 753092 (Conn.Super. 1996) – Business that selects and completes forms for *pro se* filings engages in the unauthorized practice of law.



Unauthorized Practice of Law: Supervision

- A supervising attorney must assure that a paralegal does not perform duties that only attorneys are permitted by law to perform.
- A supervising attorney must assure that the trademark paralegal does not accept cases, set fees, give legal advice, or appear in court unless such actions are authorized by local rules.
- A supervising attorney must assure that the trademark paralegal does not establish an attorney/client relationship with the client and should take regular steps to ensure that clients, an Examining Attorney or other persons with whom the trademark paralegal may be working are aware that such a relationship does not exist.
- A supervising attorney must assure that the trademark paralegal refrains from rendering independent legal judgment in the absence of an attorney.



Unauthorized Practice of Law

- An individual who is not authorized to practice before the USPTO in trademark cases is not permitted to:
 - Prepare an application
 - Prepare a response, or other document to be filed in the USPTO
 - Sign amendments
 - Sign responses to Office actions
 - Sign petitions to the Director under 37 C.F.R. § 2.146
 - File requests to change the correspondence address
 - File letters of express abandonment
 - Authorize issuance of examiner's amendments.



Unauthorized Practice of Law

- Tom is a trademark paralegal working for a law firm and has provided services to Company D for several years. Representatives of Company D often call him directly with questions and issues.
- Joanne is a trademark paralegal and works for a trademark prosecution attorney at a large law firm. As part of her daily responsibilities, Joanne handles telephone calls for the attorney relating to trademark matters. One day Joanne receives a telephone call from a Trademark Examining Attorney. The Trademark Examining Attorney proposes a minor amendment that would place a pending trademark application in publishable condition.



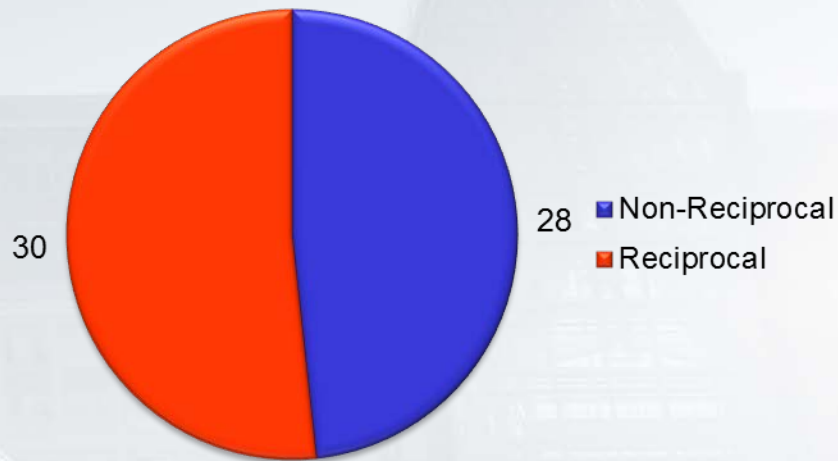
Office Of Enrollment and Discipline

Ethics Enforcement

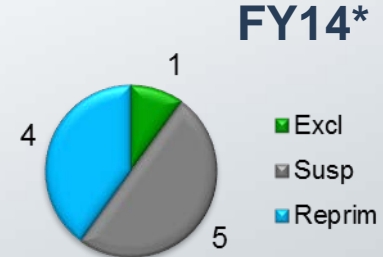
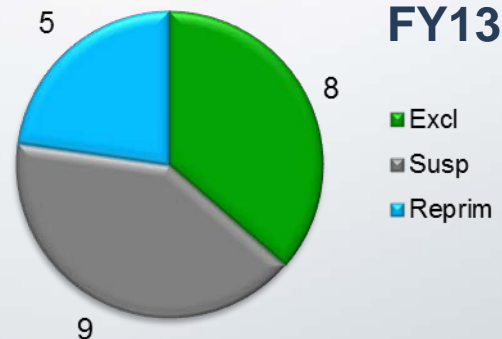
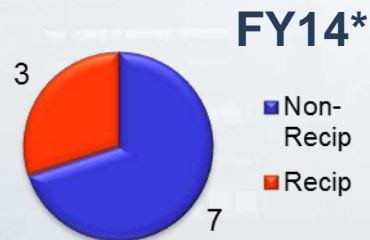
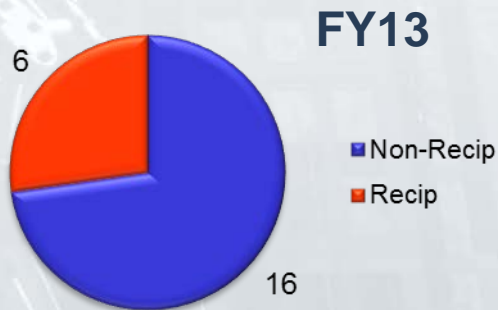
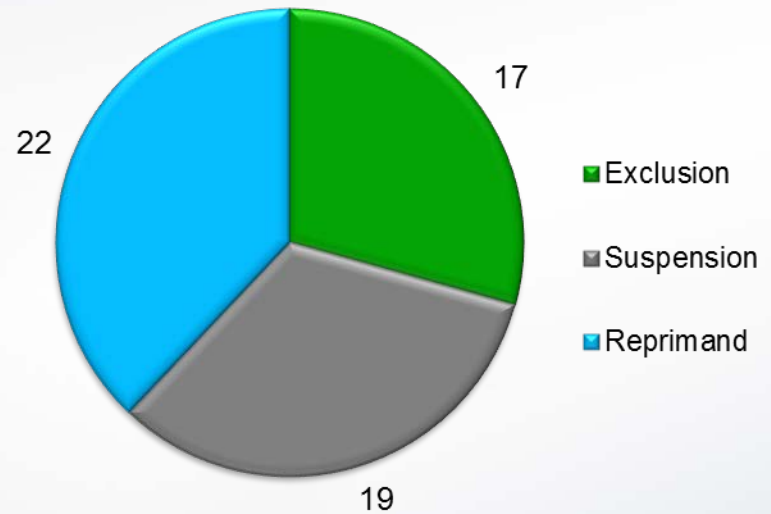


OED Disciplinary Decisions

FY12 Breakdown of Reciprocal vs. Non-Reciprocal Formal Decisions



FY12 Types of Disciplinary Action





Frequent Causes for Grievances

- Neglect:
 - Failure or delay in filing patent application;
 - Failure to reply to Office actions;
 - Failure to communicate with client.
- Dishonesty, Fraud, Deceit or Misrepresentation:
 - Concealing from client date of Office action, abandonment, and/or real reason for abandonment;
 - Misrepresenting to client status of abandoned application as pending.
- Fee-Related Issues:
 - Failure to return client's advanced fees;
 - Improper commingling of client's advanced legal fees with practitioner's funds;
 - Checks returned or EFTs dishonored for insufficient funds.



Examples of Neglect

► Less Severe

- *In re Kubler* (D2012-04)
 - Neglected to communicate with clients
 - Lacked uniform system of client notification and reply
 - **Reprimanded**
- *In re Rayve* (D2011-19)
 - Failed to notify clients of correspondence
 - Allowed applications to become abandoned
 - **Suspended for 2 years**

► More Severe

- *In re Tachner* (D2012-30)
 - Failed to deliver important notices from USPTO
 - Failed to docket due dates
 - Failed to keep current of status incoming transferred files
 - **5 Year Suspension**
- *In re Shippey* (D2011-27)
 - Neglected multiple matters entrusted to her
 - Handled matters without adequate legal preparation
 - Failed to seek lawful objectives of client
 - **Excluded**



Examples of Dishonesty, Fraud, Deceit or Misrepresentation

► Less Severe

- *In re Hicks* (D2013-11)
 - Attorney sanctioned by EDNY for noncompliance with disc. orders
 - Fed. Cir. affirmed and found his appellate brief to contain “misleading or improper” statements
 - Attorney was not registered, filed a few TM applications
 - **Reprimanded; 1 Year Probation**

► More Severe

- *In re Reardon* (D2012-19)
 - As NAPP President, he misappropriated at least \$116,894 of NAPP funds for his personal use
 - Used NAPP credit card for personal use without authorization
 - Submitted false annual financial reports to NAPP to conceal his conduct
 - **Excluded**
- *In re Gaudio* (D2012-12)
 - Non-registered practitioner ran “The Inventors Network,” a corporation not authorized to practice patent law
 - The corp. filed >150 patent without supervision of reg. patent practitioner
 - **Excluded**



Examples of Fee-Related Issues

► Less Severe

- *In re Scott* (D2011-34)
 - Had 5 checks returned for insufficient funds
 - Agreed to new trust account with Florida bar monitoring
 - **Reprimanded**
- *In re Johansen* (D2011-35)
 - Had 2 checks dishonored for insufficient funds
 - Each to revive abandoned applications
 - But both applications not revived
 - **Reprimanded**

► More Severe

- *In re Kang* (D2012-21)
 - 5 insufficient checks
 - Resulted in 4 abandonments
 - **3 Year Suspension**
- *In re Peterson* (D2011-54)
 - Convicted of theft from client's business checking account by using a check debit card to withdraw funds and writing checks on the account without client's knowledge, permission, or consent
 - **Excluded**



Other Conduct that Adversely Reflects on Fitness to Practice (Examples)

► *In re Tassan* (D03-10)

– *Background*

- TTAB issued Final Decision sustaining opposition to Client's trademark application
- Attorney left voicemail messages for 3 different TTAB Administrative Judges.
- Each voicemail message contained expletives and abusive language.

– *Result*

- **Reprimanded**
- Prohibited from communications with TTAB judges for 2 years (outside of hearings)
- Ordered to complete anger management course

► *In re Riley* (D13-04)

– *Background*

- Client paid \$2000 for patent application preparation and filing
- Attorney did nothing but keep money and ignore client (neglect)
- Client obtained small claims court judgment, but attorney ignored that too (fee-issue)

– *Result*

- Attorney ignored USPTO inquiries (default judgment)
- Conduct involved dishonesty, fraud, deceit, or misrepresentation
- Conduct prejudicial to administration of justice
- **Excluded**



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).



Contacting OED

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

THANK YOU

How to Respond to an OED Investigation

By

Cameron Weiffenbach

IPO PTO Day

March 25, 2014



Historical Development 1984 to 1999

- OED established 1984.
- Prior to 1985, no ethics rules and no separation of law and order.
- March 1985, ethics rules based on ABA Model Code implemented.
- OED staff attorney investigates, OED Director prosecutes.
- Limited investigation tools.
- Hearings informal and rarely held.
- Director had no control over sanctions.
- OED not well funded or staffed.

Historical Development 1999 to Present

- Explosion in the Internet (websites, chat rooms and Twitter, Facebook and LinkedIn accounts); PALM data more accessible; introduction of PAIR and file wrapper imaging; electronic filing.
- New Rules proposed in December 2003:
 - Registration and examination (implemented July 2004).
 - Investigation/disciplinary procedures (implemented Sept. 2008).
 - Ethics rules based on the ABA Model Rules (implemented May 2013).
- Senior Level PTO management recognized OED as a tool.
- Director can set sanctions for settlements.
- Prosecutorial staffing and discipline prosecution more formalized.

OED Statistical Data

Year	Complaints Filed	Published Decisions
1995	3	1
1996	3	3
1997	0	0
1998	0	0
1999	14	12
2000	14	14
2001	16	13
2002	17	13
2003	14	7
2004	15	10
2005	10	5

OED Statistical Data

Year	Complaints Filed	Published Decisions
2006	21	18
2007	9	6
2008	27	18
2009	59	50
2010	42	29
2012	66	55
2013	23	15

Disciplinary decisions can be found in the OED FOIA room at <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>.

OED Letter/Response

- Tone of letter is similar to show cause order.
 - Brief who, what, when and why regarding grievance.
 - OED's alleged facts.
 - Disciplinary rules that may have been violated if alleged facts true.
 - Broad sweeping interrogatories and requests for information.
 - Copy of written grievance attached to letter.
- Response like filing an Answer to a Complaint
- What is OED looking for in a response?
 - Facts supported by evidence
 - Admissions
 - Misrepresentations

Disciplinary Process

- OED Director forms opinion at least one ethics rule violated.
- Committee on Discipline finds probable cause.
- Complaint filed with ALJ.
- File Answer to Complaint.
- ALJ sets Scheduling Order.
- ALJ holds hearing – issues initial decision.
- Appeal initial decision to USPTO Director.
- Final Order issued by USPTO Director.

Settlement

- Exclusion by Consent – Resignation
- Negotiate Settlement
 - Proposed Settlement Agreement (PSA)
 - Sanction set by OED Director
 - Negotiate facts and OG Notice
 - Not open to further arguments on merits
 - Settlement made not under duress
- Reciprocal Discipline (Rule 11.24)
- Criminal Convictions (Rule 11.25)

Sanctions

- Exclusion – cannot seek reinstatement for specified number of years.
- Suspension – actual or stayed or combination of both.
- Probation – unclear but can be tacked onto suspension.
- Public Reprimand - continue to practice.
- Private Reprimand – Rule 11.59 provides for private reprimand, but USPTO policy is not to issue private reprimands - if issued, practitioner's name not published in OG notice.
- Warning

Responsibilities After Discipline

- Rule 11.58(b) – Exclusion by consent, Excluded, Suspended (actual)
- Responsibilities under Rule 11.58(b):
 - Withdrawal from all pending matters before USPTO.
 - Notice by certified mail to all State bars as well as to government agencies and courts where admitted to practice of the disciplinary action.
 - Notice by certified mail to all clients having business before USPTO and opposing parties in proceedings pending in USPTO of the disciplinary action.
 - Deliver all clients having business before USPTO files and unearned retainers.
 - Remove all advertising (internet, directory listings, letterhead, etc.) any reference to being authorized to practice before USPTO.
 - File an affidavit to the OED Director within 45 days after the date of the final order certifying compliance with the Final Order. Affidavit must include copies of notices sent along with copies of return receipt cards for certified mail, and evidence of compliance with Rule 11.58(b).

Reinstatement

- Must prove compliance with Rule 11.58(b).
- Period of discipline does not begin until compliance with Rule 11.58(b).
- Reimburse USPTO for costs of disciplinary proceedings or settlement.
- Notice of petition for reinstatement notice published in OG for comment.

Do's and Don't in Responding to OED Letter

- Do not ignore the OED letter.
- Do not include an accolade regarding service to your clients.
- Do not make statements or assert facts in your response that are not supported by evidence.
- Respond to every allegation in grievance, even if OED does not address an allegation.
- Respond to every alleged fact by OED.
- Respond to every interrogatory and/or request for information in OED letter.
- Provide complete picture of facts and circumstances surrounding each allegation in the grievance to avoid further inquiries by OED.
- Best not to represent yourself.