

December 17, 2012

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

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)**

Dear Under Secretary Kappos:

The American Intellectual Property Law Association (“AIPLA”) appreciates the opportunity to present its views with respect to the proposed revisions to the rules of practice for representation of others before the Office published in the October 18, 2012, issue of the *Federal Register*, 77 Fed. Reg. 64190.

AIPLA is a U.S.-based national bar association whose approximately 14,000 members are primarily lawyers in private and corporate practice, in government service, and in the academic community. AIPLA represents a diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, unfair competition, and trade secret law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

AIPLA supports the efforts of the Patent and Trademark Office (the “Office”) to modernize its current Code of Professional Responsibility, as set forth in 37 CFR 10.20 through 10.112, and to harmonize these regulations with the corresponding rules adopted by the bars in the States and the District of Columbia. In particular, 49 States and the District of Columbia have adopted, with various modifications, rules of professional responsibility based on the ABA Model Rules of Professional Conduct (the “ABA Model Rules”). The goal of adopting corresponding rules to bring practice before the Office into closer conformity with the State rules under which attorney practitioners already practice is laudable.

The fact that the States have adopted a variety of modifications of the ABA Model Rules necessarily means that any ABA-Model-Rule-based requirements adopted by the Office will differ correspondingly from those modified State rules. Such a result is unavoidable, but for the most part does not impose additional conflicting obligations on practitioners. However, there are several areas where we are concerned that the proposed rules will raise potentially significant conflicts.

The area of most concern is that of confidentiality, as proposed in rule § 11.106 and related provisions. As recognized in the Comments to ABA Model Rule 1.6, it is a fundamental principle in the client-lawyer relationship that, without informed consent, the lawyer may not reveal information relating to the representation. This principle of client-lawyer confidentiality is given effect by the attorney-client privilege, the work product doctrine, and the rules of professional responsibility. The ABA Model Rules accomplish this by prohibiting disclosure of all information relating to the representation, regardless of source, except as expressly required by its rules or by other law. The purpose of the disclosure limitation is to encourage trust between the client and the practitioner so that the client is encouraged to seek legal advice and communicate fully and frankly with the practitioner. In this way, the client can be represented most effectively and, if necessary, be advised to avoid wrongful conduct. As the Comments further note, clients come to lawyers to determine their legal rights, and in almost all cases clients follow the advice given by their lawyer and the law is upheld.

There is a tension between the obligation of the lawyer to keep all information confidential, and the circumstance where the lawyer may foresee that the client intends serious and perhaps irreparable harm. The rule must, therefore, apply a balancing of the interests between the clients and those who may be harmed by the clients' proposed actions. This line typically is drawn at conduct where the client is planning or engaging in criminal or fraudulent conduct or where the culpability of the lawyer's conduct is involved. Where a lawyer learns that a client intends to do something that is criminal or fraudulent, that knowledge may enable the lawyer to prevent commission of the prospective crime or fraud. But only when the threatened injury is grave should the lawyer's interest in preventing the harm be more compelling than the interest in preserving the obligation of confidence. In such circumstances, the lawyer is put in the unenviable position of having to apply professional discretion, based on the facts of each such circumstance, to decide whether to reveal both privileged and unprivileged information in order to prevent the client's commission of a criminal or fraudulent act.

While the proposed rules may properly require that practitioners not knowingly participate in a client's failure to comply with the duty of disclosure, the inclusion of "inequitable conduct before the Office" in proposed rules §§ 11.106(b)(2) and 11.106(b)(3), and the addition of rule § 11.106(c) (and the corresponding reference to it at the end of proposed rule § 11.106(a)) may require practitioners to make disclosures that would be violations of their obligations under ABA Model Rule 1.6, as well as many, if not all, of the corresponding State rules of professional conduct.

Proposed rule § 11.106(a) states the basic prohibition on disclosure of information relating to the representation of a client. This prohibition governs unless one of the stated exceptions applies.

Those exceptions are (1) the client gives informed consent, (2) the disclosure is impliedly authorized in order to carry out the representation, (3) the disclosure is permitted by paragraph (b) of the section, or (4) the disclosure is required by paragraph (c) of the section. Both the implied authorization of exception (2) and the disclosures allowed by paragraph (b) are permissive, and both would allow the practitioner to disclose information to prevent the client from committing inequitable conduct before the Office. Thus, the practitioner would have the discretion to determine on a case by case basis whether any particular information relating to the representation of the client may be disclosed.

Proposed rule § 11.106(c), however, would require a practitioner in some circumstances to disclose information to the Office that the practitioner would be prohibited from disclosing under the ABA Model Rules and the corresponding State confidentiality rules. An example of such information would be information learned in the course of representing another client, whether or not it rises to the level of attorney-client privileged information, that the State rule prohibits disclosure of without that client's informed consent. It is hard to imagine a case in which obtaining such informed consent would not require the disclosure to that other client of information relating to representation of the first client, and where obtaining the first client's informed consent would not require disclosure of information relating to the representation of the second client.

Many of the earlier versions of this rule permitted disclosures only as necessary to prevent the client from committing a criminal act likely to result in imminent death or substantial bodily harm (or to establish a claim or defense on behalf of the lawyer in an action arising out of the representation). We do not believe the Office should expand the exceptions to practitioners' obligations of confidence beyond those currently provided for by the ABA Model Rules and, preferably, should include a savings provision, such that practitioners should not be required to make any such disclosure if it would violate the confidentiality requirements of their home jurisdictions.

The conflict is well expressed in the majority, concurring and dissenting opinions in *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1185 (Fed. Cir. 1995). Writing for the court, Judge Lourie wrote the following: "Nor do we express any opinion regarding the apparent conflict between an attorney's obligations to the PTO and the attorney's obligation to clients." In her opinion dissenting in part, Judge Nies said "Ethics required [the attorney] to withdraw" (*id.* at 1190). Concurring in the judgment, Judge Newman stated "Indeed [patent attorney Smith's] obligation to preserve the confidentiality of his client Lemelson was absolute. Smith had neither authority nor obligation to breach the confidentiality of that client's pending application on behalf of a different client" (*id.* At 1192).

The current proposal's attempt to resolve the conflict expressed in *Molins* by now requiring the disclosure, rather than permitting the practitioner to withdraw in such circumstances, likely will cause more harm than benefit. Thus, AIPLA proposes that § 11.106(c) be amended as follows: "A practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions, unless such disclosure would violate the practitioner's obligations of confidentiality to another client."

The subsections of rule § 11.106 address confidentiality as it relates to a “practitioner.” As defined in proposed rule § 11.1, a practitioner is someone who can appear in the Office, *i.e.* the USPTO. While AIPLA is not questioning the definition of practitioner or confidentiality for communications involving the practitioner, it also believes that the confidentiality of professionals in other countries also should be protected under these rules (to the extent those communications might become relevant to prosecution or to litigation subject to these rules). The Association therefore believes it appropriate to add an additional paragraph to proposed rule § 11.106 providing that the obligations of confidence set out in rule § 11.106 apply equally to communications subject to USPTO proceedings where a party to those communications is a foreign patent attorney, patent agent, or other individual in a similar professional role involved in the handling of confidential information relating to the representation of a client.

Proposed rule § 11.303(e) is also problematic in this regard, as it appears to require disclosure of otherwise confidential information in proceedings before the Office in which the information is necessary to comply with applicable duty of disclosure provisions. Although practitioners may not knowingly assist or participate in violations of the duty of disclosure provisions of the Office rules, they should not be compelled to disclose client confidences other than as required by a properly framed balancing in accordance with ABA Model Rule 1.6 and the corresponding State rules. Section 11.303(e) should, therefore, be deleted from the proposed rules.

The same considerations apply to proposed rule § 11.307(a)(4) to the extent the practitioner, as a witness, may be asked to disclose information that otherwise would be protected by rule § 11.106. The addition of the phrase “and is not precluded by § 11.106” following “disclosure” at the end of subparagraph (4) would satisfy this concern, assuming rule § 11.106 is revised, as suggested above.

Proposed rule § 11.801(d) also fails to provide an appropriate protection for client confidences. It appears unnecessary in view of proposed rule § 11.801(c), and should also be removed.

Although the proposed acceptance of screening to avoid imputed conflicts of interest in rule § 11.110 is consistent with the current ABA Model Rules, some of the States that have adopted screening protocols do not require the rather extensive written notice provisions of rule § 11.110(a)(2)(ii) and the certification provisions of § 11.110(a)(2)(iii). These provisions are considerably more extensive than those permitted in the case of former judges, arbitrators, and neutrals, as set forth in § 11.112(c)(1) and (2). If screening is to be permitted, the provisions of rule § 11.112(c) should instead be adopted for the imputed conflicts among practitioners as well.

Finally, proposed rules §§ 11.804(h) and 11.804(i) may be overreaching. Section 11.804(h) makes a determination, without more, that it is professional misconduct under the Office rules for a practitioner to be publicly disciplined on ethical or professional misconduct grounds by any other authority. This is especially harsh in view of the proposed revision of rule § 11.24 providing that any such adjudication “shall establish a prima facie case by clear and convincing evidence that the practitioner has engaged in misconduct under § 11.804.” While conduct

occurring solely in another jurisdiction may be a proper basis for discipline if it is professional misconduct under the Office rules, the accused practitioner should not automatically be held to have committed misconduct under these rules, as the rules of professional conduct in the other jurisdiction may differ from the Office rules. Furthermore, discipline should not be imposed by the Office unless the conduct at issue constitutes professional misconduct under the Office rules. Proposed rule § 11.804(i) is vague and appears to be overreaching in its condemnation of unspecified “conduct that adversely reflects on the practitioner’s fitness to practice before the Office.” Neither of these proposed provisions have an analogue in the ABA Model Rules, and both should be removed.

* * * * *

AIPLA appreciates the effort undertaken by the Office to bring its rules of professional conduct into harmony with the ABA Model Rules and the rules as currently apply in the individual States of the United States. It is obvious that the Office has seriously considered the comments of the bar and others on its earlier proposal to revise its rules, and understands the concerns of practitioners across the country.

We appreciate the opportunity to present these comments, and to pledge to continually work with the Office in assuring the professional conduct of practitioners in their representation of others before the Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey I.D. Lewis". The signature is written in a cursive, flowing style.

Jeffrey I.D. Lewis

President

American Intellectual Property Law Association