

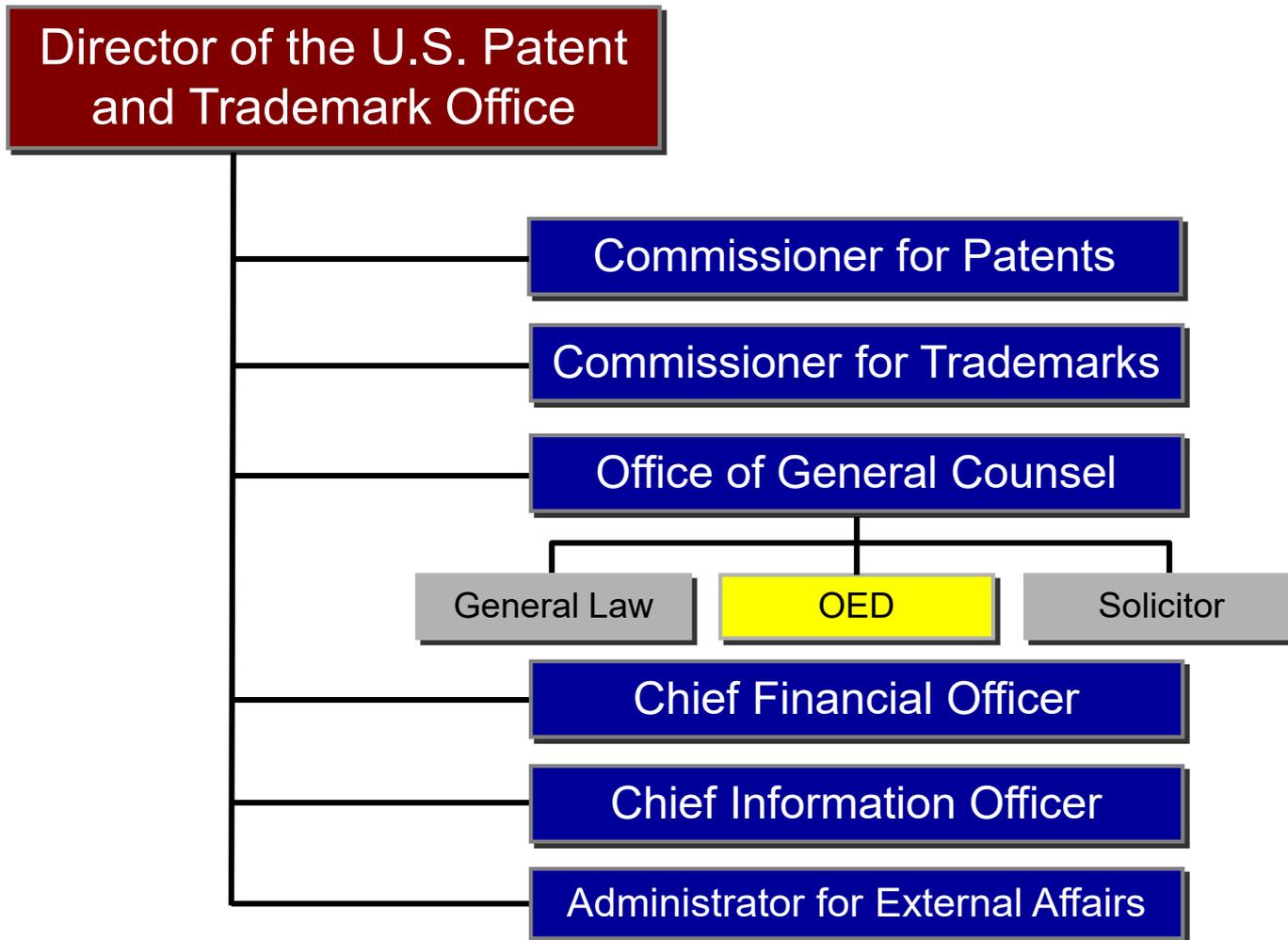
Professional Responsibility for IP Practitioners

Avoiding Grievances and Things to Consider If You Receive One from OED



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Abridged Organizational Chart



Basis for OED's Regulation of Conduct

- ▶ Conduct of patent attorneys and agents is subject to regulation by the USPTO under 35 U.S.C. § 2(b)(2)(D):
 - “The Director 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....”
 - See, e.g., *Lacavera v. Dudas*, 441 F.3d 1380, 1381 (Fed. Cir. 2006), *cert. denied*, 127 S.Ct. 1246 (2007) (“The PTO has statutory authority to regulate attorney practice before it pursuant to 35 U.S.C. § 2(b)(2)(D) (2000) ...”)



Basis for OED's Discipline of Practitioners

- ▶ Patent attorneys and agents are subject to discipline for not complying with USPTO regulations in practice before the USPTO. 35 U.S.C. § 32.
 - “The Director may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Patent and Trademark Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 2(b)(2)(D) of this title....”
 - *See Bender v. Dudas*, 490 F.3d 1361, 1368 (Fed. Cir. 2007) (Section 2(b)(2)(D) and 35 U.S.C. § 32 authorize the USPTO to discipline individuals who engage in misconduct related to “service, advice, and assistance in the prosecution or prospective prosecution of applications.”)



Basis for OED's Discipline of Practitioners

- ▶ Practitioners are subject to discipline for not complying with USPTO regulations, regardless of whether or not their conduct was related to Patent or Trademark prosecution.
 - The Director may exclude “from further practice before the Patent and Trademark Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 2(b)(2)(D) of this title.” See, e.g. *Sheinbein v. Dudas*, 465 F.3d 493, 495 (Fed. Cir. 2006).
 - 35 U.S.C. § 2(b)(2)(D) delegates to the USPTO the authority to establish regulations that “govern the ... conduct of ... attorneys” registered to practice before the Office. *Id.*
 - “Based on the plain language of 37 C.F.R. § 10.23(c)(5), we agree that a practitioner may be found unfit to practice based solely on his disbarment in another jurisdiction.” *Id.* at 496.
 - 37 C.F.R. § 10.23(c)(5) defines misconduct as including “suspension or disbarment from practice as an attorney or agent on ethical grounds by any duly constituted authority of a State or the United States...”

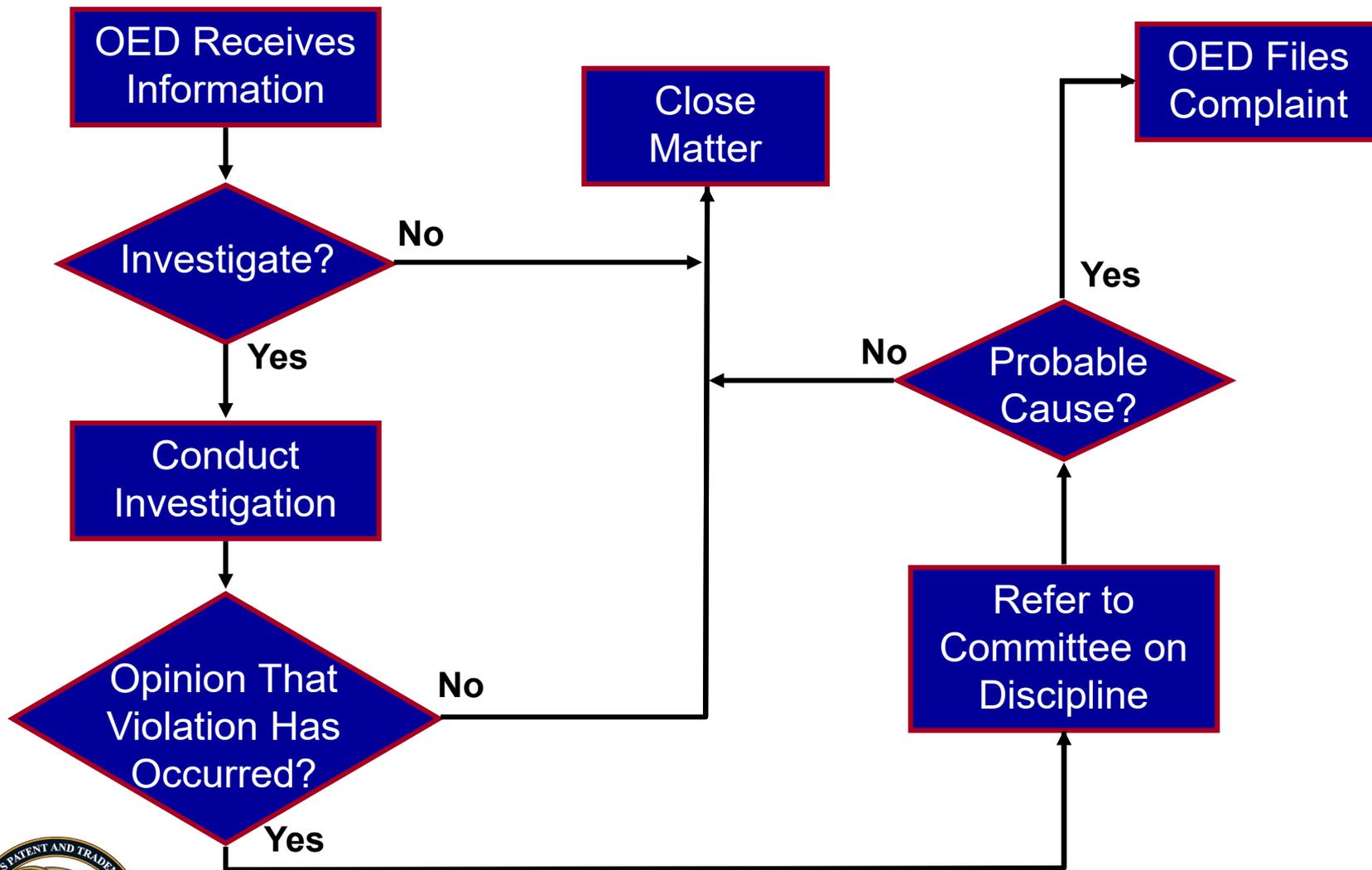


Sources of Grievances Against Practitioners

- ▶ External to USPTO
 - Clients, Colleagues, Others
- ▶ Internally within USPTO
 - Patent Corps, Trademark Corps, Others
- ▶ Other
 - Case law



The Life of a Grievance



Avoiding Grievances

- ▶ Be mindful of the Canons, which generally express the standards of professional conduct expected of practitioners, set forth in 37 C.F.R. § 10.20 *et seq.*
 - Canon 1: A practitioner should assist in maintaining the integrity and competence of the legal profession. 37 C.F.R. § 10.21.
 - Canon 2: A practitioner should assist the legal profession in fulfilling its duty to make legal counsel available. 37 C.F.R. § 10.30.
 - Canon 3: A practitioner should assist in preventing the unauthorized practice of law. 37 C.F.R. § 10.46.
 - Canon 4: A practitioner should preserve the confidences of the client. 37 C.F.R. § 10.56.
 - Canon 5: A practitioner should exercise independent professional judgment on behalf of a client. 37 C.F.R. § 10.61.
 - Canon 6: A practitioner should represent a client competently. 37 C.F.R. § 10.76.
 - Canon 7: A practitioner should represent a client zealously within the bounds of the law. 37 C.F.R. § 10.83.
 - Canon 8: A practitioner should assist in improving the legal system. 37 C.F.R. § 10.100.
 - Canon 9: A practitioner should avoid even the appearance of professional impropriety. 37 C.F.R. § 10.110.



Frequent Causes for Grievances

- ▶ Neglect
- ▶ Dishonesty, Fraud, Deceit or Misrepresentation
 - *i.e.*, Lack of Candor with Clients or USPTO
- ▶ Returned Payments and Commingling of Funds
- ▶ Reciprocal Discipline



Frequent Causes for Grievances

▶ Neglect

- Failure or delay in filing patent application
- Failure to reply to Office actions
- Failure to revive or assist in reviving abandoned applications
- Failure to turn over files to new representative
- Failure to communicate with client
 - Duty to report Office actions
 - Duty to reply to client inquiries



Frequent Causes for Grievances

- ▶ Neglect

- ▶ Dishonesty, Fraud, Deceit or Misrepresentation
 - *i.e.*, Lack of Candor with Clients or USPTO
 - Concealing date of Office action, abandonment, and true reason for abandonment from client
 - Misrepresenting status of abandoned application
 - Making false statements to USPTO in petitions for extension of time
 - Adjudication of inequitable conduct



Frequent Causes for Grievances

- ▶ Neglect

- ▶ Dishonesty, Fraud, Deceit or Misrepresentation
 - *i.e.*, Lack of Candor with Clients or USPTO

- ▶ Returned Payments and Commingling of Funds
 - Checks returned or EFTs dishonored for insufficient funds
 - Repeated failure to reply to notices of missing filing fees
 - Check kiting
 - Failure to return client's advanced fees
 - Improper comingling of clients' advanced fees with practitioner's funds



Frequent Causes for Grievances

- ▶ Neglect

- ▶ Dishonesty, Fraud, Deceit or Misrepresentation
 - *i.e.*, Lack of Candor with Clients or USPTO

- ▶ Returned Payments and Commingling of Funds

- ▶ Reciprocal Discipline
 - State bar ethics violations (37 C.F.R. § 10.23(c)(5))
 - Criminal convictions (37 C.F.R. §§ 10.23(b)(4) & (c)(1))



Reciprocal Discipline

- ▶ Governed by 37 C.F.R. § 11.24
- ▶ Within thirty days of being disbarred, suspended, reprimanded or placed on probation by another jurisdiction, or being disciplinarily disqualified from participating in or appearing before any Federal program or agency, a practitioner shall notify the OED Director in writing of the same.
- ▶ The OED Director shall obtain a certified copy of the record or order regarding the disbarment, suspension, reprimand, probation or disciplinary disqualification and file the same with the USPTO Director.
- ▶ The OED Director shall, without Committee on Discipline authorization, file with the USPTO Director a complaint complying with 37 C.F.R. §11.34 against the practitioner predicated upon the disbarment, suspension, reprimand, probation or disciplinary disqualification.



Reciprocal Discipline (cont'd)

- ▶ The USPTO Director hears the matter based on the evidence of record, unless the USPTO Director determines that an oral hearing is necessary.
- ▶ The USPTO Director considers any timely-filed response and will impose the identical discipline, unless the practitioner clearly and convincingly demonstrates, and the USPTO Director finds that there is a genuine issue of material fact that:
 - (i) The procedure elsewhere was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process;
 - (ii) There was such infirmity of proof establishing the conduct as to give rise to the clear conviction that the Office could not, consistently with its duty, accept as final the conclusion on that subject; or
 - (iii) The imposition of the same discipline by the Office would result in grave injustice.



Things to Consider if You Receive a Grievance from OED

▶ Dealing With Grievances to OED

- *Respond promptly.*
- *When appropriate, provide supporting documents.*
- *Respect client confidences.*
- *Do not bill the client for responding to the grievance.*

▶ Dismissals, Warnings



Recent Disciplinary Actions by OED

- ▶ False Representations
 - Ownership of Application
 - Abandonment of Application(s)
- ▶ Duty of Disclosure – Related Litigation
- ▶ Payments from Invention Development Companies
- ▶ Aiding Unauthorized Practice of Law
- ▶ Returned Payments & Insufficient Funds
- ▶ Improper Commingling of Funds
- ▶ Failure to File Applications
- ▶ Document Fabrication – False Docketing
- ▶ Undisclosed Conflicting Interest in Attorney's Ownership of Search Service, Non-itemized invoices, Unaccounted costs
- ▶ Frivolous Appeals



Decisions Imposing Public Discipline Available In FOIA Reading Room

- ▶ <http://des.uspto.gov/Foia/OEDReadingRoom.jsp>
 - In the field labeled “Decision Type,” select “Discipline” from the drop down menu.
 - To get 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
 - Select a published issue from the list, and click on the “Notices” link in the menu on the left side of the webpage.



Contacting OED

- ▶ OED's Telephone Number
571-272-4097
- ▶ THANK YOU

