

**UNITED STATES
PATENT AND TRADEMARK OFFICE**

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Professional Responsibility and Practice Before the USPTO

Molly Kocialski, Director
Rocky Mountain Regional U.S. Patent and Trademark Office

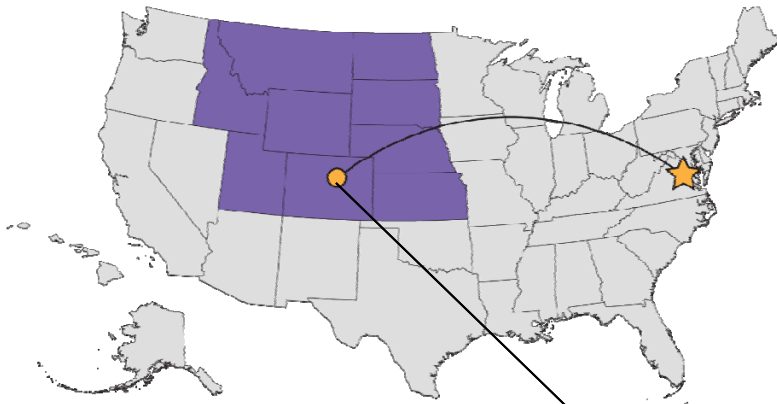
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U.S. Patent and Trademark Office – Rocky Mountain Regional Office

Byron G. Rogers Federal Building – 1961 Stout Street, Denver, CO 80294



Employees:

- 76 Patent Examiners
- 12 Patent Trial and Appeal Board (PTAB) judges
- 18 Management/Staff



- Office Hours: 8:30 am - 5:00 pm
- Services
 - Public Search Facility
 - Available from 9:00am - 4:30 pm
 - Examiner Interview Room
 - Hearing Room
 - Public Meeting Space



Patent Pro Bono Program

- Assists financially under-resourced independent inventors and small businesses.
 - Section 32 of the AIA calls on the USPTO to work with and support IP law associations to establish pro bono programs.
 - Executive Action in February 2014 required the USPTO to expand the programs to all 50 states.
 - 50 state coverage achieved and maintained since August 2015.
 - Promote small business growth and development.
 - Help ensure that no deserving invention lacks patent protection because of a lack of money for IP counsel.
 - Opportunity for patent attorneys to serve in their area of expertise.
 - Inventors and interested attorneys can navigate the USPTO website to find links to their regional program: <http://www.uspto.gov/probonopatents>.
 - ProBonoPat at MiCasa Resource Center serves under-resourced inventors in Colorado, Wyoming, New Mexico, Montana and Utah.
 - Contact: Jennifer Rothschild at 303-539-5643, or e-mail: probopat@micasaresourcecenter.org-
- USPTO Pro Bono Contacts:
- John Kirkpatrick - john.kirkpatrick@uspto.gov, 571-270-3343.
 - Grant Corboy – grant.corboy@uspto.gov, 571-270-3102.



OED Enrollment: 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.
- Pilot program signed into law by President Obama on December 16, 2014.
- Active enrollment period closes June 30, 2017.
- 46 law schools actively participate:
 - 21 trademark only,
 - 7 patent only,
 - 18 both.



Law School Clinic Certification Program





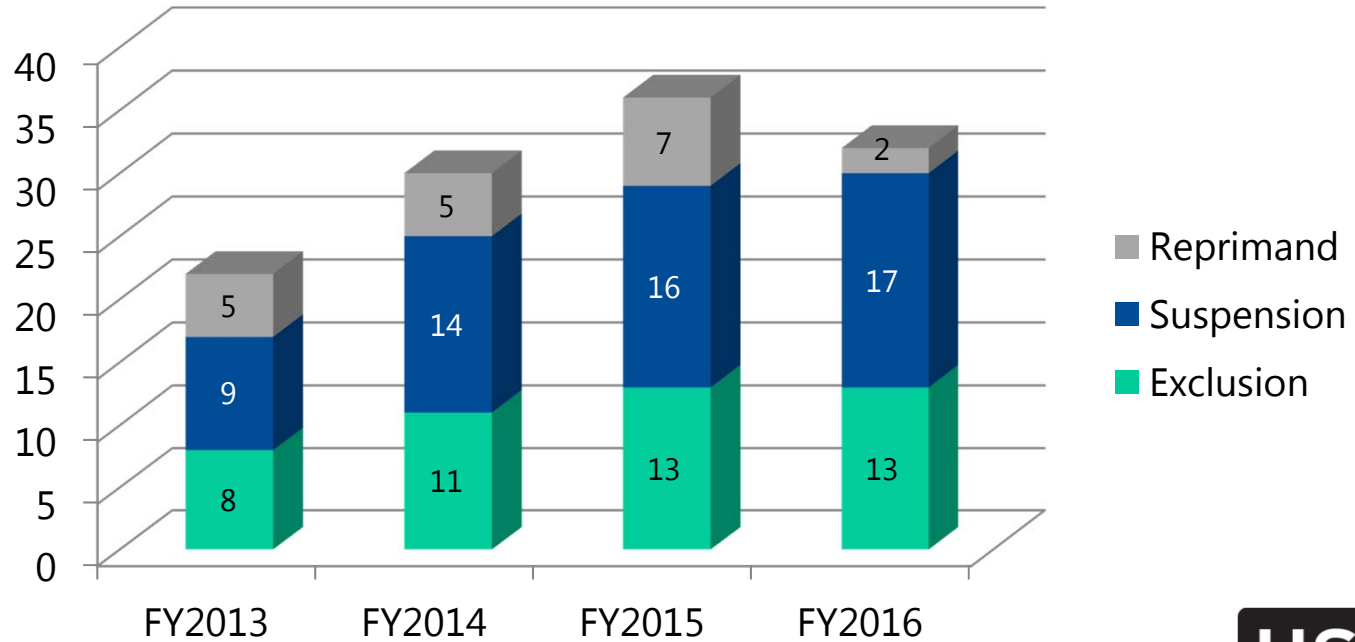
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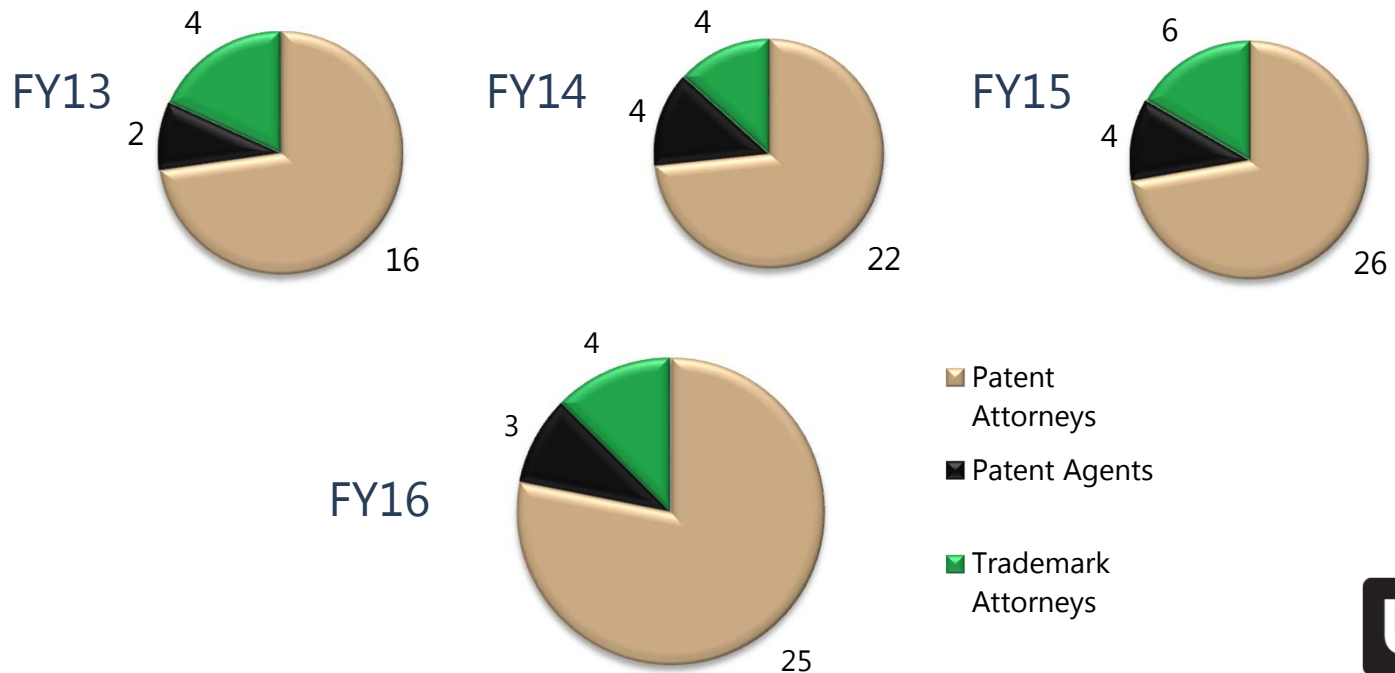


USPTO Disciplinary Decisions



USPTO Disciplinary Decisions

Breakdown of Disciplinary Decisions by Practitioner Type





Office of Enrollment and Discipline

Proposed Update to 37 CFR § 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>.
- Comment period closed December 27, 2016.
- 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

Recent & Relevant Cases



Neglect

- ***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

- ***In re Tachner*** (USPTO D2012-30)
 - Patent attorney; disciplinary complaint alleged:
 - Failed to report Office communications and docket due dates.
 - Apps. became abandoned; patents expired for failure to pay maint. fees.
 - Used handwritten docket book and “white board” for docketing due dates.
 - Staff was undertrained and underequipped.
 - Suspended from practice before USPTO for 5 years.
- ***In re Kubler*** (USPTO D2012-04 and 10-06)
 - Patent attorney:
 - Lacked uniform system of client communication in his office. Caused inconsistent client communications practices and communications delay.
 - Received Public Reprimand:
 - Practitioner also agreed to attend practice-management classes.



Conflict of Interest

- ***Maling v. Finnegan,***
473 Mass. 336 (2015)
 - Plaintiff engaged defendant 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; 2nd 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 2nd party's patents.

Conflict of Interest

- ***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 because of simultaneous representation.

Conflict of Interest

- ***Uropep GbR v. Eli Lilly, et al.***
2016 WL 76090 (E.D. Texas)
 - Law firm represents plaintiff in patent infringement action commencing in March of 2014
 - Firm had previously represented co-defendant in the current case as a defendant in a separate patent infringement matter.
 - Hired as counsel in March 2011; case settled in November 2013.
 - Engagement agreement explicitly limited representation to the case at issue.
 - In May of 2015, Firm sent previous client a letter formalizing end of relationship.
 - 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 sufficient confidential information from former client.



Conflict of Interest

- ***In re Radanovic*** (USPTO D2014-29)
 - Patent attorney:
 - Represented two joint inventors of patent application.
 - No written agreement regarding representation.
 - Attorney became aware of a dispute wherein one inventor alleged that the other did not contribute to allowed claims.
 - Continued to represent both inventors.
 - Expressly abandoned application naming both inventors in favor of continuation naming one.
 - Mitigating factors included clean 50-year disciplinary history.
 - Received public reprimand.



Conflict of Interest

- ***In re Newman*** (USPTO D2015-14)
- ***In re Blackowicz*** (USPTO D2015-13)
 - Newman asks Blackowicz 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 uncle'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.



Conflict of Interest

- ***In re Blackowicz*** (USPTO D2015-13)
- ***In re Newman*** (USPTO D2015-14)
 - 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 (Client 6) 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.

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Conflict of Interest

- ***In re Blackowicz*** (USPTO D2015-13)
 - 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*** (USPTO D2015-14)
 - 30-day suspension.
 - Required to take MPRE and attain score of 85 or better.
 - 18-month probation.
 - Mandatory practice management or conflicts CLE attendance.

Disreputable or Gross Misconduct

- ***In re Schroeder*** (USPTO D2014-08)
 - 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.



Dishonesty, Fraud, Deceit or Misrepresentation

- ***In re Goldstein*** (USPTO D2014-10)
 - Patent attorney; disciplinary complaint alleged:
 - Falsely informed clients he filed patent and TM applications on their behalf and that applications were being examined.
 - Created and sent clients fake filing receipts for patent applications.
 - Created fake cease-and-desist letters allegedly sent to potential infringers.
 - Created phony response to fictitious inquiry from patent examiner.
 - Billed clients for services he did not perform and fees he did not pay.
 - Excluded from practice before the USPTO.



Dishonesty, Fraud, Deceit or Misrepresentation

- ***In re Throne*** (USPTO D2015-19)
 - Patent attorney who was 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.

Unauthorized Practice of Law

- ***In re Pham*** (USPTO D2015-01)
 - Patent Agent (Former Attorney):
 - Represented ex-wife in trademark dispute.
 - Signed emails as “Associate General Counsel”
 - Emails contained legal opinions.
 - Received public reprimand.
- ***In re Campbell*** (USPTO D2014-11)
 - Patent agent:
 - Represented person in Colorado matter involving DUI charges.
 - Attempted to claim he was “attorney in fact” for driver.
 - Sued City of Colorado Springs in civil court on behalf of driver.
 - Appeared on behalf of driver in license revocation hearing.
 - Excluded from practice before the USPTO.



Unauthorized Practice of Law

- ***In re Dao*** (USPTO D2015-23)
 - Attorney:
 - Became administratively suspended in Wisconsin (only state jurisdiction where he was licensed to practice law).
 - Knowingly continued to represent clients in TM matters after administrative suspension.
 - Failed to withdraw from TM cases after administrative suspension.
 - This conduct violated 37 C.F.R. § 11.505 (unauthorized practice of law).
 - For this and other conduct, suspended from practice before the USPTO for 6 months.



Improper *ex parte* Contact

- ***In re Caracappa*** (USPTO D2014-02).
 - Registered patent attorney was counsel of record in *inter partes* review proceeding.
 - Co-counsel sent an email to PTAB email address, naming a specific judge as the addressee.
 - The email explained a mathematical error in a paper filed by the opposing side.
 - Opposing counsel was not copied on the email.
 - Attorney authorized and had full knowledge of the email, including the fact that opposing counsel was not copied.
 - PTAB held that the email was an improper *ex parte* communication.
- Received public reprimand.



Duty to Supervise

- ***In re Druce*** (USPTO D2014-13)
 - Non-lawyer assistant fabricated filings and office communications.
 - Signed patent attorney's signature to filings.
 - Failure to adequately supervise non-lawyer assistant.
- 2-year stayed suspension and 2-year probation upon reinstatement.

Inequitable Conduct

- ***In re Tendler*** (USPTO D2013-17)
 - Patent Attorney:
 - Filed Rule 131 declaration re: actual reduction to practice.
 - Later learned from client that the facts were not accurate.
 - Did not advise office in writing of inaccuracy.
- 4-year suspension for conduct prejudicial to the administration of justice.

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 Select a published issue from the list, and click on the "Notices" link in the menu on the left side of the web page.





Ethics Before the Office: Professional Responsibility at the USPTO

Ethical Hypotheticals

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Duty of Disclosure

- Charles is general counsel for Company D. Charles is also a registered patent practitioner.
- Company D sues 25 parties in federal court for infringement of Patent A.
- One of the 25 parties institutes a reexamination of Patent A during the federal litigation.
- Charles hires Firm Y to handle the litigation and Firm Z to handle the reexam.
- The federal litigation is not stayed during the reexam. Several of the defendants to the litigation file papers in federal court claiming that certain prior art invalidates Patent A.
- Firm Y does not inform Firm Z of these papers and Firm Z does not actively follow the litigation. Charles is a very busy attorney and does not look at the defendant's filings or pass them along to Firm Z.



Ex Parte Examination

- Carl is handling the prosecution of Application X at the USPTO for AlphaCorp.
- OmegaInc is a competitor of AlphaCorp and has recently received a Notice of Allowability in one of their pending applications, Application Y, which has been published.
- Carl notes that the same examiner is examining Application X and Application Y, as they are directed to similar subject matter.
- Carl is conducting an interview with the examiner for Application X and asks the examiner about whether a certain word recently added to the claims of Application Y was responsible for its allowance.



Terminating Representation

- Registered practitioner Trent represents Maria in a U.S. utility application that recently received a Notice of Allowance.
- Trent reported the Notice of Allowance to Maria and requested pre-payment of the issue fee.
- Maria has not yet provided pre-payment of the issue fee to Trent. The payment date for the issue fee is approaching.



Contacting OED

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

THANK YOU



