

# **Practicing Before the USPTO in Today's Market: Conforming Your Conduct to the USPTO's Code of Professional Responsibility**

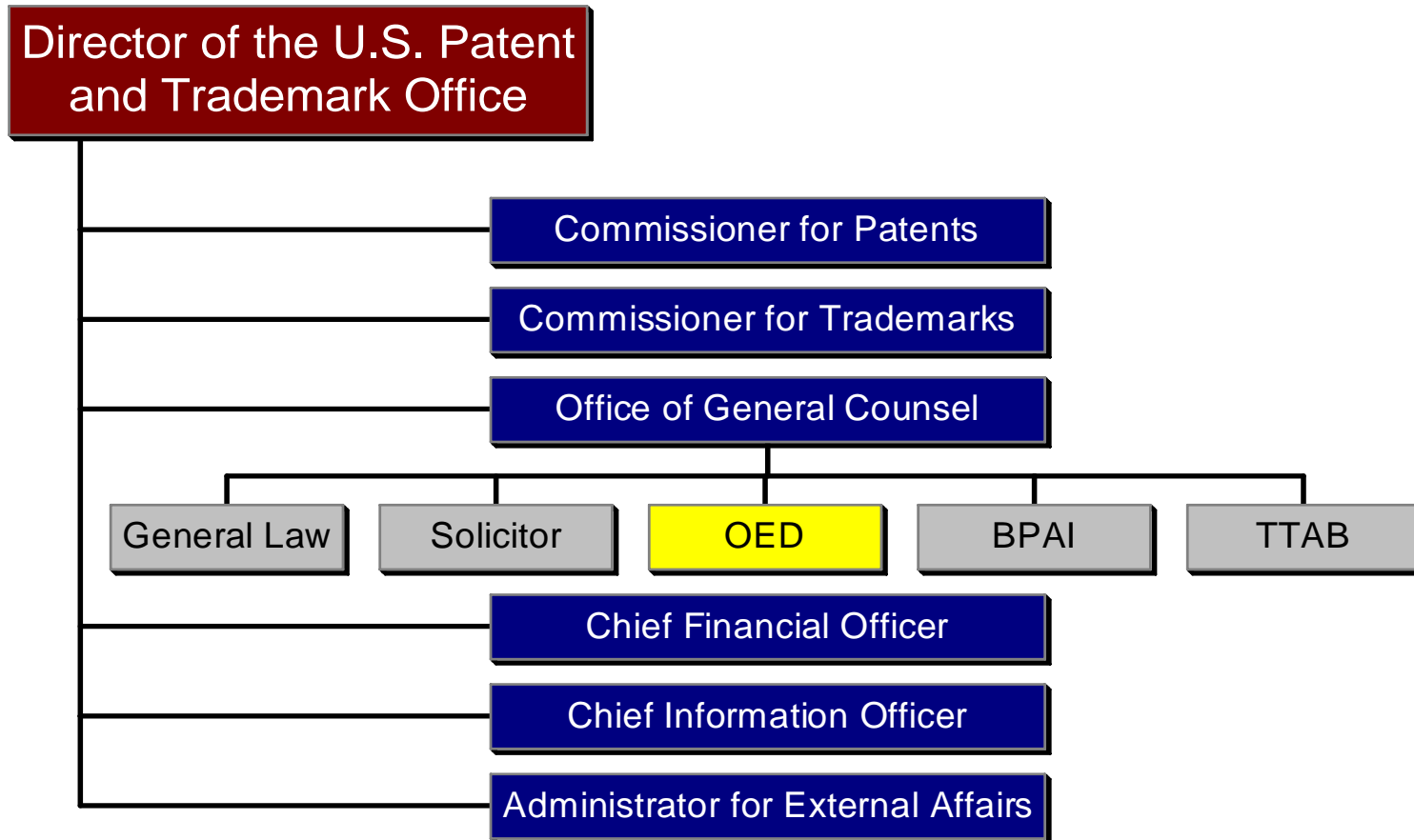


**PTO Day  
December 1, 2008**

**Harry I. Moatz  
Director of Enrollment & Discipline  
United States Patent and Trademark Office**

# 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 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), which provides: [‘]the [PTO] may establish regulations, not inconsistent with law, which ... may govern the recognition and conduct of ... attorneys ... representing applicants or other parties before the Office....[‘].”)



# 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....”

- *Bender v. Dudas, 490 F.3d 1361, 1368 (Fed. Cir. 2007)(Sections 2(b)(2)(D) and 32 authorized 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

---

- ▶ Patent attorneys and agents are subject to discipline for not complying with USPTO regulations in practice before the USPTO concurrently by both the USPTO and State Bars.
  - *Kroll v. Finnerty, 242 F.3d 1359, 1365 (Fed. Cir. 2001)* (“This statute grants the Director broad authority to discipline patent practitioners for incompetence and a wide range of misconduct, much of which falls within the disciplinary authority of the states.”)



# Basis for Discipline for Conduct Outside USPTO

---

- ▶ Practitioners are subject to discipline for not complying with USPTO regulations, regardless of whether their conduct 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.



# OED

## Enrollment

### Registration (37 CFR 11.6 & 11.7)

- Administer Examination
- Review Technical & Scientific Qualifications
- Consider Good Moral Character & Reputation
- Evaluate Qualifications of Former Office Employees
- Reciprocity
- Permanent Residents Eligible for Registration

### Reinstatement of Removed Practitioner (37 CFR 11.11(b))

### Undertakings by Former Examiners (37 CFR 11.10(b))

### Limited Recognition (37 CFR 11.9)

- Resident Aliens
- Special Circumstances

### Maintain Roster (37 CFR 11.5 & 11.11)

- Agents v. Attorneys
- Government Employees
- Address Changes and Surveys

## Discipline

- Investigate Complaints (37 CFR § 11.22)
- Refer Matters to Committee on Discipline (37 CFR § 11.32)
- Reciprocal Discipline (37 CFR § 11.24)
- Interim Suspensions for Serious Crimes (37 C.F.R. § 11.25)
- Settlement Conferences (37 CFR § 11.26)
- Reinstatement of Suspended or Excluded Practitioners (37 CFR § 11.60)



# OED

## Enrollment

- Registration (37 CFR 11.6 & 11.7)
  - Administer Examination
  - Review Technical & Scientific Qualifications
  - Consider Good Moral Character & Reputation
  - Evaluate Qualifications of Former Office Employees
  - Reciprocity
  - Permanent Residents Eligible for Registration
- Reinstatement of Removed Practitioner (37 CFR 11.11(b))
- Undertakings by Former Examiners (37 CFR 11.10(b))
- Limited Recognition (37 CFR 11.9)
  - Resident Aliens
  - Special Circumstances
- Maintain Roster (37 CFR 11.5 & 11.11)
  - Agents v. Attorneys
  - Government Employees
  - Address Changes and Surveys

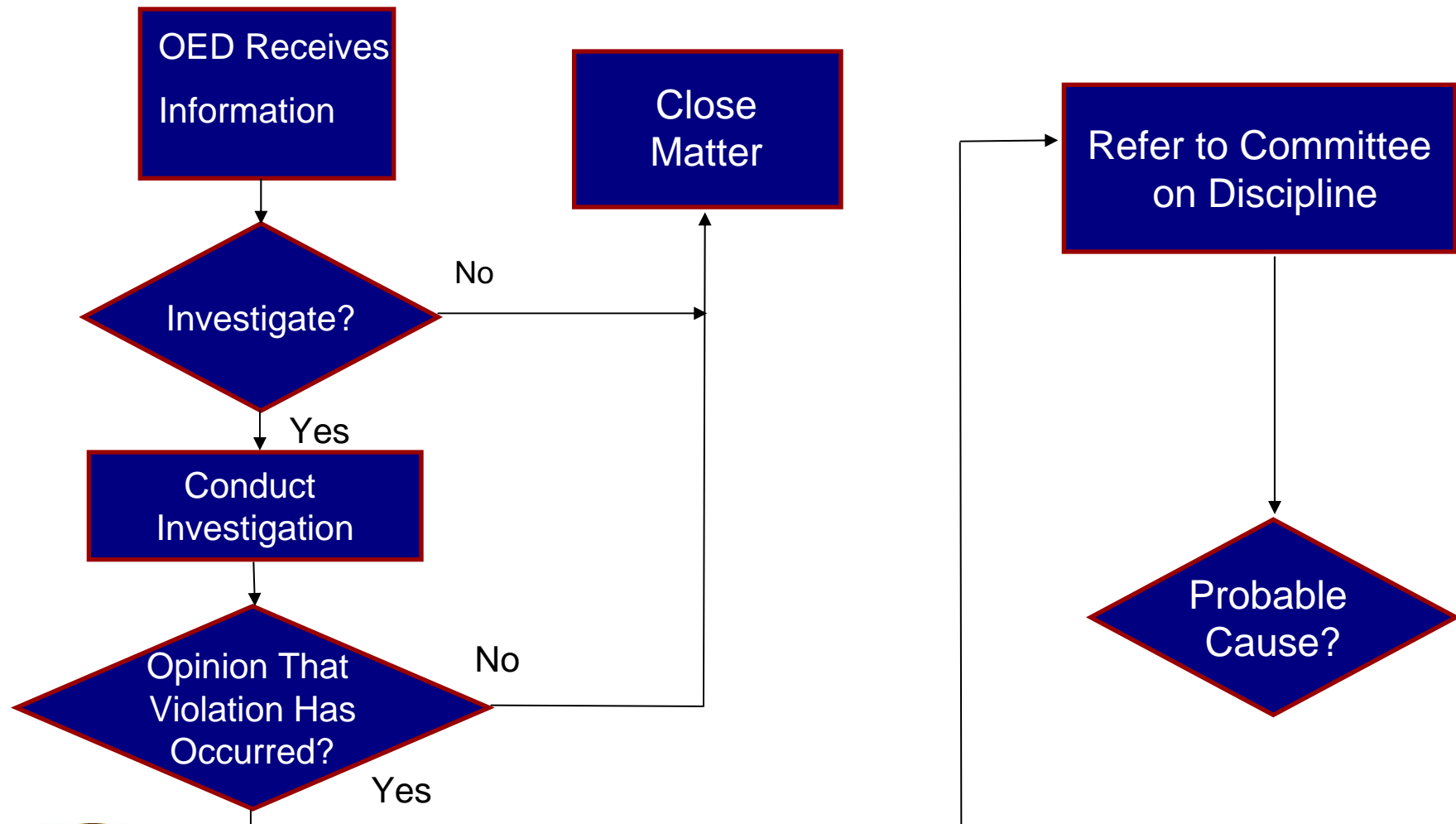
## Discipline

- Investigate Complaints (37 CFR § 11.22)
- Refer Matters to Committee on Discipline (37 CFR § 11.32)
- Reciprocal Discipline (37 CFR § 11.24)
- Interim Suspensions for Serious Crimes (37 C.F.R. § 11.25)
- Settlement Conferences (37 CFR § 11.26)
- Reinstatement of Suspended or Excluded Practitioners (37 CFR § 11.60)





# The Life of a Grievance



# The Course of a Complaint

---

If the panel of the Committee on Discipline determines that probable cause exists to bring charges, the OED Director shall institute a disciplinary proceeding by filing a complaint under 37 CFR § 11.34.

37 CFR § 11.32



# Settlement

---

- ▶ A settlement conference may occur between the OED Director and the practitioner before or after a complaint is filed
- ▶ OED Director may recommend any settlement terms deemed appropriate, including steps taken to correct or mitigate the matter or to prevent reoccurrence of the same or similar conduct

37 CFR § 11.26



# Settlement (cont'd)

---

- ▶ Settlement may include exclusion on consent
- ▶ Exclusion on consent for a practitioner under investigation requires an affidavit declaring (i) no duress, (ii) that practitioner is aware of pending investigation and (iii) upon request for reinstatement OED Director will presume that facts of investigation are true and that the practitioner could not have successfully defended against the complaint

37 CFR § 11.27



# The Contents of a Complaint

---

- ▶ Provide the name of the practitioner
- ▶ Provide a plain and concise statement of the alleged violations
- ▶ Identify the time and place for filing the answer
- ▶ State that a default judgment may be entered if an answer is not timely filed
- ▶ Include the signature of OED director

37 CFR § 11.34



# Service of a Complaint

---

- ▶ May be served personally
- ▶ May be served by first class mail
- ▶ May be served by any agreed upon method
- ▶ May be served on the attorney representing the practitioner

37 CFR § 11.35



# Contents of an Answer to a Complaint

---

- ▶ State facts that constitute grounds of defense
- ▶ Specifically admit or deny each allegation set forth in the complaint
- ▶ State affirmatively special matters of defense including disability as a mitigating factor
- ▶ Any allegation which is not denied is deemed admitted



37 CFR § 11.36(c)



# Hearing Officer

---

- ▶ Complaint is referred to a hearing officer, typically an administrative law judge (37 CFR § 11.39)
- ▶ Hearing Officer schedules hearings, rules on motions, controls pre-hearing conduct of case, administers oaths, receives relevant evidence, *etc.* (37 CFR § 11.39(c))





# Discovery

---

- ▶ No Discovery except upon Motion (37 CFR § 11.52(d))
- ▶ Upon Showing by Clear and Convincing Evidence that Discovery is Necessary and Relevant, Hearing Officer May Order:
  - Answers to Reasonable Number of Requests for Admission or Interrogatories (37 CFR § 11.52(a)(1))
  - Production of Reasonable Number of Documents and Things (37 CFR § 11.52(a)(2) and (a)(3))
- ▶ Prohibited in Certain Circumstances, e.g., Privileged Information, Used solely for impeachment, Experts (37 CFR § 11.52(b))



# Depositions

---

May be used at hearing in lieu of personal appearance of witness upon showing of good cause and with approval of Hearing Officer (37 CFR § 11.51(a))

Parties may agree in writing to deposition of voluntary witness, but Hearing Officer may decline to admit into evidence if, *e.g.*, demeanor is involved (37 CFR § 11.51(b))



# Pre-hearing Statement

---

Prior to the hearing, the Hearing Officer may require the parties to file a pre-hearing statement which includes:

1. A list and copies of all proposed exhibits
2. A list of proposed witnesses
3. A list of proposed experts
  - a. Identifying field in which individual will qualify as an expert
  - b. Statement of subject matter on which expert is expected to testify
  - c. Statement of substance of facts and opinions to which expert is expected to testify

37 CFR 11.52(e)



# Hearings

---

▶ Similar to non-jury trials; however:

-Federal Rules of Evidence do not apply (37 CFR § 11.50(a))

-Hearing Officer excludes evidence which is irrelevant, immaterial, or unduly repetitious (37 CFR § 11.50(a))



# Burden of Proof

---

- ▶ Director is required to prove his case by clear and convincing evidence (37 CFR § 11.49)
- ▶ Respondent has the burden to prove any affirmative defense by clear and convincing evidence (37 CFR § 11.49)



# Initial Decision

---

- ▶ Hearing Officer normally issues an initial decision (37 CFR § 11.54(a))
- ▶ Initial decision includes findings of fact and conclusions of law (37 CFR § 11.54(a)(1))
- ▶ Initial decision includes an order of exclusion, suspension or reprimand, or an order dismissing the complaint (37 CFR § 11.54(a)(2))



# Appeal of the Hearing Officer's Initial Decision

---

- An appeal may be filed within 30 days of the Hearing Officer's initial decision (37 CFR § 11.55(a))
- Appeal is filed with the USPTO Director. Appeal must include exceptions to the Hearing Officer's decisions and supporting reasons for those exceptions
- Appeal decided by USPTO Director based upon the record made before the Hearing Officer (37 CFR § 11.55(f))
- In absence of an appeal, the initial decision becomes a decision of the USPTO Director without further proceedings (37 CFR § 11.55(i))



# USPTO Director's Decision

---

- May affirm, reverse or modify initial decision or remand to Hearing Officer for further proceedings (37 CFR § 11.56(a))
- USPTO Director may conduct de novo review of factual record (37 CFR § 11.56(a))
- USPTO Director's decision becomes final agency action after 20 days
- Request for reconsideration must be filed within 20 day window (37 CFR § 11.56(c))
- Respondent may petition the United States District Court for District of Columbia to review the USPTO Director's decision (35 USC § 32, 37 CFR § 11.57)





# What's New??



# Disability Inactive Status

---

The USPTO Director, where grounds exist to believe a practitioner has been transferred to disability inactive status in another jurisdiction, has been judicially declared incompetent, or has judicially ordered to be involuntarily committed, may transfer a practitioner to disability inactive status

37 CFR § 11.20(c)



# Interim Suspension – Serious Crime

---

- Practitioners must notify OED Director in writing within 30 days of conviction of any crime
- OED Director determines whether the crime is a “serious crime”
- If a serious crime, then the OED Director shall file with the USPTO Director proof of the conviction and request the USPTO Director to issue a notice and order under 37 CFR § 11.25(b)(2)
- Hearing on interim suspension heard by USPTO Director

37 CFR § 11.25



# Incapacitation

---

- Disciplinary hearing may be held in abeyance upon a finding that practitioner is “suffering from a disability or addiction that makes it impossible for the practitioner to adequately defend the charges in the disciplinary proceeding.” 37 CFR § 11.28 (a)
- Motion for reactivation may be filed after transfer to disability inactive status and the disciplinary proceeding shall resume. 37 CFR § 11.28 (b) & (c)



# Reciprocal Discipline

---

- Within thirty days of being disbarred or suspended 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, 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 CFR § 11.34 against the practitioner predicated upon the disbarment, suspension, or disciplinary disqualification.

37 CFR § 11.24



# Reciprocal Discipline (cont'd)

---

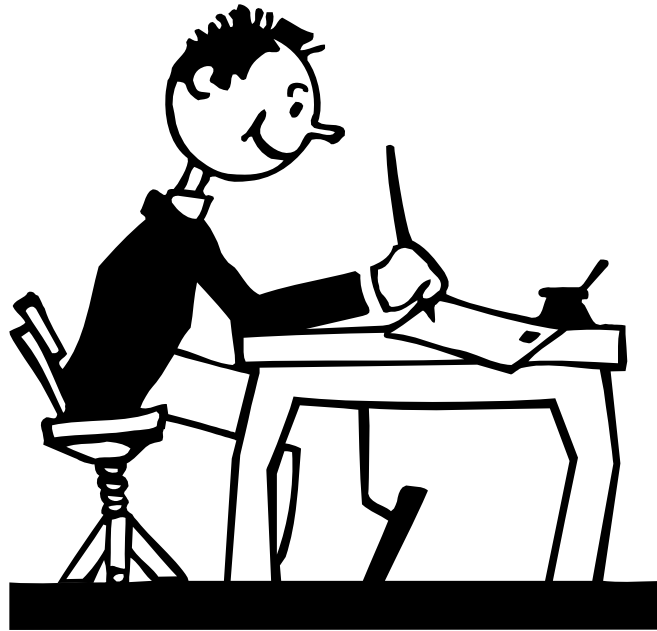
- The USPTO Director hears the matter based on the evidence of record unless the USPTO Director determines that an oral hearing is necessary.
- The USPTO Director considers any timely filed response and will impose the identical discipline unless the practitioner or OED Director that it clearly appears upon the face of the record from which the discipline is predicated, 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.

37 CFR § 11.24(d)



# Major Areas of Misconduct Leading to OED Investigations

---



# Major Areas of Misconduct Leading to OED Investigations

---

Complaints against registered patent practitioners and trademark attorneys tend to fall into three primary areas:

- ▶ Neglect
- ▶ Lack of candor—giving false or misleading information to the client, or the USPTO
- ▶ Failure of practitioner to make a reasonable inquiry





# Neglect

---

## ▶ Failure or delay in filing application

### – Delay in filing patent application:

- *Maxon v. Weiffenbach*, Disciplinary Proceeding No. DP89-1, 1118 Trademark Official Gazette 48 (September 25, 1990) (5 years).
- *Bovard v. Halvonik*,  
<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d1996-03.pdf>  
(Comm'r 1999) aff'd. *Halvonik v. Dudas*, 398 F.Supp.2d 115 (D.D.C. 2005), aff'd. 192 Fed.Appx. 964, 2006 WL 2382899 (Fed. Cir 2006) (failure to correct application before filing; failure to refund unearned funds).

### – Delay in filing trademark application



# Neglect

---

## ▶ Failure to Reply to Office Action

- *Kansas v. Mays*, 185 U.S.P.Q. 624 (Kan. 1975) (refused to reply to Office actions because client had not paid fees).
- In re Sylvester, D2005-06,  
<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d05-06.pdf>  
(repeatedly failed to reply to Office actions).



# Neglect

---

## ▶ Misuse of the Certificate of Mailing

- *Small v. Weiffenbach*, 10 U.S.P.Q.2d 1881 (Dep't Comm. 1988), *adopted*, 10 USPQ2d 1898 (Comm'r Pat. 1989).
- *In re Klein*, D84-1, 6 U.S.P.Q.2d 1528 (ALJ 1986), *aff'd* 6 U.S.P.Q.2d 1546 (Comm'r Pat. 1987), *aff'd sub nom.*, *Klein v. Peterson*, 696 F.Supp. 695, (D.D.C. Aug 16, 1988), *aff'd*, 866 F.2d 412, (Fed.Cir. 1989), *cert. denied*, 490 U.S. 1091, 109 S.Ct. 2432 (1989).



# Neglect

---

## ▶ Insufficient or Missing Funds

- *Maxon v. Weiffenbach*, DP89-1, 1118 *Trademark Official Gazette* 48 (September 25, 1990) (advanced funds deposited in operating account and expended elsewhere).
- *Moatz v. Rosenberg*, D2006-07, <http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d2006-07.pdf> (USPTO Dir. 2007) (repeatedly failing to reply to notices of missing filing fees).
- *In re Knuth*, D2006-09, <http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D2006-09.pdf> (USPTO Dir. 2008) (practitioner advanced funds but checks returned unpaid, clients repaid practitioner; funds commingled).



# Neglect

---

## ▶ Failure to Pay Issue Fee

- *In re Bard*, 20 U.S.P.Q.2d 1708 (Comm'r Pat. 1991) (became blind, permitted unregistered relative to take over cases).
- *In re Corbin*, D2000-12,  
<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D28.pdf> (Dir PTO 2001) (failed to pay issue fee, and did not revive the application) .



# Neglect

---

## ▶ Failure to Revive or Assist in Reviving Abandoned Application

- *In re Borenstein*, 20 U.S.P.Q.2d 1621 (Comm'r Pat. 1991) (failure to revive).
- *In re Robert L. Slater*, 231 U.S.P.Q. 497 (Comm'r Pat. 1985), *aff'd sub nom.*, *Slater v. Quigg*, 230 U.S.P.Q. 708 (D.D.C. 1986) (delay in assisting new counsel to revive former client's application).



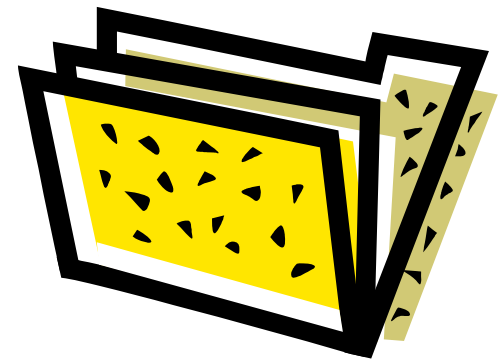
# Neglect

---

## ▶ Discharged Practitioner's Failure to Turn Over Files to New Representative

— *In the Matter of Hierl*,

<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D2006-19.pdf> (PTO Dir 2007) (retaining lien does not entitle practitioner to retain communications received after discharge from PTO).



# Neglect

---

## ▶ Failure to Communicate with Client

- *Board of Overseers of the Bar v. Gould*, Docket No. BAR-95-3 (Me. May 10, 1995) (duty to report Office actions).
- *In re Borenstein*, 21 U.S.P.Q.2d 1072 (Dep't Comm. 1991) (duty to reply to client inquiries).
- *Moatz v. Bender*, <http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D2000-01.pdf> (PTO Dir 2003), *aff'd*, *Bender v. Dudas*, 2006 WL 89831 (D.D.C. Jan 13, 2006), *aff'd*, 490 F.3 1361 (Fed Cir. 2007) (duty to report Office actions).





# Neglect

---

- ▶ Examples of atypical situations potentially involving incompetence or neglect.
  - Drafting claims that read on prior art cited by individuals associated with preparing or prosecuting patent application.
    - Initially filed claims are rejected over any of the references and are narrowed by amendment.
    - Narrowing amendment may give rise to prosecution history of estoppel thereby limiting the application of the doctrine of equivalents to claims that ultimately issue.

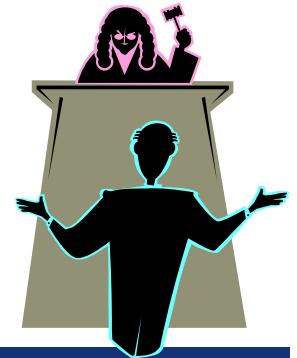


# Lack of Candor

---

## ▶ Lack of Candor to Clients

- *Weiffenbach v. Logan*, 27 USPQ2d 1870 (Comm'r Pat. 1993), *aff'd sub nom.*, *Logan v. Lehman*, 73 F.3d 379 (Fed Cir. 1994) (concealing date of Office action from client; concealing abandonment and true reason for abandonment).
- *In re Jennings*,  
<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D04-12.pdf> (PTO Dir. 2005) (misrepresenting status of abandoned application as pending).



# Lack of Candor

---

## ▶ Lack of Candor to the USPTO

- *Nakamura v. Turner*, 3 U.S.P.Q.2d 1222 (Comm'r Pat. 1986) (making fictitious or false statements in petitions for extensions of time).
- *In re Milmore*, 196 U.S.P.Q. 628 (Comm'r Pats. 1977) (instructed client not to disclose reference practitioner considered more pertinent than anything cited by the examiner).



# Lack of Candor

---

- ▶ Lack of Candor to the USPTO

- *Dippin' Dots, Inc. v. Mosey*, 476 F.3d 1337 (Fed. Cir. 2007) (finding inequitable conduct by failure to disclose to the Office public sale of goods produced by the process more than one year before patent was filed).



# Lack of Candor

---

## ▶ Lack of Candor to the USPTO

- *Nilssen v. Osram Sylvania, Inc.*, 504 F.3d 1223 (Fed. Cir. 2007) (finding inequitable conduct where affidavits submitted in support of patentability, included points of distinction over prior art patents without informing examiner of affiant's relationship to inventor and by not disclosing prior litigation against other competitor in prosecution of patents).
- *Ferring B.V. v. Barr Laboratories, Inc.*, 437 F.3d 1181 (Fed. Cir. 2006) (finding inequitable conduct where applicant intentionally withheld highly material information that four of the five supporting declarations were submitted by scientists with significant financial associations with applicant).



# Duty To Make Reasonable Inquiry

---

- ▶ 37 CFR § 11.18(b) requires that submitted papers not be presented for improper purpose and claims are legally warranted. It imposes a duty of inquiry reasonable under the circumstances.
- ▶ Under 37 CFR § 11.18(b)(1), all filings carry with them the certification of the person signing the filing that any statement therein does not “cover[] up by any trick, scheme or device a material fact.”



# Duty To Make Reasonable Inquiry

---

- ▶ Section 11.18(b)(2) requires person filing a paper to have made the judgment that the paper is not interposed for improper purpose “after an inquiry reasonable under the circumstances.”
  - This provision generally parallels Rule 11 of the Federal Rules of Civil Procedure, which also requires that papers not be interposed for improper purpose “after an inquiry reasonable in the circumstances.”



# Duty To Make Reasonable Inquiry

---

- ▶ Under Rule 11 of the Federal Rules of Civil Procedure, any paper submitted in court entails, *inter alia*, an attorney's certification that, "to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances", the submission is not presented for any improper purpose, its claims are warranted by existing law or nonfrivolous argument for change, and factual contentions have or are likely to have evidentiary support.





# Duty To Make Reasonable Inquiry

---

- Courts have held that Rule 11 “requires counsel to read and consider before litigating.” *Thornton v. Whal*, 787 F.2d 1151, 1154 (7<sup>th</sup> Cir. 1986); *U.S. Bank National Association, N.D., v. Sullivan-Moore*, 406 F.3d 465, 470 (7<sup>th</sup> Cir. 2005).
- An attorney’s “plea of ignorance [of the contents of the filed paper] is unavailing. Rule 11 establishes an objective test, and as we have repeatedly observed, an ‘empty head but a pure heart is no defense.’” *Chambers v. Am Trans Air, Inc*, 17 F.3d 998, 1006 (7<sup>th</sup> Cir. 1994).



# Duty To Make Reasonable Inquiry

---

- ▶ Practitioners submitting papers must read each paper submitted to the Office before it is submitted. Each submitted paper must be read in its entirety.
  - Must read regardless of the source of the paper.



# Duty To Make Reasonable Inquiry

---

- ▶ Failure to make a reasonable inquiry of any submitted paper may implicate one or more Disciplinary Rules.
  - 37 CFR § 10.23(b)(5) - prohibits engaging in conduct prejudicial to the administration of justice.
  - 37 CFR § 10.23(c)(10) - prohibits knowingly violating or causing 37 CFR § 1.56 to be violated.
  - 37 CFR § 10.23(c)(15) - prohibits signing a paper filed in the Office in violation of the provisions of 37 CFR § 10.18.
  - 37 CFR § 10.77(b) - prohibits handling a legal matter without adequate preparation.
  - 37 CFR § 10.77(c) - prohibits neglect of an entrusted legal matter.



# Duty To Make Reasonable Inquiry

---

- ▶ Examples of conduct that may potentially be perceived as failure of the practitioner to make a reasonable inquiry:
  - Filing an application with claims that are anticipated by at least one publication authored by one of the inventors executing the 37 CFR § 1.63 declaration or oath.
  - Burying a reference material to patentability among a large number of cumulative references.
  - Filing an application with one or more claims unpatentable over a combination of prior art references cited by applicant in the specification.
    - Reasonable inquiry can be shown.



# Obligation to Avoid Improper Purpose or Delay

---

- ▶ Filing a paper for an improper purpose or for delay may implicate one or more Disciplinary Rules:
  - 37 CFR § 10.23(b)(5) - conduct prejudicial to the administration of justice.
  - 37 CFR § 10.23(c)(10) - knowingly violating or causing 37 CFR § 1.56 to be violated.
  - 37 CFR § 10.23(c)(15) - signing a paper filed in the Office in violation of the provisions of 37 CFR § 10.18.
  - 37 CFR § 10.77(b) - handling a legal matter without adequate preparation.
  - 37 CFR § 10.77(c) - neglect of an entrusted legal matter.



# Obligation to Avoid Improper Purpose or Delay

---

- ▶ Ethical obligations to avoid improper purpose or delay arise under one or more Disciplinary Rules:
  - Disciplinary Rule 10.85 requires a practitioner to represent a client within the bounds of the law.
    - Disciplinary Rule 10.85(a) provides that in representation of a client, a practitioner shall not “(1) Initiate or defend any proceeding before the Office, assert a position, conduct a defense, delay a trial or proceeding before the Office, or take other action on behalf of the practitioner's client when the practitioner knows or **when it is obvious that such action would serve merely to harass or maliciously injure another.**” (emphasis added)



# Obligation to Avoid Improper Purpose or Delay

---

- ▶ Ethical obligations to avoid improper purpose or delay arise under one or more Disciplinary Rules:
  - 37 CFR § 10.85 requires a practitioner to represent a client within the bounds of the law (continued).
    - 37 CFR § 10.85(a) provides that in representation of a client, a practitioner shall not “(2) Knowingly advance a claim or defense that is **unwarranted under existing law**, except that a practitioner may advance such claim or defense if it can be supported by good faith argument for an extension, modification, or reversal of existing law. (emphasis added)



# Obligation to Avoid Improper Purpose or Delay

---

- ▶ Ethical obligations to avoid improper purpose or delay arise under one or more Disciplinary Rules:
  - Causing unnecessary delay or needless increase in the cost of prosecution.

- Wastes USPTO resources.





# Obligation to Avoid Improper Purpose or Delay

---

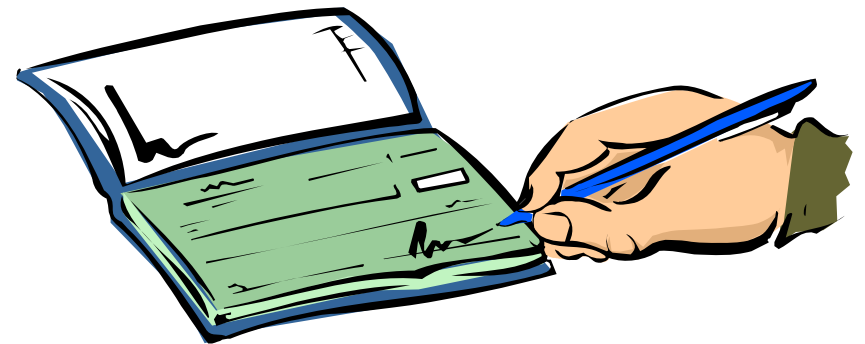
- ▶ Examples of situations potentially involving improper purpose or delay.
  - A reference material to patentability is buried among a large number of cumulative references.
    - Buried reference anticipates one or more claims.
    - Claims not distinguished from reference.



# Obligation to Avoid Improper Purpose or Delay

---

- ▶ Examples of situations potentially involving improper purpose or delay:
  - Filing an amendment, petition or other paper without required fee.
    - Insufficient funds.
    - Stop payment.
    - Lack of funds.



# Obligation to Avoid Improper Purpose or Delay

---

– Repeatedly submitting payments by check, credit card or electronic fund transfer, which are dishonored due to insufficient funds, stop payments, incorrect accounts, etc.

▶ *In re Rayve*,

[http://des.uspto.gov/Foia/ReterivePdf?system=OED&fINm=0529\\_DIS\\_2008-10-08](http://des.uspto.gov/Foia/ReterivePdf?system=OED&fINm=0529_DIS_2008-10-08) (2008).



# Obligation to Avoid Improper Purpose or Delay

---

- ▶ Co-inventing and claiming the client's invention as the practitioner's own invention.

- See *In re Lynt*, <http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D05-08.pdf> (USPTO Dir. 2005); *Virginia State Bar v. Lynt*, [http://www.vsb.org/disciplinary\\_orders/lynt\\_opinion.pdf](http://www.vsb.org/disciplinary_orders/lynt_opinion.pdf) (Cir. Ct. Alex. 2004).
- See, *In re Watkins*, (USPTO Dir. 2006) [http://des.uspto.gov/Foia/ReterivePdf?system=OED&fINm=0522\\_DIS\\_2008-06-18](http://des.uspto.gov/Foia/ReterivePdf?system=OED&fINm=0522_DIS_2008-06-18)



# Obligation to Avoid Improper Purpose or Delay

---

- Repeatedly making the same or similar mistakes that delay prosecution or issuance of patent.
  - Fosters filing of petitions.
  - May necessitate patent term adjustment.
- Repeatedly submitting petitions that clearly have no legal merit.
  - Requests that the Director take such action which he has no legal authority to do, such as waive a statutory requirement.
  - 37 CFR § 10.85(a)(2) – frivolous claims



# Ways to Avoid an OED Investigation

---

## 1. Act competently when prosecuting applications before the USPTO

A practitioner shall not neglect a legal matter entrusted to the practitioner. (37 CFR § 10.77(c)).

- ▶ Communicate
- ▶ File papers timely
- ▶ Do not abandon applications without client authorization



# Ways to Avoid an OED Investigation

---

- See, *In re Schaefer* (<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d2007-01.pdf>)

Practitioner neglected a legal matter entrusted to him by allowing an application to become abandoned, by failing to report to his client the substance of a phone call from the patent examiner, and by failing to notify his client of a Notice of Abandonment in the application.

- ▶ See, *In re Rosenberg* (<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d2006-07.pdf>)

Practitioner failed to inform a client of correspondence received from PTO and handled a legal matter without adequate preparation in the circumstances and neglected a legal matter entrusted to a practitioner



# Ways to Avoid an OED Investigation

---

## 2. Don't make misrepresentations to the USPTO

A practitioner shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation. (37 CFR § 10.23(b)(4)).

- ▶ Do not prevaricate on the certificate of mailing
- ▶ Do not prevaricate to examiners





# Ways to Avoid an OED Investigation

---

## 3. Avoid criminal offenses

- ▶ A violation of the Rules includes a conviction of a criminal offense involving moral turpitude, dishonesty, or breach of trust. (37 CFR § 10.23(c)(1)).
- ▶ Felony conviction - See, *Moatz v. Rose* (<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d2006-16.pdf>)
- ▶ Moral turpitude – DUI
- ▶ Dishonesty – theft related crimes



# Ways to Avoid an OED Investigation

---

## 4. Avoid Violation of State Ethics Rules

▶ A violation of the Rules includes a suspension or disbarment from practice as an attorney on ethical grounds by any duly constituted authority of a State. (37 CFR § 10.23(c)(5)).

▶ Reciprocal Discipline by USPTO for suspension of a practitioner by a state:

See, e.g., *In re Vander Weit*

(<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/D2006-11.pdf>); *In re Maxwell*

(<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d2006-10.pdf>); and *In re Dabney*

(<http://www.uspto.gov/web/offices/com/sol/foia/oed/disc/d2007-03.pdf>)



# Ways to Avoid an OED Investigation

---

## 5. Avoiding conflicts of interest by former USPTO patent examiners

A practitioner who is a former patent examiner cannot accept employment in an area in which personally responsible while an employee at the USPTO. (37 CFR § 11.10(b)).



# Conclusion

---

# Thank You!



\*Produced by the United States Patent and Trademark Office; no copyright is claimed in the United States in this speech or associated materials.

