

# **2016 USPTO DISCIPLINARY DECISIONS – THE YEAR IN REVIEW**

by

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## TABLE OF CONTENTS

EXECUTIVE OVERVIEW .....	1
PART I – USPTO DISCIPLINARY DECISIONS BY PROCEDURE .....	2
I. USPTO Settlement Agreement – 37 C.F.R. § 11.26 .....	4
A. USPTO Practice-Related Settlements.....	5
1. Public Reprimand.....	5
2. Suspension .....	8
B. Non-USPTO Practice-Related Settlements.....	17
1. Public Reprimand.....	17
2. Suspension .....	17
II. Exclusion on Consent - 37 C.F.R. § 11.27(b).....	17
A. USPTO Practice-Related Exclusion on Consent .....	18
B. Non-USPTO Practice-Related Exclusion on Consent .....	23
III. Interim Suspension Due to Conviction of Serious Crime - 37 C.F.R. § 11.25.....	23
IV. Discipline Resulting from Administrative Adjudication - 37 C.F.R. § 11.32-56.....	26
A. Appeal of ALJ Initial Decision to USPTO Director .....	26
B. Cases Where Neither Party Appealed Initial Decision - 37 C.F.R. § 11.55(a).....	35
V. Reciprocal Discipline - 37 C.F.R. § 11.24.....	46
A. USPTO Practice-Related Reciprocal Discipline.....	47
1. Public Reprimand.....	47
2. Suspension .....	47
B. Non-USPTO Practice-Related Reciprocal Discipline .....	49
1. Public Reprimand.....	49

2. Suspension .....	49
3. Exclusion.....	61
VI. Reciprocal Transfer to Disability Inactive Status - 37 C.F.R. § 11.29 .....	66
PART II – USPTO DISCIPLINARY DECISIONS BY TYPE OF MISCONDUCT .....	70
I. Financial Misconduct (Unintentional) .....	70
II. Conflict of Interest/Failure to Recognize Client.....	71
III. Failure to Communicate/Neglect/Abandonment .....	72
IV. Failure to Communicate/Neglect/Abandonment Plus Other Misconduct .....	74
V. Misrepresentation/Unauthorized Practice of Law/Other Intentional Misconduct .....	79
VI. Criminal Conduct and Convictions.....	82
CONCLUSION.....	84

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## EXECUTIVE OVERVIEW

This paper provides a summary of every disciplinary decision published by the United States Patent and Trademark Office (“USPTO”) in 2016. All of the USPTO’s disciplinary decisions are publicly available in the Office of Enrollment and Discipline’s (“OED’s”) online “Reading Room.”<sup>1</sup> The Reading Room, however, is simply a repository of PDF files organized in a table. The table provides the most basic general information—specifically, the publication date of the disciplinary decision, the proceeding number, respondent’s name, and decision type.

A glance at the Reading Room table of decisions leaves much to be desired because it tells the reader nothing about what exactly was happening in the world of discipline at the USPTO. The Reading Room fails to provide any summary of what each case was about, what were the facts and ethical issues, and how the matter was resolved. To get *that* information requires the reader to roll up their sleeves and pore over, one-by-one, each PDF file and cull these missing details from the many pages of unannotated, raw data. And often, limiting oneself to the information posted in the Reading Room is not enough, for the discussion provided is often sparse, names and other details are sometimes redacted, and other details are often simply missing. That information must be found, if it exists at all, in other places—such as court records and disciplinary records from state court bars.

The purpose of this paper is to fill this knowledge gap and provide a (hopefully) user-friendly and useful source of information about what exactly happened in the 2016 universe of USPTO disciplinary cases. The report is intended to also be a resource that may be useful in analyzing trends at the USPTO so that practitioners can make informed decisions about the type of conduct that leads to USPTO discipline and the level of expected range of discipline that may be applicable in a given case based upon the Office’s past practices—at least insofar as that information can be gleaned from the USPTO’s 2016 docket of published decisions.

To reach these goals, this paper is organized in two different ways. In Part I, the paper analyzes the USPTO’s disciplinary decisions according to the type of procedural mechanism utilized in reaching the decision. There are six different procedural mechanisms in USPTO disciplinary matters that were utilized in its 2016 published decisions: (i) settlement agreements; (ii) exclusions by consent; (iii) interim suspensions; (iv) final Agency decisions reached after formal administrative adjudication; (v) reciprocal discipline decisions; and (vi) reciprocal transfers

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<sup>1</sup> <https://e-foia.uspto.gov/Foia/DispatchOEDServlet?d-445781-o=1&RetrieveAll=true&d-445781-s=4>

to disability inactive status.<sup>2</sup> For the information of the reader, each procedural mechanism separately addresses those disciplinary matters that arose in the course of the practice of patent or trademark law, on the one hand, from those disciplinary matters that were unconnected to providing USPTO-related legal services (and may have been completely unrelated to the practice of law).

With respect to each of these decisions, the paper provides: (i) the citation of the USPTO decision; (ii) citations to any related state or federal disciplinary decisions or cases, (iii) the ultimate disposition of the matter at the USPTO; (iv) a brief synopsis of the decision; and (v) a detailed discussion of the factual and legal issues as well as legal analysis, if any, provided by the USPTO.

Part II of this paper works from the same body of raw data (the published 2016 disciplinary decisions of the USPTO), but organizes the information according to the different types of practitioner misconduct addressed in the decisions. Providing the information in this way proved to be a bit more of a challenge because many USPTO disciplinary cases cannot be neatly shoehorned into any one type of category. Indeed, as is very often the case, multiple different “types” of misconduct can occur in one decision. In some cases, for example, a practitioner bounced a check, neglected a matter, and made a misrepresentation to the client. Is that matter best characterized as a money-handling case, a neglect case, or a misrepresentation case? In reality, it is all three.

For simplification, the paper tries to summarize the USPTO disciplinary decisions according to what seemed to be the most important misconduct based upon the facts. To that end, the paper breaks down the published decisions into the following general categories of practitioner misconduct: (i) unintentional mishandling of client funds; (ii) conflicts of interest; (iii) neglect/failure to communicate/unintentional abandonment; (iv) neglect/failure to communicate/unintentional abandonment plus some other significant misconduct (*e.g.*, failing to return unearned fees, failure to cooperate with OED ethics investigation, etc.); (v) conduct that primarily involves misrepresentations (whether characterized as a “misrepresentation” per se or is characterized alternatively as fraud, deceit, or dishonesty), prejudices the administration of justice, or comprises the unauthorized practice of law; and (vi) criminal misconduct.

## **PART I - USPTO DISCIPLINARY DECISIONS BY PROCEDURE**

The following tables provide a snapshot of three different types of USPTO disciplinary procedures most commonly utilized and their results from the published decisions in 2016: (i) Disciplinary Settlement Agreements (Table A); (ii) Administrative Adjudications of Disciplinary Complaints (Table B); and (iii) Reciprocal Discipline (Table C). As indicated, each table describes

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<sup>2</sup> Although this last type is not disciplinary in nature, since decisions posted in the OED’s Reading Room include cases where practitioners are transferred to disability inactive status, and since the rules governing such transfer are included in the USPTO’s rules of disciplinary procedure, they are included in this report.

the number of practitioners who were disciplined within each category in 2016, the types and severity of the discipline imposed by the USPTO, and whether the discipline related to the practice of IP law or whether it was unrelated to the practice of IP law.

**Table A - USPTO 2016 Disciplinary Settlement Agreements**

	Public Reprimand	Suspension < 6 mths.	Suspension 6-24 mths.	Suspension >24 mths.	Exclusion <sup>3</sup>
IP Related	2	4	2	1 <sup>4</sup>	0
Non-IP Related	0	0	1	0	0

**Table B – USPTO Administrative Adjudication of Disciplinary Complaints**

	Public Reprimand	Suspension < 6 mths.	Suspension 6-24 mths.	Suspension > 24 mths.	Exclusion
ALJ ID – No Appeal Filed	0	0	0	0	5
USPTO Director Appeal	0	0	1	0	1
Reconsideration <sup>5</sup> Denied/Filed			1/1		1/1

**Table C - USPTO 2016 Reciprocal Discipline**

	Public Reprimand	Suspension < 6 mths	Suspension 6-24 mths	Suspension > 24 mths	Exclusion
IP Related	0	1	0	0	0
Non-IP Related	0	0	6 <sup>6</sup>	0	3

<sup>3</sup> An exclusion is treated as a sixty (60)-month suspension, after which the excluded practitioner may petition for reinstatement.

<sup>4</sup> In this one particular matter, the suspension actually took effect in 2014, but the practitioner was reinstated by the OED Director in 2016. Thus, while technically not a 2016 disciplinary case, for purposes of this summary, it is being treated as such.

<sup>5</sup> Reconsideration requests were only filed in the matters that were appealed to the USPTO Director.

<sup>6</sup> What is identified in the table is the length of the suspension imposed without consideration of whether any term of the suspension period was stayed by the originating jurisdiction. In four (4) of the six (6) reported cases (coincidentally, all arising from discipline first imposed in California), a portion of the suspension period was stayed by the originating jurisdiction. When considering stays in those four (4) cases, the length of suspension actually served by the practitioner was significantly reduced as follows: (i) a one (1)-year suspension was fully-stayed; (ii) a one (1)-year suspension had all but thirty (30) days stayed; (iii) a two (2)-year suspension had all but thirty (30) days stayed; and (iv) a two (2)-year suspension had all but sixty (60) days stayed.

In addition to the information summarized above in Tables A-C, the following matters were handled in 2016 by way of one of the other three remaining procedural disciplinary mechanisms available in the USPTO (and they are discussed within):

- (1) Exclusions on Consent – four (4) decisions;
- (2) Interim Suspensions for Conviction of a Serious Crime – two (2) decisions; and
- (3) Reciprocal Transfers to Disability Inactive Status – two (2) decisions.

Also as cited herein, the USPTO published four (4) decisions in which the OED Director granted (without any substantive discussion) a previously-suspended practitioner's petition for reinstatement. Finally, in one (1) reinstatement decision, a practitioner who had been removed from the register of admitted patent practitioners in 2004, and who applied for reinstatement in 2015, asked the USPTO Director to waive the OED Director's requirement that she take and pass the patent registration exam as a condition for reinstatement to the Patent Bar. That request, however, was denied by the USPTO Director.<sup>7</sup>

The following provides a detailed summary of the USPTO's disciplinary decisions from 2016 organized by the six (6) procedural mechanism utilized by the Office and further organized by whether the conduct at issue was related to the practice of patent or trademark law before the USPTO, or whether the misconduct resulting in discipline was unrelated to the practice of IP law before the Office.

#### **I. USPTO Settlement Agreements - 37 C.F.R. § 11.26**

A very common way for disposing of ethics disputes is through a settlement agreement, pursuant to 37 C.F.R. § 11.26. The OED Director is authorized to enter into a settlement agreement with a practitioner who the OED Director believes may have violated one or more of the USPTO's ethics rules. Often times, a practitioner will choose to enter into a settlement agreement to avoid the uncertainty and expense of administrative agency litigation. Settlement agreements also generally favor the Government since they can save USPTO resources.

A settlement agreement is not binding precedent. Notwithstanding their non-precedential nature, however, settlement agreements can be illuminating and of significant value to practitioners and ethics counsel. Indeed, settlements can give direction to patent and trademark practitioners regarding the types of practitioner conduct that the OED Director believes is so unethical that it warrants some form of public discipline. Settlement agreements are also useful in measuring a practitioner's exposure when they have engaged in, or are considering engaging in, the same or similar conduct as that discussed in the settlement agreement. Settlements in other disciplinary cases before the USPTO can be an important data point for a practitioner to consider when negotiating a settlement agreement in their own disciplinary case. Still further, it is often

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<sup>7</sup> *In re Anonymous*, Decision on Petition for Review Under 37 C.F.R. § 11.3 (USPTO Dir. Mar. 3, 2016).

enlightening to compare the results achieved pursuant to a settlement agreement in other cases with the results achieved as a result of the administrative adjudicative process.

The following table summarizes the results of the published USPTO disciplinary settlement agreements from 2016:

**Table A - USPTO 2016 Disciplinary Settlement Agreements**

	Public Reprimand	Suspension < 6 mths.	Suspension 6-24 mths.	Suspension >24 mths.	Exclusion <sup>8</sup>
IP Related	2	4	2	1 <sup>9</sup>	0
Non-IP Related	0	0	1	0	0

### A. USPTO Practice-Related Settlements

The following disciplinary matters arose from IP practitioner misconduct in connection with their practice before the USPTO and were resolved by a settlement agreement.

#### 1. Public Reprimand

**Case:** *In re Roy A. Ekstrand*, Proc. No. D2016-13 (USPTO Dir. Mar. 14, 2016).

**Disposition:** Public reprimand and six (6)-month period of probation.

**Summary:** A patent practitioner who submitted eight (8) dishonored non-trust account check payments to the USPTO on behalf of a number of clients entered into a settlement agreement pursuant to which he agreed to be publicly reprimanded and placed on probation for six (6) months for violating 37 C.F.R. § 11.103 (requiring reasonable diligence and promptness in representing a client), 37 C.F.R. § 11.804(c) (conduct involving dishonesty, fraud, deceit, or misrepresentation), and 37 C.F.R. § 11.804(i) (engaging in other conduct that adversely reflects on the practitioner's fitness to practice) of the USPTO Rules of Professional Conduct.

**Facts:** This matter arose from a patent practitioner's submission of eight (8) checks to the USPTO in eight (8) different client matters in 2014 and 2015. The checks were drawn from the attorney's non-trust account. The checks were returned for insufficient funds from the attorney's checking account.

Mr. Ekstrand, the patent attorney, had no prior disciplinary history before the USPTO during the forty-one (41) years he had been registered as a patent practitioner. In addition, Mr. Ekstrand

<sup>8</sup> An exclusion is treated as a sixty (60)-month suspension, after which the excluded practitioner may petition for reinstatement.

<sup>9</sup> In this one particular matter, the suspension actually took effect in 2014, but the practitioner was reinstated by the OED Director in 2016. Thus, while technically not a 2014 disciplinary case, for purposes of this summary it is being treated as such.



voluntarily attended a Continuing Legal Education (“CLE”) course on running a small legal practice.

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**Case:** *In re Charlena L. Thorpe*, No. D2016-26 (USPTO Dir. Sept. 7, 2016).

**Disposition:** Public reprimand and requirement that practitioner attend a CLE seminar on law practice management.

**Summary:** A patent practitioner who failed to adequately communicate with a patent applicant client entered into a settlement agreement pursuant to which she agreed to be publicly reprimanded. In particular, the practitioner represented a client in the preparation of a nonprovisional patent application and failed to adequately inform the client that she believed the client had changed the scope of his invention such that additional fees would be required to be paid in advance in order for the representation to continue.

**Facts:** Ms. Thorpe is a Georgia-based registered patent attorney with no history of public discipline. On July 18, 2013, Dr. Irwin Share and Ms. Thorpe signed an engagement letter in connection with Dr. Share’s invention. The agreement set forth a flat fee for a patentability analysis and that Dr. Share would pay an hourly rate for any services outside of the agreed flat fee. On August 1, 2013, Dr. Share paid Ms. Thorpe \$5,200 via check for “fee towards legal matters.”

Ms. Thorpe deposited the \$5,200 check into her Interest on Lawyer Trust Account (“IOLTA”). She believed the agreement set forth that the \$5,200 was an advance fee that would be billed against based on the hourly rate set forth in the June 18, 2013 agreement. Dr. Share believed that \$400 of the \$5,200 would be earmarked for filing fees.

On August 26, 2013, Ms. Thorpe filed a provisional patent application naming Dr. Share as the sole inventor. Ms. Thorpe did not charge a fee for filing the provisional patent application. Dr. Share continued to work on his invention after Ms. Thorpe filed the provisional application. It was his understanding that Ms. Thorpe would incorporate any changes and improvements into a nonprovisional patent application that she was to draft and file on Dr. Share’s behalf.

Ms. Thorpe and a patent agent employed by her firm began working with Dr. Share to prepare his nonprovisional patent application. Although Ms. Thorpe began providing patent legal services to Dr. Share under the July 18, 2013 agreement, Ms. Thorpe and Dr. Share attempted to negotiate a flat fee agreement for the nonprovisional application. In March 2014, Dr. Share forwarded to Ms. Thorpe his numerous improvements and changes to his invention after the provisional application had been prepared and filed. He emailed these improvements to Ms. Thorpe. After a March 11, 2014 meeting, Ms. Thorpe re-sent Dr. Share an engagement letter for the nonprovisional application that had been provided to Dr. Share in November 2013.

Dr. Share believed that the improvements would be incorporated into the nonprovisional application with no additional fees charged. Ms. Thorpe and the patent agent believed their communication informed Dr. Share that he would need to pay additional fees in order to include the new matter not the subject of the provisional patent application.

After lengthy negotiations on a flat fee arrangement, Ms. Thorpe retracted the March 11, 2014 engagement letter after the parties failed to negotiate a flat fee agreement. Nevertheless, Dr. Share signed the March 11, 2014 engagement letter on June 17, 2014. The communications between Dr. Share and the patent agent during the drafting of the nonprovisional application led Dr. Share to believe that the patent agent was incorporating his improvements into the final draft of the application.

On August 13, 2014, Ms. Thorpe's office sent the draft nonprovisional patent application to Dr. Share. The August 13, 2014 draft patent application did not include any of the improvements and changes that had been sent by Dr. Share to Ms. Thorpe. Dr. Share was dissatisfied with the draft patent application he received and requested that it be redrafted to include the new matter he had provided to Ms. Thorpe. On August 21, 2014, Ms. Thorpe emailed Dr. Share and said that the new matter would be incorporated into the draft application only if Dr. Share paid an additional \$4,000.

Dr. Share refused to pay any additional sums, terminated the attorney-client relationship, and demanded a refund of all sums he had paid to Ms. Thorpe. Ms. Thorpe did not respond to Dr. Share's demand for a refund.

Pursuant to a settlement agreement with the USPTO, Ms. Thorpe agreed that her representation of Dr. Share violated 37 C.F.R. § 11.104(b) (failing to explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation). Per the settlement agreement, Ms. Thorpe agreed that she failed to adequately inform the client that she believed he had changed the scope of his invention such that additional fees would be required to be paid in advance for the representation to continue.

As part of her settlement agreement with the USPTO, Ms. Thorpe agreed to refund \$400 to the client. In addition, Ms. Thorpe agreed to attend a Continuing Legal Education seminar on law practice management.

## 2. Suspension<sup>10</sup>

**Case:** *In re David B. Newman*, D2015-14 (USPTO Dir. Nov. 12, 2015), *reinstatement granted*, Proc. No. R21 (OED Dir. Jan. 21, 2016).

**Disposition:** Thirty (30)-day suspension, eighteen (18)-month probation, and requirement that practitioner pass MPRE and complete certain ethics CLEs as condition for reinstatement. After the thirty (30)-day suspension period and satisfying other conditions, the practitioner filed a petition for reinstatement. The practitioner was subsequently reinstated by the OED Director to practice before the USPTO in non-patent matters.

**Summary:** The USPTO Director approved a settlement agreement in which a non-patent practitioner received a thirty (30)-day suspension for his role in representing joint trademark clients without appreciating that they were both his clients, accepting payment from a third party for the jointly represented clients without the clients' informed consent, and neglect in failing to oversee and allowing a subordinate attorney to take action on behalf of one of the joint clients adverse to the interests of the other joint client. After serving the thirty (30)-day suspension, the attorney petitioned the OED Director for reinstatement. The attorney was subsequently reinstated to practice before the USPTO.

**Facts:** This case involved a senior litigation attorney and trademark practitioner with the law firm of Day Pitney in New York. The attorney, Mr. David Newman, had thirty-seven (37) years of discipline-free practice.

In or about February 2013, two (2) of Mr. Newman's long-time clients requested that he provide trademark legal services to the daughter of one of his clients and the daughter's business partner. Mr. Newman was instructed to bill the long-time client for these services. An associate failed to conduct a proper conflicts check for the new matter, and neither Mr. Newman nor the associate obtained informed consent regarding the risks and benefits of the joint representation. In addition, confidential communications regarding the joint client matter were shared with Mr. Newman's existing clients without the joint clients' informed consent.

A dispute arose between the joint clients. The associate, along with one of Mr. Newman's long-term clients and one of the joint clients (but not the other) decided to abandon the joint clients' trademark application. This was done without the knowledge or consent of the second joint client.

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<sup>10</sup> The suspension settlements are organized by length of suspension. The reader should be advised that in most cases the actual length of time a practitioner is suspended from practice before the Office will vary depending upon: (i) whether the settlement agreement includes a right to apply for reinstatement before the expiration of the full-term of the suspension; (ii) the date when the practitioner actually submits his or her petition for reinstatement for consideration by the OED; and (iii) once the petition for reinstatement is filed, the additional time it takes for the OED Director to rule on the practitioner's petition. For simplicity, the report organizes the suspension periods by the suspension period stated in the USPTO Director's order without regard to whether any portion of the suspension period was stayed, whether the practitioner was permitted to seek reinstatement before the end of the suspension period, or the additional time it may have taken for a practitioner to submit, and the OED Director to rule on, a suspended practitioner's petition for reinstatement.

New trademark applications were filed on behalf of another entity without the second joint client's knowledge or consent. Mr. Newman failed to intervene when he knew that the associate would take actions adverse to one of the firm's joint clients.

Mr. Newman stipulated that he violated 37 C.F.R. § 10.62(a) (failure to obtain consent after full disclosure from a client to accept employment if the exercise of the practitioner's professional judgment on behalf of the client will be, or reasonably may be, affected by the practitioner's own financial, business, property, or personal interests); 37 C.F.R. § 10.66(a)-(c) (failure to decline proffered employment if the exercise of the practitioner's independent professional judgment on behalf of a client will be or is likely to be adversely affected or would involve the practitioner in representing differing interests); 37 C.F.R. § 10.77(c) (neglecting a legal matter entrusted to the practitioner); 37 C.F.R. § 10.68(a)(1)-(2) and (b) (without obtaining consent after full disclosure from the client, accepting compensation from one other than the practitioner's client for the practitioner's legal services); 37 C.F.R. § 11.501(b) and (c)(2) (as a practitioner having direct supervisory authority over another practitioner, failing to make reasonable efforts to ensure that the other practitioner conforms to the USPTO Rules of Professional Conduct).

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**Case:** *In re Karl L. Larson*, No. D2016-36 (USPTO Dir. Sept. 1, 2016).

**Disposition:** Ninety (90)-day suspension from practice before the USPTO, with requirement that practitioner complete ten (10) hours of continuing legal education in trust accounting and law practice management.

**Summary:** The USPTO Director entered a settlement agreement suspending a patent practitioner for ninety (90) days pursuant to 37 C.F.R. § 11.26 for failing to deposit unearned advanced fees in twelve (12) different client matters in a trust account, instead depositing the fees in the practitioner's operating account. In addition, the practitioner failed to maintain appropriate financial records.

**Facts:** Mr. Larson is a Texas-based practitioner who was registered as a patent agent in 1997 and as a patent attorney in 2003. Between approximately November 2014 and January 2016, Mr. Larson failed to deposit approximately \$12,480 in advance fees for legal services and USPTO fees into a client trust account. The funds were received in advance from twelve (12) clients and deposited into Mr. Larson's law firm operating account. Mr. Larson drew funds for personal and business expenses from his law firm's operating account that held client funds. In addition, Mr. Larson failed to keep financial records as required by 37 C.F.R. § 11.115(f).

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**Case:** *In re Robert R. Lech*, No. D2016-34 (USPTO Dir. Oct. 3, 2016)

**Disposition:** Ninety (90)-day suspension from practice before the USPTO, followed by a two (2)-year period of probation after reinstatement and the requirement that the practitioner complete five (5) hours of CLE in law practice management.

**Summary:** The USPTO Director entered a settlement agreement suspending a patent practitioner pursuant to 37 C.F.R. § 11.26 for ninety (90) days for failing to communicate with multiple patent clients about Office Actions received from the USPTO, allowing applications to go abandoned without client notice or consent, and failing to report the abandonments to his clients.

**Facts:** Mr. Lech is an Ohio-based registered patent attorney with no history of public discipline in twenty-three (23) years of practice. Pursuant to a settlement agreement with the USPTO, Mr. Lech agreed that between approximately February 2013 and August 24, 2015, he failed to notify his clients about multiple Office Actions received from the USPTO. During this same timeframe, Mr. Lech allowed at least 13 U.S. Patent Applications to become abandoned without the consent of his clients and failed to notify his clients about the Notices of Abandonment. Mr. Lech acknowledged that his conduct violated 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8); 10.77(c); 11.103; and 11.104(a)(2) and (3).

In mitigation, Mr. Lech demonstrated remorse, attempted to make restitution to his clients including by paying USPTO fees and not billing for legal services, and implemented a new docketing system that will enable him to better manage client matters. The USPTO also recognized in mitigation the fact that at least some of the misconduct was related to the illness of Mr. Lech's father as Mr. Lech regularly travelled far to provide care for his father. Furthermore, Mr. Lech, a solo practitioner, represented that upon reinstatement he planned to join a practice of other practitioners.

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**Case:** *In re Everitt George Beers*, Proc. No. D2016-18 (USPTO Dir. June 10, 2016); *see also In re Beers*, Proc. No. 13-0-12153 (Cal. Oct. 28, 2014).

**Disposition:** Four (4)-month suspension from practice before the USPTO.

**Summary:** A registered patent attorney was suspended from practice before the USPTO for violation of numerous USPTO Disciplinary rules arising from his representation of a client in various trademark matters. The attorney's conduct involved willful misconduct, including collecting unearned legal fees and USPTO filing fees paid by a client and converting them for his benefit; misrepresenting to the client that the work had been performed and providing the client with eight (8) fictitious trademark application numbers as representative of the client's application numbers; continuing the representation of a client during a period in which his physical conditions

made it unreasonably difficult for him to carry out his duties to the client; failing to perform the work he was hired to do; failing to promptly return to the client legal fees for the work not performed and USPTO fees not used upon being asked to do so by the client; and failing to deposit the legal fees for the work not performed in an identifiable bank account, such as a trust account. In addition, the practitioner was disciplined on ethical grounds for the same misconduct by another disciplinary authority. The practitioner submitted evidence of substantial mitigating factors which bore significant weight in reducing the practitioner's term of suspension.

**Facts:** This matter arises from a patent practitioner's misappropriation of client funds and misrepresentations to his client regarding various trademark applications he claimed to have filed but which he had not in fact filed. Although the nature of the misconduct was quite serious, this case also presented some unusual mitigating circumstances which supported imposition of a lesser disciplinary sanction. The practitioner, Everitt George Beers, of California, was first investigated by the California State Bar for his misconduct.

### **California Discipline**

Mr. Beers, who has been admitted to practice law in California since 1980, stipulated that between December 21, 2011 and November 15, 2012, he misappropriated \$2,600 he had been paid to cover filing fees for eight (8) trademark applications. He then submitted a list to the client suggesting he had prepared and filed the trademark applications when he had not. He also received \$5,005 in advanced fees from the client for preparing and filing the applications but did not promptly refund the money. Mr. Beers also did not file a response to a complaint filed against him with the State Bar. In May and March of 2014, Beers refunded the money he owed plus interest.

The California Bar found that Mr. Beers violated the California ethics rules by (1) failing to deposit any of the advanced costs received from the client in a trust account; (2) committing acts involving moral turpitude, dishonesty or corruption in willful violation by misappropriating the advanced costs paid by the client; (3) committing an act involving moral turpitude, dishonesty or corruption by submitting the client a false list of eight (8) trademark applications with the USPTO when he knew that he had not; (4) failing to promptly return part of the unearned fee upon request by the client; and (5) failing to provide any response to the State Bar's investigatory letter, and thus failing to cooperate in a disciplinary proceeding.

The California Bar found that, in mitigation, Mr. Beers was experiencing family problems and physical difficulties at the time of his misconduct, he had no prior record of discipline, he showed remorse, and he entered into a pretrial stipulation with the State Bar.

Mr. Beers was suspended for six (6) months, ordered to take the MPRE, and placed on two (2) years' probation by the State Bar of California. The order took effect in May 2015.

### **USPTO Discipline**

The USPTO agreed to the same findings of fact and conclusions of law that had been found by the California State Bar. Interestingly, the OED Director failed to follow 37 C.F.R. § 11.24(a) and

(d), which would have mandated imposing upon Mr. Beers the “identical” discipline that he received in California.

The USPTO concluded based upon his conduct that Mr. Beers violated the following provisions of the USPTO Code of Professional Responsibility:

1. 37 C.F.R. § 10.23(b)(4), which proscribes engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and 37 C.F.R. § 10.23(b)(6), which proscribes engaging in other conduct that adversely reflects on the practitioner's fitness to practice, by taking unearned legal fees and USPTO fees paid by a client and converting them for Respondent's benefit and by misrepresenting to the client that the work had been performed while submitting eight (8) fictitious trademark application numbers as representative of the client's application numbers;
2. 37 C.F.R. § 10.40(b)(3), which requires a practitioner to withdraw from employment when the practitioner's mental or physical condition renders it unreasonably difficult for the practitioner to carry out the employment effectively, by continuing the representation of a client during a period in which his physical conditions made it unreasonably difficult for practitioner to carry out his duties to the client;
3. 37 C.F.R. § 10.84(a), which proscribes a practitioner from intentionally failing to seek the lawful objectives of a client through reasonably available means, intentionally failing to carry out a contract of employment entered into with a client for professional services, and intentionally prejudicing or damaging a client during the course of a professional relationship, by failing to perform the work that Mr. Beers was hired to do (filing eight (8) trademark applications), and by collecting legal fees and USPTO fees for such unperformed work and then failing to promptly return to the client legal fees for the work not performed and USPTO fees not used;
4. 37 C.F.R. § 10.112(a), which requires a practitioner to deposit funds of clients paid to a practitioner or a practitioner's firm, except advances for costs or expenses, into identifiable bank accounts, by failing to deposit the legal fees for the work not performed into an identifiable bank account, such as a trust account; and
5. 37 C.F.R. § 10.112(c)(4), which requires a practitioner to promptly pay or deliver to the client as requested by a client the funds, securities, or other properties in the possession of the practitioner that the client is entitled to receive, by failing to promptly return to the client legal fees for the work not performed and USPTO fees not used.

In this case, the USPTO's failure to follow its rules mandating reciprocal discipline benefited the practitioner. Indeed, instead of the practitioner receiving from the USPTO identical discipline to what was imposed in California (a six (6)-month suspension and two (2)-year probationary term), the USPTO determined that a four (4)-month term of actual suspension from the USPTO was warranted. The USPTO found the following mitigating circumstances:

- (1) On or about August 22, 2011, evidence of a serious medical condition was first detected in Mr. Beers after his hospitalization for injuries suffered in a biking accident. As a result of the accident, he suffered chest injuries (which required placement of a tube in the chest wall) and a fractured collarbone. After the serious medical condition was detected, treatment for that condition began in September 2011 and lasted at least through July 2014;
  - (2) In the fall of 2012, Mr. Beers' wife suffered a serious biking accident in which she shattered a shoulder and required extensive surgery to implant a metal plate to hold nine (9) broken bone pieces together. After her release from the hospital, Mr. Beers was his wife's primary caregiver;
  - (3) In May 2013, Mr. Beers' 94-year-old father, who was responsible for Mr. Beers' developmentally disabled sister—both of whom resided in Alaska—fell and broke his hip requiring surgery. Mr. Beers' father had to be hospitalized and he was no longer able to supervise his disabled sister. Thereafter, Mr. Beers had to make several trips to Alaska to oversee care for his father and sister; and
  - (4) Mr. Beers sought and obtained psychological counseling regarding his misappropriation of funds and misrepresentations to this client *prior to* being contacted by the California State Bar and by OED, and within two (2) weeks of being confronted by the client, demonstrated remorse and recognition of wrongdoing, which were steps designed to atone for the consequences of his misconduct. His psychologist opined that he will not reoffend. Mr. Beers also attended Lawyers Assistance Program meetings and made full restitution.
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**Case:** *In re Andrew P. Lahser*, Proc. No. D2016-2 (USPTO Dir. June 10, 2016).

**Disposition:** One (1)-year suspension from practice before the USPTO, with the right to apply for reinstatement after nine (9) months, and requirement that the practitioner retake and pass the Model Professional Responsibility Exam (MPRE) and the Patent Bar Examination as conditions for reinstatement.

**Summary:** A patent attorney represented a client in various trademark and patent matters. During the course of the representation, the practitioner failed to adequately communicate important Office correspondence to the client by allowing applications to become abandoned without the client's knowledge or consent, and by preparing invoices for patent and trademark filings that unintentionally contained incorrect fee calculations, which resulted in over-charged fees. Prior to any disciplinary proceeding, the practitioner voluntarily made restitution to the client. The practitioner and OED Director entered into a settlement agreement in which he admitted that his conduct violated USPTO Code of Professional Responsibility, 37 C.F.R. §§10.23(a) and (b) via



10.23(c)(8) (failing to inform a client of correspondence received from the Office), and 10.77(c) (neglecting a legal matter); and violated the USPTO Rules of Professional Conduct, 37 C.F.R. §§ 11.101 (requiring thoroughness and preparation reasonably necessary for the representation), 11.103 (diligence), 11.104 (communication), and 11.115 (safekeeping property and funds).

**Facts:** This matter arose from a patent and trademark practitioner's neglect and failure to communicate in the handling of certain patent and trademark matters for a client. Andrew Lahser, an Arizona-based lawyer, was engaged by the client to file three (3) provisional patent applications and a non-provisional patent application, which was filed on his client's behalf on December 31, 2009.

Mr. Lahser received a Notice to File Missing Parts in the non-provisional application, which was mailed by the Office on January 22, 2010; but he neglected to communicate the Notice to his client. He also prepared an invoice, which showed improper charges for extra claims and fees not required by the USPTO.

Mr. Lahser received an Office Action on the merits in the non-provisional application, which was mailed on October 25, 2011, but he (a) failed to communicate the Office Action to his client in a timely manner; and (b) failed to respond to the Office Action, which caused the application to become abandoned. On July 9, 2012, Mr. Lahser filed a Petition for Revival in the non-provisional application, along with additional claims filed in the form of an amendment. The Petition for Revival was granted, but Respondent received an Office Action mailed on November 6, 2012, providing Notice of Non-Compliant Amendment where he had constructively elected another invention and, thus, the additional claims were not entered.

Mr. Lahser did not inform his client about the non-compliant amendment, the abandonment, the petition, or the revival of the non-provisional application until January 2013, at which time he advised his client about the original filing error, the steps he had taken to correct the original filing error, the abandonment of the application, and his efforts to revive the application.

Mr. Lahser recommended filing a continuation application and offered to only charge USPTO fees to his client. The continuation application was filed on March 15, 2013. The USPTO issued a Notice to File Missing Parts in the continuation application on May 13, 2013 because no fees were submitted with the filing. Mr. Lahser received another Office Action in the revived non-provisional application, which was sent by the USPTO on June 19, 2013; but Mr. Lahser later incorrectly informed his client that he was "still waiting for action" from the USPTO, and he failed to mention the Office Action or the Notice to File Missing Parts in either pending application.

In July, 2013, Mr. Lahser billed this client for \$3,440 fees in the continuation application, but he improperly billed for more claims than had been filed in the continuation application. Mr. Lahser never paid any fees in the continuation application. On October 29, 2013, Mr. Lahser emailed his client and incorrectly indicated that "there is no action from the Patent Office yet," despite having received the Office Action dated June 19, 2013. Mr. Lahser filed an Office Action Response in the

revived non-provisional application sometime in December 2013, but failed to communicate that filing to his client.

Mr. Lahser was also engaged by his client to prepare and file a trademark application. His client paid \$1,075 for the work, but Mr. Lahser never filed any such application. Mr. Lahser, however, provided his client with a draft trademark search and opinion.

In mitigation, Mr. Lahser had no history of discipline, demonstrated a cooperative attitude during the OED investigation, and made restitution to the client.

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**Case:** *In re Jerry A. Schulman*, Proc. No. D2016-02 (USPTO Dir. Apr. 13, 2016).

**Disposition:** Two (2)-year suspension from practice before the USPTO.

**Summary:** Over the course of ten (10) years, an IP practitioner allowed numerous patent and trademark applications to go unintentionally abandoned for multiple clients without their knowledge or consent, failed to communicate with his clients, and misrepresented the status of two (2) clients' patent applications. The USPTO Director approved a settlement agreement pursuant to which the practitioner agreed to a two (2)-year suspension from practice before the USPTO for violating 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8) (proscribing failure to advise a client of important Office correspondence); 10.23(b)(4) (proscribing conduct involving dishonesty, fraud, deceit, or misrepresentation); 10.23(a) and (b) via 10.23(c)(2)(i) (proscribing knowingly giving false or misleading information to a client in connection with business before the Office; 10.77(c) (proscribing neglect of legal matters entrusted to a practitioner); 10.84(a)(1) (proscribing failing to seek the lawful objectives of the client and prejudicing or damaging a client during the course of a professional relationship); 11.101 and 11.103 (failure to provide competent representation and to act with reasonable diligence and promptness in representing a client); 11.104(a)(2) and (a)(3) (failure to reasonably consult with the client about the means by which the client's objectives are to be accomplished and failure to keep the client reasonably informed about the status of a matter); and 11.804(c) (engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation).

**Facts:** This matter arises from a patent and trademark practitioner's mishandling of multiple client patent and trademark matters. Jerry Schulman, a member of the patent bar for forty (40) years, allowed applications before the USPTO to go unintentionally abandoned without his clients' knowledge or consent. He also failed to advise the clients about important USPTO correspondence and did not respond to client inquiries about the status of their applications.

With respect to one client in particular, Mr. Schulman filed seventeen (17) patent applications and nineteen (19) trademark applications. He neglected those applications, failed to inform his client of important Office correspondence regarding the applications, failed to timely respond to Office communications, allowed the patent and trademark applications to become abandoned without the

client's knowledge or consent, did not inform the client of the abandonments, and misrepresented to the client the status of several of the patent applications.

It is unclear why this conduct occurred. The settlement, however, stated that Mr. Schulman had no prior disciplinary history before the Office during the forty years he had been registered as a patent practitioner. In addition, he expressed remorse, attempted to mitigate the harm to his clients by reviving some patent applications at his own expense, and fully cooperated with the OED during its investigation of this matter.

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**Case:** *In re Robert K. Tendler*, Proc. No. D2013-17 (USPTO Dir. Jan. 8, 2014), *reinstatement granted*, Proc. No. R22 (OED Dir. Feb. 29, 2016).

**Disposition:** Four (4)-year suspension with right to apply for reinstatement after two (2) years. After being suspended for two (2) years, the practitioner filed, and the OED Director granted, a petition for reinstatement to practice before the USPTO.

**Summary:** A patent practitioner filed a Rule 131 declaration that contained materially false statements that the practitioner failed to correct expressly and in writing. The practitioner and OED Director entered into a settlement agreement, which was accepted by the USPTO Director, suspending the practitioner for four years with the right to apply for reinstatement after two (2) years, plus an eighteen (18)-month period of probation following reinstatement. After two (2) years of suspension, the practitioner filed a petition for reinstatement. The OED Director granted the petition.

**Facts:** This proceeding arose from a patent prosecution matter. In 2007, Mr. Tendler, a patent practitioner from Boston, Massachusetts, filed a Rule 131 declaration signed by his client, the inventor, to antedate a reference. The declaration asserted that the inventor had actually reduced his invention to practice.

Thereafter, the inventor disclosed to Mr. Tendler that he had not actually reduced his invention to practice. Mr. Tendler orally notified the USPTO examiner of the error in the declaration but did not inform the USPTO of the error in writing. In subsequent litigation, a district court found that the patent had been procured by inequitable conduct.

In a settlement agreement, the practitioner agreed that his conduct was prejudicial to the administration of justice. Mr. Tendler agreed to a four-year suspension with the right to apply for reinstatement after two (2) years and an eighteen (18)-month probationary period after reinstatement.

After two years of actual suspension, Mr. Tendler petitioned the OED Director for reinstatement to practice before the USPTO. The OED Director granted the practitioner's petition.

## **B. Non-USPTO Practice-Related Settlement**

The following settlement agreements involved IP practitioner misconduct that was unrelated to the practice of patent or trademark law before the USPTO.

### **1. Public Reprimand**

None.

### **2. Suspension**

**Case:** *In re Shekhar Vyas*, Proc. No. D2016-28 (USPTO Dir. Aug. 1, 2016), *reinstatement granted*, Proc. No. R24 (OED Dir. Oct. 12, 2016).

**Disposition:** One (1)-year suspension from practice before the USPTO, with the right to apply for reinstatement after thirty (30) days of actual suspension. After thirty (30) days of actual suspension, the practitioner petitioned for reinstatement. Shortly thereafter, the OED Director granted the petition.

**Summary:** A registered patent attorney was suspended from practice before the USPTO for twelve (12) months, with the right to petition for reinstatement after serving thirty (30) days of his suspension. The discipline arose from a stayed twelve (12)-month suspension ordered by the Supreme Court of California, which disciplined the practitioner due to his multiple misdemeanor convictions for driving under the influence of alcohol (“DUI”). The OED Director granted the practitioner’s petition and reinstated the practitioner to practice before the USPTO.

**Facts:** This matter arises from discipline imposed against a patent practitioner by the Supreme Court of California. The State Court discipline arose from the practitioner’s misdemeanor convictions for driving under the influence of alcohol. The USPTO Director suspended the practitioner from practice of patent, trademark, and other non-patent law before the USPTO for one (1) year for violating 37 C.F.R. § 11.804(h), which proscribes being publicly disciplined on ethical or professional misconduct grounds by a duly constituted authority. The USPTO Director ruled that the practitioner could seek reinstatement after thirty (30) days of his one (1)-year suspension had passed, if he met certain conditions. In mitigation, the practitioner expressed contrition and acknowledged how his actions violated the USPTO disciplinary rules. The practitioner’s petition for reinstatement was granted by the OED Director.

## **II. Exclusion on Consent - 37 C.F.R. § 11.27(b)**

Some practitioners who are under an investigation by the OED, or against whom a disciplinary complaint has been filed in the USPTO, decide to resign from the USPTO rather than deal with the investigation or administrative litigation. In such cases, pursuant to 37 C.F.R. § 11.27(b), the USPTO Director may accept a practitioner’s affidavit resigning from practice before the USPTO. Normally, conduct that leads to a practitioner submitting to an exclusion on consent is very serious in nature, including serious criminal misconduct.

If the USPTO Director accepts the practitioner's resignation, the USPTO treats the matter just as if the practitioner had been excluded. While the practitioner may avoid admitting that they violated any of the USPTO's ethics rules, when and if the practitioner applies for reinstatement, the OED Director will presume that the facts alleged in the practitioner's affidavit for exclusion on consent could not be rebutted by the practitioner.

In the following matters, a practitioner who was already being investigated for a possible ethics violation, or against whom a formal disciplinary complaint was filed, agreed to resign from the USPTO. The practitioner's resignation under the circumstances operates as an exclusion by consent from practice before the USPTO.

#### **A. USPTO Practice-Related Exclusions on Consent**

**Case:** *In re Edward Etkin*, Proc. No. D2016-05 (USPTO Dir. Jan. 8, 2016).

**Disposition:** Exclusion on consent from practice before the USPTO arising from multiple ethics violations in the handling of USPTO client matters.

**Summary:** A patent and trademark practitioner was excluded on consent for failing to communicate important USPTO correspondence to multiple clients, allowing his clients' patent and trademark applications to go abandoned without their knowledge or consent, misrepresenting to his clients the status of their abandoned patent and trademark applications, knowingly failing to perform services paid for by his clients, knowingly making a false certification to the USPTO that an abandonment was unintentional in a petition to revive, which was relied upon by the Office, and engaging in unauthorized practice of law while his right to practice in matters before the Office had been administratively suspended for his failure to submit the USPTO's practitioner survey.

**Facts:** The OED conducted a disciplinary investigation into the conduct of patent attorney Edward Etkin of Brooklyn, New York. The OED found that Mr. Etkin engaged in misconduct in multiple client matters before the USPTO:

First Matter - In 2012, Mr. Etkin received an Office Action in a patent application that he had filed, but he did not communicate to his client that the Office Action had been issued, nor did he file any response to the Office Action. The USPTO issued a Notice of Abandonment, which Mr. Etkin received but failed to communicate to his client. He made no attempt to revive the application and misled the client regarding the status of the application, implying that the application was still pending and advising the client to file a CIP application. The client paid \$2,600 for filing a CIP, but Mr. Etkin failed to file the application yet represented to the client he had done so. Mr. Etkin also fabricated documents, which appeared to have originated from the USPTO, relating to the status of the application, and gave those documents to his client.

Second Matter – In 2013, Mr. Etkin received an Office Action in a patent application that he had filed, but he did not communicate to his client that he had received it, and did not file any documents with the USPTO responsive to the Office Action. The application went abandoned, and Mr. Etkin made no attempt to revive it nor did he communicate the abandonment to his client.

Third Matter – Mr. Etkin filed a petition to revive an abandoned patent application on behalf of a third client. The petition was filed more than four years after the date of abandonment. In the petition, Mr. Etkin knowingly falsely certified that “[t]he entire delay in filing the required reply from the due date from the reply until the filing of a grantable petition pursuant to 37 CFR 1.127(b) was unintentional.” In fact, the delay in filing the petition was intentional. The petition to revive was granted based on Mr. Etkin’s false certification that the delay was unintentional.

Thereafter, the USPTO issued an Office Action in the application. Mr. Etkin received the Office Action, but did not notify the client that it had been issued, nor did he file any document in response. The USPTO issued a Notice of Abandonment, which Mr. Etkin received but failed to report to the client. Instead, Mr. Etkin misled the client into believing the application was still pending.

Fourth Matter – In 2012, Mr. Etkin received a Notice of Allowance in response to an intent-to-use trademark application he filed on behalf of the same client he represented in the Third Matter described above. He did not inform the client that he had received the Notice of Allowance, and did not file any documents responsive to the Notice of Allowance. The application went abandoned, and Mr. Etkin failed to inform the client about the abandonment and failed to take any action to revive the application.

Fifth Matter - In March 2015, Mr. Etkin became administratively suspended by the USPTO for failure to respond to the Office’s mandatory practitioner survey. After becoming administratively suspended, Mr. Etkin actively engaged in practice before the Office while not authorized to do so, including filing at least two new non-provisional patent applications, and failing to withdraw from at least four pending patent applications.

Mr. Etkin represented, in mitigation, that he has not been the subject of any previous disciplinary complaint. In addition, Mr. Etkin represented that he has submitted full or partial restitution of legal fees to the affected clients. Furthermore, Mr. Etkin represented that he had experienced significant and ongoing health problems that affected his ability to practice law in a reasonably diligent manner. Mr. Etkin also represented that those health problems resulted at least in part from

extreme damage to his home and law office, including his client files, records, and office computer systems, caused by Hurricane Irene in 2011 and Hurricane Sandy in 2012.

The USPTO Director excluded Mr. Etkin on consent based upon the above-referenced alleged violations of the USPTO's ethics rules. The exclusion on consent means that Mr. Etkin is not eligible to apply for reinstatement for a minimum of five (5) years after he satisfies all of the requirements of the suspended or excluded practitioner. If he does apply for reinstatement, the OED Director will conclusively presume that the facts set forth in the order of exclusion on consent could not have been rebutted by the practitioner.

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**Case:** *In re Joseph C. Terzo*, Proc. No. D2016-35 (USPTO Dir. Nov. 2, 2016).

**Disposition:** Exclusion on consent from practice before the USPTO arising from numerous ethics violations in handling multiple USPTO client matters.

**Summary:** A patent and trademark practitioner was excluded on consent following numerous allegations for ethical misconduct. The practitioner was charged with violating, *inter alia*, the USPTO Rules of Professional Conduct proscribing failure to provide competent representation, failure to keep clients reasonably informed about the status of a matter), failure to explain a matter to the extent reasonably necessary to permit the clients to make informed decisions regarding the representation, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, engaging in conduct that is prejudicial to the administration of justice, engaging in acts and omissions that adversely reflect on fitness to practice before the Office, failing to make reasonable efforts as a partner in a law firm to ensure that the firm has in effect measures giving reasonable assurance that the non-attorney assistants' conduct is compatible with the professional obligations of the practitioner, aiding in the unauthorized practice of law, making an agreement prospectively limiting the practitioner's liability to clients for malpractice when the clients were not independently represented in making the agreement, failing to deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the practitioner only as fees are earned or expenses incurred, and failure to cooperate with the Office of Enrollment and Discipline in an investigation.

**Facts:** The OED conducted a disciplinary investigation into the conduct of patent and trademark attorney Joseph Terzo. After its investigation, the OED Director filed a disciplinary complaint alleging numerous acts of professional conduct.

The complaint generally alleged that Mr. Terzo became a member of IP Law Group P.C. ("IP Law") on or about April 21, 2015, by entering into a partnership agreement with Andrew Alia. He became owner of 8,000 shares, initially holding 92,000 shares in trust. Mr. Terzo was aware that Mr. Alia was suspended from the practice of law in Pennsylvania on a temporary emergency basis on April 17, 2015.

Mr. Terzo took over representation of Mr. Alia's clients and neither informed those same clients that he was their new attorney, nor did he inform them that Mr. Alia was no longer available to be their attorney. Mr. Terzo did not obtain the clients' signatures for Revocation of Attorney forms filed with the Office in trademark applications, and instead he signed and filed the forms himself. He also did not communicate directly with clients regarding their trademark applications.

Mr. Terzo relied upon a "Trademark Questionnaire" to obtain information from clients regarding their trademark applications and did not determine the accuracy of the information set forth in the questionnaire. He did not communicate with his trademark clients before filing their applications, which included not explaining trademark legal concepts to them.

Mr. Terzo further aided his non-lawyer assistants in the unauthorized practice of trademark law by directing them to provide legal advice and legal services to his clients. Mr. Terzo had one paralegal who lived and worked in San Diego, while Mr. Terzo lived and worked in Philadelphia. Mr. Terzo directed his paralegal to prepare, sign his name, and file trademark applications with the Office without his direct supervision. Additionally, Mr. Terzo allowed this paralegal to approve Examiner's Amendments for his clients' trademark applications. Further, he directed his non-lawyer assistants to provide patent advice and legal services to clients.

Further still, Mr. Terzo attempted to limit his liability to a client for malpractice when the client was not independently represented in making the agreement.

In addition, Mr. Terzo required his clients to pay in advance for their trademark legal services. He deposited the trademark clients' entire pre-paid fees and expenses into his operating account before the fees were earned and expenses incurred.

Finally, Mr. Terzo failed to cooperate with OED's investigation of him. He provided false information to OED and failed to produce to the OED documents that were requested from him.

Based on the foregoing, Mr. Terzo submitted an affidavit resigning voluntarily from practice before the USPTO.

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**Case:** *In re David N. Caracappa*, Proc. No. D2015-37 (USPTO Dir. Jan. 5, 2016); *see also United States v. Caracappa*, No. 2:15-cr-00078-JHS (E.D. Pa. Mar. 3, 2015).

**Disposition:** Exclusion on consent from practice before the USPTO arising from practitioner's involvement in a criminal conspiracy to defraud a patent client and engaging in money laundering.

**Summary:** A patent attorney was excluded on consent following his plea of guilty in federal court for his role in a criminal conspiracy with another practitioner (an in-house attorney and client representative) to engage in fraudulent client billing, wire fraud, and money laundering for work he did not perform. The other practitioner performed the work ostensibly performed and billed by



the practitioner, who would kick back most of the proceeds received from the client entity to the co-conspiring in-house counsel.

**Facts:** This case involved a criminal conspiracy between two registered practitioners regarding fraudulent invoices submitted to a client for attorney's fees for work that was not done. In particular, between September 2008 and May 2013, Mr. Caracappa, a registered patent attorney, and Alexander Burke (another registered patent practitioner), engaged in a scheme to defraud Mr. Burke's employer, Siemens Corporation. Mr. Burke was authorized in his position at Siemens to hire outside contractors to provide patent services on its behalf.

On multiple occasions between 2008 and 2013, Mr. Burke assigned patent application and prosecution work to Mr. Caracappa, but Mr. Burke would perform the work himself. Mr. Caracappa then billed the work that he did not perform to Siemens at Mr. Caracappa's standard fees for the project assigned. Mr. Burke authorized payment from Siemens to Mr. Caracappa, and Siemens would pay Mr. Caracappa the amount invoiced. Mr. Caracappa then would reroute the majority of the payment to Mr. Burke.

In one example of the scheme, Mr. Caracappa billed Siemens \$8,000 ostensibly to prepare a patent application that he did not prepare but which was prepared by Mr. Burke. When Mr. Caracappa received payment, he rerouted \$7,000 of the payment back to Mr. Burke for the latter's personal use and kept the remainder for himself.

Over the course of approximately five (5) years, Mr. Caracappa and Mr. Burke issued 588 fraudulent billings to Siemens in the total amount of approximately \$2.4 million. The scheme continued until May 2013, when it was discovered by Siemens.

In March 2015, Mr. Caracappa was charged in the United States District Court for the Eastern District of Pennsylvania with one (1) felony count of conspiracy to commit wire fraud and one (1) felony count of conspiracy to commit money laundering. *See United States v. Caracappa*, No. 2:15-cr-00078-JHS (E.D. Pa. Mar. 3, 2015). He subsequently pled guilty. Sentencing has not yet been set by the Court. Separately, Mr. Burke also was charged and, to date, he has contested the allegations and seeks a trial, which has not yet been held. *See United States v. Burke*, No. 2:14-cr-00565-JHS (E.D. Pa. Oct. 16, 2014).

Mr. Caracappa was subsequently investigated by the OED, which was investigating the criminal conduct. Mr. Caracappa never responded to the OED's Requests for Information. The OED filed disciplinary charges arising from the criminal conduct.

In December 2015, Mr. Caracappa agreed voluntarily to resign from the USPTO.

## **B. Non-USPTO Practice-Related Exclusion on Consent**

In the following matter, a practitioner was excluded on consent. Unfortunately, the very limited public record fails to indicate whether the practitioner's misconduct related to his providing of legal services before the USPTO.

**Case:** *In re Siddharth G. Dubal*, Case No. 2016-27 (USPTO Dir. July 11, 2016); *see also In re Siddharth G. Dubal*, D-59-15, 077119 (N.J. Jan. 26, 2016).

**Summary:** A patent and trademark practitioner was excluded on consent after he was excluded on consent from the Supreme Court of New Jersey.

**Disposition:** Exclusion on consent pursuant to 37 C.F.R. § 11.27(b).

**Facts:** Pursuant to 37 C.F.R. § 11.24, the OED Director opened an investigation of allegations that Mr. Dubal violated the USPTO Rules of Professional Conduct, namely, by being disbarred on consent from the Supreme Court of New Jersey, in violation of 37 C.F.R. § 11.804(h)(1) (it is professional misconduct for a registered practitioner to be publicly disciplined on ethical or professional misconduct grounds by any duly constituted authority of a State).

Mr. Dubal's affidavit of resignation from practice before the USPTO was accepted and he was excluded on consent. Unfortunately, neither the USPTO's decision nor the New Jersey order provides any details of the facts leading to Mr. Dubal's disciplinary investigation or what conduct he was engaged in that ultimately led him to resigning from the New Jersey and USPTO bars.<sup>11</sup>

## **III. Interim Suspension Due to Conviction of Serious Crime - 37 C.F.R. § 11.25**

Patent and trademark practitioners are required to report to the OED Director if they are convicted of a misdemeanor or felony. 37 C.F.R. § 11.25(a). The OED Director is then required to determine whether the crime the practitioner was convicted of constitutes a "serious crime." If the OED Director determines the crime is "serious," then the OED Director is required to report the matter to the USPTO Director, who is required to issue a show cause order why the practitioner should not be immediately suspended from practice before the Office. This procedure enables the USPTO to temporarily suspend, for example, a convicted felon on an expedited basis until formal disciplinary proceedings are completed.

The cases below concern interim suspensions imposed upon a practitioner who was convicted of a crime deemed by the OED Director to constitute a "serious crime."

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<sup>11</sup> Unfortunately as well, in response to the author's request, the OED would not disclose whether Mr. Dubal's resignation on consent had anything to do with practice before the USPTO, citing privacy concerns.

**Case:** *In re Jeffrey L. Hefner*, D2016-21 (USPTO Dir. Aug. 11, 2016); *see also The People of the State of Illinois vs. Jerry L. Hefner*, 14-CF-140 (Ill. Cir. Ct. Sept. 9, 2015); *In the Matter of Jeffrey Lane Hefner*, Case No. 14-C-05148-DFM (Cal. State Bar Ct. Dec. 5, 2016).

**Disposition:** Interim suspension from practice before the USPTO predicated upon practitioner's conviction in Illinois state court of felony possession of methamphetamine.

**Summary:** A patent practitioner was convicted in Illinois state court of felony possession of methamphetamine. Pursuant to 37 C.F.R. § 11.25, the OED Director determined, and the USPTO Director agreed, that interim suspension was warranted based upon the practitioner's conviction of a "serious crime." The practitioner's matter was referred to an ALJ for formal disciplinary proceedings. The practitioner will remain suspended pending the resolution of formal USPTO disciplinary proceedings.

**Facts:** On May 26, 2014, Mr. Hefner was a passenger in a car driven by Jeannette Rockey ("Rockey"). An Illinois State Police Trooper initiated a traffic stop of Rockey. When the Trooper approached the vehicle, Mr. Hefner was asleep in the front passenger seat. Rockey was breathing heavily and, when asked about her driving, gave the Trooper an incoherent statement. Throughout the encounter, Rockey's statements were muddled and disjointed, and she continued to breathe in a rapid, heavy fashion. When Mr. Hefner was asked for identification, he gave the Trooper his California driver's license. The Trooper observed white residue on Mr. Hefner's lips. Mr. Hefner was holding a piece of copper wire, and there was a butane torch on the floorboards where he was sitting.

Other Illinois State Police Troopers arrived at the scene, Mr. Hefner was detained and placed in the back of a patrol car. As Mr. Hefner was escorted to the patrol car, he became highly agitated and began cursing and yelling at the Troopers. While in the back of the patrol car, Mr. Hefner began rocking back and forth in his seat and continued to scream at the Troopers. A search of Mr. Hefner's person resulted in the discovery of a glass pipe in his pocket. The Troopers conducted a search of the vehicle with the help of a police canine trained in narcotics detection and found a plastic jar containing a small amount of methamphetamine, a glass marijuana pipe, and other drug paraphernalia. A search of Rockey's purse revealed a pill bottle containing marijuana and a metal marijuana pipe with burnt marijuana residue. As the search continued, the Troopers found a drawstring bag containing a small plastic box. Inside the box was other drug paraphernalia and a clear plastic baggie containing crystal methamphetamine. Based on the Troopers' observation, the belief was formed that Mr. Hefner and Ms. Rockey were under the influence of methamphetamine.

Mr. Hefner and Ms. Rockey were arrested and cited for several violations of Illinois law. On May 27, 2014, an information was filed, charging Mr. Hefner with one (1) count of possession of methamphetamine, a felony, one (1) count of possession of drug paraphernalia, a misdemeanor, and one (1) count of possession of cannabis, a misdemeanor. On September 9, 2015, the court entered Mr. Hefner's plea of guilty to a count of possession of methamphetamine, a felony. The court dismissed the two (2) remaining counts pursuant to a plea agreement. The court sentenced

Mr. Hefner to 36 months' probation and included the requirement that he serve 120 days in jail, with credit for 74 days of time served.

On June 21, 2016, the USPTO Director served Mr. Hefner with a complaint for discipline as well as a notice and order to show cause why he should not be suspended on an interim basis pursuant to 37 C.F.R. § 11.25 based upon his Illinois conviction. Mr. Hefner failed to file any response. Accordingly, the USPTO Director entered an Order imposing an interim suspension pending further disciplinary proceedings before an administrative law judge.

Mr. Hefner is also a member of the California State Bar. The California State Bar Court (in which Mr. Hefner had been a member since 2001) found that the facts and circumstances surrounding Mr. Hefner's conviction did not involve moral turpitude but did constitute other misconduct warranting discipline. On December 5, 2016, the State Bar Court entered an order recommending that Mr. Hefner be disbarred from California.

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**Case:** *In re Jeffrey L. Hefner*, D2016-36 (USPTO Dir. Oct. 12, 2016); *see also People v. Hefner*, SF017278A (Cal. Superior Ct. June 13, 2014).

**Disposition:** Interim suspension from practice before the USPTO imposed on practitioner who pled no contest in California state court to charges of felony possession of a controlled substance.

**Summary:** A patent practitioner entered a plea of no contest in California state court to a charge of felony possession of a controlled substance. Under the USPTO rules, a plea of no contest constitutes a "conviction" and a felony is, also by definition, a "serious crime." 37 C.F.R. § 11.1. Consequently, the USPTO Director entered an Order suspending the practitioner on an interim basis pursuant to 37 C.F.R. § 11.25. The practitioner shall remain suspended pending the completion of formal USPTO disciplinary proceedings.

**Facts:** On December 15, 2015, the USPTO Director issued an order to show cause why Mr. Hefner should not be suspended on an interim basis following his plea of no contest to felony possession of a controlled substance before a California state court, as well as a complaint for discipline. A conviction of a "serious crime" may warrant imposition of an immediate interim suspension pending resolution of a formal disciplinary complaint, pursuant to 37 C.F.R. § 11.25.

A serious crime for which an interim suspension is available includes "[a]ny criminal offense classified as a felony under the laws of the United States, any state or any foreign country where the crime occurred." 37 C.F.R. § 11.1. The definition of "conviction" includes any "verdict or judgment finding a person guilty of a crime" and "any entered plea, including *nolo contendere* or Alford plea, to a crime." *Id.* Accordingly, the USPTO Director found that Mr. Hefner's felony conviction for possession of a controlled substance was a serious crime warranting an interim suspension under 37 C.F.R. § 11.25.

Mr. Hefner opposed the USPTO Director’s show cause order. His sole argument was that on November 4, 2014, a law was passed in California allowing individuals convicted of certain drug possession crimes (evidently including the crime he was convicted of) to petition the court for resentencing of the crime as a misdemeanor. He claimed to have file such a petition on January 14, 2016, with the Superior Court of California, seeking reduction of the drug possession charge from a felony to a misdemeanor and for appropriate resentencing. A hearing on his Petition had been scheduled for February 25, 2016.

Mr. Hefner, however, failed to demonstrate to the USPTO Director that he succeeded in his Petition for resentencing. Thus, his felony conviction constituted a serious crime under the USPTO’s disciplinary rules, which warranted an interim suspension.

**IV. Discipline Resulting from Administrative Adjudication - 37 C.F.R. § 11.32-56**

In the following matters, the OED Director filed a disciplinary complaint against a USPTO practitioner for violation of one or more of the USPTO’s ethics rules. The matter was assigned to an administrative law judge (“ALJ”) for an evidentiary hearing, pursuant to the procedures for administrative adjudication of disciplinary matters set forth in Title 37, Sections 11.32–11.54. The following table summarizes the results of administrative adjudications in disciplinary cases at the USPTO from 2016:

**Table B – USPTO 2016 Administrative Adjudication of Disciplinary Complaints**

	Public Reprimand	Suspension < 6 mths.	Suspension 6-24 mths.	Suspension > 24 mths.	Exclusion
ALJ ID – No Appeal Filed	0	0	0	0	5
USPTO Director Appeal	0	0	1	0	1
Reconsideration <sup>12</sup> Denied/Filed			1/1		1/1

**A. Appeal of ALJ Initial Decision to USPTO Director**

The following cases resulted from an agency litigation referred to an administrative law judge and conducted pursuant to the procedures set forth in 37 C.F.R. § 11.32-54. The ALJ in each case recommended the practitioner’s suspension or exclusion. In each of the cases below, the practitioner appealed the ALJ’s initial decision to the USPTO Director. 37 C.F.R. § 11.55-56. The discussions below thus constitute the opinions of the USPTO Director in the respective matters.

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<sup>12</sup> Reconsideration requests were only filed in those matters that were appealed to the USPTO Director.

**Case:** *In re Michael I. Kroll*, Proc. No. D2014-14 (USPTO Dir. Mar. 4, 2016), *reconsideration denied* (USPTO Dir. May 18, 2016).

**Disposition:** Initial decision recommending suspending a patent practitioner from practice before the USPTO for two years was affirmed on appeal in a final decision issued by the USPTO Director. The USPTO Director denied the practitioner's subsequent request for reconsideration of the Agency's final decision.

**Summary:** The USPTO Director issued an Order affirming an administrative law judge's initial decision to suspended a patent attorney for two (2) years for violating three (3) USPTO ethics rules arising out of the attorney's neglect of a patent application, which caused the applicant to lose all rights to obtain patent protection for an invention, and out of the attorney's filing a patent application that the attorney knew was not patentable as a matter of law, in violation of the attorney's certification to the Office that he had conducted a reasonable pre-filing investigation. The Director found that the attorney's conduct violated 37 C.F.R. §§ 10.23(a) (proscribing disreputable or gross misconduct); 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(15) (proscribing signing a paper filed with the USPTO in violation of the provisions of 37 C.F.R. § 10.18); and § 10.77(c) (proscribing neglecting a legal matter entrusted to the practitioner). The USPTO issued a subsequent Order denying the attorney's request for reconsideration.

**Facts:** This case involved a patent practitioner, Michael Kroll, a New York licensed attorney who has been registered to practice before the USPTO in patent matters since 1973. In addition to providing legal services, Mr. Kroll also provided a service in which, for a fee, he offered clients' inventions for sale through various websites. Mr. Kroll's standard practice was not to offer a client's invention for sale until after the client's patent application has been filed.

In 2004, a client engaged Mr. Kroll to pursue a patent for a traffic control device. On or about October 15, 2005, the client provided Mr. Kroll with all documents necessary to file a patent application for the traffic control device. Mr. Kroll prepared a patent application in October 2005 but inexplicably failed to file it at that time. Mr. Kroll did, however, publish the invention on his website on December 3, 2005. The web site erroneously noted "U.S. Patent: Pending" for the traffic control device.

After posting the traffic control device to his web site, Mr. Kroll, or one of his employees, placed the file in a file cabinet reserved for filed patent applications. Mr. Kroll did not file a patent application for the traffic control device within twelve (12) months of his posting the invention for sale on his web site.

By chance, in early August of 2007, Mr. Kroll discovered the traffic control device application file and determined that it had never been filed with USPTO. He realized the application should have been filed in October 2005. Mr. Kroll filed the traffic control device application on August 13, 2007. Prior to filing the application, Mr. Kroll failed to check his web site to determine if the

invention had already been posted online. Mr. Kroll also failed to inform his client that the patent application was not filed until 2007.

On December 28, 2009, the USPTO issued an Office Action related to the application. Mr. Kroll informed his client of the Office Action on February 15, 2010, and requested a \$2,375 payment to respond to the Office Action. That payment included a \$750 fee for a “personal interview” and a \$1,625 fee for a “written amendment.” The client was advised by Mr. Kroll that a failure to file a response to the Office Action would result in an abandonment of the application.

The client never responded to Mr. Kroll’s February 15, 2010 letter. Mr. Kroll made no further attempt to communicate with the inventor about the December 28, 2009 Office Action. On July 7, 2010, the USPTO sent Mr. Kroll a Notice of Abandonment related to the application. Mr. Kroll did not inform his client that the application had been abandoned, and he did not subsequently communicate with his client.

After learning of the OED Director’s investigation into his handling of the client’s patent application, Mr. Kroll refunded all of the client’s fees associated with the invention.

The USPTO Director’s decision noted that a registered practitioner prosecuting a client’s application before the Office has a duty of candor and good faith in dealing with the Office. 37 C.F.R. § 1.56(a) (2006). That duty includes a duty to disclose to the Office all information known to that individual to be material to patentability. *Id.* Furthermore, an attorney publishing a client’s invention on the internet and offering it for sale more than twelve (12) months before the client’s application is filed with the USPTO, as was the case here, is information material to patentability. *See* 35 U.S.C. § 102(b). By presenting (whether by signing, filing, submitting, or later advocating) a paper to the Office, a registered practitioner certifies to the Office that (a) all statements made therein of the practitioner’s own knowledge are true and all statements made therein on information and belief are believed to be true; and (b) to the best of the practitioner’s knowledge, information, and belief formed after an inquiry reasonable under the circumstances (i) the paper is not being presented for any improper purpose and (ii) the claims and other legal contentions therein are warranted by existing law or by a non-frivolous argument for the extension, modification, or reversal of existing law or the establishment of new law.

Notably, Mr. Kroll had several prior disciplinary infractions. On June 27, 2002, the New York Grievance Committee issued him a letter of caution for neglect of a patent matter for a client. He was reminded of his obligation not to neglect patent applications in a public censure by the New York Supreme Court in 2006. On February 24, 2004, the USPTO suspended Mr. Kroll from practice before the Agency for a period of three (3) years, which was stayed pending compliance with the terms of a settlement agreement between Mr. Kroll and the USPTO. The bases for the suspension included charging and collecting an excessive fee, giving false or misleading information to the USPTO, and participating in the creation of false evidence in violation of

USPTO's disciplinary rules. On May 25, 2010, as a result of a settlement agreement with the OED Director, Mr. Kroll was suspended for a period of sixty (60) months from the practice of patent, trademark, and non-patent law before the USPTO for engaging in conduct that violated 37 C.F.R. § 10.23(b)(6) by engaging in conduct that adversely reflected on his fitness to practice before the Office; 37 C.F.R. § 10.23(c)(8) by failing to inform a client of correspondence from the Office having a significant effect on a matter pending before the Office; and 37 C.F.R. § 10.77(c) by neglecting matters entrusted to him. Mr. Kroll's misconduct involved neglecting a client's patent application and allowing it to become abandoned and allowing other clients' U.S. patent applications to become abandoned as a matter of law because Mr. Kroll failed to inform the USPTO that he had filed foreign patent applications on the same invention claimed in the U.S. Patent applications. Again, the entirety of the suspension was stayed. Furthermore, on June 22, 2011, Mr. Kroll received a warning letter from the USPTO's OED in response to a grievance filed by another client; the letter reminded Mr. Kroll of his obligations under 37 C.F.R. § 10.77(c), proscribing neglecting a legal matter entrusted to the practitioner.

The ALJ rejected Mr. Kroll's argument that this misconduct involved a singular inadvertent act. The USPTO Director agreed with the ALJ. The Director found that the misfiling of the patent application was only the beginning of Mr. Kroll's missteps, which included that he forgot about the application for nearly two years and, thus, failed to timely file the application within 12 months of publication of the invention on his own web site. The Director explained that, "[a]n attorney has a duty to maintain awareness of his cases as they wind their way through the patent process" and concluded that "the nature of [Appellant's] filing system -as he describes it - ensures that forgetfulness - and thus neglect - is an ever-present threat in his legal practice." In other words, the absence of an electronic docket or "tickler" system was fatal. *See In re DeMarco*, 733 F.3d 457, 463 (2d. Cir. 2013) (noting that although counsel of record need not constantly monitor the Court's docket, counsel cannot allow lengthy periods of time to pass without review); *U.S. ex rel. McAllan v. City of N.Y.*, 248 F.3d 48, 53 (2d. Cir. 2001) ("[P]arties have an obligation to monitor the docket sheet to inform themselves of the entry of orders they wish to appeal."); *Davila-Alvarez v. Escuela de Medicina Universidad Central de Caribe*, 257 F.3d 58, 65 (1st Cir. 2001) ("[A]n attorney has an ongoing responsibility to inquire into the status of a case.").

The ALJ stated the neglect was avoidable because Mr. Kroll's filing and docketing processes were nothing more than a set of filing cabinets and a manual listing on a computer that required active checks to ensure compliance with deadlines, something he admitted he failed to do here. Further, the USPTO Director found that Mr. Kroll's backup system was not working on multiple occasions. In sum, the USPTO Director concluded that Mr. Kroll did not take sufficient steps to protect against his own errors or those of his staff and "expos[ed] all of his clients to the fate that befell this client."

The Director further found that Mr. Kroll violated the USPTO's certification requirement, which provides that: "By presenting (whether by signing, filing, submitting, or later advocating) a paper



to the USPTO, a registered practitioner's signature certifies to the USPTO that (a) all statements, made therein of the practitioner's own knowledge are true and all statements made therein on information and belief are believed to be true; and (b) to the best of the practitioner's knowledge, information, and belief formed after an inquiry reasonable under the circumstances (i) the paper is not being presented for any improper purpose and (ii) the claims and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law. See 37 C.F.R. § 10.18(b)(1) and (2) (now 37 C.F.R. § 11.18).” The Director stated that Mr. Kroll knew, in 2007, that he should have filed the application in 2005 and that when he filed in 2007, he made no attempt to determine whether the invention was still patentable. The Director further found that even though a large part of his business is marketing inventions on the internet, he did not even visit his own web site to check if he had already published the traffic control device for sale and “he simply assumed that the traffic control device remained viable and filed the application.” The ALJ concluded that “an unchallenged assumption is not an inquiry” and rejected Mr. Kroll’s contention that he undertook a reasonable inquiry prior to filing the application.

Mr. Kroll argued that he did not realize the on sale bar applied to his client’s application. The Director rejected this argument, finding that he took no steps whatsoever to verify any of the significant information on the application, including checking his own web site to see if the client’s invention had been published there and was affected by the on sale bar. “In other words, any lack of specific knowledge as to the patentability . . . was solely the result of his own failure to act. This failure to conduct even the most minimal inquiry as to the traffic control device's patentability is misconduct.”

After considering all of the evidence, the USPTO Director determined the appropriate discipline was a two-year suspension.

Mr. Kroll filed a request for reconsideration. The USPTO Director reiterated the higher standard needed to obtain this extraordinary relief, as follows:

It is long-settled that Requests for Reconsideration are not a vehicle to state a party's disagreement with a final judgment. *See Hutchinson v. Staton*, 994 F.2d 1076, 1082 (4th Cir. 1993) (“mere disagreement does not support a Rule 59(e) motion”). A request for reconsideration should not be used to “rehash arguments previously presented” or to submit evidence which should have been previously submitted. *See Wadley v. Park at Landmark, LP*, No. 1:06CV777, 2007 WL 1071960, at \*2 (E.D. Va. 2007) (*citing Hutchinson*, 994 F.2d at 1081- 82); *Above the Belt, Inc. v. Mel Bohannan Roofing, Inc.*, 99, F.R.D. 99, 101 (E.D. Va. 1983) (holding improper a motion for reconsideration “to ask the Court to rethink what the Court had since May 3, 2013.”).

The Director found that Mr. Kroll presented no new evidence and was simply rehashing arguments already made and rejected. *See Durkin v. Taylor*, 444 F. Supp. 879, 889 (E.D. Va. 1977) (stating that Rule 59(e) is not intended to give “an unhappy litigant one additional chance to sway the judge”). Reconsideration “would be appropriate where, for example, the Court has patently misunderstood a party, or has made a decision outside the adversarial issues presented to the Court by the parties, or has made an error not of reasoning but of apprehension.” The Director found no “extraordinary” circumstances warranting reconsideration.

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**Case:** *In re Bang-er Shia*, Proc. No. D2014-31 (USPTO Dir. Mar. 4, 2016), *reconsideration denied* (USPTO Dir. Aug. 1, 2016).

**Disposition:** Initial decision recommending patent practitioner’s exclusion from practice before the USPTO affirmed on appeal in a final decision issued by the USPTO Director. The USPTO Director denied the practitioner’s subsequent request for reconsideration of the Agency’s final decision.

**Summary:** The USPTO Director issued an Order affirming an administrative law judge’s initial decision recommending the exclusion of a patent agent who had engaged for years in the practice of trademark law before the USPTO. The USPTO Director found that the patent agent engaged in misconduct by: (1) improperly signing trademark documents filed with the USPTO; (2) improperly filing trademark documents prepared by foreign attorneys; (3) exceeding the role of a domestic representative and practicing before the Office in trademark matters; and (4) continuing to act as a domestic representative after being excluded from doing so by the Trademark Commissioner. The USPTO Director affirmed an ALJ’s determination that the practitioner violated six (6) ethics rules and properly considered the factors required by 37 C.F.R. § 11.54(b) before concluding that a sanction of exclusion was appropriate. The USPTO Director subsequently denied the patent agent’s request for reconsideration.

**Facts:** This case involves a patent agent who exceeded her limited authority by filing and signing trademark documents. The decision reminded that documents filed in connection with a trademark application or registration must be signed by a proper person.

For example, trademark documents that require a verification of the facts, such as an initial application or Statement of Use, must be sworn to in a declaration that is signed by the owner or the owner’s authorized representative. A person properly authorized to sign a declaration on behalf of an owner is either (i) a person with legal authority to bind the owner (*e.g.*, a corporate officer or general partner of a partnership); (ii) a person with firsthand knowledge of the facts and actual or implied authority to act on behalf of the owner; or (iii) an attorney with a power of attorney from the owner. A person who does not satisfy one of these three requirements cannot sign a trademark document on behalf of an owner. A person may not electronically sign another person’s name to a trademark document and file that document with the Office.

Bang-er Shia became a registered patent agent in 2005; she has never been admitted to the bar of any court as an attorney. Ms. Shia began serving as a domestic representative and correspondent for foreign trademark applicants in 2005 or 2006. She entered the electronic signatures of her clients on those filings and personally filed the documents with the USPTO. She would use her own address as the correspondence address and would sign the name of another individual as the owner's "domestic representative" on applications and other documents filed in the Office. Ms. Shia was never an officer or owner of any of these entities.

On January 23, 2012, the Trademark Commissioner issued a Show Cause Order to Ms. Shia informing her that USPTO suspected her of engaging in the unauthorized practice of trademark law before the USPTO, and was considering issuing an exclusion order. Ms. Shia responded to the Show Cause Order on February 2, 2012, stating that she merely provided administrative support for applicants by serving as their correspondent or domestic representative. On February 21, 2013, the Commissioner found that Ms. Shia had engaged in unauthorized practice in trademark matters before the USPTO and excluded her from participating as a correspondent or domestic representative in any current or future trademark matters before the USPTO. The basis for that Exclusion Order was a finding that Ms. Shia engaged in the unauthorized practice of law before the USPTO by preparing and signing trademark applications and other documents. On December 27, 2013, the USPTO Director affirmed the Commissioner's decision.

Ms. Shia continued assisting with trademark documents in violation of the Exclusion Order. On November 8, 2013, the OED Director filed a Complaint and Notice of Proceedings under 35 U.S.C. § 32 against Ms. Shia, captioned Proceeding No. D2014-04. On March 25, 2014, the OED Director filed an Amended Complaint in Proceeding No. D2014- 04.

On June 27, 2014, the OED Director filed a second Complaint against Ms. Shia, Proceeding No. D2014-31. At the OED Director's request, the two cases were consolidated. On July 22, 2014, the OED Director filed an Amended Complaint in D2014-31 ("Amended Complaint"), which removed certain charges and clarified others, and the matter was scheduled for a hearing.

The Amended Complaint in D2014-31 alleged that Ms. Shia, who is not and never has been an attorney, went beyond acting as a domestic representative for foreign applicants and engaged in unauthorized practice in trademark matters before the Office. The Amended Complaint further alleged she forged the electronic signatures of applicants to trademark documents and filed those documents with the USPTO and continued doing so even after being excluded by the Commissioner and to have concealed her misconduct by using an e-mail or mailing address that had not yet been detected by the USPTO as being associated with her. Ms. Shia was further alleged to have actively assisted foreign attorneys in the unauthorized practice of trademark law.

On August 20, 2014, Ms. Shia filed an Answer and Counterclaim to the Amended Complaint, denying the allegations and raising a number of affirmative defenses. On October 1, 2014, the OED Director filed a Motion to Dismiss D2014-04, electing to proceed to trial only on the allegations asserted in D2014-31. The Motion to Dismiss D2014-04 was granted by the ALJ on

the first day of the hearing. The hearing proceeded based solely upon the Amended Complaint filed July 22, 2014 in D2014-31.

An evidentiary hearing was conducted in October 2014. On April 22, 2015, the ALJ issued an Initial Decision and Order in Proceeding No. D2014-31. In that decision, the ALJ found that Ms. Shia's actions regarding documents filed in connection with nine (9) trademark applications constituted misconduct in four (4) ways: (1) she improperly signed trademark documents filed with the USPTO; (2) she improperly filed trademark documents prepared by foreign attorneys; (3) she went beyond the role of a domestic representative and constituted practice before the Office in trademark matters; and (4) she continued to act as a domestic representative after being excluded from doing so by the Trademark Commissioner. The ALJ concluded that Ms. Shia's misconduct violated the following USPTO disciplinary rules: 37 C.F.R. § 10.23(a) (disreputable conduct); § 10.23(b)(4) (deceit and misrepresentations to the USPTO); § 11.804(c) (deceit and misrepresentations to the USPTO); § 11.303(a)(1) (failure to correct misrepresentations made to the Office); § 10.77(a) (handling matters she was not competent to handle); 11.505 (aiding others in the unauthorized practice of law); and § 10.23(b)(5) and § 11.804(d) (conduct prejudicial to the administration of justice). The ALJ rejected Ms. Shia's affirmative defenses as well as her constitutional, jurisdictional, and regulatory arguments in their entirety.

Ms. Shia challenged the USPTO's authority to discipline her. Those arguments were unavailing. The USPTO Director explained that Congress vested the USPTO with plenary, statutory authority to promulgate regulations "govern[ing] the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office." 35 U.S.C. § 2(b)(2)(D); *see also Kroll v. Finnerty*, 242 F.3d 1359, 1364 (Fed. Cir. 2001) (stating that the USPTO has the "exclusive authority to establish qualifications for admitting persons to practice before it, and to suspend or exclude them from practicing before it"). The Director of the USPTO may suspend or exclude a person from practice before the Patent and Trademark Office if the person is "shown to be incompetent or disreputable, or guilty of gross misconduct," or if the person violates regulations established by the Office. 35 U.S.C. § 32. Thus, there is no question that the USPTO Director has authority to regulate practice before the Office in both patent and trademark matters, including the unauthorized practice of law before the Office.

The USPTO Director found that, "Pursuant to its authority to regulate the conduct of practitioners, the USPTO enacted its former Code of Professional Responsibility, 37 C.F.R. § 10.20 et seq., and the current Rules of Professional Conduct, 37 C.F.R. §§ 11.101 through 11.901, both of which include a number of mandatory disciplinary rules setting forth the minimum level of conduct below which no registered patent practitioner can fall without being subjected to disciplinary action. If a registered patent practitioner engages in misconduct and/or fails to comply with his or her professional obligations in violation of these rules, the USPTO has the authority to suspend or exclude the practitioner from further practice before the Office." *See* 35 U.S.C. § 32; 37 C.F.R. § 11.19.

The Director thus rejected Ms. Shia’s argument that violations of the Trademark rules and TMEP cannot form the basis of a disciplinary action: “It is well-settled that a practitioner is subject to the Office’s disciplinary jurisdiction for misconduct that is not specifically set forth in the disciplinary rules.” (citing *In re Edington*, Proc. No. D2008-12 (USPTO July 9, 2009) (finding the Respondent’s manslaughter conviction to be sufficient evidence that the respondent engaged in disreputable or gross misconduct in violation of the USPTO’s disciplinary rules); *In re Reynolds*, Proceeding No. DI999-12, at 19 (USPTO Apr. 4, 2001) (find Respondent’s convictions for driving while intoxicated represent conduct adversely reflecting on his fitness to practice law in violation of 37 C.F.R. § 10.23(b)).

The Director further rejected the argument that state law, rather than federal law, applied to Ms. Shia’s practice before the Office as being without any legal foundation. The Director ruled that it is long-settled that regulating admission and disciplinary issues before the USPTO lies within USPTO’s exclusive jurisdiction. See *Sperry v. Florida ex rel. Florida Bar*, 373 U.S 379, 385-86 (1963) (Registration with the USPTO confers a right to practice before the Office without regard to whether a state within which the practice is conducted would otherwise prohibit such conduct); see also *Kroll*, 242 F.3d at 1364 (“[T]he PTO has exclusive authority to establish qualifications and procedures for admitting persons to practice before the PTO, and to suspend or exclude those patent practitioners from practicing before the PTO.”)

Ms. Shia timely filed a request for reconsideration of the USPTO Director’s decision. The USPTO Director explained the very high burden of such requests. Applying the standard applicable in federal court for motions for new trial, the USPTO Director stated:

Federal courts have clarified that the standard of review for Rules 59(c) and 60 are narrow and limited to only certain circumstances involving new evidence, or to correct errors of law or fact. See *Hutchinson v. Staton*, 994 F.2d 1076, 1081 (4th Cir. 1993). Any new evidence submitted must not have been available before the issuance of the final decision. See *Baryon v. United States*, 884 F.2d 767, 771 (4th Cir. 1989) (“Evidence that is available to a party prior to entry of judgment, therefore, is not a basis for granting a motion for reconsideration as a matter of law.”) (quoting *Frederick S Wyle P.C v. Texaco, Inc.*, 764 F.2d 604, 609 (9th Cir. 1985)). Reconsideration “would be appropriate where, for example, the Court has patently misunderstood a party, or has made a decision outside the adversarial issues presented to the Court by the parties, or has made an error not of reasoning but of apprehension.” *Above the Belt, Inc. v. Mel Bohannan Roofing, Inc.*, 99 F.R.D. 99, 101 (E.D. Va. 1983); *United States v. Ali*, No. 13-3398, 2014 WL 5790996, at \*3 (D.Md. Nov. 5, 2014).

The USPTO Director further explained that it “is long-settled that requests for reconsideration<sup>4</sup> are not a vehicle to state a party’s disagreement with a final judgment” and should not be used to rehash “arguments previously presented” or to submit evidence which should have been previously submitted. The USPTO Director noted that while requests for reconsideration are permitted, they

are seldom granted. “These types of motions are extraordinary remedies reserved only for extraordinary circumstances.”

After stating the standard, the USPTO Director determined that Ms. Shia had failed to meet the standard. The USPTO Director found that Ms. Shia failed to present any newly discovered evidence, or identify errors in law or fact that support her argument that the Final Order warrants dismissal.

### **B. Cases Where Neither Party Appealed Initial Decision - 37 C.F.R. § 11.55(a)**

Pursuant to 37 C.F.R. § 11.55(a), either the OED Director or the practitioner has thirty (30) days from the date of the ALJ’s initial decision to file an appeal to the USPTO Director. The failure to appeal results in the initial decision becoming a final Agency decision effective thirty (30) days from the date of the ALJ’s initial decision. 37 C.F.R. § 11.55(i). In the following cases, neither party filed an appeal from the ALJ’s initial decision. Therefore, the initial decision of the ALJ became the Agency’s final decision as a matter of law.

**Case:** *In re Carl J. Schwedler*, Proc. No. D2015-38 (USPTO Dir. Mar. 21, 2016).

**Disposition:** ALJ’s initial decision recommending entry of default judgment and practitioner’s exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent attorney was charged with multiple counts of ethical misconduct arising from the abandonment of a client’s patent application and failure to cooperate with the OED’s investigation. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED proposing that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ’s initial decision became the USPTO’s final decision as a matter of law, and thus the practitioner was excluded.

**Facts:** On October 6, 2015, the OED Director filed a Complaint alleging that Mr. Schwedler, having agreed to take over representation of a client’s patent application and having received prepaid attorney’s fees, failed to file a response to a Final Office Action resulting in the abandonment of the application. In addition, the Complaint alleged that Mr. Schwedler failed to cooperate with the OED’s investigation into the matter.

Mr. Schwedler was registered to practice in patent matters by the USPTO in 1993 and became admitted to practice law in California in 2006. In 2011, a client requested another practitioner represent him in the preparation, filing, and prosecution of a patent application. In June 2013, the USPTO issued a Final Office Action rejecting the application. In September 2013, Mr. Schwedler agreed to take over the representation and he stated that he had prepared a draft response to the Final Office Action and would file the response on or before September 10, 2013. The Client paid \$1,500 in advance for the promised patent legal services to be rendered.

Mr. Schwedler did not take any further action on the Client's behalf in the '058 application. The USPTO mailed a Notice of Abandonment to prior counsel because Mr. Schwedler had failed to file a revocation of power of attorney with a new power of attorney or change of address.

During the week of January 20, 2014, Mr. Schwedler's employment was terminated by the law firm where he was employed. On January 30, 2014, a partner in Mr. Schwedler's prior law firm sent the Client a letter advising the Client that Mr. Schwedler's employment had been terminated the previous week. The attorney, a Mr. Parker, stated that when cleaning out Mr. Schwedler's former office, the firm discovered the retention letter entered into by the Client with Mr. Schwedler. Mr. Parker also indicated that Mr. Schwedler had confirmed to Mr. Parker on January 28, 2014, that the Client had "hired [Respondent] in September and that [the Client] intended him to . . . act as, [the Client's] patent attorney." Mr. Parker stated that "we quickly looked on the USPTO website and discovered a notation stating that your patent application was apparently 'abandoned-failure to respond to an office action' as of January 1, 2014." Mr. Parker concluded his letter by encouraging the Client to contact Mr. Schwedler, and he stated that Mr. Schwedler had advised the firm that "his new contact information should be available through the California State Bar Association."

On January 31, 2014, and again on February 1, 2014, the Client's son, on behalf and at the direction of the Client, sent an email to Mr. Schwedler inquiring as to the status of the '058 application. On February 5, 2014, the Client's son contacted Radoslovich Krogh, P.C. In 2014, the Client was 83 years old, hard of hearing, handicapped, and unfamiliar with computers. As a result, his son, George Yagi, Jr., often acted as the Client's intermediary. On February 5, 2014, Mr. Schwedler called the Client's son three times and left two voice mail messages, and sent three successive emails. In his February 5, 2014, email sent at 11:15 A.M., Mr. Schwedler stated that "I have everything in order for filing the response." On February 5, 2014 at 6:50 P.M., the Client's son sent an email to Mr. Schwedler informing him that he had viewed the USPTO website, had seen the status of the '058 application, and requested an explanation as to why the '058 application had been abandoned.

On February 6, 2014, Mr. Schwedler sent the Client's son an email stating that "[i]n the transfer of [his] files in and out of another firm, the docketing was not entered." Mr. Schwedler further stated that "everything is back to normal here, and we are ready to move forward aggressively on your father's case." Mr. Schwedler further stated that he had "the response ready to go, it is very good, and I can say that you are in a better position than I initially thought." Mr. Schwedler advised the Client's son that "a simple filing of the response and a request for revival will put us back in the game."

On February 13, 2014, Mr. Schwedler sent the Client's son an email stating that he was "anxious to file the prepared response and get the ['058] application 'up and running.'" However, at no time did he take any further action on the '058 application.

In March of 2014, the Client terminated Mr. Schwedler's representation of him in the '058 application and secured the services of another registered practitioner, David Millers. On or about March 18, 2014, the Client sent a letter to Mr. Schwedler notifying him that responsibility for the prosecution of the '058 application had been transferred to Mr. Millers, requesting that he send all files to Mr. Millers, and requesting that the prototype for the invention be returned to the Client. At no time did Mr. Schwedler forward the files relating to the '058 application to Mr. Millers, or return the prototype to the Client. He did not perform sufficient services to justify his retention of the \$1,500 fee paid in advance. He also failed to return any portion of the unearned advanced fees to the Client.

On November 26, 2015, the OED sent, via certified mail, a Request for Information and Evidence Under 37 C.F.R. § 11.22(f) ("First RFI") to Mr. Schwedler's address of record with the USPTO regarding his representation of the Client as referenced above. He never responded.

On February 18, 2015, the State Bar of California entered an order of default and transferred Mr. Schwedler to "inactive enrollment" for his failure to timely file a response to certain pending disciplinary charges.

On March 18, 2015, Mr. Schwedler was administratively suspended from practice before the USPTO. On August 13, 2015, the OED sent, via certified mail, a letter to Mr. Schwedler at his address of record with the OED stating that it had not received a response from him to either the First RFI or the Lack of Response letter. Mr. Schwedler did not respond to the August 13, 2015, letter.

As of the date the Complaint was filed, Mr. Schwedler had not responded to any of the OED's correspondence to him nor has he otherwise communicated with OED during its investigation of his alleged misconduct.

The ALJ found that Mr. Schwendler violated the USPTO Rules of Professional Conduct.

37 C.F.R. § 11.103 proscribes failing to act with reasonable diligence and promptness in representing a client;

37 C.F.R. § 11.104(a)(3) proscribes failing to keep the client reasonably informed about the status of a matter;

37 C.F.R. § 11.104(a)(4) proscribes failing to promptly comply with reasonable requests for information;

37 C.F.R. § 11.115(d) proscribes failing to promptly deliver to a client any funds or property that the client is entitled to receive;



37 C.F.R. § 11.116(d) proscribes failing to surrender papers and property to which the client is entitled and to refund any advance payment of fee or expense that has not been earned or incurred upon termination of the practitioner-client relationship; 37 C.F.R. § 11.804(c) proscribes conduct involving dishonesty, fraud, deceit, or misrepresentation;

37 C.F.R. § 11.801(b) proscribes knowingly failing to respond to lawful demands for information from a disciplinary authority; and

37 C.F.R. § 11.804(d) proscribes conduct that is prejudicial to the administration of justice.

Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and thus the practitioner was excluded.

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**Case:** *In re Russell W. Warnock*, Proc. No. D2016-08 (USPTO Dir. Apr. 22, 2016).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** An IP attorney who had been licensed since 1988 and had a history of professional discipline was charged with multiple counts of ethical misconduct arising from the abandonment of multiple clients' patent and trademark applications and failure to cooperate with the OED's investigation. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED and proposing that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and thus the practitioner was excluded.

**Facts:** On January 13, 2016, the OED Director filed a complaint against Russell W. Warnock alleging that Mr. Warnock engaged in a pattern and practice of allowing both patent and trademark applications to go abandoned for, among other things, failing to respond to an Office Action or a Notice to File Missing Parts in patent applications, and failing to respond to an Office Action or file a Statement of Use in trademark applications. The complaint sought Mr. Warnock's suspension or exclusion.

The complaint specified numerous matters in which Mr. Warnock had abandoned client matters. By way of example, he filed a patent application for a client in 2009. In 2012, the Office mailed a Notice of Allowance. Mr. Warnock failed to respond. When asked for an update, Mr. Warnock falsely informed his client that everything was on track, and that they were waiting for a reply

from the USPTO. On March 18, 2013, the Office mailed a Notice of Abandonment for failure to respond to the Notice of Allowance.

The client independently learned about the abandonment. When he contacted Mr. Warnock, the attorney did not inform the client that the application had been abandoned many months earlier. Instead, he promised to “take care of restoring [the application] to active status” if the client would pay the issue fee. Although the client requested that this be done, Mr. Warnock failed to respond to the Notice of Allowance or submit the issue fee.

Similar facts regarding Mr. Warnock’s failure to respond to USPTO correspondence, or inform the clients about such correspondence, or misrepresenting the status of ongoing matters to clients, were alleged throughout the complaint.

On March 2, 2015, OED sent a Request for Information (“RFI”) to Mr. Warnock. After obtaining an extension of time to respond, Mr. Warnock provided an incomplete response.

On August 20, 2015, OED sent a second RFI (“Second RFI”) to Mr. Warnock. In the Second RFI, OED asked follow-up questions in response to Mr. Warnock’s response to the First RFI and also requested that he respond to the questions that he had not answered from the First RFI. Mr. Warnock failed to respond to the Second RFI.

Mr. Warnock was served with a copy of the OED’s complaint, but failed to respond. In January 2016, the OED Director moved for entry of default judgment. No response was filed. Accordingly, the ALJ entered an initial decision granting the default judgment motion. The initial decision noted that since Mr. Warnock had failed to respond to the complaint, the allegations were accepted as true.

The ALJ’s initial decision found based upon the undisputed facts that Mr. Warnock had breached ethical duties under the USPTO’s Code of Professional Responsibility (for conduct pre-dating May 4, 2013) and the USPTO’s Rules of Professional Conduct (for conduct on or after May 4, 2013). In particular, the ALJ found Mr. Warnock violated the following ethics rules:

37 C.F.R. § 10.23(a) for engaging in disreputable or gross misconduct by failing to perform services that he was retained to perform on behalf of a client.

37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(2)(1) for knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information to a client in connection with any immediate, prospective or pending business before the Office.

37 C.F.R §§ 10.23(a) and (b) via 10.23(c)(8) for failing to inform a client of correspondence received from the Office when the correspondence could have a significant effect on a matter pending before the Office, is received by the practitioner on behalf of a client, and is correspondence which a reasonable

practitioner would believe under the circumstances that the client should be notified.

37 C.F.R. § 10.77(c) for neglecting a legal matter entrusted to the practitioner.

37 C.F.R. § 11.101 for failing to provide competent representation to a client.

37 C.F.R. § 11.103 for failing to act with reasonable diligence and promptness in representing a client.

37 C.F.R. § 11.104(a)(2) and (3) for failing to keep the client reasonably informed about the status of the matter.

37 C.F.R. § 11.804(c) for engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation.

Interestingly, the ALJ did not find that Mr. Warnock violated the USPTO's disciplinary rules that require a practitioner to assist in a disciplinary proceeding. *See* 37 C.F.R. § 11.801(b) (proscribing knowingly failing to respond to lawful demands for information from a disciplinary authority). Nevertheless, the ALJ did consider his failure to cooperate to be an aggravating factor warranting enhanced discipline. The ALJ concluded by recommending that Mr. Warnock be excluded from practice before the USPTO.

Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and thus the practitioner was excluded.

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**Case:** *In re Clifford G. Frayne*, Proc. No. D2016-09 (USPTO Dir. June 17, 2016); *see also In the Matter of Clifford G. Frayne*, Case No. DRB 14-036 (N.J. Oct. 29, 2014).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent practitioner with over thirty-eight (38) years of experience was charged with ethical misconduct arising from his representation of a patent prosecution client as well as his representation of multiple clients in trademark matters while his state bar license had been administratively suspended by the New Jersey bar. The practitioner received a public reprimand from New Jersey for certain of his actions. The OED Director later filed a non-reciprocal disciplinary complaint seeking the practitioner's suspension or exclusion from practice before the USPTO. After the practitioner failed to respond to the OED Director's disciplinary complaint, and upon a motion for default judgment, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED. The default judgment proposed that the practitioner be excluded from practice before the USPTO. The practitioner failed to file an appeal of the initial decision. The ALJ's initial decision thus became the USPTO's final

decision as a matter of law. Consequently, the practitioner was excluded from practice before the USPTO.

**Facts:** In 2007, Mr. Frayne filed a non-provisional patent application on behalf of his client. Later that year, the application was published by the USPTO. In 2009, the USPTO rejected the application as anticipated by a prior art reference. Mr. Frayne evidently failed to file a response to the Office Action, and the patent application went abandoned in 2010. In 2012, Mr. Frayne filed a second nonprovisional patent application for this client's same invention. The second application and claims were substantially similar to the specification and claims that had previously been published and ultimately were rejected by the Office. Mr. Frayne failed to disclose to the USPTO either the publication of the first nonprovisional application or the prior art reference cited by the USPTO in 2009. Mr. Frayne allegedly knew at the time he submitted the second application that the claims made in that application were statutorily barred. After examination of the second application, the USPTO rejected the second application as anticipated by the publication of the client's first application.

Mr. Frayne failed to communicate with his client about the rejection, and the client revoked his power of attorney.

### **New Jersey Discipline**

On July 31, 2014, the Disciplinary Review Board of the Supreme Court of New Jersey entered its decision in *In the Matter of Clifford G. Frayne*, Case Number DRB 14-036, recommending that Mr. Frayne be publically reprimanded. The New Jersey discipline arose from Mr. Frayne's (i) failure to communicate with his client in connection with the patent application matter; (ii) practice of law in New Jersey from September 24, 2012, through May 14, 2013, while he was administratively suspended (and thus ineligible to practice law in New Jersey) for not paying the annual assessment to the New Jersey Lawyers' Fund for Client Protection (CPF); and (iii) failure to cooperate with the New Jersey disciplinary authorities during its investigation of his misconduct. On October 29, 2014, the Supreme Court of New Jersey entered an Order adopting the July 31, 2014 decision of the Disciplinary Review Board

### **Unauthorized Practice of TM Law**

On February 17, 2014, and again on May 21, 2014, the Supreme Court of New Jersey mailed Mr. Frayne a billing notice regarding his required annual assessment for 2014. However, Mr. Frayne did not pay the required annual fee for 2014 or demonstrate that he was entitled to an exemption from making such payments. Consequently, as of August 25, 2014, Mr. Frayne was found by order of the Supreme Court of New Jersey to be ineligible to practice law in New Jersey. He also failed to pay the annual assessment in 2015.

Since he was no longer a member in good standing of the highest court of any state, Mr. Frayne was not authorized to practice before the Office in trademark matters as of August 25, 2014.

Nevertheless, after that date, Mr. Frayne continued to represent multiple clients in trademark matters before the USPTO.

In September 2015, the OED initiated an investigation of Mr. Frayne. He continued, however, to represent clients before the Office.

In January 2016, the OED Director filed a complaint charging Mr. Frayne with violations of the USPTO Code of Professional Responsibility for his misconduct prior to May 3, 2013:

- (1) 37 C.F.R. § 10.23(b)(4), for conduct involving dishonesty, fraud, deceit, or misrepresentation based on his filing of a patent application when he knew, or should have known, that a patent was statutorily bared pursuant to 35 U.S.C. 102(b);
- (2) 37 C.F.R. § 10.23(b)(5), for conduct prejudicial to the administration of justice based upon his patent application filing when he knew, or should have known, that a patent was statutorily barred pursuant to 35 U.S.C. § 102(b);
- (3) 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(15), for signing a paper filed in the Office in violation of the provisions of § 11.18, which requires practitioners to conduct a reasonable inquiry and certify, in part, that the legal contentions contained in the paper are warranted by existing law; and
- (4) 37 C.F.R. § 10.77(b), for handling a legal matter without preparation adequate in the circumstances.

For his conduct after May 3, 2013, Mr. Frayne was charged with violating the USPTO Rules of Professional Conduct as follows:

1. 37 C.F.R. § 11.804(h)(1), for being publicly disciplined on ethical or professional misconduct grounds by the Supreme Court of New Jersey;
2. 37 C.F.R. § 11.116(a)(1) and 37 C.F.R. § 11.505, for failing to withdraw from representation and from engaging in the unauthorized practice of law by representing others before the Office in trademark matters from August 25, 2014 through October 16, 2015, while ineligible to practice law in the State of New Jersey or any other state;
3. 37 C.F.R. § 11.804(c), for engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation by falsely represented himself to his clients and to the Office to be a person who is authorized to practice before the Office in trademark matters; and

4. 37 C.F.R. § 11.804(d), for engaging in conduct that is prejudicial to the administration of justice by falsely representing to the Office to be a person who was authorized to practice before the Office in trademark matters during a period which he was ineligible to practice law in the State of New Jersey or any other state.

The ALJ concluded based upon the undisputed facts of the OED Director's complaint that Mr. Frayne had violated each of the above-referenced provisions of the USPTO's ethics rules.

In considering an appropriate sanction, the ALJ considered the following four factors: (1) whether the practitioner has violated a duty owed to client, to the public, to the legal system, or to the profession; (2) whether the practitioner acted intentionally, knowingly, or negligently; (3) the amount of the actual or potential injury caused by the practitioner's misconduct; and (4) the existence of any aggravating or mitigating factors. 37 C.F.R. § 11.54(b).

The ALJ concluded based on these factors that Mr. Frayne's misconduct warranted exclusion. Accordingly, the ALJ recommended that Mr. Frayne be excluded from practice before the USPTO in patent, trademark, and non-patent matters. Since he failed to respond to the ALJ's recommended decision, that recommendation became the final decision of the USPTO, and thus, Mr. Frayne was excluded from practice before the Office.

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**Case:** *In re Ian P. Coyle*, Proc. No. D2016-16 (USPTO Dir. July 27, 2016).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent attorney was charged with multiple counts of ethical misconduct arising from the abandonment of a client's patent application and failure to cooperate with the OED's ethics investigation. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED and proposing that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and thus the practitioner was excluded.

**Facts:** On April 8, 2016, the OED Director filed a two-count Complaint against Dr. Coyle, a patent agent. The complaint stemmed from Dr. Coyle's neglect of a patent matter and failure to cooperate with the Office of Enrollment and Discipline's ethics investigation.

Dr. Coyle became a registered patent agent in 2009. In 2015, he represented Dr. Mohammed Alsaidan ("Dr. Alsaidan") with regard to a prior art search and to prepare and file a patent application for Dr. Alsaidan's invention for an improved biopsy device. Dr. Alsaidan paid \$900 to Dr. Coyle as an advance payment toward their agreed upon \$1,800 fee.

On April 29, 2015, Dr. Alsaidan sent an email requesting an update from Dr. Coyle, who did not respond. Over the course of the next several weeks, the client sent multiple emails to the practitioner requesting a status update, only to receive no reply. In addition, the practitioner failed to respond to the client's telephone messages.

On May 21, 2015, Dr. Alsaidan sent an email requesting a refund of his transferred money if Dr. Coyle was not able to draft a patent application. The practitioner failed to respond to the May 21, 2015 email, nor did he return Dr. Alsaidan's advance fee. Upon information and belief, the practitioner did not conduct a prior art search and did not prepare a patent application as he had agreed to do on Dr. Alsaidan's behalf. Based on these facts, it was inferred that Dr. Coyle abandoned Dr. Alsaidan as a client. He failed to return the \$900 fee paid in advance to him by Dr. Alsaidan.

On June 15, 2015, the OED mailed to the practitioner a Request for Information and Evidence Under 37 C.F.R. § 11.22(f) (the "RFI"), requesting information regarding Dr. Alsaidan's grievance. Dr. Coyle failed to respond to the OED's RFI.

Based upon the foregoing facts, the OED Director filed a disciplinary complaint. Dr. Coyle failed to respond to the complaint. Thereafter, the OED Director filed a motion for default judgment.

The ALJ granted the motion. Based on the facts alleged in the complaint—which were taken as true in light of the default—the ALJ determined that Dr. Coyle violated the following USPTO ethics rules:

First, the ALJ found that Dr. Coyne violated 37 C.F.R. § 11.103 for his neglect, failure to communicate, failure to perform services, and failure to return unearned fees.

In addition, the ALJ found the practitioner failed to keep the client reasonably informed about the status of a matter, by not providing information about the status of the patent legal services for which he was hired to perform, including not responding to numerous telephone calls or emails from the client about the status of the matter, in violation of 37 C.F.R. § 11.104(a)(3) and 37 C.F.R. § 11.104(a)(4).

Furthermore the ALJ found that the practitioner failed to promptly deliver to the client funds that the client is entitled to receive, by not refunding the \$900 advance fee paid, in violation of 37 C.F.R. § 11.115(d) and 37 C.F.R. § 11.116(d).

The ALJ still further found that the practitioner had engaged in "dishonesty, fraud, deceit, or misrepresentation, by being dishonest and keeping the \$900 fee paid by Dr. Alsaidan in advance without having performed the legal services for which he was paid, in violation of 37 C.F.R. § 11.804(c)."

Still further, the ALJ found that Dr. Coyne violated 37 C.F.R. § 11.801(b) by failing to cooperate in the OED's investigation. The ALJ also found that the lack of response to the RFI was conduct that is prejudicial to the administration of justice in violation of 37 C.F.R. § 11.804(d).

The ALJ found that the OED Director’s request for exclusion “is fair and appropriate because Respondent violated duties owed to his client and the legal profession; acted knowingly and intentionally caused significant injury to his client, and because there are multiple aggravating factors. In this matter, Respondent took the client’s money, then abandoned him. He failed to return unearned fees to the client. Respondent further ignored the requests of the USPTO and this Court.”

Because the practitioner failed to appeal the initial decision entering default judgment, the ALJ’s order became a final order of the USPTO. Consequently, Dr. Coyne was ordered excluded from practice before the USPTO.

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**Case:** *In re Kristofer E. Halvorson*, Proc. No. D2016-33 (USPTO Dir. Oct. 12, 2016).

**Disposition:** ALJ’s initial decision recommending entry of default judgment and practitioner’s exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent attorney was charged with multiple counts of ethical misconduct arising from his inactions and failure to communicate with clients in multiple patent and trademark prosecution matters, his misleading statements in response to his clients’ requests for information, and his failure to cooperate with the OED’s investigation of his misconduct. The OED Director filed a disciplinary complaint based upon the practitioner’s misconduct. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED. The initial decision proposed that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ’s initial decision became the USPTO’s final decision as a matter of law, and thus the practitioner was excluded.

**Facts:** On July 11, 2016, the OED Director filed a Complaint against Mr. Halvorson. The complaint cited numerous instances arising fundamentally from Mr. Halvorson’s failure to communicate with his patent and trademark clients, failure to respond to office actions, and resulting abandonments of his clients’ applications without their knowledge or consent. His actions were made worse by his misleading statements in response to his clients’ inquiries about the status of their respective applications.

In one matter, for example, the USPTO issued an Ex Parte Quayle Action on a patent application being prosecuted by Mr. Halvorson. Mr. Halvorson did not notify the client of the Office Action and took no further steps in the prosecution of the application. The USPTO issued a notice of abandonment, and Mr. Halvorson failed to notify his client that the client’s patent application had become abandoned. When the client inquired about the status of the application, he misled the client by saying that the USPTO was “slow.”

With respect to another client, Mr. Halvorson was paid in advance \$15,000 to prepare and prosecute four (4) separate patent applications. In each case, he failed to report an Office Action,



failed to respond to the Office Action, and allowed the applications to go abandoned without the client's knowledge or consent.

This same course of misconduct occurred in other patent and trademark applications filed by Mr. Halvorson on behalf of other clients. In each case, he failed to report important Office correspondence, failed to take any action in response, and allowed the clients' applications to go abandoned without their knowledge or consent. In at least some of those cases, he affirmatively misled the clients when they asked about the status of their applications, falsely representing that the applications were still pending when in fact they had gone abandoned.

In addition to the foregoing, Mr. Halvorson was suspended from practice for one year by the Arizona State Bar arising from some of the same misconduct alleged in the USPTO's disciplinary complaint. He was further administratively suspended in Arizona for failing to comply with his mandatory continuing legal education requirements in that State. He continued to practice trademark law before the USPTO even though he was suspended from Arizona and thus was not legally competent to practice in trademark matters before the Office.

The OED issued Requests for Information ("RFIs") regarding the various matters in which he was alleged to have engaged in ethical misconduct. Mr. Halvorson, however, failed to respond to the OED's investigation.

Based upon these undisputed facts, the ALJ found that Mr. Halvorson violated numerous rules in the USPTO Rules of Professional Conduct (for his misconduct on or after May 4, 2013), and numerous rules in the USPTO Code of Professional Responsibility (for his earlier misconduct). His violations included, *inter alia*, failing to provide diligent representation, failing to communicate with his clients, failing to refund or return advanced fees which were not earned, failure to respond to clients' requests for information, failing to pay restitution to clients as he was ordered to by the Arizona disciplinary authorities, engaging in the unauthorized practice of law, failure to cooperate with the USPTO's ethics investigation, engaging in dishonest conduct, and engaging in conduct prejudicial to the administration of justice by failing to cooperate with the OED's investigation.

The ALJ recommended under the circumstances that exclusion from practice before the USPTO was warranted. Mr. Halvorson failed to appeal the ALJ's initial decision. Accordingly, the ALJ's initial decision became the USPTO's final decision as a matter of law and Mr. Halvorson was ordered excluded from practice before the USPTO in patent, trademark, and non-patent matters.

#### **V. Reciprocal Discipline - 37 C.F.R. § 11.24**

A patent or trademark attorney is normally subject to the disciplinary jurisdiction of multiple ethics authorities, including the bars of any state and federal court in which the attorney is admitted to practice. If and when a USPTO practitioner is publicly disciplined by another disciplinary jurisdiction on ethics grounds, the USPTO Director is required to impose the identical discipline as the other jurisdiction. The only exception to identical discipline is if the practitioner

shows, by clear and convincing evidence, that the practitioner should receive a lesser or different sanction than what was imposed by the other jurisdiction.

Obtaining a lesser sanction from the USPTO than what was imposed by the other jurisdiction is decidedly difficult. The practitioner must prove by clear and convincing evidence either that he or she was denied due process, the other proceeding suffered from an infirmity of proof, or imposition of the identical discipline would result in grave injustice. To date, no USPTO practitioner who has been disciplined elsewhere has ever succeeded at convincing the USPTO Director that lesser reciprocal discipline was warranted.

**Table C - USPTO 2016 Reciprocal Discipline Decisions**

	Public Reprimand	Suspension < 6 mths	Suspension 6-24 mths	Suspension > 24 mths	Exclusion
IP Related	0	1	0	0	0
Non-IP Related	0	0	6 <sup>13</sup>	0	3

The following matters involved practitioners who were disciplined by another jurisdiction on grounds relating to violation of the rules of ethics of that other jurisdiction. In each of the following matters, the USPTO Director decided to impose professional discipline that was identical to the other jurisdiction’s discipline.

**A. USPTO Practice-Related Reciprocal Discipline**

The following matters were the result of discipline imposed by another jurisdiction. The conduct that resulted in the practitioner’s discipline in the other jurisdiction related to their practice of law before the USPTO.

**1. Public Reprimand**

None.

**2. Suspension**

**Case:** *In re Juliet M. Oberding*, Proc. No. D2015-06 (USPTO Dir. Feb. 12, 2016); *see also In re Juliet Monique Oberding*, Case No. 14-0-05179 (Cal. State Bar Ct. July 18, 2015).

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<sup>13</sup> What is identified in the table is the length of the suspension imposed without consideration of whether any term of the suspension period was stayed by the originating jurisdiction. In four (4) of the six (6) reported cases (coincidentally, all arising from discipline first imposed in California), a portion of the suspension period was stayed by the originating jurisdiction. When considering stays in those four cases, the length of suspension actually served by the practitioner was significantly reduced as follows: (i) a one (1)-year suspension was fully-stayed; (ii) a one (1)-year suspension had all but thirty (30) days stayed; (iii) a two (2)-year suspension had all but thirty (30) days stayed; and (iv) a two (2)-year suspension had all but sixty (60) days stayed.

**Disposition:** Sixty (60)-day suspension and twenty-four (24)-month period of probation after reinstatement, which was unopposed by practitioner and which was predicated upon identical discipline imposed in California.

**Summary:** A trademark practitioner who lied to her client on multiple occasions regarding the status of her trademark application was suspended by the USPTO for sixty (60) days and received a two (2)-year probationary term for conduct involving misrepresentations to a client, lack of diligence; neglect; and public discipline by another authority arising from the same conduct.

**Facts:** This matter arose from a California-based trademark attorney's misrepresentations regarding the status of her client's trademark application.

On March 27, 2012, Amy Berg ("Berg") hired Juliet Oberding to complete and file a trademark application with the USPTO. Ms. Berg paid Ms. Oberding \$1,150 for the trademark application service on May 10, 2012.

On June 23, 2012, Ms. Berg e-mailed Ms. Oberding for a status update on the trademark application. Ms. Oberding's e-mailed reply claimed, "everything is great." However, she had yet to file the trademark application with the USPTO.

On September 18, 2012, Ms. Berg called Ms. Oberding by telephone and left a voice message. Ms. Oberding replied by e-mail as follows: "Thanks for your call. It generally runs 6 to 9 months for a trademark. I'll let you know as soon as I hear anything." However, Ms. Oberding had yet to file Ms. Berg's trademark application with the USPTO.

On May 23, 2013, Ms. Berg contacted Ms. Oberding via e-mail for a progress update on Ms. Berg's trademark. Ms. Oberding's reply claimed the "USPTO is taking a lot longer processing trademarks than they (sic) have in the past." However, Ms. Oberding had yet to file Ms. Berg's trademark application with the USPTO.

On March 5, 2014, Ms. Berg e-mailed Ms. Oberding expressing concern as to why the process was taking so long. On March 6, 2014, Ms. Oberding, who still had not filed Ms. Berg's trademark application, stated that: "The USPTO has been a lot quicker in the last year. I have trademarks currently clearing at six months. I will make sure that your trademark goes through immediately. Please bear with me until the end of the month. If your trademark is not finalized by then I will refund your payment minus the USPTO fee."

On March 30, 2014, Ms. Oberding finally filed Ms. Berg's trademark application. After reviewing herself the USPTO website, Ms. Berg confirmed the filing date and called the USPTO, which advised her that the March 30, 2014 filing was a new filing and that the application would be reviewed within three months. On April 14, 2015, the USPTO registered Berg's trademark.

Based upon these stipulated facts, Ms. Oberding was charged by the California Bar with violation of that state's ethics rules by willfully failing to perform legal services with competence and knowingly making false representations to a client. As a result of her agreed misconduct, the State

Bar of California suspended Ms. Oberding for thirty (30) days from the practice of law in California, effective July 1, 2015, and placed her on a one (1)-year stayed suspension and one (1)-year period of probation. In addition, as a condition of her stayed suspension, Ms. Oberding was required to attend California’s “Ethics School” and to take and pass the Multistate Professional Responsibility Exam within one (1) year of her date of suspension. *See In re Juliet Monique Oberding*, Case No. 14-0-05179 (Cal. State Bar Ct. July 18, 2015).

The Office of Enrollment and Discipline also conducted an investigation. Ms. Oberding stipulated to the OED that her conduct violated the following provisions of the USPTO Code of Professional Responsibility: For her conduct before May 4, 2013, she violated 37 C.F.R. § 10.23(b)(4) (misconduct involving dishonesty or misrepresentation involving a client matter) and 37 C.F.R. § 10.77(c) (neglecting a client matter entrusted to her). For conduct after May 4, 2013, she violated the following provisions of the USPTO Rules of Professional Conduct: 37 C.F.R. § 11.103 (failing to act with reasonable diligence and promptness in representing a client); and 37 C.F.R. § 11.804(c) (engaging in misconduct involving dishonesty or misrepresentation by falsely informing a client that her trademark application was being processed. Ms. Oberding agreed to a sixty (60) day period of actual suspension and two (2)-year probationary period.

Although Ms. Oberding was eligible to apply for reinstatement with the USPTO by April 12, 2016, as of the end of 2016, no petition for reinstatement has been granted. It is unclear whether she has sought reinstatement. She thus remains suspended from practice before the USPTO.

Meanwhile, on December 1, 2016, the California State Bar court issued an Order stating that Ms. Oberding had not passed the MPRE within the time prescribed in the state’s original disciplinary order. Accordingly, Ms. Oberding “is suspended from the practice of law in this state effective December 27, 2016, pending proof of passage” of the MPRE.

## **B. Non-USPTO Practice-Related Reciprocal Discipline**

The following disciplinary decisions arose in connection with misconduct adjudicated by another disciplinary jurisdiction that had nothing to do with a practitioner’s practice of patent or trademark law before the USPTO.

### **1. Public Reprimand**

None.

### **2. Suspension**

**Case:** *In re Sanjeev Kumar Dhand*, D2016-17 (USPTO Dir. Nov. 16, 2016); *see also In re Sanjeev Kumar Dhand*, Case No. 14-O-01528 (Cal. May 14, 2015).

**Disposition:** One (1)-year suspension, fully stayed, and one (1)-year probation commencing on the date of the USPTO’s order, predicated upon identical discipline imposed by the Supreme Court

of California. The USPTO Director rejected the practitioner's request for *nunc pro tunc* treatment of probation term.

**Summary:** A patent attorney received a one (1)-year fully-stayed suspension plus one (1)-year term of probation as reciprocal discipline arising from discipline imposed in California, in which he was found to have engaged in moral turpitude and gross negligence by falsely certifying to State authorities that he had satisfied California's mandatory minimum continuing legal education requirements when in fact he had only partially completed the necessary minimum number of required CLE hours. The attorney did not oppose a reciprocal one-year fully-stayed suspension, however he sought an order that his probationary period commence *nunc pro tunc* from the date that he began his probationary period in California. The USPTO Director rejected the attorney's request for *nunc pro tunc* treatment of the term of probation.

**Facts:** This matter involved California-based patent attorney Sanjeev Kumar Dhand. Mr. Dhand was required to complete at least 25 hours of minimum continuing legal education ("MCLE") during the period of February 1, 2010, through January 31, 2013 (the "compliance period"). Mr. Dhand falsely reported to the California State Bar that he had timely completed all of his MCLE during the compliance period, when in fact he had only completed 9.75 MCLE hours during the compliance period. Mr. Dhand represented that he "believed that he had in fact complied" but that he affirmed his MCLE compliance "without checking his records to ascertain whether his belief was correct." An audit revealed the misrepresentation.

The Supreme Court of California alleged, and Mr. Dhand agreed, that his false report to the State Bar was grossly negligent, an act involving moral turpitude in willful violation of California ethics law. *In re Sanjeev Kumar Dhand*, Case No. 14-O-01528 (Cal. May 14, 2015).

In considering the appropriate sanction, the Supreme Court of California noted the absence of aggravating factors and the existence of five mitigating factors: (1) discipline free practice for twelve and one-half (12.5) years (which was given "significant weight"); (2) evidence from eleven (11) individuals attesting to his good character; (3) evidence of substantial community service and pro bono work; (4) change in law office procedure to avoid future non-compliance; and (5) cooperation in the State Bar's investigation.

The California Bar ordered Mr. Dhand to serve a one (1)-year suspension, which was fully stayed. In addition, during the stayed suspension period, Mr. Dhand was given probation and was ordered to pass the Multistate Professional Responsibility Exam ("MPRE").

Mr. Dhand reported his suspension to the OED Director pursuant to 37 C.F.R. § 11.24(a). Thereafter, the USPTO Director served Mr. Dhand with a complaint for reciprocal discipline and issued an order to show cause why he should not receive the same disciplinary sanction from the USPTO that he received in California. Mr. Dhand did not contest the imposition of the stayed one-year suspension. He requested, however, that since he had already completed the one-year probationary period and had passed the MPRE, the USPTO should not impose those additional disciplinary sanctions.

On November 16, 2016, the USPTO Director issued its Order imposing reciprocal discipline pursuant to 37 C.F.R. § 11.24. *In re Sanjeev Kumar Dhand*, D2016-17 (USPTO Dir. Nov. 16, 2016). The USPTO Director agreed that since Mr. Dhand had submitted proof that he had retaken and passed the MPRE, he would not be required to do so again by the USPTO. *Id.* at 4. The USPTO Director, however, rejected Mr. Dhand’s request that he be placed on one-year probation from the date of the California Bar disciplinary Order.

The USPTO Director explained that the one (1)-year probation was “a standalone requirement” and that the probation “was always part of the state level discipline separate and apart from the other terms of that discipline.” The Director stated that Mr. Dhand’s request that he not be placed on a reciprocal one-year probation was, in effect, asking that the term of his probation run *nunc pro tunc* from the start of his California probation period.

The USPTO Director held that imposition of reciprocal discipline *nunc pro tunc* is governed by 37 C.F.R. § 11.24(f), which states that:

Upon request by the practitioner, reciprocal discipline may be imposed *nunc pro tunc* only if the practitioner promptly notified the OED Director of his or her censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification in another jurisdiction, and establishes by clear and convincing evidence that the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58. The effective date of any public censure, public reprimand, probation, suspension, disbarment or disciplinary disqualification imposed *nunc pro tunc* shall be the date the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58.

The USPTO Director held that to be eligible for *nunc pro tunc* treatment, Mr. Dhand must have: (1) promptly notified the OED Director of the California discipline; and (2) ceased all activities relating to practice before the USPTO and complied with the duties of a suspended practitioner pursuant to 37 C.F.R. § 11.58. *Id.* at 5-6. Since he failed to meet these requirements, the USPTO Director reasoned, Mr. Dhand was not eligible for *nunc pro tunc* treatment with respect to the running of his period of probation.

It is true that the USPTO Director’s requirement that Mr. Dhand “voluntary cease all activities related to practice before the Office” and comply with “all of the provisions of § 11.58” literally tracks the requirements set forth in 37 C.F.R. § 11.24(f). Those requirements, however, make no sense in Mr. Dhand’s case for two reasons.

First, Mr. Dhand was not suspended from practice by the California bar; his suspension was fully stayed. Because his suspension was fully stayed, the USPTO Director could not have imposed upon him any period of *actual* suspension. The USPTO Director’s finding that Mr. Dhand was required to “cease all activities related to practice before the Office” literally meant that he would have had to voluntarily agree to an actual suspension for some undefined period of time just to

qualify for *nunc pro tunc* treatment of his probationary period. That part of the holding is illogical and is contrary to the USPTO’s reciprocal discipline scheme, which mandates that a practitioner may not receive any greater discipline than what he or she received from the other disciplinary jurisdiction.

The second error with the USPTO Director’s reasoning was the finding that Mr. Dhand was required to comply with 37 C.F.R. § 11.58. That provision, however, only applies when a practitioner has been excluded, suspended, or resigned. When a practitioner is suspended, for example, they are required to notify their clients of the suspension, withdraw from all proceedings before the Office, and take numerous other steps consistent with the inability to practice patent or trademark law before the USPTO. Because his suspension was fully stayed, however, Mr. Dhand was not required to withdraw from his appearance in any matters before the USPTO and he was and is fully qualified to practice before the USPTO. The USPTO Director’s holding that Mr. Dhand was required to comply with Section 11.58 in order to qualify for *nunc pro tunc* treatment of his one-year probation period is, again, completely illogical, since the disposition he received in the state court did not impact his ability to continue practicing law just like any non-suspended practitioner.

What this decision shows is a logical gap in the USPTO’s *nunc pro tunc* rule. It is one thing to require the practitioner to report their discipline—including a period of probation—to the OED Director as a condition for receiving *nunc pro tunc* treatment. But where, as in the *Dhand* case, the practitioner received no actual period of suspension (only a fully-stayed suspension), the additional requirement that the practitioner comply with “all provisions of [37 C.F.R.] § 11.58” and voluntary cease “all activities related to practice before the Office” renders the *nunc pro tunc* remedy illusory since the practitioner would be required to terminate his USPTO practice simply to enjoy the benefit of an earlier start date of his probationary period.

In sum, in its current form, the *nunc pro tunc* rule only works when a practitioner receives an actual term of suspension. When a practitioner receives from a state bar probation with no actual suspension time, the *nunc pro tunc* rule imposes far greater discipline than the practitioner received from the state bar. This result violates 37 C.F.R. § 11.24(d), which provides that the maximum level of discipline to be imposed is “identical” to the discipline imposed by the state bar. The wording of Section 11.24(f) should be modified so that a practitioner who receives a fully-stayed suspension should not be required to cease practice before the Office and comply with the duties of a suspended practitioner as a condition for qualifying for *nunc pro tunc* treatment by the USPTO.

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**Case:** *In re Jens Edward Hoekendijk*, D2015-25 (USPTO Dir. July 24, 2015) (suspension), *reinstatement granted*, R20 (OED Dir. Jan. 7, 2016) (reinstatement order).

**Disposition:** One (1)-year suspension with right to apply for reinstatement after thirty (30) days of actual suspension and one (1)-year probation upon reinstatement, unopposed by the practitioner,

and predicated upon identical discipline imposed by the Supreme Court of California. The practitioner's petition for reinstatement was subsequently granted by the OED Director.

**Summary:** A patent attorney received a one (1)-year suspension, with all but thirty (30)-days stayed, plus one year term of probation, as reciprocal discipline arising from discipline imposed in California, in which he was found to have engaged in moral turpitude and dishonesty by knowingly falsely certifying to State authorities that he had satisfied California's mandatory minimum continuing legal education requirements when in fact he had not completed any of the necessary minimum number of required CLE hours. The attorney failed to oppose the USPTO Director's order to show cause why identical discipline should not be imposed by the USPTO. The attorney was later reinstated by the USPTO after serving a five and one-half (5.5)- month suspension period.

**Facts:** This matter involved California-based patent attorney Jens Edward Hoekendijk. Mr. Hoekendijk was required to complete at least 25 hours of minimum continuing legal education ("MCLE") during the period of February 1, 2009, through January 31, 2012 (the "compliance period"). Mr. Hoekendijk knowingly falsely reported to the California State Bar that he had timely completed all of his MCLE during the compliance period. An audit revealed the misrepresentation.

The Supreme Court of California alleged, and Mr. Hoekendijk agreed, that his false report to the State Bar was an act involving moral turpitude, dishonesty, and corruption, in willful violation of California ethics law. *In re Jens Edward Hoekendijk*, Case No. S217799 (Cal. June 26, 2014). In considering the appropriate sanction, the Supreme Court of California noted that such false statements normally warranted either disbarment or a suspension. The Court explained:

Respondent's false statement to the State Bar regarding MCLE compliance is serious and constitutes an act of dishonesty directly relating to the practice of law. The California Supreme Court has stated that the MCLE program is "a consumer protection measure 'intended to enhance the competency of attorneys practicing law in this state.'" (Warden v. State Bar (1999) 21 Cal.4th 628~ 634 (quoting *People v. Ngo* (1996) 14 Cal.4th 30, 36).) The State Legislature established the MCLE program upon "find[ing] and declar[ing] that it is in the public interest to continue the mandatory continuing legal education requirements for attorneys licensed to practice law." (1999 Cal. Stats. ch. 342, § 10.)

The Court further observed that California's MCLE program operates on an honor system and that "[t]he State Bar relies on an attorney's word when reporting MCLE compliance; therefore, truthful reporting is essential. When an attorney lies and takes advantage of the honor system, as Respondent did in this case, it undermines public confidence in the legal profession. Because Respondent's misconduct is serious, is directly related to the practice of law, and undermines public confidence in the profession, actual suspension is appropriate."

In mitigation, the Court noted Mr. Hoekendijk's long period of practicing law (nineteen (19) years) without discipline, the lack of actual harm to any client, the single act of misconduct, and his



cooperation with the Bar's investigation. The Court concluded that the appropriate sanction was a one (1)-year suspension, with all but the first thirty (30) days of the suspension stayed.

Mr. Hoekendijk reported his suspension to the OED Director pursuant to 37 C.F.R. § 11.24(a). Thereafter, the USPTO Director served Mr. Hoekendijk with a complaint for reciprocal discipline and order to show cause why he should not receive the same disciplinary sanction from the USPTO that he received in California. Mr. Hoekendijk did not contest the issue, and thereafter, in July 2015, the USPTO Director issued an order suspending him for one (1) year.

Unlike in other jurisdictions where a suspended practitioner is automatically readmitted to the Bar after serving their period of suspension, in the USPTO, a suspended practitioner must apply for reinstatement. Thus, Mr. Hoekendijk was granted the right to file a petition for reinstatement after serving thirty (30) days of his suspension.

Mr. Hoekendijk could have sought reinstatement as early as August 23, 2015. For reasons that are unclear, he failed to file a petition for reinstatement until October 7, 2015. Two months later, the OED Director issued an Order granting Mr. Hoekendijk's petition and reinstating him to practice before the USPTO in patent, trademark, and non-patent matters. *In re Jens Edward Hoekendijk*, Proc. No. R20 (OED Dir. Jan. 7, 2016). Because of his delay in filing the reinstatement petition, coupled with the time it took for the OED Director to rule on that petition, Mr. Hoekendijk was actually suspended from the USPTO for five and one-half (5.5) months—a far lengthier suspension than he received in California.

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**Case:** *In re Roger W. Moore*, Proc. No. D2016-11 (USPTO Dir. Mar. 16, 2016); *see also Cincinnati Bar Ass'n v. Rodger William Moore*, Case No. 2014-1737 (Ohio June 25, 2015).

**Disposition:** One (1)-year suspension from practice before the USPTO and one (1)-year period of probation following reinstatement, which was unopposed by the practitioner, and which was predicated on identical discipline imposed by the Supreme Court of Ohio.

**Summary:** In a reciprocal disciplinary proceeding, a trademark practitioner who stole wine on multiple occasions and lied about his conduct to Ohio investigators was suspended from practice before the USPTO for one (1) year and placed on probation for one (1) year, predicated upon identical discipline imposed by the Supreme Court of Ohio. The Ohio suspension arose from the practitioner's conduct in multiple incidents of wine shoplifting between 2001 and 2012, and his submission of false statements about those incidents during a disciplinary investigation by the Cincinnati Bar Association. The attorney's misconduct violated ethics rules proscribing engaging in illegal acts that adversely reflected on his honesty and trustworthiness, engaging in conduct involving dishonesty, deceit, fraud or misrepresentation, engaging in illegal conduct involving moral turpitude, knowingly making false statements of material fact in connection with a disciplinary matter, and neglecting or refusing to participate in a disciplinary matter.

**Facts:** This matter arises from an Ohio trademark practitioner's criminal misconduct, specifically engaging in seven (7) separate acts of shoplifting between 2001 and 2012. The attorney, Rodger Moore, became a member of the Ohio Bar in 2001.

According to the stipulations set forth in Ohio, in November 2001, Mr. Moore was arrested in Atlanta, Georgia, after he attempted to leave a Kroger store with twelve (12) bottles of wine, worth \$152, without paying for them. He entered into an agreement that required him to complete community service and a *nolle prosequi* was subsequently entered in the matter.

In March 2012, Mr. Moore was charged with theft by shoplifting after he scanned UPC codes that he had carried into a Kroger store in Cincinnati to purchase three bottles of expensive wine at a self-scan checkout register, reducing the price of the items purchased by \$359.10. He pleaded guilty to the charges and was permitted to enter a diversion program. Mr. Moore later admitted that he had used this method to steal expensive bottles of wine from the same store on five separate occasions prior to his arrest.

Mr. Moore sent a letter to the Cincinnati Bar Association in July 2012 to report the March 2012 shoplifting charge. In that letter, he made false statements regarding the March 2012 incident, failed to disclose that he had used the same subterfuge a number of times in the months preceding that incident, and failed to disclose the 2001 charge. He also attempted to mislead the Cincinnati Bar by making false statements and leaving out relevant information when the Bar interviewed him under oath and in his initial and supplemental responses to the Bar's requests for admissions.

The Supreme Court of Ohio found that Mr. Moore's conduct in 2001 violated DR 1-102(A)(3) (prohibiting a lawyer from engaging in illegal conduct involving moral turpitude) and 1-102(A)(4) (prohibiting a lawyer from engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation) and that his later conduct violated Ohio R. 8.1(a) (prohibiting knowingly making a false statement of material fact in connection with a disciplinary matter), 8.4(b) (prohibiting a lawyer from committing an illegal act that reflects adversely on the lawyer's honesty or trustworthiness), and 8.4(c) (prohibiting a lawyer from engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation). The Court also ruled that Moore failed to cooperate with the Ohio disciplinary investigation, in violation of Ohio law.

As a sanction, the Supreme Court imposed a one-year actual suspension and one-year probationary period. Mr. Moore also was required to complete psychological counseling and to apply for reinstatement after serving his suspension.

In January 2016, the USPTO Director served Mr. Moore with a complaint for reciprocal discipline and order to show cause why he should not receive the same sanction imposed in Ohio. Mr. Moore failed to respond. The USPTO Director, therefore, entered an order suspending Mr. Moore for one (1) year in practice before the Office and further ordered that he serve a one (1)-year period of probation.

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**Case:** *In re Gouri G. Nair*, D2016-07 (USPTO Dir. June 30, 2016); *see also In re Gouri Gopalan Nair*, Case No. 13-O-17366 (Cal. May 2015).

**Disposition:** Two (2)-year suspension, stayed, with thirty (30) days of actual suspension, and a two-year period of probation, unopposed by the practitioner, predicated on identical discipline imposed by Supreme Court of California.

**Summary:** A patent attorney received a two (2)-year stayed suspension, with thirty (30) days of actual suspension from practice before the USPTO and the requirement that she satisfy additional terms imposed by the Supreme Court of California, as reciprocal discipline arising from her neglect in connection with the representation of a married couple in a medical malpractice lawsuit. The practitioner filed a lawsuit seeking damages for the death of her clients' infant daughter. In the course of the litigation, the attorney failed to secure and file timely verified discovery responses, failed to advise her clients of the need for verified discovery responses, and failed to oppose motions to compel and for terminating sanctions. The attorney's inaction and failure to communicate with her clients ultimately resulted in the entry of a judgment of dismissal against her clients, depriving them of their medical malpractice remedy associated with the death of their infant daughter.

**Facts:** This matter involved a Vermont-based patent attorney, Gouri G. Nair, who was also admitted to practice in California. Ms. Nair became a member of the California State Bar in 2010.

In August 2011, Ms. Nair agreed to take on a wrongful death case of behalf of a couple who had lost their infant daughter. After filing their complaint, Ms. Nair made a series of missteps including: failing to secure discovery responses from her clients and file them in a timely fashion, oppose a motion to strike the allegations of punitive and exemplary damages, appear at a case management conference, appear at the hearing for the motion to strike the allegations of punitive and exemplary damages or oppose or appear at hearings on a motion to compel discovery responses and a motion for terminating sanctions. In addition, she failed to keep her clients informed of significant developments in their matter or take steps to avoid foreseeable prejudice to her clients.

More specifically, on January 17, 2012, Ms. Nair filed a verified complaint in the Sacramento Superior Court, Case No. 34-2012-00117188, styled *Moore v. Mart, et al.* On February 27, 2012, counsel for the defendant physician propounded discovery to the plaintiff parents. Defendant physician also filed a motion to strike punitive and exemplary damage allegations, setting the hearing for March 27, 2012. Ms. Nair neither opposed the motion nor appeared at the hearing, resulting in the granting of the requested relief.

On March 14, 2012, Ms. Nair's assistant, Jonny Morales, e-mailed Moore "to discuss some issues related to your case." On April 2, 2012, Ms. Nair requested and was granted a two (2)-week

extension up to and including April 17, 2012, to respond to outstanding discovery by defense counsel. On April 5, 2012, Moore and Wakefield separated, Moore relocating to Texas. Moore did not change either her phone number or e-mail address upon her relocating to Texas. Moore was the primary contact person during Ms. Nair's representation. Wakefield did not provide Ms. Nair with a phone number or e-mail address.

On May 9, 2012, defense counsel sent to Ms. Nair a "meet and confer" letter prior to pursuing a motion to compel responses to the outstanding delinquent discovery. On May 14, 2012, Ms. Nair e-mailed Moore enclosing the meet and confer letter. No sense of urgency was communicated within the e-mail or the consequences that may evolve should the discovery not be timely responded to under oath. When Ms. Nair failed to timely provide discovery responses, defense counsel filed a motion to compel discovery responses on June 5, 2012, setting the hearing for July 12, 2012. On June 13, 2012, Ms. Nair e-mailed Moore to advise of the pending motion to compel and the need for response no later than June 20, 2012. On June 24, 2012, Moore e-mailed Ms. Nair to express her frustration in trying to reach her office since April.

On July 9, 2012, Ms. Nair e-mailed defense counsel and requested a two (2)-week continuance of the pending motion to compel explaining that she had only recently reconnected with her client who had moved out of state. Ms. Nair failed to oppose the motion and filed no motion on her own behalf to be relieved as counsel. As a result, the Court granted defendant's motion on July 12, 2012, and ordered discovery responses to be served by the plaintiffs no later than July 23, 2012.

On July 26, 2012, the Case Management Conference was conducted. Ms. Nair failed to appear. The court ordered Ms. Nair to properly serve and join all party defendants no later than December 6, 2012, and to also meet and confer with defense counsel to select a trial date and Mandatory Settlement Conference date within sixty days of January 3, 2013. Ms. Nair received the court's order. She failed to respond to the court ordered discovery, resulting in the filing of a terminating sanction motion by defense counsel on August 3, 2012.

On August 10, 2012, Ms. Nair shared the motion with Moore via e-mail and noted that their response to the motion was due no later than August 24, 2012. In her message, Ms. Nair failed to explain that Moore's lawsuit could be dismissed if no response was provided pursuant to the July 12, 2012, order. Ms. Nair failed to oppose the motion and failed to appear at the hearing on terminating sanctions. The requested relief was granted on September 6, 2012, the court finding an abuse of the discovery process. In addition, the court ordered an award of \$780 in sanctions from plaintiffs payable to defense counsel by September 20, 2012. As a result of this conduct, Moore v. Mart was dismissed on October 22, 2012.

The Supreme Court of California concluded that by failing to secure verified discovery responses from her clients and serve them on opposing counsel in timely fashion; by failing to oppose a motion to strike the allegations of punitive and exemplary damages; by failing to appear at a case management conference conducted July 26, 2012; by failing to appear at the hearing of the motion to strike the allegations of punitive and exemplary damages on March 27, 2012; and by failing to oppose or appear at the hearing on either the motion to compel discovery responses on July 12,

2012, or the motion for terminating sanctions on September 6, 2012, Ms. Nair intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of the California Rules of Professional Conduct. In addition, the Court found that Ms. Nair failed to keep her clients reasonably informed of significant developments in a matter in which she had agreed to provide legal services and failed to take reasonable steps to avoid reasonably foreseeable prejudice to her clients, in willful violation of California's ethics rules.

The Court considered as aggravating circumstances the fact that Ms. Nair's neglect cost her clients their medical malpractice remedy associated with the death of their infant daughter and caused significant harm to the clients. In addition, Ms. Nair committed multiple acts of misconduct, specifically failure to perform, improper withdrawal from employment, and failure to communicate significant event. In mitigation, the Court found that Ms. Nair had stipulated to misconduct and thereby demonstrated her cooperation with the State Bar and saved the State Bar's resources. The Court concluded that a two (2)-year suspension, stayed, with thirty (30) days of actual suspension and two (2) years of probation was appropriate.

The USPTO Director filed a complaint for reciprocal discipline and order to show cause why the USPTO should not impose the same discipline imposed by the Supreme Court of California. Ms. Nair failed to respond. Consequently, the USPTO Director concluded that no genuine issue of material fact existed and that, pursuant to Section 11.24 of Title 37, the identical discipline imposed by California was warranted in the USPTO.

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**Case:** *In re Paul S. Levine*, No. D2015-21 (USPTO Dir. Aug. 1, 2016); *see also In re Paul Samuel Levine*, 13-O-219307 (Cal. Sept. 4, 2014).

**Disposition:** Two (2)-year suspension, with all but sixty (60) days stayed, and probation for the balance of the two (2)-year period, plus required to retake and pass the Multistate Professional Responsibility Exam, predicated upon identical discipline imposed by the Supreme Court of California. The practitioner's request for *nunc pro tunc* treatment of USPTO suspension period to coincide with the already-served California suspension period was denied by the USPTO Director.

**Summary:** A trademark practitioner was reciprocally suspended from practice before the USPTO for two (2) years, with all but sixty (60) days suspended, plus probation for the balance of the two (2)-year suspension period and a requirement that he take and pass the Multistate Professional Responsibility Exam, for violation of 37 C.F.R. § 11.804(h) for being publicly disciplined by a duly constituted authority of the State of California. The practitioner opposed imposition of a suspension by the USPTO and requested that the USPTO suspension date be treated as effective *nunc pro tunc* from the date the practitioner was suspended in California. The USPTO Director denied the practitioner's request. The practitioner was not required to petition for reinstatement, however, after serving the sixty (60)-day USPTO suspension period. The California state discipline arose from the attorney's conflict of interest in representing two (2) clients and his

continued representation of one (1) client adverse to the other in an arbitration, in violation of California's ethics rules.

**Facts:** This matter arose from discipline imposed against a non-patent practitioner by the Supreme Court of California.

Mr. Levine has been a member of the California Bar since 1982. In 2011, a woman hired Mr. Levine to draft an agreement between her and a partner for the production of a film in Thailand. At the time, Mr. Levine already had a legal relationship with the second party. When a dispute arose, the woman hired a new attorney and pursued arbitration against her old partner. Despite the conflict, Mr. Levine continued to represent the partner until the arbitrator ordered both sides to brief the issue of whether Mr. Levine could continue representing the partner.

In addition to failing to withdraw from the matter, Mr. Levine stipulated that he failed to provide written disclosures to the two clients when a potential conflict existed and did not inform them of reasonably foreseeable adverse consequences, including potential risks in the representation. In mitigation, Levine entered into a pretrial stipulation with the State Bar. He had one (1) prior record of discipline, a 2000 private reproof for failing to refund unearned fees for nine months in two (2) client matters, and failing to communicate with a client, promptly return client files or complete work.

The Supreme Court of California suspended Mr. Levine for two (2) years, but ordered that he serve only sixty (60) days of that suspension while the balance of the suspension period was stayed and he was placed on probation. In addition, the Supreme Court of California ordered Mr. Levine to retake and pass the Multistate Professional Responsibility Exam (MPRE) as a condition of his probation.

On July 1, 2015, the USPTO Director issued a complaint for reciprocal discipline and order to show cause why Mr. Levine should not receive from the USPTO the identical discipline he received in California. Mr. Levine responded by stating that he did not object to the imposition of reciprocal discipline so long as he was deemed to have been suspended from practice before the Office during the sixty (60)-day period of his actual suspension in California, from October 4, 2014, through December 4, 2014. Mr. Levine explained that he did not practice before the Office during that time period and that no additional time suspension should be imposed upon him by the USPTO. The practitioner thus requested that the USPTO Director treat his service of his California suspension period as fully discharging any reciprocal suspension that would otherwise ordinarily be imposed by the USPTO.

The USPTO Director denied this request. The USPTO Director determined that the only way a practitioner would be entitled to *nunc pro tunc* treatment from the USPTO for discipline imposed in another jurisdiction is to follow the USPTO's regulations set forth in 37 C.F.R. § 11.24(f).

The USPTO Director explained that to be eligible for the imposition of reciprocal discipline *nunc pro tunc*, Mr. Levine must (1) have promptly notified the OED Director of the discipline imposed

upon him by the Supreme Court of California and (2) establish by clear and convincing evidence that he voluntarily ceased all activities related to practice before the Office and complied with all provisions of 37 C.F.R. § 11.58. The USPTO Director found that Mr. Levine failed to promptly notify the OED Director of the discipline imposed upon him by the Supreme Court of California and failed to establish by clear and convincing evidence that he voluntarily ceased all activities related to practice before the Office and complied with all the provisions of 37 C.F.R. § 11.58.

Since Mr. Levine failed to follow the mandate of Section 11.24(f), the USPTO Director refused the practitioner's request to have the USPTO suspension treated as having already been served by his service of the sixty (60)-day California suspension. Accordingly, the practitioner was suspended from practice before the USPTO for sixty (60) days and his request for *nunc pro tunc* treatment was denied.

The USPTO Director did, however, waive the requirement that Mr. Levine petition for reinstatement after serving his sixty (60)-day suspension period. The opinion provides no explanation or clue as to why the USPTO Director chose to provide this accommodation to Mr. Levine.

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**Case:** *In re Walter P. Tambolini*, D2016-17 (USPTO Dir. May 9, 2016); *see also In re Tambolini*, Case No. 65226 (Nev. 2014).

**Disposition:** Two (2)-year suspension, which was unopposed by the practitioner, and which was predicated upon identical discipline imposed by the Nevada Supreme Court.

**Summary:** A patent attorney received a two (2)-year suspension from practice before the USPTO as reciprocal discipline arising from discipline imposed in Nevada, in which he was found to have engaged in unauthorized practice of law while his license was administratively suspended for failure to satisfy state CLE requirements. In addition, the attorney failed to communicate and neglected his client in a litigation matter and failed to participate in Nevada's disciplinary proceedings.

**Facts:** This matter involved Nevada-based patent attorney, Walter P. Tambolini. The State Bar of Nevada filed a complaint against Mr. Tambolini based upon two (2) grievances.

In one case, Mr. Tambolini was found to have engaged in the practice of law while administratively suspended in Nevada for failing to meet his Continuing Legal Education requirements and swearing in Court documents that he was a licensed attorney in Nevada. In the other case, Mr. Tambolini was found to have failed to competently and diligently pursue a personal injury matter and failed to communicate with his clients.

Mr. Tambolini did not respond to the State Bar in response to the grievances and failed to appear at the disciplinary hearing. The Supreme Court of Nevada found that Mr. Tambolini violated

Nevada Rules of Prof. Conduct 1.1 (competence); 1.3 (diligence); 1.4 (communication); 1.15 (safekeeping property); 5.5 (unauthorized practice of law); 8.1 (bar admission and disciplinary matters); and 8.4 (misconduct). Mr. Tambolini was suspended from the practice of law for a period of two (2) years with a requirement that he pay the costs of the disciplinary proceeding.

The USPTO Director filed a complaint for reciprocal discipline and an order to show cause why Mr. Tambolini should not receive identical discipline from the USPTO. Mr. Tambolini failed to respond. Accordingly, the USPTO Director found no genuine issue of material fact and entered an Order suspending Mr. Tambolini from practicing before the USPTO in patent, trademark, and non-patent matters for a period of two (2) years.

### 3. Exclusion

**Case:** *In re Mark A. Hopkins*, Proc. No. D2015-31 (USPTO Dir. Jan. 12, 2016); *see also In re Mark A. Hopkins*, Proc. No. M.R. 27241 (Ill. Mar. 12, 2015).

**Disposition:** Exclusion from practice before the USPTO with right to apply for reinstatement after three (3) years, which was unopposed by practitioner, and which was predicated upon identical discipline imposed by the Supreme Court of Illinois.

**Summary:** A patent attorney was reciprocally excluded from the USPTO following his federal conviction on charges he used his attorney trust account as part of a conspiracy to commit money laundering. The attorney received a twenty-two (22)-month prison sentence and consented to his disbarment from the Supreme Court of Illinois. The attorney failed to oppose the USPTO Director's order to show cause why identical discipline should not be imposed by the USPTO.

**Facts:** This action arose from patent attorney Mark Hopkins' conviction in federal court of conspiracy to commit crimes involving money laundering. Specifically, Mr. Hopkins engaged in a scheme with two other individuals to conduct financial transactions using Mr. Hopkins's client trust account to launder a total of approximately \$3,100,000.00.

By way of example, the indictment against Mr. Hopkins alleged that in 2009, he allowed the wire transfer of approximately \$500,000 into his attorney trust account in Illinois from a Bahamian account. Hopkins, the next day, wired the bulk of these proceeds into the bank accounts of his co-conspirators. Mr. Hopkins ultimately pleaded guilty to one count of conspiracy to commit money laundering and was sentenced in October 2014 to serve twenty-two (22) months in prison.

In March, 2015, the Supreme Court of Illinois granted Mr. Hopkins's motion to be disbarred on consent from the practice of law in Illinois arising from his conviction. *In re Mark A. Hopkins*, Proc. No. M.R. 27241 (Ill. Mar. 12, 2015). The Supreme Court of Illinois found that Mr. Hopkins engaged in committing criminal acts that reflect adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects, as well as conduct prejudicial to the administration of justice, by conspiring to commit money laundering in violation of 18 U.S.C. § 371.



The USPTO subsequently filed a reciprocal disciplinary proceeding. On January 12, 2016, the USPTO Director ordered that Mr. Hopkins be excluded from practice before the USPTO in patent, trademark, and other non-patent matters for violating 37 C.F.R. § 11.804(h), predicated upon his being disbarred on consent from the practice of law by a duly constituted authority of a State. *In re Mark A. Hopkins*, Proc. No. D2015-31 (USPTO Dir. Jan. 12, 2016).

Normally an excluded practitioner may not apply for reinstatement with the USPTO until they have complied with all of the requirements of a suspended practitioner for no less than five (5) years. Because this was a reciprocal disciplinary matter, however, and consistent with the sanction imposed by the Supreme Court of Illinois, the USPTO ordered that Mr. Hopkins had the right to file a petition seeking reinstatement under 37 C.F.R. § 11.60 three (3) years after he complied with all of the requirements of a suspended practitioner.

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**Case:** *In re Tamara Renee Good*, D2016-19 (USPTO Dir. July 11, 2016); *see also Attorney Grievance Comm'n v. Tamara Renee Good*, Misc. Docket AG No. 66, Sept. Term, 2014 & Misc. Docket AG No. 8, Sept. Term, 2015 (Md. Dec. 21, 2015).

**Disposition:** Exclusion from practice before the USPTO, which was unopposed by the practitioner, and which was predicated upon practitioner's disbarment from the Court of Appeals of Maryland.

**Summary:** A patent attorney was reciprocally excluded from practice before the USPTO predicated upon her being disbarred by the Court of Appeals of Maryland. The state court disbarment arose from her misconduct in connection with six (6) different client matters. Her misconduct included neglect, failure to communicate, failure to return unearned fees, and failure to cooperate in Maryland's disciplinary investigation. One of the client matters giving rise to discipline related to the practitioner's misconduct in connection with her practice of patent law.

**Facts:** This matter involved a Maryland-based patent attorney, Tamara Good. Ms. Good was disbarred from the practice of law in Maryland for violating the Maryland Lawyer's Rules of Professional Conduct 1.1; 1.2(a); 1.3; 1.4(a) and (b); 1.5(a); 1.15(a), (c) and (d); 1.16(d); 8.1(b); 8.4(a), (c) and (d); and § 10-306 of the Maryland Code, Business Occupations and Professions Article.

According to a December 21, 2015 Opinion issued by the Maryland Court of Appeals, Ms. Good's disbarment arose out of six separate client complaints in which she was found to have failed to provide competent representation to her clients, failed to pursue her clients' objectives, failed to file required documents in several of her clients' ongoing court cases and therefore to act with reasonable diligence in representing her clients, failed to respond to clients' inquiries about the status of their cases, failed to return unearned fees to her clients, failed to provide safekeeping of

client property, failed to protect her clients' interests when terminating representation, and failed to respond to a disciplinary authority.

Five of the six matters involved Ms. Good's representation of various clients in U.S. District Court or Bankruptcy Court actions. The sixth matter involved Ms. Good's representation of a client in connection with a patent application.

In one of the litigation matters, Ms. Good filed a lawsuit against Chase in the United States District Court for the District of Maryland. On April 22, 2013, Chase filed a motion to dismiss the complaint and for Rule 11 Sanctions. Ms. Good did not file a response to Chase's Motion for Sanctions. In June 2013, Good emailed her client advising him that she was awaiting the court's opinion. Shortly thereafter, Mr. White emailed Good requesting a status update. Later that month, the federal judge granted Chase's motion to dismiss the amended complaint and Chase's motion for sanctions, but granted the Whites' motion for leave to file a second amended complaint. Good, however, never filed a second amended complaint on behalf of her clients. Her clients "repeatedly" attempted to telephone Good during the summer of 2013, but she did not return their phone calls. Despite the clients' telephone calls and emails, Good "failed to inform Mr. and Mrs. White that their case was dismissed or file additional pleadings on their behalf."

In another case, which involved a bankruptcy client, Ms. Good failed to respond to repeated communications from her client. The client filed a complaint with the Attorney Grievance Commission in June 2014. Bar Counsel sent Ms. Good two letters in July 2014 regarding the client's complaint, but Ms. Good never replied to either of these letters. In September 2014, Ms. Good filed a motion to withdraw with the bankruptcy court. Ms. Good, however, did not provide her client with notice that she was withdrawing from her case.

Yet another matter involved a client who was a disabled retiree and who retained Ms. Good to file a patent application. The client paid her \$2,500 in total attorney's fees. The client provided Ms. Good with original drawings of his design for her to file with his application. Although Ms. Good initially communicated with the client, he later experienced difficulty contacting Ms. Good. Beginning in 2009 through 2013, the client continued to contact Ms. Good to arrange meetings with her, but she cancelled each of their scheduled meetings. In September 2014, Bar Counsel sent Ms. Good letters notifying her of this client's complaint, but she failed to respond to either of these letters. Notably, the hearing judge also found that Ms. Good neither provided the client a refund of attorney's fees for the patent application nor returned copies of his original drawings.

Ms. Good failed to participate in the disciplinary proceeding in Maryland. The circuit court judge's findings of facts and conclusions of law thus were un rebutted.

After the Maryland Court ordered Ms. Good to be disbarred, the USPTO Director filed a complaint for reciprocal discipline and order to show cause why the USPTO should not impose the same discipline as that imposed by the Maryland Court of Appeals. Ms. Good failed to respond. Thus, the USPTO Director concluded that no genuine issue of material fact existed and that, pursuant to

Section 11.24 of Title 37, identical discipline was warranted. Consequently, Ms. Good was ordered excluded from practice before the USPTO.

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**Case:** *In re Christopher L. Persaud*, Proc. No. D2014-34 (USPTO Dir. Mar. 31, 2016).

**Disposition:** Exclusion from practice before the USPTO resulting from the practitioner's disbarment from the Supreme Court of California. The USPTO Director rejected practitioner's challenge to reciprocal discipline.

**Summary:** A patent attorney with a prior disciplinary history was investigated by California disciplinary authorities for possible ethics violations. To resolve the matter, the attorney consented to disbarment. The USPTO Director thereafter instituted a reciprocal disciplinary procedure pursuant to 37 C.F.R. § 11.24 seeking imposition of identical discipline to that imposed in California. The practitioner asserted genuine issues of material facts existed that warranted lesser discipline. The USPTO Director held that the practitioner failed to raise a genuine issue of material fact that: (i) he was denied due process in California, (ii) the California proceeding suffered from an infirmity of proof, or (iii) imposition of identical discipline by the USPTO would result in a grave injustice. Accordingly, the USPTO Director ordered the practitioner's exclusion from practice before the USPTO.

**Facts:** Mr. Persaud was a patent attorney admitted to practice in the State of California in 2009. Mr. Persaud had a history of disciplinary misconduct that commenced shortly after he began practicing law.

Mr. Persaud started his own practice where he focused on loan modification work. On June 28, 2012, Mr. Persaud was suspended from the practice of law for three (3) years by Order of the California Supreme Court. *See In re Christopher Leslie Persaud*, No. S200588 (Cal. June 28, 2012).

Mr. Persaud continued to be investigated by the California Bar for additional misconduct arising from his loan modification practice, in addition to failing to abide by the terms of the Court's 2012 suspension order. By Order of the Supreme Court of California dated July 24, 2013, Mr. Persaud was disbarred. *See In re Christopher Leslie Persaud*, No. S210771 (Cal. July 24, 2013). The disbarment Order was based upon Mr. Persaud: (1) failing to perform competently on behalf of clients; (2) failing to communicate adequately with clients; (3) improperly withdrawing from employment with clients; (4) the unauthorized practice of law; (5) collecting illegal fees; (6) failing to return unearned or illegal fees totaling approximately \$300,000; (7) failing to comply with Rule 9.20(c) of the California Rules of Court; and (8) making multiple misrepresentations of fact in several declarations submitted to the California Bar regarding his alleged compliance with the requirements of a suspended attorney.

The USPTO Director issued a show cause order why Mr. Persaud should not receive the same discipline (disbarment) imposed in California. Mr. Persaud submitted evidence and argument to oppose identical discipline by the USPTO. The USPTO Director determined that the evidence was not persuasive and failed to raise any genuine issue of material fact on the limited grounds upon which a practitioner may challenge reciprocal discipline.

On December 1, 2014, the General Counsel, on behalf of the Director of the USPTO, issued a Final Order Under 37 C.F.R. § 11.24 excluding Mr. Persaud from the practice of patent, trademark, and other non-patent law before the USPTO.

On December 31, 2014, Mr. Persaud petitioned the United States District Court for the Eastern District of Virginia for review and reversal of the Final Order. *See Christopher Persaud v. Director, United States Patent and Trademark Office*, No. 1:14-cv-1790 (E.D. Va.).

On July 22, 2015, the District Court entered an Agreed Order dismissing the action without prejudice so that the USPTO Director could “review and, if necessary, clarify USPTO's December 1, 2014 ‘Final Order Under 37 C.F.R. § 11.24.’” In accordance with 37 C.F.R. § 11.24 and that Agreed Order, on September 2, 2015, the USPTO Director provided notice to Mr. Persaud giving him an opportunity to submit supplemental information and allowing the OED Director that the USPTO Director to review and, if necessary, clarify its Final Order. Mr. Persaud provided additional information to the USPTO and challenged imposition of reciprocal discipline on two grounds: (1) grave injustice; and (2) denial of due process.

The Director’s opinion explained that a respondent may seek to defeat reciprocal discipline by showing by clear and convincing evidence that a genuine issue of material fact exists as to whether a “grave injustice” would result under 37 C.F.R. § 11.24(d)(1)(iii).

Mr. Persaud raised rehabilitative steps he had taken since the imposition of his disbarment in California and certain mitigating circumstances surrounding his misconduct to argue that his reciprocal exclusion under § 11.24 would be a grave injustice.

The USPTO Director held that the “grave injustice” showing required to avoid reciprocal discipline is a high standard. *See In re Thav*, 852 F. Supp. 2d 857, 861 (E.D. Mich. 2012). Furthermore, the Director reasoned that reciprocal discipline proceedings do not provide Respondent “with an opportunity for a de novo review of what sanction should have been imposed in California.” *See, e.g., In re Roman*, 601 F.3d 189, 194 (2d Cir. 2010) (declining, in context of reciprocal discipline, to review de novo what sanction should have been imposed by the originating jurisdiction); *In re Kramer*, 282 F.3d at 727 (“In reviewing a reciprocal disbarment, we do not retry an attorney for misconduct.”). The Director found that Mr. Persaud stipulated to the misconduct and disbarment. The stipulated misconduct involved misconduct as to 47 different clients and violations of court rules demonstrating as a whole that “[s]ince becoming a member of the State Bar, Respondent has been unable to conform his conduct to the ethical strictures of the profession.”

In addition, the California disciplinary standards are clear that disbarment is within the range of allowable penalties for the attorney misconduct at issue in this case. The Director further found that Mr. Persaud's rehabilitative efforts did not render his reciprocal exclusion from the practice of patent law a grave injustice.

The Director further found that Mr. Persaud had not been denied due process. The USPTO Director noted that Mr. Persaud had been represented throughout the California proceedings by counsel, and that he had been afforded an opportunity to be heard and stipulated that disbarment was warranted. Although Mr. Persaud attempted to take issue with certain of the findings made by the California court, as the USPTO Director noted, Mr. Persaud had agreed to those findings in his stipulation for disbarment. As such, he could not be heard to argue that those stipulated findings were erroneous or demonstrated a denial of due process.

Because Mr. Persaud was unable to raise any genuine fact issue as to why the identical discipline should not be imposed by the USPTO, the USPTO Director ordered that a reciprocal exclusion was appropriate.

#### **VI. Reciprocal Transfer to Disability Inactive Status - 37 C.F.R. § 11.29**

Some alleged ethics violations are the result of a practitioner's disability. In other cases, a practitioner who may have violated an ethics rule is unable to participate in a disciplinary proceeding due to a disability. When another disciplinary jurisdiction, such as a state bar, orders that a USPTO practitioner be placed on "disability inactive status," the USPTO Director is required also to place the practitioner on disability inactive status, making the practitioner ineligible to practice before the USPTO until he or she demonstrates to the OED Director competency to practice before the Office. *See* 37 C.F.R. § 11.29.

Similar to reciprocal disciplinary proceedings, in a proceeding seeking reciprocal transfer to disability status, the USPTO Director shall place a practitioner who is on disability inactive status before another jurisdiction on disability inactive status before the USPTO unless the practitioner can show, by clear and convincing evidence, that: (i) the practitioner was denied due process in the other jurisdiction; (ii) the other jurisdiction's decision suffered from an infirmity of proof; or (iii) the imposition of a transfer to disability inactive status would result in a grave injustice.

In the following cases, the USPTO Director determined that reciprocal transfer to disciplinary transfer was warranted predicated upon a practitioner's transfer to disciplinary inactive status by another jurisdiction.

**Case:** *In re Ralph T. Rader*, D2015-24 (USPTO Dir. May 18, 2016).

**Disposition:** Reciprocal transfer to disability inactive status predicated on transfer to disability inactive status in Michigan. The practitioner requested that the USPTO not transfer him to disability inactive status. The USPTO Director denied the practitioner's request and transferred the practitioner to disability inactive status.

**Summary:** A patent attorney suffered a stroke which impacted his cognitive abilities. He was transferred to disciplinary inactive status in Michigan. Pursuant to 37 C.F.R. § 11.29, the USPTO Director ordered the practitioner to be reciprocally transferred to disciplinary inactive status in trademark, patent, and non-patent matters before the USPTO. The Director rejected the practitioner’s request that he not be placed on disability inactive status, however, the Director also ruled the attorney may apply for reinstatement at any time subject to demonstrating improvement in his health.

**Facts:** This matter involved Ralph T. Rader, a Michigan-based patent attorney. On January 23, 2013, Mr. Rader suffered a stroke, which resulted in aphasia affecting his cognitive abilities. He was unable to perform his normal functions of his legal practice after the stroke and therefore withdrew from his law firm, effective March 23, 2013. His medical condition will “likely prevent [his] being able to return as a trial lawyer or even as a litigation/practicing (sic) lawyer.”

On September 16, 2013, the Michigan Grievance Administrator, Michigan Attorney Grievance Commission, filed a “Petition for Order Transferring Respondent to Inactive Status Due to Incapacity” with the State of Michigan Attorney Disciplinary Board (Petition). In the Petition, the Grievance Administrator explained that, “[o]n January 23, 2013, Respondent had a stroke which was caused by a blood clot going from his heart to his brain ... [d]ue to the stroke, Respondent currently suffers from aphasia which has significantly affected his cognitive functions.”

On October 15, 2013, the State of Michigan Attorney Discipline Board entered an “Order of Transfer to Inactive Status Pursuant to MCR 9.121 (B)” (“Allegations of Incompetency or Incapacity”). The Attorney Discipline Board ordered that Mr. Rader be transferred to inactive status for an indefinite period, until further order of the Attorney Discipline Board, due to his incapacity to practice law.

On January 27, 2015, the OED Director received notification that Mr. Rader had been transferred to disability inactive status in Michigan. Consistent with 37 C.F.R. § 11.29(a), the OED Director requested a certified copy of the Michigan Order transferring Mr. Rader to disciplinary inactive status, which was received on February 20, 2015. On July 2, 2015, the USPTO issued a notice to show cause why Mr. Rader should not be reciprocally transferred to disability inactive status as a result of the Michigan order. *See* 37 C.F.R. § 11.29(b)(1)-(3).

Mr. Rader asserted that he should not be placed on disability inactive status with the USPTO. He argued that he voluntarily entered into inactive status with the State Bar of Michigan and that his inactive status was not the result of a finding of incompetence or the result of any disciplinary proceedings. He also argued that a reciprocal transfer to disability inactive status without any findings of incompetence or of disciplinary misconduct, such as disreputable conduct, was an infirmity of proof. Mr. Rader further argued that a grave injustice would result if the USPTO were to reciprocally transfer him to disability inactive status because the Michigan Order applied to him only in his capacity as an attorney, and the Michigan Order has no effect on his status as a patent agent. The USPTO Director rejected each argument.

According to Title 37, Section 11.29, the USPTO Director shall “impose the identical transfer to disability inactive status based on the practitioner's transfer to disability status in another jurisdiction,” unless the practitioner demonstrates by clear and convincing evidence, or the USPTO Director finds there is a genuine issue of material fact by clear and convincing evidence, that:

- (1) The procedure was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process;
- (2) There was such infirmity of proof establishing the transfer to disability status, judicial declaration of incompetence, judicial order for involuntary commitment on the grounds of incompetency or disability, or placement by court order under guardianship or conservatorship that the USPTO Director could not, consistent with Office's duty, accept as final the conclusion on that subject;
- (3) The imposition of the same disability status or transfer to disability status by the USPTO Director would result in grave injustice; or
- (4) The practitioner is not the individual transferred to disability status, judicially declared incompetent, judicially ordered for involuntary commitment on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship.

The USPTO Director found no genuine issue of material fact on any of these factors and ordered that Mr. Rader be transferred to disability inactive status before the USPTO.

First, the USPTO Director found that Mr. Rader was not denied due process in Michigan. The Director explained that, “The fundamental requirement of due process is the opportunity to be heard at a meaningful time and in a meaningful manner.” *In re Karten*, 293 F. App'x 734, 736 (11th Cir. 2008) (quoting *Mathews v. Eldridge*, 424 U.S. 319 (1976)). Due process before the USPTO requires reasonable notice of the charges before the proceedings commence. *See In re Feng Li*, Proc. No. D2014-36; *In re Brufsky*, Proc. No. D2013-18. Due process requirements are satisfied where a respondent “attended and participated actively in the various hearings, and was afforded an opportunity to present evidence, to testify, to cross-examine witnesses, and to present argument.” *In re Squire*, 617 F.3d 461, 467 (6th Cir. 2010). The Director found that Mr. Rader knew of the Petition for Order Transferring Respondent to Inactive Status Due to Incapacity, consented to his transfer to “inactive status due to incapacity” in the Stipulation entered into with counsel for the Grievance Administrator, and was represented by counsel. Accordingly, the Director found that Mr. Rader was not deprived of his due process rights in the Michigan proceeding.

Second, the USPTO Director found that there was no infirmity of proof in the Michigan proceeding that would make transfer to disability inactive status before the USPTO unwarranted or raise any genuine issue of fact. The USPTO Director rejected Mr. Rader’s argument that a reciprocal

transfer was unwarranted because he was not disciplined in Michigan. The USPTO Director explained that discipline is not required:

A plain reading of the regulations governing transfers to disability inactive status eviscerates Respondent's argument that, because there was no judicial finding of incompetence or disreputable conduct on his part, he should not be transferred to disability inactive status. With his argument, Respondent has conflated the grounds on which the OED Director may initiate discipline against a practitioner with the separate grounds for transfer to disability inactive status. The grounds for transfer to disability inactive status are set forth at 37 C.F.R. § 11.19(b)(2)(i)-(iii) and include, but are not limited to, being transferred to disability inactive status in another jurisdiction. 37 C.F.R. § 11.19(b)(2)(i). In contrast, the possible grounds for discipline are set forth in 37 C.F.R. § 11.19(b)(1)(i)-(v). The two processes are separate and distinct processes. *See* 73 Fed. Reg. 47,650, 47,653 (Aug. 14, 2008). While the substantive disciplinary provisions may require a finding of incompetence or disreputable conduct for the OED Director to take action, as further discussed below, the provision under which Respondent's reciprocal transfer to disability inactive status was undertaken has no such a requirement. The provisions governing the process for reciprocal transfer to disability inactive status, 37 C.F.R. § 11.29, confirm that transfer to disability inactive status in another jurisdiction may alone warrant reciprocal treatment before the USPTO. 37 C.F.R. § 11.29(d) (“[T]he USPTO Director shall ... impose the identical transfer to disability inactive status based on the practitioner's transfer to disability status in another jurisdiction.”).

Third, and finally, the USPTO Director found there was no evidence of grave injustice based upon a transfer to disciplinary inactive status. While Mr. Rader argued that the transfer to disability inactive status as an attorney in Michigan should have no effect on his registration to practice before the USPTO as an agent, the USPTO Director found this argument unpersuasive. Furthermore, because “the USPTO's rules governing the practice of patent matters before the USPTO apply with equal force to patent attorneys and agents, Respondent's argument fails.” The stipulation that Mr. Rader's medical condition interfered with his ability to practice law applied with equal force to practice before the USPTO, whether as an attorney or as an agent.

Finally, the USPTO Director noted that if Mr. Rader wished to demonstrate his fitness to practice as an agent before the Office, he may immediately file for reinstatement pursuant to 37 C.F.R. §§ 11.29, 11.58, and 11.60. “In any reinstatement petition, Respondent will have the opportunity to demonstrate his fitness to practice before the Office.”

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**Case:** *In re Chelsea L. Davis*, D2016-25 (USPTO Dir. Aug. 9, 2016); *see also In the Matter of Chelsea L. Davis*, Cause No. 54202 (Tex. May 14, 2015).



**Disposition:** Reciprocal transfer to disability inactive status predicated on transfer to disability inactive status in Texas. The transfer was not opposed by the practitioner.

**Summary:** A patent attorney was transferred to disciplinary inactive status in Texas. Pursuant to 37 C.F.R. § 11.29, the USPTO Director ordered the practitioner to be reciprocally transferred to disciplinary inactive status in trademark, patent, and non-patent matters before the USPTO. The practitioner filed no opposition to the transfer and she may not return to active status until further order by the OED Director.

**Facts:** This matter involved Chelsea L. Davis, a Texas-based patent attorney. On May 14, 2015, the Board of Disciplinary Appeals appointed by the Supreme Court of Texas issued an order transferring Ms. Davis to inactive status due to disability for an indefinite period. The Board found that Ms. Davis suffered from “a mental condition that results in her inability to practice law, provide client services, complete contracts of employment, or otherwise carry out her professional responsibilities to clients, courts, the profession or the public.”

The USPTO Director filed an order to show cause why Ms. Davis should not be similarly transferred by the USPTO to disability inactive status pursuant to 37 C.F.R. § 11.29. Ms. Davis failed to respond. Accordingly, the Director of the USPTO ordered that Ms. Davis be transferred to disability inactive status pending further action by the OED Director. While on disability inactive status, Ms. Davis is not authorized to practice before the USPTO in patent, trademark, or other non-patent matters.

## **PART II - USPTO DISCIPLINARY DECISIONS BY TYPE OF MISCONDUCT**

The following disciplinary decisions were published by the USPTO in 2016 and are organized according to the main type of misconduct, and generally from the lowest level of “severity” of punishment to the most severe punishment. Keep in mind that most cases rarely involve a single disciplinary “issue” and thus the focus on this summary is a subjective assessment of the key type (or types) of misconduct by broad general category. For brevity, the detailed facts of each case are not repeated in this section since they are discussed above in Part I.<sup>14</sup>

### **I. Financial Misconduct (Unintentional)**

**Case:** *In re Roy A. Ekstrand*, Proc. No. D2016-13 (USPTO Dir. Mar. 14, 2016).

**Disposition:** Public reprimand and six (6)-month period of probation.

**Summary:** A patent practitioner who submitted eight (8) dishonored non-trust account check payments to the USPTO on behalf of a number of clients entered into a settlement agreement

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<sup>14</sup> The case of *In re Siddharth G. Dubal*, Case No. 2016-27 (USPTO Dir. July 11, 2016), which resulted in an exclusion on consent, is not addressed in this portion of the report since the author is unable to ascertain from the public record in the USPTO or New Jersey the exact nature of the practitioner’s misconduct that led to his resignation. This section also does not address practitioner disability on consent since that was not viewed as a type of practitioner “misconduct” and thus not relate to “conduct” in the same sense as conduct giving rise to discipline.

pursuant to which he agreed to be publicly reprimanded and placed on probation for six (6) months for violating 37 C.F.R. § 11.103 (requiring reasonable diligence and promptness in representing a client), 37 C.F.R. § 11.804(c) (conduct involving dishonesty, fraud, deceit or misrepresentation), and 37 C.F.R. § 11.804(i) (engaging in other conduct that adversely reflects on the practitioner's fitness to practice) of the USPTO Rules of Professional Conduct.

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**Case:** *In re Karl L. Larson*, No. D2016-36 (USPTO Dir. Sept. 1, 2016)

**Disposition:** Ninety (90)-day suspension from practice before the USPTO, with requirement that practitioner complete ten (10) hours of continuing legal education in trust accounting and law practice management.

**Summary:** The USPTO Director entered a settlement agreement suspending a patent practitioner for ninety (90) days pursuant to 37 C.F.R. § 11.26 for failing to deposit unearned advanced fees in 12 different client matters in a trust account, instead depositing the fees in the practitioner's operating account. In addition, the practitioner failed to maintain appropriate financial records.

## II. Conflict of Interest/Failure to Recognize Client

**Case:** *In re David B. Newman*, D2015-14 (USPTO Dir. Nov. 12, 2015), *reinstatement granted*, R21 (OED Dir. Jan. 21, 2016).

**Disposition:** Thirty (30)-day suspension, eighteen (18)-month probation, and requirement that practitioner pass MPRE and complete certain ethics CLEs as condition for reinstatement. After the thirty (30)-day suspension period and satisfying other conditions, the practitioner filed a petition for reinstatement. The practitioner was subsequently reinstated by the OED Director to practice before the USPTO in non-patent matters.

**Summary:** The USPTO Director approved a settlement agreement in which a non-patent practitioner received a thirty (30)-day suspension for his role in representing joint trademark clients without appreciating that they were both his clients, accepting payment from a third party for the jointly represented clients without the clients' informed consent, and neglect in failing to oversee and allowing a subordinate attorney to take action on behalf of one of the joint clients adverse to the interests of the other joint client. After serving the thirty (30)-day suspension, the attorney petitioned the OED Director for reinstatement. The attorney was subsequently reinstated to practice before the USPTO.

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**Case:** *In re Paul S. Levine*, No. D2015-21 (USPTO Dir. Aug. 1, 2016); *see also In re Paul Samuel Levine*, 13-O-219307 (Cal. Sept. 4, 2014).

**Disposition:** Two (2)-year suspension, with all but sixty (60) days stayed, and probation for the balance of the two (2)-year period, plus required to retake and pass the Multistate Professional Responsibility Exam, predicated upon identical discipline imposed by the Supreme Court of California. The practitioner's request for *nunc pro tunc* treatment of USPTO suspension period to coincide with already-served California suspension period was denied by the USPTO Director.

**Summary:** A trademark practitioner was reciprocally suspended from practice before the USPTO for two (2) years, with all but sixty (60) days suspended, plus probation for the balance of the two (2)-year suspension period and a requirement that he take and pass the Multistate Professional Responsibility Exam, for violation of 37 C.F.R. § 11.804(h) for being publicly disciplined by a duly constituted authority of the State of California. The discipline arose from a conflict of interest. The practitioner opposed imposition of a suspension by the USPTO and requested that the USPTO suspension date be treated as effective *nunc pro tunc* from the date the practitioner was suspended in California. The USPTO Director denied the practitioner's request. The practitioner was not required to petition for reinstatement, however, after serving the sixty (60)-day USPTO suspension period. The California state discipline arose from the attorney's conflict of interest in representing two clients and his continued representation of one client adverse to the other in an arbitration, in violation of California's ethics rules.

### III. Failure to Communicate/Neglect/Abandonment

**Case:** *In re Charlena L. Thorpe*, No. D2016-26 (USPTO Dir. Sept. 7, 2016).

**Disposition:** Public reprimand and requirement that practitioner attend a CLE seminar on law practice management.

**Summary:** The USPTO Director entered a settlement agreement publicly reprimanding a patent practitioner pursuant to 37 C.F.R. § 11.26 for failure to adequately communicate with a patent applicant client. In particular, the practitioner represented a client in the preparation of a nonprovisional patent application and failed to adequately inform the client that she believed he had changed the scope of his invention such that additional fees would be required to be paid in advance in order for the representation to continue.

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**Case:** *In re Robert R. Lech*, No. D2016-34 (USPTO Dir. Oct. 3, 2016).

**Disposition:** Ninety (90)-day suspension from practice before the USPTO, followed by a two (2)-year period of probation following reinstatement and the requirement that the practitioner complete five (5) hours of CLE in law practice management.

**Summary:** The USPTO Director entered a settlement agreement suspending a patent practitioner pursuant to 37 C.F.R. § 11.26 for ninety (90) days for failing to communicate with multiple patent clients about Office Actions received from the USPTO, allowing applications to go abandoned without client notice or consent, and failing to report the abandonments to his clients.

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**Case:** *In re Andrew P. Lahser*, Proc. No. D2016-2 (USPTO Dir. June 10, 2016).

**Disposition:** One (1)-year suspension from practice before the USPTO, with the right to apply for reinstatement after nine (9) months, and requirement that the practitioner retake and pass the Model Professional Responsibility Exam (“MPRE”) and the Patent Bar Examination as conditions for reinstatement.

**Summary:** A patent attorney represented a client in various trademark and patent matters. During the course of the representation, the practitioner failed to adequately communicate important Office correspondence to the client, by allowing applications to become abandoned without the client's knowledge or consent, and by preparing invoices for patent and trademark filings that unintentionally contained incorrect fee calculations, which resulted in over-charged fees. Prior to any disciplinary proceeding, the practitioner voluntarily made restitution to the client. The practitioner and OED Director entered into a settlement agreement in which he admitted that his conduct violated USPTO Code of Professional Responsibility, 37 C.F.R. §§10.23(a) and (b) via 10.23(c)(8) (failing to inform a client of correspondence received from the Office), and 10.77(c) (neglecting a legal matter); and violated the USPTO Rules of Professional Conduct, 37 C.F.R. §§ 11.101 (requiring thoroughness and preparation reasonably necessary for the representation), 11.103 (diligence), 11.104 (communication), and 11.115 (safekeeping property and funds).

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**Case:** *In re Gouri G. Nair*, D2016-07 (USPTO Dir. June 30, 2016); *see also In re Gouri Gopalan Nair*, Case No. 13-O-17366 (Cal. May 2015).

**Disposition:** Two (2)-year suspension, stayed, with thirty (30) days of actual suspension, and a two-year period of probation, unopposed by the practitioner, predicated on identical discipline imposed by Supreme Court of California. In addition, the practitioner must retake and pass the Multistate Professional Responsibility Exam (“MPRE”).

**Summary:** A patent attorney received a two (2)-year stayed suspension, with thirty (30) days of actual suspension from practice before the USPTO and the requirement that she satisfy additional terms imposed by the Supreme Court of California, as reciprocal discipline arising from her neglect in connection with the representation of a married couple in a medical malpractice lawsuit. The practitioner filed a lawsuit seeking damages for the death of her clients’ infant daughter. In the course of the litigation, the attorney failed to secure and file timely verified discovery responses,

failed to advise her clients of the need for verified discovery responses, and failed to oppose motions to compel and for terminating sanctions. The attorney's inaction and failure to communicate with her clients ultimately resulted in the entry of a judgment of dismissal against her clients, depriving them of their medical malpractice remedy associated with the death of their infant daughter.

#### **IV. Failure to Communicate/Neglect/Abandonment Plus Other Misconduct**

The following decisions may be characterized as "Neglect Plus" something else cases. In each decision, there was clearly neglect or failure to communicate. But these cases also include some other, additional, misconduct that was also important to the outcome.

**Case:** *In re Everitt George Beers*, Proc. No. D2016-18 (USPTO Dir. June 10, 2016); *see also In re Beers*, Proc. No. 13-0-12153 (Cal. Oct. 28, 2014).

**Disposition:** Four (4)-month suspension from practice before the USPTO.

**Summary:** A registered patent attorney was suspended from practice before the USPTO for violation of numerous USPTO Disciplinary rules arising from his representation of a client in various trademark matters. The attorney's conduct involved willful misconduct, including collecting unearned legal fees and USPTO filing fees paid by a client and converting them for his benefit; misrepresenting to the client that the work had been performed and providing the client with eight (8) fictitious trademark application numbers as representative of the client's application numbers; continuing the representation of a client during a period in which his physical conditions made it unreasonably difficult for him to carry out his duties to the client; failing to perform the work he was hired to do; failing to promptly return to the client legal fees for the work not performed and USPTO fees not used upon being asked to do so by the client; and failing to deposit the legal fees for the work not performed in an identifiable bank account, such as a trust account. In addition, the practitioner was disciplined on ethical grounds for the same misconduct by another disciplinary authority. The practitioner submitted evidence of substantial mitigating factors.

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**Case:** *In re Jerry A. Schulman*, Proc. No. D2016-02 (USPTO Dir. April 13, 2016).

**Disposition:** Two (2)-year suspension from practice before the USPTO.

**Summary:** Over the course of ten (10) years, an IP practitioner allowed numerous patent and trademark applications to go unintentionally abandoned for multiple clients without their knowledge or consent, failed to communicate with his clients, and misrepresented the status of two clients' patent applications. The USPTO Director approved a settlement agreement pursuant to which the practitioner agreed to a two (2)-year suspension from practice before the USPTO for violating 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8) (proscribing failure to advise a client of important Office correspondence); 10.23(b)(4) (proscribing conduct involving dishonesty, fraud,

deceit, or misrepresentation); 10.23(a) and (b) via 10.23(c)(2)(i) (proscribing knowingly giving false or misleading information to a client in connection with business before the Office; 10.77(c) (proscribing neglect of legal matters entrusted to a practitioner); 10.84(a)(1) (proscribing failing to seek the lawful objectives of the client and prejudicing or damaging a client during the course of a professional relationship); 11.101 and 11.103 (failure to provide competent representation and to act with reasonable diligence and promptness in representing a client); 11.104(a)(2) and (a)(3) (failure to reasonably consult with the client about the means by which the client's objectives are to be accomplished and failure to keep the client reasonably informed about the status of a matter); and 11.804(c) (engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation)

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**Case:** *In re Edward Etkin*, Proc. No. D2016-05 (USPTO Dir. Jan. 8, 2016).

**Disposition:** Exclusion on consent from practice before the USPTO arising from disreputable conduct in handling USPTO client matters.

**Summary:** A patent and trademark practitioner was excluded on consent for failing to communicate important USPTO correspondence to multiple clients, allowing his clients' patent and trademark applications to go abandoned without their knowledge or consent, misrepresenting to his clients the status of their abandoned patent and trademark applications, knowingly failing to perform services paid for by his clients, knowingly making a false certification to the USPTO that an abandonment was unintentional in a petition to revive, which was relied upon by the Office, and engaging in unauthorized practice of law while his right to practice in matters before the Office had been administratively suspended for his failure to submit the USPTO's practitioner survey.

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**Case:** *In re Joseph C. Terzo*, Proc. No. D2016-35 (USPTO Dir. Nov. 2, 2016).

**Disposition:** Exclusion on consent from practice before the USPTO arising from disreputable conduct in handling USPTO client matters.

**Summary:** A patent and trademark practitioner was excluded on consent following numerous allegations for ethical misconduct. The practitioner was charged with violating, *inter alia*, the USPTO Rules of Professional Conduct (proscribing failure to provide competent representation, failure to keep clients reasonably informed about the status of a matter), failure to explain a matter to the extent reasonably necessary to permit the clients to make informed decisions regarding the representation, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, engaging in conduct that is prejudicial to the administration of justice), engaging in acts and omissions that adversely reflect on fitness to practice before the Office, failing to make reasonable efforts as a partner in a law firm to ensure that the firm has in effect measures giving reasonable assurance that the non-attorney assistants' conduct is compatible with the professional obligations

of the practitioner, aiding in the unauthorized practice of law, making an agreement prospectively limiting the practitioner's liability to clients for malpractice when the clients were not independently represented in making the agreement, failing to deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the practitioner only as fees are earned or expenses incurred, and failure to cooperate with the Office of Enrollment and Discipline in an investigation.

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**Case:** *In re Michael I. Kroll*, Proc. No. D2014-14 (USPTO Dir. Mar. 4, 2016), *reconsideration denied* (USPTO Dir. May 18, 2016).

**Disposition:** Initial decision recommending suspending a patent practitioner from practice before the USPTO for two years was affirmed on appeal in a final decision issued by the USPTO Director. The USPTO Director denied the practitioner's subsequent request for reconsideration of the Agency's final decision.

**Summary:** The USPTO Director issued an Order affirming an administrative law judge's initial decision to suspended a patent attorney for two (2) years for violating three USPTO ethics rules arising out of the attorney's neglect of a patent application, which caused the applicant to lose all rights to obtain patent protection for an invention, and out of the attorney's filing a patent application that the attorney knew was not patentable as a matter of law, in violation of the attorney's certification to the Office that he had conducted a reasonable pre-filing investigation. The Director found that the attorney's conduct violated 37 C.F.R. §§ 10.23(a) (proscribing disreputable or gross misconduct); 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(15) (proscribing signing a paper filed with the USPTO in violation of the provisions of 37 C.F.R. § 10.18); and § 10.77(c) (proscribing neglecting a legal matter entrusted to the practitioner). The USPTO issued a subsequent Order denying the attorney's request for reconsideration.

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**Case:** *In re Carl J. Schwedler*, Proc. No. D2015-38 (USPTO Dir. Mar. 21, 2016).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent attorney was charged with multiple counts of ethical misconduct arising from the abandonment of a client's patent application and failure to cooperate with the OED's investigation. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED proposing that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and, thus, the practitioner was excluded.

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**Case:** *In re Russell W. Warnock*, Proc. No. D2016-08 (USPTO Dir. Apr. 22, 2016)

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** An IP attorney who had been licensed since 1988 and had a history of professional discipline was charged with multiple counts of ethical misconduct arising from the abandonment of multiple clients' patent and trademark applications and failure to cooperate with the OED's investigation. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED proposing that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and, thus, the practitioner was excluded.

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**Case:** *In re Clifford G. Frayne*, Proc. No. D2016-09 (USPTO Dir. June 17, 2016); *see also In the Matter of Clifford G. Frayne*, Case No. DRB 14-036 (N.J. Oct. 29, 2014).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent practitioner with over 38 years of experience was charged with ethical misconduct arising from his representation of a patent prosecution client as well as his representation of multiple clients in trademark matters while his state bar license had been administratively suspended by the New Jersey bar. The practitioner received a public reprimand from New Jersey for certain of his actions. The OED Director later filed a non-reciprocal disciplinary complaint seeking the practitioner's suspension or exclusion from practice before the USPTO. After the practitioner failed to respond to the OED Director's disciplinary complaint, and upon a motion for default judgment, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED. The default judgment proposed that the practitioner be excluded from practice before the USPTO. The practitioner failed to file an appeal of the initial decision. The ALJ's initial decision thus became the USPTO's final decision as a matter of law. Consequently, the practitioner was excluded from practice before the USPTO.

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**Case:** *In re Ian P. Coyle*, Proc. No. D2016-16 (USPTO Dir. July 27, 2016).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent attorney was charged with multiple counts of ethical misconduct arising from the abandonment of a client's patent application and failure to cooperate with the OED's investigation. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED proposing that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and thus the practitioner was excluded.

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**Case:** *In re Kristofer E. Halverson*, Proc. No. D2016-33 (USPTO Dir. Oct. 12, 2016).

**Disposition:** ALJ's initial decision recommending entry of default judgment and practitioner's exclusion from practice before the USPTO became final Agency decision as a matter of law.

**Summary:** A patent attorney was charged with multiple counts of ethical misconduct arising from his inactions and failure to communicate with clients in multiple patent and trademark prosecution matters, his misleading statements in response to his clients' requests for information, and his failure to cooperate with the OED's investigation of his misconduct. The OED Director filed a disciplinary complaint based upon the practitioner's misconduct. After failing to respond to the complaint, an administrative law judge entered an initial decision recommending entry of judgment by default in favor of the OED. The initial decision proposed that the practitioner be excluded from practice before the USPTO. Because the practitioner failed to appeal, the ALJ's initial decision became the USPTO's final decision as a matter of law, and thus the practitioner was excluded.

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**Case:** *In re Tamara Renee Good*, D2016-19 (USPTO Dir. July 11, 2016); *see also Attorney Grievance Comm'n v. Tamara Renee Good*, Misc. Docket AG No. 66, Sept. Term, 2014 & Misc. Docket AG No. 8, Sept. Term, 2015 (Md. Dec. 21, 2015).

**Disposition:** Exclusion from practice before the USPTO, which was unopposed by the practitioner, and which was predicated upon practitioner's disbarment from the Court of Appeals of Maryland.

**Summary:** A patent attorney was reciprocally excluded from practice before the USPTO predicated upon her being disbarred by the Court of Appeals of Maryland. The disbarment arose

from her misconduct in connection with six (6) different client matters. Her misconduct included neglect, failure to communicate, failure to return unearned fees, and failure to cooperate in Maryland's disciplinary investigation. One of the client matters giving rise to discipline related to practitioner's misconduct in connection with her practice of patent law.

#### **V. Misrepresentation/Unauthorized Practice of Law/Other Intentional Misconduct**

In the following cases, there was primarily some form of misrepresentation or other intentional misconduct or unauthorized practice of law.

**Case:** *In re Robert K. Tandler*, Proc. No. D2013-17 (USPTO Dir. Jan. 8, 2014), *reinstatement granted*, R22 (OED Dir. Feb. 29, 2016).

**Disposition:** Four (4)-year suspension with right to apply for reinstatement after two (2) years. After being suspended for two (2) years, the practitioner filed, and the OED Director granted, a petition for reinstatement to practice before the USPTO.

**Summary:** A patent practitioner filed a Rule 131 declaration that contained materially false statements that the practitioner failed to correct expressly and in writing. The practitioner and OED Director entered into a settlement agreement, which was accepted by the USPTO Director, suspending the practitioner for four (4) years with the right to apply for reinstatement after two years, plus an eighteen (18)-month period of probation following reinstatement. After two (2) years of suspension, the practitioner filed a petition for reinstatement. The OED Director granted the petition.

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**Case:** *In re Bang-er Shia*, Proc. No. D2014-31 (USPTO Dir. Mar. 4, 2016), *reconsideration denied* (USPTO Dir. Aug. 1, 2016).

**Disposition:** Initial decision recommending patent practitioner's exclusion from practice before the USPTO affirmed on appeal in a final decision issued by the USPTO Director. The USPTO Director denied the practitioner's subsequent request for reconsideration of the Agency's final decision.

**Summary:** The USPTO Director issued an Order affirming an administrative law judge's initial decision recommending the exclusion of a patent agent who had engaged for years in the practice of trademark law before the USPTO. The USPTO Director found that the patent agent engaged in misconduct by: (1) improperly signing trademark documents filed with the USPTO; (2) improperly filing trademark documents prepared by foreign attorneys; (3) exceeding the role of a domestic representative and practicing before the Office in trademark matters; and (4) continuing to act as a domestic representative after being excluded from doing so by the Trademark Commissioner. The USPTO Director affirmed an ALJ's determination that the practitioner violated six (6) ethics rules and properly considered the factors required by 37 C.F.R. § 11.54(b) before concluding that

a sanction of exclusion was appropriate. The USPTO Director subsequently denied the patent agent's request for reconsideration.

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**Case:** *In re Juliet M. Oberding*, Proc. No. D2015-06 (USPTO Dir. Feb. 12, 2016); *see also In re Juliet Monique Oberding*, Case No. 14-0-05179 (Cal. State Bar Ct. July 18, 2015).

**Disposition:** Sixty (60)-day suspension and twenty-four (24)-month period of probation after reinstatement, unopposed by practitioner and predicated upon identical discipline imposed in California.

**Summary:** A trademark practitioner who lied to her client on multiple occasions regarding the status of her trademark application was suspended by the USPTO for sixty (60) days and received a two (2)-year probationary term for conduct involving misrepresentations to a client, lack of diligence; neglect; and public discipline by another authority arising from the same conduct.

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**Case:** *In re Sanjeev Kumar Dhand*, D2016-17 (USPTO Dir. Nov. 16, 2016); *see also In re Sanjeev Kumar Dhand*, Case No. 14-O-01528 (Cal. May 14, 2015).

**Disposition:** One (1)-year suspension, fully stayed, and one (1)-year probation commencing on the date of the USPTO's order, predicated upon identical discipline imposed by the Supreme Court of California. The USPTO Director rejected the practitioner's request for *nunc pro tunc* treatment of probation term.

**Summary:** A patent attorney received a one (1)-year fully-stayed suspension plus one (1)-year term of probation as reciprocal discipline arising from discipline imposed in California, in which he was found to have engaged in moral turpitude and gross negligence by falsely certifying to State authorities that he had satisfied California's mandatory minimum continuing legal education requirements when in fact he had only partially completed the necessary minimum number of required CLE hours. The attorney did not oppose a reciprocal one-year fully-stayed suspension, however he sought an order that his probationary period commence *nunc pro tunc* from the date that he began his probationary period in California. The USPTO Director rejected the attorney's request for *nunc pro tunc* treatment of the term of probation.

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**Case:** *In re Jens Edward Hoekendijk*, D2015-25 (USPTO Dir. July 24, 2015) (suspension), *reinstatement granted*, R20 (OED Dir. Jan. 7, 2016) (reinstatement order).

**Disposition:** One (1)-year suspension with right to apply for reinstatement after thirty (30) days of actual suspension and one (1)-year probation upon reinstatement, unopposed by the practitioner,

and predicated upon identical discipline imposed by the Supreme Court of California. The practitioner's petition for reinstatement was subsequently granted by the OED Director.

**Summary:** A patent attorney received a one (1)-year suspension, with all but thirty (30)-days stayed, plus one year term of probation, as reciprocal discipline arising from discipline imposed in California, in which he was found to have engaged in moral turpitude and dishonesty by knowingly falsely certifying to State authorities that he had satisfied California's mandatory minimum continuing legal education requirements when in fact he had not completed any of the necessary minimum number of required CLE hours. The attorney failed to oppose the USPTO Director's order to show cause why identical discipline should not be imposed by the USPTO. The attorney was later reinstated by the USPTO after serving a five and one-half (5 and ½) month suspension period.

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**Case:** *In re Roger W. Moore*, Proc. No. D2016-11 (USPTO Dir. Mar. 16, 2016); *see also Cincinnati Bar Association v. Rodger William Moore*, Case No. 2014-1737 (Ohio June 25, 2015).

**Disposition:** One (1)-year suspension from practice before the USPTO and one (1)-year period of probation following reinstatement, which was unopposed by the practitioner, and which was predicated on identical discipline imposed by the Supreme Court of Ohio.

**Summary:** In a reciprocal disciplinary proceeding, a trademark practitioner who was caught stealing wine on multiple occasions and lied about his conduct to Ohio investigators was suspended from practice before the USPTO for one (1) year and placed on probation for one (1) year, predicated upon identical discipline imposed by the Supreme Court of Ohio. The Ohio suspension arose from the practitioner's conduct in multiple incidents of wine shoplifting between 2001 and 2012 and submission of false statements about those incidents during a disciplinary investigation by the Cincinnati Bar Association. The attorney's misconduct violated ethics rules proscribing engaging in illegal acts that adversely reflected on his honesty and trustworthiness, engaging in conduct involving dishonesty, deceit, fraud or misrepresentation, engaging in illegal conduct involving moral turpitude, knowingly making false statements of material fact in connection with a disciplinary matter, and neglecting or refusing to participate in a disciplinary matter.

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**Case:** *In re Walter P. Tambolini*, D2016-17 (USPTO Dir. May 9, 2016); *see also In re Tambolini*, Case No. 65226 (Nev. 2014).

**Disposition:** Two (2)-year suspension, which was unopposed by the practitioner, which was predicated upon identical discipline imposed by the Nevada Supreme Court.

**Summary:** A patent attorney received a two (2)-year suspension from practice before the USPTO as reciprocal discipline arising from discipline imposed in Nevada, in which he was found to have engaged in unauthorized practice of law while his license was administratively suspended for failure to satisfy state CLE requirements. In addition, the attorney failed to communicate and neglected his client in a litigation matter and failed to participate in Nevada's disciplinary proceedings.

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**Case:** *In re Christopher L. Persaud*, Proc. No. D2014-34 (USPTO Dir. Mar. 31, 2016).

**Disposition:** Exclusion from practice before the USPTO resulting from the practitioner's disbarment from the Supreme Court of California. The USPTO Director rejected practitioner's challenge to reciprocal discipline.

**Summary:** A patent attorney with a prior disciplinary history was investigated by California disciplinary authorities for possible ethics violations. To resolve the matter, the attorney consented to disbarment. The disbarment Order was based upon Mr. Persaud: (1) failing to perform competently on behalf of clients; (2) failing to communicate adequately with clients; (3) improperly withdrawing from employment with clients; (4) the unauthorized practice of law; (5) collecting illegal fees; (6) failing to return unearned or illegal fees totaling approximately \$300,000; (7) failing to comply with Rule 9.20(c) of the California Rules of Court; and (8) making multiple misrepresentations of fact in several declarations submitted to the California Bar regarding his alleged compliance with the requirements of a suspended attorney.

The USPTO Director thereafter instituted a reciprocal disciplinary procedure pursuant to 37 C.F.R. § 11.24 seeking imposition of identical discipline to that imposed in California. The practitioner asserted genuine issues of material facts existed that warranted lesser discipline. The USPTO Director held that the practitioner failed to raise a genuine issue of material fact that: (i) he was denied due process in California, (ii) the California proceeding suffered from an infirmity of proof, or (iii) imposition of identical discipline by the USPTO would result in a grave injustice. Accordingly, the USPTO Director ordered the practitioner's exclusion from practice before the USPTO.

## VI. Criminal Conduct and Convictions

The following disciplinary decisions arose from various types of criminal conduct and convictions.

**Case:** *In re Shekhar Vyas*, Proc. No. D2016-28 (USPTO Dir. Aug. 1, 2016), *reinstatement granted*, Proc. No. R24 (OED Dir. Oct. 12, 2016).

**Disposition:** One (1)-year suspension from practice before the USPTO, with the right to apply for reinstatement after thirty (30) days of actual suspension. After thirty (30) days of actual suspension, the OED Director granted practitioner's petition for reinstatement.

**Summary:** A registered patent attorney was suspended from practice before the USPTO for twelve (12) months, with the right to petition for reinstatement after serving thirty (30) days of his suspension. The discipline arose from a stayed twelve (12)-month suspension entered by the Supreme Court of California, which disciplined the practitioner due to convictions for DUI. The OED Director granted the practitioner’s petition and reinstated the practitioner to practice before the USPTO.

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**Case:** *In re David N. Caracappa*, Proc. No. D2015-37 (USPTO Dir. Jan. 5, 2016); *see also United States v. Caracappa*, No. 2:15-cr-00078-JHS (E.D. Pa. Mar. 3, 2015).

**Disposition:** Exclusion on consent from practice before the USPTO arising from his involvement in a criminal conspiracy to defraud a patent client and money laundering.

**Summary:** A patent attorney was excluded on consent following his plea of guilty in federal court for his role in a criminal conspiracy with another practitioner (an in-house attorney and client representative) to engage in fraudulent client billing, wire fraud, and money laundering for work he did not perform. The other practitioner performed the work ostensibly performed and billed by the practitioner, who would kick back most of the proceeds received from the client entity to the co-conspiring in-house counsel.

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**Case:** *In re Jeffrey L. Hefner*, D2016-21 (USPTO Dir. Aug. 11, 2016); *see also The People of the State of Illinois vs. Jerry L. Hefner*, 14-CF-140 (Ill. Cir. Ct. Sept. 9, 2015); *In the Matter of Jeffrey Lane Hefner*, Case No. 14-C-05148-DFM (Cal. State Bar Ct. Dec. 5, 2016).

**Disposition:** Interim suspension from practice before the USPTO predicated upon practitioner’s conviction in Illinois state court of felony possession of methamphetamine.

**Summary:** A patent practitioner was convicted in Illinois state court of felony possession of methamphetamine. Pursuant to 37 C.F.R. § 11.25, the OED Director determined, and the USPTO Director agreed, that interim suspension was warranted based upon the practitioner’s conviction of a “serious crime.” The practitioner’s matter was referred to an ALJ for formal disciplinary proceedings. The practitioner will remain suspended pending the resolution of formal USPTO disciplinary proceedings.

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**Case:** *In re Jeffrey L. Hefner*, D2016-36 (USPTO Dir. Oct. 12, 2016); *see also People v. Hefner*, SF017278A (Cal. Superior Ct. June 13, 2014).

**Disposition:** Interim suspension from practice before the USPTO imposed predicated upon practitioner's plea of *nolo contendere* in California state court to charges of felony possession of a controlled substance.

**Summary:** A patent practitioner entered a plea of no contest in California state court to a charge of felony possession of a controlled substance. Under the USPTO rules, a plea of no contest constitutes a "conviction" and a felony is, by definition, a "serious crime." Consequently, the USPTO Director entered an Order suspending the practitioner on an interim basis pursuant to 37 C.F.R. § 11.25. The practitioner shall remain suspended pending the completion of formal USPTO disciplinary proceedings.

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**Case:** *In re Mark A. Hopkins*, Proc. No. D2015-31 (USPTO Dir. Jan. 12, 2016); *see also In re Mark A. Hopkins*, Proc. No. M.R. 27241 (Ill. Mar. 12, 2015).

**Disposition:** Exclusion from practice before the USPTO with right to apply for reinstatement after three (3) years, which was unopposed by practitioner, and which was predicated upon identical discipline imposed by the Supreme Court of Illinois.

**Summary:** A patent attorney was reciprocally excluded from the USPTO following his federal conviction on charges he used his attorney trust account as part of a conspiracy to commit money laundering. The attorney received a twenty-two (22)-month prison sentence and consented to his disbarment from the Supreme Court of Illinois. The attorney failed to oppose the USPTO Director's order to show cause why identical discipline should not be imposed by the USPTO.

## CONCLUSION

2016 was an active year for disciplinary proceedings at the USPTO. The most common type of ethical misconduct continues to arise from poor client communications as well as abandoning clients and their matters without their knowledge or consent. Also a fair number of 2016 cases involved neglect plus other misconduct, most commonly misrepresentations or other dishonest behavior. Several practitioners were disciplined for unauthorized practice of law. A number of practitioners received severe sanctions for engaging in criminal conduct.

The cases also illustrate how important it is to cooperate in a Bar investigation. Failure to cooperate was a factor in many of the matters in which the practitioner received the ultimate sanction of exclusion. On the other hand, practitioners who cooperated with the OED in their investigations and were willing to enter into settlement agreements were generally treated much

more favorably than their counterparts who decided to litigate. The message here is simple: the OED encourages settlements and demands that practitioners cooperate. Those who do not follow this simple message may face an unpleasant result of a lengthy suspension or exclusion from practice before the USPTO.

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