

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR
OF THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In the Matter of:)	
)	
Eugene F. Derenyi,)	Proceeding No. D2010-15
)	
Respondent)	
_____)	

FINAL ORDER

The Director of the Office of Enrollment and Discipline ("OED Director") for the United States Patent and Trademark Office ("USPTO" or "Office") and Eugene F. Derenyi ("Respondent") have submitted a Proposed Settlement Agreement to the Under Secretary of Commerce for Intellectual Property and USPTO Director for approval.

The OED Director and Respondent's Proposed Settlement Agreement sets forth certain stipulated facts, legal conclusions, and sanctions to which the OED Director and Respondent have agreed in order to resolve voluntarily a disciplinary complaint against Respondent.

The Proposed Settlement Agreement, which satisfies the requirements of 37 C.F.R. § 11.26, resolves the disciplinary action by the USPTO arising from the stipulated facts set forth below.

Pursuant to such Proposed Settlement Agreement, this Final Order sets forth the parties' stipulated facts, legal conclusions, and agreed upon discipline.

Jurisdiction

At all times relevant hereto, Respondent of Ottawa, Ontario, Canada, has been an agent registered to practice before the USPTO and is subject to the Disciplinary Rules of the USPTO Code of Professional Responsibility set forth at 37 C.F.R. § 10.20 *et seq.* The USPTO Director has jurisdiction over this matter and the authority to approve the Proposed Settlement Agreement pursuant to the provisions of 35 U.S.C. § 2(b)(2)(D) and 37 C.F.R. §§ 11.20 and 11.26.

Stipulated Facts

1. Respondent of Ottawa, Ontario, Canada, is registered to practice as a patent agent before the Office (Registration Number 52,409) and is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 *et seq.*¹

¹ Respondent is also a Canadian attorney who was admitted to the Law Society of Upper Canada in 1994.

Background

2. The Office's examination of patent applications is an *ex parte* process, and the Office permits third parties to submit patents and publications —*i.e.*, prior art documents that are public information and which the Office would discover on its own with an ideal prior art search— in published patent applications only in limited circumstances. Specifically, a third party is permitted to submit patents and publications in a published application within two months of the date of publication of the application or prior to the mailing of a notice of allowance, whichever is earlier. *See* 37 C.F.R. § 1.99; *see also* 35 U.S.C. § 122(c).

3. A submission not filed within the time period specified in 37 C.F.R. § 1.99(e) and not filed with the consent of the applicant is permitted only when the patents or publications could not have been submitted to the Office earlier (*e.g.*, an amendment submitted in the application after publication changes the scope of the claims to an extent that could not reasonably have been anticipated by a person reviewing the published application during the period specified in § 1.99(e)). *See* Manual of Patent Examining Procedure (MPEP) § 1134.01. Moreover, submissions after the time period specified in § 1.99(e) must be accompanied by a satisfactory explanation why the patents or publications being submitted in the submission could not have been submitted to the Office earlier. *See id.*

4. A submission under 37 C.F.R. § 1.99 shall not include any explanation of the patents or publications or any other information. *See* 37 C.F.R. § 1.99(d). Highlights, markings, and annotations are likewise prohibited. *See* MPEP § 1134.01 (part II “Contents Requirements for a Third-party Submission”).

5. The involvement of a third party ends with the filing of the submission, and the third party should not contact the Office or submit any other inquiries. *See* MPEP § 1134.01.

6. The USPTO considers inappropriate any third-party inquiry or submission that is not provided for in 37 C.F.R. § 1.99 in a published application where the applicant has not consented. *See Official Gazette*, “Third-Party Attempts to Protest or Otherwise Oppose the Grant of a Published Application.” (April 22, 2003). Filings by a third party in published applications other than those expressly permitted under § 1.99 may be referred to the Office of Enrollment and Discipline for appropriate disciplinary action. *See id.*

The application

7. At all relevant times, Steven Vestergaard was the Chief Executive Officer of Destiny Software Productions, Inc. (“Destiny”).

8. Destiny and Musicrypt, Inc. (“Musicrypt”) are competitors in the Canadian marketplace and, at all relevant times, were involved in litigation in Canada regarding intellectual property matters.

9. The law firm where Respondent was employed represented Destiny in the litigation against Musicrypt.

10. U.S. Patent Application No. XX/XXX,XXX (“the application”) was filed in the Office on May 8, 2003, claiming foreign priority to Canadian Patent Application No. 2,393,695 (filed July 6, 2002) and to Canadian Patent Application No. 2,407,774 (filed October 6, 2002).

11. At relevant times, Musicrypt, Inc. was the assignee of the application.²

12. At all relevant times, Destiny was a third party in relation to the application.

13. The application was published on January 22, 2004, by the USPTO.

14. After the application published, Respondent and his firm monitored it on the USPTO’s Patent Application Information Retrieval (PAIR) System.

August 13, 2007, Third-party Submission

15. On August 13, 2007, Respondent sent to the Office via facsimile transmission a third-party submission pursuant to 37 C.F.R. § 1.99 for filing in the application. The submission bore Mr. Vestergaard’s name, but it was unsigned.

16. The August 13, 2007, submission included four printed publications and stated, *inter alia*, that the publications were submitted after the permissible two-month period because they were in response to issues raised in a July 20, 2007, summary of a June 26, 2007, interview between applicant’s counsel and the USPTO Examiner assigned to the application. Respondent represents that the four printed publications were not known to Mr. Vestergaard or to Respondent prior to July 20, 2007.

17. The August 13, 2007, submission offered the following explanation as to why the cited prior art in the submission could not have been submitted within the two-month period:

... it is believed that this submission is permissible as to the publications listed in Schedule “A” and provided in Schedule “B” are in response to the issues raised in the “Applicant’s summary of interview with examiner” which was entered into the file wrapper on July 20th 2007 [sic] and therefore could not have been submitted to the office [sic, Office] earlier

The August 13, 2007, submission, however, did not offer details as to why the submission could not reasonably have been anticipated by a person reviewing the published application during the permissible two-month period.

18. The Office discarded the August 31, 2007, submission because (i) it was unsigned,

² Musicrypt later changed its name to Yangaroo, Inc.

- (ii) it lacked a satisfactory explanation for why it could not have been submitted earlier, and
- (iii) it did not avoid providing any explanation of the patents/publications submitted.

January 25, 2008, Third-party Submission

19. Prior to January 25, 2008, Respondent knew the Office's reasons for discarding the August 31, 2007, third-party submission.

20. On January 25, 2008, Respondent filed a second third-party submission in the application on behalf of Mr. Vestergaard. The January 25, 2008, submission bore Mr. Vestergaard's name, but it was signed by Respondent on Mr. Vestergaard's behalf.

21. The January 25, 2008, submission stated, *inter alia*, that the publications had been submitted after the permissible two-month time period because (i) the references were not known to Mr. Vestergaard in the two-month period and (ii) the references were in response to the characterization of the claimed invention and prior art made in the applicant's January 10, 2008, summary of a December 13, 2007, interview between applicant's counsel and the USPTO Examiner assigned to the application.

22. The Office discarded the January 25, 2008, submission because it lacked a satisfactory explanation for why it could not have been submitted earlier.

February 15, 2008, Third-party Submission

23. Prior to February 15, 2008, Respondent knew the Office's reasons for discarding the August 31, 2007, and the January 25, 2008, third-party submissions.

24. On February 15, 2008, Respondent contacted the Patent Examiner assigned to the application and asked if the examiner would be interested in receiving additional prior art.

25. On February 15, 2008, Respondent sent via facsimile transmission to the Office another third-party submission in the application. The February 15, 2008, submission bore Mr. Vestergaard's name, but it was unsigned.

26. The February 15, 2008, submission stated, *inter alia*, that the publications had been submitted after the permissible two-month time period because (i) the references were not known to Mr. Vestergaard in the two-month period and (ii) the references were in response to the characterization of the claimed invention and prior art made in the applicant's January 10, 2008, summary of the December 13, 2007, interview.

27. The Office discarded the February 15, 2008, submission because (i) it was unsigned and
(ii) it lacked a satisfactory explanation for why it could not have been submitted earlier.

March 5, 2008, Third-party Submission

28. Prior to March 5, 2008, Respondent knew the Office's reasons for discarding the August 31, 2007, the January 25, 2008, and February 15, 2008, third-party submissions in the application.

29. On March 4, 2008, Respondent called the Patent Examiner assigned to the application and told her that a prior art reference ("the '655 patent") had been found and asked whether she was still willing to receive prior art given a deadline of March 10, 2010, for the applicant to respond to an Office action. The Examiner indicated to Respondent that she wanted to see the prior art and requested that it be faxed to her on her fax machine.

30. On March 5, 2008, Respondent faxed to the Patent Examiner the '655 patent reference for the application.

31. Respondent did not submit the '655 patent pursuant to 37 C.F.R. § 1.99 in so far as he failed to sign the March 5, 2008, submission, failed to provide a copy of it to the applicant, failed to provide an explanation as to why it was not filed within the two-month time period, and failed to pay the requisite fee. Moreover, the '655 patent submission contained written notations in its margins as well as underscoring and highlighting.

Respondent's Contact with the Office Regarding the application

32. Although third parties should not contact the Office or submit inquiries other than permitted by the patent rules and statutes, Respondent contacted the Office several times in connection with the application.

33. During the summer of 2007, Respondent telephoned the Patent Examiner assigned to the application to seek clarification regarding the order of posting of the then recent documents appearing on PAIR.

34. On August 28, 2007, Respondent telephoned the Patent Examiner assigned to the application to learn why the August 13, 2007, submission was not appearing on PAIR.

35. On October 2, 2007, Respondent telephoned the Patent Examiner assigned to the application again to learn why the August 13, 2007, submission was still not appearing on PAIR.

36. In October or November 2007, Respondent telephoned the Special Program Examiner assigned to the application and learned that the August 13, 2007, submission had been discarded because, *inter alia*, the claims had not been amended.

37. On or about November 27, 2007, Respondent received a telephone call from the Patent Examiner assigned to the application and spoke with her about the August 13, 2007, submission.

38. On or about January 29, 2008, Respondent telephoned the Patent Examiner assigned to the application and informed her of the January 25, 2008, submission.

39. On or about February 15, 2008, Respondent contacted the Patent Examiner assigned to the application and asked if the examiner would be interested in receiving additional prior art.

40. On or about March 4, 2008, Respondent contacted the Patent Examiner assigned to the application and asked if the examiner would be interested in receiving additional prior art.

Respondent's Representations

41. Respondent filed the third-party submissions as part of Destiny's litigation strategy in its ongoing case in Canada against Musicrypt. Respondent represents, however, that, at the time, he and Mr. Vestergaard reasonably believed that each of the third-party submissions complied with the patent rules.

42. Respondent represents that he now fully understands and appreciates that the third-party submissions did not comply with the patent rules.

Legal Conclusion

43. Based on the foregoing stipulated facts, Respondent acknowledges that his conduct violated 37 C.F.R. § 10.23(b)(6) (engaging in conduct that adversely reflects on a practitioner's fitness to practice before the Office) by making third-party submissions in another person's patent application that did not comply with 37 C.F.R. § 1.99.

Sanctions

44. Respondent agreed, and it is ORDERED that:

- a. Respondent be, and hereby is, publicly reprimanded;
- b. The OED Director shall publish the Final Order at the Office of Enrollment and Discipline's Reading Room electronically located at:
<http://des.uspto.gov/Foia/OEDReadingRoom.jsp>;
- c. The OED Director shall publish the following Notice of Reprimand in the *Official Gazette*:

Notice of Reprimand

Eugene F. Derényi of Ottawa, Ontario, Canada, registered patent agent (Registration Number 52,409). The United States Patent and Trademark Office ("USPTO" or "Office") has publicly reprimanded Mr. Derényi for violating 37 C.F.R. § 10.23(b)(6) (engaging in conduct that adversely reflects on a practitioner's fitness to practice before the Office) by making third-party submissions in another person's patent application that did not comply with 37 C.F.R. § 1.99.

On four occasions, Mr. Derényi filed papers in another person's published application without the applicant's consent, outside the allowable time period, and without submitting adequate justification to permit the out-of-time filing. Mr. Derényi erroneously interpreted the patent rules as permitting his submission of prior art beyond the permissible two-month period. He mistakenly believed that the patent rules permitted him to file the submissions, while monitoring the examination on the USPTO's public Patent Application Information Retrieval System, when he subjectively came upon information that might be relevant to the ongoing examination of the other person's application. On one occasion, information submitted by Mr. Derényi contained annotations and other markings. Additionally, he spoke directly with the patent examiner assigned to the application on several occasions. Mr. Derényi mistakenly believed that these contacts with, and third-party submissions to, the examiner were permitted. In short, Mr. Derényi's interaction with the Office violated rules pertaining to a third party's involvement in another person's application during the USPTO's ex parte examination process.

A third party is permitted to submit patents and publications in another person's published application within two months of the date of publication of the application or prior to the mailing of a notice of allowance, whichever is earlier. See 37 C.F.R. § 1.99. Any submission by a third party beyond the time limits set forth in 37 C.F.R. § 1.99 is permitted only with the applicant's consent or upon a showing that the patents or publications could not have been submitted to the USPTO earlier. See 37 C.F.R. § 1.99(e). Moreover, a submission under 37 C.F.R. § 1.99 shall not include any explanation of the patents or publications or any other information. See 37 C.F.R. § 1.99(d). Highlights, marking, and annotations are likewise prohibited. See Manual of Patent Examining Procedure (MPEP) § 1134.01. Finally, the involvement of a third party ends with the filing of the submission, and the third party should not contact the Office or submit any other inquiries. See MPEP § 1134.01.

The USPTO considers the filing of a petition or other paper

on behalf of a party having no standing in an application, and not otherwise authorized by the patent rules of practice, to be a petition or paper presented for an improper purpose. See 37 C.F.R. § 11.18. Filings by a third party in published applications other than those expressly permitted under 37 C.F.R. § 1.99 may be referred to OED for appropriate disciplinary action. See "Third-Party Attempts to Protest or Otherwise Oppose the Grant of a Published Application," Official Gazette (April 22, 2003) (publicly available at <http://www.uspto.gov/go/og/2003/week16/og200316.htm>)

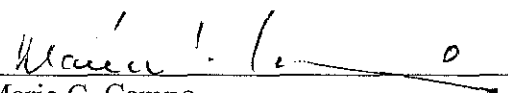
This action is taken pursuant to the provisions of 35 U.S.C. § 2(b)(2)(D) and 37 C.F.R. §§ 11.20, 11.26, and 11.59. Disciplinary decisions regarding practitioners are posted at the Office of Enrollment and Discipline's Reading Room located at:
<http://des.uspto.gov/Foia/OEDReadingRoom.jsp>.

- d. Pursuant to 37 C.F.R. § 11.59, the OED Director shall give notice of the public discipline and the reasons for the discipline to disciplinary enforcement agencies in the state(s) where Respondent is admitted to practice, to courts where Respondent is known to be admitted, and to the public; and
- e. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this agreement.

45. Further, nothing in the Proposed Settlement Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order, (1) when addressing any further complaint or evidence of the same or similar misconduct brought to the attention of the Office, and/or (2) in any future disciplinary proceeding (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or (ii) to rebut any statement or representation by or on Respondent's behalf.

MAY 23 2011

Date


Maria C. Campo
Acting Deputy General Counsel for General Law
Office of General Counsel Law
United States Patent and Trademark Office

on behalf of

David M. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

cc:

William J. Griffin, Acting Director
Office of Enrollment and Discipline
U.S. Patent and Trademark Office

Eugene F. Derényi
c/o Cameron K. Weiffenbach, Esquire
Miles & Stockbridge, P.C.
1751 Pinnacle Drive
Suite 500
McLean, VA 22102-3833
Counsel for Respondent

Notice of Reprimand

Eugene F. Derényi of Ottawa, Ontario, Canada, registered patent agent (Registration Number 52,409). The United States Patent and Trademark Office ("USPTO" or "Office") has publicly reprimanded Mr. Derényi for violating 37 C.F.R. § 10.23(b)(6) (engaging in conduct that adversely reflects on a practitioner's fitness to practice before the Office) by making third party submissions in another person's patent application that did not comply with 37 C.F.R. § 1.99.

On four occasions, Mr. Derényi filed papers in another person's published application without the applicant's consent, outside the allowable time period, and without submitting adequate justification to permit the out-of-time filing. Mr. Derényi erroneously interpreted the patent rules as permitting his submission of prior art beyond the permissible two-month period.

He mistakenly believed that the patent rules permitted him to file the submissions, while monitoring the examination on the USPTO's public Patent Application Information Retrieval System, when he subjectively came upon information that might be relevant to the ongoing examination of the other person's application. On one occasion, information submitted by Mr. Derényi contained annotations and other markings. Additionally, he spoke directly with the patent examiner assigned to the application on several occasions. Mr. Derényi mistakenly believed that these contacts with, and third party submissions to, the examiner were permitted. In short, Mr. Derényi's interaction with the Office violated rules pertaining to a third party's involvement in another person's application during the USPTO's ex parte examination process.

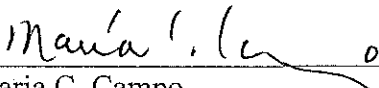
A third party is permitted to submit patents and publications in another person's published application within two months of the date of publication of the application or prior to the mailing of a notice of allowance, whichever is earlier. See 37 C.F.R. § 1.99. Any submission by a third party beyond the time limits set forth in 37 C.F.R. § 1.99 is permitted only with the applicant's consent or upon a showing that the patents or publications could not have been submitted to the USPTO earlier. See 37 C.F.R. § 1.99(e). Moreover, a submission under 37 C.F.R. § 1.99 shall not include any explanation of the patents or publications or any other information. See 37 C.F.R. § 1.99(d). Highlights, marking, and annotations are likewise prohibited. See Manual of Patent Examining Procedure (MPEP) § 1134.01. Finally, the involvement of a third party ends with the filing of the submission, and the third party should not contact the Office or submit any other inquiries. See MPEP § 1134.01.

The USPTO considers the filing of a petition or other paper on behalf of a party having no standing in an application, and not otherwise authorized by the patent rules of practice, to be a petition or paper presented for an improper purpose. See 37 C.F.R. § 11.18. Filings by a third party in published applications other than those expressly permitted under 37 C.F.R. § 1.99 may be referred to OED for appropriate disciplinary action. See "Third Party Attempts to Protest or Otherwise Oppose the Grant of a Published Application," Official Gazette (April 22, 2003) (publicly available at <http://www.uspto.gov/go/og/2003/week16/og200316.htm>)

This action is taken pursuant to the provisions of 35 U.S.C. § 2(b)(2)(D) and 37 C.F.R. §§ 11.20, 11.26, and 11.59. Disciplinary decisions regarding practitioners are posted at the Office of Enrollment and Discipline's Reading Room located at:
<http://des.uspto.gov/Foia/OEDReadingRoom.jsp>.

MAY 23 2011

Date



Maria C. Campo
Acting Deputy General Counsel for General Law
Office of General Counsel
United States Patent and Trademark Office

on behalf of

David M. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office