

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

In the Matter of:

Paul C. Gibbons,

Respondent.

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Proceeding No. D2016-15

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 Paul C. Gibbons (“Respondent”) have submitted a Proposed Settlement Agreement (“Agreement”) to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

Jurisdiction

1. Respondent of Dover, Massachusetts has been an attorney practicing before the USPTO in trademark matters and subject to the USPTO Code of Professional Responsibility and the USPTO Rules of Professional Conduct.¹

2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

Stipulated Facts

3. Respondent was admitted to the practice of law in Massachusetts on December 17, 1997.

4. Mr. Daniel Henderson is the named inventor of a family of patent applications filed in the USPTO, including U.S. Patent Application Nos. 10/033,824 (“the ’824 application”) and 11/045,677 (“the ’677 application”). Henderson assigned his rights to the ’824 and ’677 applications to Intellect Wireless, a company that he owns.

5. During prosecution of the ’824 and ’677 applications, Intellect Wireless’s patent attorney submitted a declaration to the USPTO, signed by Henderson, that falsely averred that

¹ The events at issue in this matter occurred both before and after May 3, 2013. Therefore, the USPTO Code of Professional Responsibility and the USPTO Rules of Professional Conduct are applicable. See 37 C.F.R. §§ 10.20 through 10.112 and 37 C.F.R. §§ 11.101 through 11.901.

Henderson had actually reduced to practice the claimed invention, and that he had demonstrated a working prototype of the claimed invention in July 1993.

6. As a result of the false declarations, the '824 and '677 applications were allowed and issued as U.S. Patent Nos. 7,266,186 ("the '186 patent") and 7,310,416 ("the '416 patent"), respectively.

7. Respondent's name was listed on the signature block along with other attorneys from the Niro, Scavone, Haller & Niro law firm (the "Niro law firm") who filed a complaint on behalf of Intellect Wireless in the United States District Court for the Northern District of Illinois, namely *Intellect Wireless, Inc. v. HTC Corporation, HTC America, Inc., and AT&T Mobility LLC*, Case No. 1:09-cv-2945 (the "HTC litigation"). The complaint accused HTC Corporation, HTC America, Inc., and AT&T Mobility LLC (collectively, "HTC") of infringing the '186 and '416 patents by, among other activities, providing wireless portable communication devices that receive and display caller ID information, and non-facsimile pictures.

8. After the HTC litigation started, Henderson sent attorneys at the Niro law firm, including Respondent, an email in which he states that the device he constructed of the inventions "did not operate" because it "did not actually receive caller id" or pictures as claimed in the '186 and '416 patents.

9. HTC filed an Answer and asserted a number of affirmative defenses including unenforceability due to, among other things, Henderson engaging in inequitable conduct when he submitted sworn declarations to the USPTO that falsely claimed that he had actually reduced to practice the claimed invention in the '186 and '416 patents, when in fact, the inventions were never successfully built.

10. During the HTC litigation, Respondent and other attorneys from the Niro law firm were involved with serving Intellect Wireless's Second and Third Supplemental Response to HTC Corporation's First Set of Interrogatories, and a Response to HTC's Motion for Summary Judgment, asserting in each that there was an actual reduction to practice of the claimed invention, and/or that a prototype was in the Smithsonian Institution.

11. The district court in the HTC litigation issued Findings of Fact, Conclusions of Law, and an Order holding that the '186 and '416 patents are unenforceable due to, among other things, Henderson and his patent attorney engaging in inequitable conduct by falsely declaring to the USPTO that Henderson actually reduced to practice the claimed invention. The Court of Appeals for the Federal Circuit affirmed the district court's judgment.

12. After Respondent withdrew from representing Intellect Wireless and departed the Niro law firm, HTC filed a motion for attorneys' fees under 28 U.S.C. § 1927.

13. The district court issued an Opinion and Order granting HTC's motion for attorneys' fees finding that Respondent and the other Niro law firm attorneys knew that the declarations submitted to the USPTO contained false statements prior to bringing the lawsuit, and held that Respondent and attorneys [REDACTED], [REDACTED], and David J. Mahalek were

liable for attorneys' fees under 28 U.S.C. § 1927 for unreasonable and vexatious multiplication of proceedings in the HTC litigation.

14. Respondent's name was listed in the signature block along with other Niro law firm attorneys who filed a complaint and an amended complaint on behalf of Intellect Wireless in the United States District Court for the Northern District of Illinois, *Intellect Wireless, Inc. v. Sharp Corporation, Sharp Electronics Corporation, Hewlett-Packard Company, Palm, Inc., Dell Inc.*, Case No. 1:10-cv-6763 (the "Sharp litigation"). These complaints accused Sharp Corporation, Sharp Electronics Corporation, Hewlett-Packard Company, Palm, Inc., and Dell Inc. (collectively, "Sharp") of infringing the '186 and '416 patents by, among other activities, providing wireless portable communication devices that receive and display caller ID information, and non-facsimile pictures.

15. One day after the district court in the HTC litigation issued its decision holding the '186 and '416 patents unenforceable due to inequitable conduct, the district court in the Sharp litigation issued an order dismissing the case without prejudice.

16. After Respondent withdrew from representing Intellect Wireless and departed the Niro law firm, Defendants in the Sharp litigation filed a Motion for Sanctions against Respondent and the other Niro law firm attorneys based on their pursuit of infringement claims when they knew the '186 and '416 patents were obtained by false declarations.

17. The district court in the Sharp litigation issued a Memorandum Opinion and Order granting the Defendant's Motion for Sanctions against Respondent and the other Niro law firm attorneys because, among other things, HTC's counsel alerted Respondent and the other Niro law firm attorneys of the false declarations a month before the complaint was filed in the Sharp litigation.

18. The USPTO's Office of Enrollment and Discipline ("OED") mailed Respondent a Second Request for Information ("Second RFI"), which asked Respondent to explain his good faith basis for asserting in the Response to Undisputed Material Facts in the HTC litigation that Henderson's "functional prototype . . . could receive and display a message and caller ID information."

19. Respondent submitted a reply to the Second RFI, stating that he did not write the Response to Summary Judgment brief, and that "I do not know why I would be associated with filing [it]." At the time of Respondent's reply, he was not aware his e-signature was on the brief. When later shown the brief, he informed OED that he agreed that his e-signature was on the brief, but based upon his recollection he believed that the brief was written by others at the firm, specifically [REDACTED] and possibly David Mahalek. [REDACTED] and Mahalek admitted to reviewing and editing the brief.

Legal Conclusions

20. Respondent acknowledges that, based on the above Stipulated Facts, he violated the following sections of the USPTO Code of Professional Responsibility:

a) Sections 10.23(a), 10.23(b)(4), 10.23(b)(5), 10.85(a)(2), 10.85(a)(3), 10.85(a)(5) and 10.85(a)(7) by, *inter alia*, being involved with a complaint alleging that HTC and Sharp infringed the '186 and '416 patents when he knew or should have known that the patents were procured by Henderson's false declarations, and that misleadingly alleges that Henderson's prototype for the claimed invention was in the Smithsonian;

b) Sections 10.23(a) and 10.23(b)(5) by, *inter alia*, failing to withdraw the infringement claim after Henderson informed the firm that the device he constructed "did not operate" because it "did not actually receive caller id;"

c) Sections 10.23(a), 10.23(b)(4), 10.23(b)(5), 10.85(a)(2), 10.85(a)(3), 10.85(a)(5) and 10.85(a)(7) by, *inter alia*, being involved with serving the Second and Third Response to Interrogatories that falsely stated that there may be an actual reduction to practice, and that Henderson created a working prototype with functional electronics;

d) Sections 10.23(a), 10.23(b)(5), 10.85(a)(2), and 10.85(a)(7) by, *inter alia*, unreasonably multiplying the proceedings when filing the Response to Summary Judgment with respect to the Henderson's declarations that contained false statements;

e) Sections 10.23(a), 10.23(b)(4), 10.23(b)(5), 10.85(a)(2), 10.85(a)(3), 10.85(a)(5) and 10.85(a)(7) by, *inter alia*, stating in pleadings that there was an actual reduction to practice of Henderson's invention, that there was a prototype that could receive a message and caller ID, and/or that the prototype was in the Smithsonian; and

f) Sections 10.23(a), 10.23(b)(4), 10.23(b)(5), 10.85(a)(2), 10.85(a)(3), 10.85(a)(5) and 10.85(a)(7) by, *inter alia*, being involved with Answers to Counterclaims that untruly asserted that Henderson constructed a "functional" or "working" prototype.

Sanction

21. Based on the foregoing, Respondent freely and voluntarily agrees, and the USPTO Director hereby ORDERS that:

a) Respondent shall be suspended from practice before the USPTO in patent, trademark, and non-patent matters for eighteen (18) months commencing on the date of this Final Order;

b) Respondent shall comply with 37 C.F.R. § 11.58;

- c) The OED Director shall comply with 37 C.F.R. §11.59;
- d) The OED Director shall electronically publish the Final Order at OED's electronic FOIA Reading Room, which is publicly accessible at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- e) The OED Director shall publish the following notice in the *Official Gazette*:

Notice of Suspension

This notice concerns Paul C. Gibbons of Dover, Massachusetts. The United States Patent and Trademark Office ("USPTO") has suspended Mr. Gibbons from practice before the USPTO in patent, trademark, and non-patent matters for eighteen (18) months for violating 37 C.F.R. §§ 10.23(a), 10.23(b)(4), 10.23(b)(5), 10.85(a)(2), 10.85(a)(3), 10.85(a)(5), 10.85(a)(7).

Mr. Gibbons was counsel with other attorneys who filed lawsuits, *Intellect Wireless, Inc. v. HTC Corp.*, Case No. 1:09-cv-2945 and *Intellect Wireless, Inc. v. Sharp Corp.*, Case No. 1:10-cv-6763, alleging that HTC Corp. and Sharp Corp. had infringed the client's patent. The patent was issued as a result of the client submitting an affidavit to the USPTO that falsely stated, among other things, that the client had reduced the invention to practice prior to the date of prior art cited in a rejection. During the litigation of these cases, the client informed Mr. Gibbons and the other attorneys that he did not actually build the claimed invention disclosed in the patent as he had stated in the affidavit to the USPTO. After learning that his client failed to build an operational prototype, Mr. Gibbons and the other attorneys continued to take the position in pretrial pleadings that the affidavit was not false. As a result of his participation in these cases, district court judges held that Mr. Gibbons' actions and those of the other attorneys unreasonably and vexatiously multiplied the proceedings and ordered that he, and the other attorneys involved, be liable under 28 U.S.C. § 1927 for HTC's and Sharp's attorney fees.

This action is the result of a settlement agreement between Mr. Gibbons and the OED Director. Disciplinary decisions involving practitioners are posted at the OED's Reading Room, which is publicly accessible at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>.

- f) Nothing in the Proposed Settlement Agreement or the Final Order shall prevent the USPTO 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 concerning Respondent brought to the attention of the Office; and/or
- (2) in any future disciplinary proceeding against Respondent (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;
- g) The parties shall file a motion with the Administrative Law Judge hearing this matter requesting the dismissal of the pending complaint; and
- h) The parties shall bear their own costs incurred to date and in carrying out the terms of this Agreement and any Final Order.



Sarah Harris
General Counsel for General Law
United States Patent and Trademark Office

9/29/16
Date

on behalf of

Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

cc: Director of the Office of Enrollment and Discipline
United States Patent and Trademark Office

Mr. Paul C. Gibbons

