

In the Matter of
Tara K. Laux,
Respondent

6. Under 18 U.S.C. § 203, federal employees (other than for the proper discharge of his or her official duties) are prohibited, *inter alia*, from directly or indirectly receiving or

agreeing to receive compensation for any representational services as an attorney, rendered either personally or by another, at a time when such person is an employee of the United States or agency of the United States in relation to any application, proceeding, or other particular matter in which the United States is a party or has a direct and substantial interest before any department or agency. Also, under 18 U.S.C. § 205, federal employees are prohibited (other than for the proper discharge of his or her federal employment duties) from, *inter alia*, acting as an attorney for anyone before any agency in connection with any covered matter in which the United States is a party or has a direct and substantial interest.

7. While a USPTO employee, Respondent agreed to be compensated to perform trademark legal services for a relative and his companies, although she did not actually receive any payment.

8. While a USPTO employee, Respondent filed at least thirty-three (33) trademark applications with the Office on behalf of her relative and his companies and identified herself as the attorney of record in each.

9. After preparing and filing the 33 trademark applications, Respondent actively prosecuted these applications as the attorney of record while employed by the USPTO.

10. Respondent also practiced before the Trademark Trial and Appeal Board ("TTAB") while a USPTO employee.

11. Respondent not only received ethics training from the USPTO but also received notice from various sources that representing others before the USPTO while employed by the USPTO was prohibited.

12. Upon embarking on employment with the USPTO, Respondent signed a "Statement Relating to Employee Responsibilities and Conduct" acknowledging her implied responsibility to seek guidance on conflict of interest laws and other aspects of employee responsibilities and conduct set forth in 5 C.F.R. § 2635.

13. On May 12, 2014, Respondent attended ethics training taught by the Department of Commerce, Office of General Counsel, Ethics Law and Programs Division ("DOC Ethics Division"). During the ethics training, the attendees were informed that (1) they may not engage in activities that are prohibited by statute, such as the practice of law; and, (2) they may not work for someone who has matters pending before their office. The May 12th ethics training also discussed the prohibition on an employee contacting the government on behalf of another person.

14. On April 18, 2016, the USPTO issued an Office action in one of the trademark applications that Respondent was the attorney of record. The Office action directly questioned whether Respondent, as a USPTO employee, was ethically permitted to represent the applicant before the USPTO.

15. On April 28, 2016, additional Office actions were issued in applications where Respondent was the attorney of record. The Office actions also questioned Respondent's representation of others before the USPTO while an employee of the agency.

16. Respondent, through her husband, questioned the Office's challenging Respondent's ability to practice before the Office.

17. The USPTO's Office of General Law in the Office of General Counsel responded to Respondent's husband's inquiry indicating that it was likely that ethics authorities prohibited a federal employee's ability to file trademark applications on behalf of someone else, and urged Respondent's husband to contact the DOC Ethics Division for guidance.

18. Neither Respondent nor her husband contacted the DOC Ethics Division at that time.

19. On May 2016, the Office of Enrollment and Discipline ("OED") opened an investigation into Respondent's practice before the USPTO in trademark matters while an employee of the Office.

20. OED sent a letter to Respondent that explained that 37 C.F.R. § 11.10(e) provides that "[p]ractice before the Office by Government employees is subject to any applicable conflict of interest laws, regulations or codes of professional responsibility." The letter also explained 18 U.S.C. §§ 203 and 205.

21. On June 15, 2016, the TTAB issued an Order to Show Cause why it should accept Respondent's "Motion to Suspend Proceeding Pending Disposition of Cancellation Action" on behalf of one of the companies she was representing because she was an employee of the USPTO.

22. Despite being put on notice by these various sources, Respondent neither contacted the DOC Ethics Division for guidance nor withdrew from the trademark applications as attorney of record.

23. On June 27, 2016, Respondent contacted an OED staff attorney and indicated she was willing to withdraw from the trademark applications for which she was attorney of record.

24. Respondent did not take affirmative steps to immediately withdraw as attorney of record.

25. In October 2016, a new attorney entered an appearance in some but not all of the trademark applications in which Respondent was attorney of record.

26. As of the date of the filing of the Complaint in this matter, Respondent remained the attorney of record in seventeen trademark applications.

27. As of the date of this Final Order, Respondent has now withdrawn as counsel in all trademark applications for which she appeared as attorney of record.

Miscellaneous Factors

28. The OED Director considered that Respondent has no prior disciplinary history before the office.

Joint Legal Conclusions

29. Respondent acknowledges that, based on the information contained in the Joint Stipulated Facts above that her conduct violated the following provisions of the USPTO Rules of Professional Conduct:

- a. 37 C.F.R. § 11.111 (engaging in conduct contrary to applicable federal ethics law while a Federal Government employee including conflict of interest statutes and regulations of the department, agency, or commission) by preparing, filing, and prosecuting trademark applications before the Office and filing a substantive motion with the TTAB on behalf of a third party while an employee of the Office; and, not withdrawing as attorney of record in numerous trademark matters pending before the Office upon being notified of the prohibition on practicing before the Office while an employee;
- b. 37 C.F.R. § 11.505 (practicing law in a jurisdiction in violation of the regulation of the legal profession) by preparing, filing, and prosecuting trademark applications before the Office and filing a substantive motion with the TTAB on behalf of a third party while an employee of the Office;
- c. 37 C.F.R. § 11.804(d) (engaging in conduct that is prejudicial to the administration of justice) by preparing, filing, and prosecuting trademark applications before the Office and filing a substantive motion with the TTAB on behalf of a third party while an employee of the Office and not withdrawing as attorney of record in numerous trademark matters pending before the Office upon being notified of the prohibition on practicing before the Office while an employee; and
- d. 37 C.F.R. § 11.116(a)(1) (representing a client, or where representation has commenced, failing to withdraw from the representation of a client if the representation will result in violation of the USPTO Rules of Professional Conduct or other law) by not withdrawing from representing others in numerous trademark matters pending before the Office while employed by the USPTO in violation of the USPTO Rules of Professional Conduct.

Agreed Upon Sanction

30. Respondent agrees and it is hereby ORDERED that:
- a. Respondent is hereby suspended from practice before the Office in trademark and other non-patent matters for thirty (30) days commencing on the date the Final Order is signed;
 - b. Respondent shall be eligible for reinstatement after serving 30 days of said suspension provided she complies with the terms of the Final Order;
 - c. Respondent shall not resume practice of trademark or other non-patent law before the Office unless and until reinstated by order of the OED Director or USPTO Director, and unless and until she is no longer an employee of the USPTO;
 - d. Respondent shall not practice trademark or other non-patent law before the Office while she remains an employee of the USPTO;
 - e. Respondent need not comply with 37 C.F.R. §§ 11.58 and 11.60, except as set forth in this Final Order;
 - f. Respondent, after serving 30 days of her suspension, may file a petition for reinstatement with the OED Director, pursuant to 37 C.F.R. § 11.60(c), accompanied by the fee required by 37 C.F.R. § 1.21(a)(10), and, if she does so, the petition shall contain a statement that attests to Respondent's compliance with the relevant provisions of the Final Order including a sworn declaration that she has not engaged in the practice of trademark or other non-patent law before the Office during the period of her suspension;
 - g. Respondent shall provide notice, by certified mail, return receipt requested, of the Final Order to all State and Federal jurisdictions and administrative agencies in which the Respondent is admitted to practice within 30 days of entry of the Final Order, pursuant to § 11.58(b)(1)(ii);
 - h. Respondent, within 30 days of entry of the Final Order, shall inform by certified mail, return receipt requested, all of her clients who have immediate or prospective business before the Office of her inability to act on their behalf after the start of her suspension, the need to consult with other counsel, and of any immediate deadlines, pursuant to § 11.58(b)(1)(ii); however, Respondent need not so inform a client who, before the start of her suspension, has consented to another registered practitioner taking over the representation;

- i. Respondent shall not hold herself out as authorized to practice law before the Office, pursuant to § 11.58(b)(3), unless and until she is reinstated, and is no longer an employee of the USPTO;
- j. Respondent shall not advertise the Respondent's availability or ability to perform or render legal services for any person having immediate or prospective business before the Office as to that business, pursuant to § 11.58(b)(4), unless and until she is reinstated, and is no longer an employee of the USPTO;
- k. Respondent shall not render legal advice or services to any person having immediate or prospective business before the Office as to that business, pursuant to § 11.58(b)(5), unless and until she is reinstated, and is no longer an employee of the USPTO;
- l. Respondent is not granted limited recognition under 37 C.F.R. § 11.58(c);
- m. Respondent shall keep and maintain records of the various steps taken pursuant to the Final Order, pursuant to § 11.58(d), so that in any subsequent proceeding proof of compliance with the Final Order will be available;
- n. Respondent shall remain suspended from practice before the Office in trademark and other non-patent matters until the OED Director grants Respondent's petition for reinstatement pursuant to 37 C.F.R. § 11.60;
- o. Nothing herein shall prevent the OED Director from exercising his rights and obligations under 37 C.F.R. § 11.60(e) and (f);
- p. The publication requirement set forth in § 11.60(g) is waived pursuant to 37 C.F.R. § 11.3(a);
- q. 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>;
- r. The OED Director publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Suspension

This notice regards Tara K. Laux of Annandale, Virginia, who has practiced before the United States Patent and Trademark Office ("USPTO" or "Office") in trademark matters. The USPTO has suspended Ms. Laux for thirty (30) days from practice before the Office in trademark and non-patent matters.

Ms. Laux violated USPTO disciplinary rules by preparing, filing, and prosecuting trademark applications before the USPTO and filing a substantive motion before the Trademark Trial and Appeal Board on behalf of a relative and his businesses while employed by the USPTO. After being informed that representing others before the USPTO while employed by the agency was prohibited, Ms. Laux did not immediately withdraw from the applications wherein she was listed as attorney of record.

As a result, Ms. Laux violated 37 C.F.R. §§ 11.111 (engaging in conduct contrary to applicable federal ethics law while a Federal Government employee, including conflict of interest statutes and regulations of the department, agency, or commission); 11.505 (practicing law in a jurisdiction in violation of the regulation of the legal profession); 11.804(d) (engaging in conduct that is prejudicial to the administration of justice); and 11.116(a)(1) (representing a client, or where representation has commenced, failing to withdraw from the representation of a client, if the representation will result in violation of the USPTO Rules of Professional Conduct or other law).

This action is the result of a settlement agreement between Ms. Laux and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

Disciplinary decisions involving practitioners are posted for public reading at the OED Reading Room, available at:
<http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;

- s. Nothing in the Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including this 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; (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; and (3) in connection with any request for reinstatement submitted by Respondent pursuant to 37 C.F.R. § 11.60;

and

- t. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of the Agreement and this Final Order.

[SIGNATURE ONLY FOLLOWS ON NEXT PAGE]



Sarah T. Harris
General Counsel
United States Patent and Trademark Office

3/9/17
Date

on behalf of

Michelle K. Lee
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

Tara K. Laux

