

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE ADMINISTRATIVE LAW JUDGE**

In the Matter of)	
)	
William C. Fuess,)	Proceeding No. D2015-08
)	
Respondent)	Dated: July 21, 2017

INITIAL DECISION AND ORDER

Before: M. Lisa Buschmann
Administrative Law Judge
United States Environmental Protection Agency¹

Appearances:

For the Director of the Office of Enrollment and Discipline, U.S. Patent and Trademark Office:

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For the Respondent, *pro se*:

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¹ This Initial Decision and Order is issued by an Administrative Law Judge of the United States Environmental Protection Agency. The Administrative Law Judges of the Environmental Protection Agency are authorized to hear cases pending before the United States Department of Commerce, Patent and Trademark Office, pursuant to an Interagency Agreement effective for a period beginning May 15, 2014.

I. Statement of the Case

On December 22, 2014, counsel for the Director of the Office of Enrollment and Discipline (“OED”) for the United States Patent and Trademark Office (“USPTO,” “PTO,” or “Office”) initiated this proceeding by issuing a Complaint and Notice of Proceedings Under 35 U.S.C. § 32 (“Complaint”) to Respondent, William C. Fuess. The Complaint alleges nine counts of violating the PTO Code of Professional Responsibility (“PTO Code”), 37 C.F.R. §§ 10.20–10.112, and of the PTO Rules of Professional Conduct (“PTO Rules”), 37 C.F.R. §§ 11.101–11.901. Counts I, III, V and VII each charge Respondent with neglect and failure to communicate with respect to a particular client, and Counts II, IV, VI and VIII each charge Respondent with making false statements and/or misrepresentations to the particular client and/or to OED, and with failure to cooperate with OED in matters concerning the client. Count IX alleges that Respondent ceased representation of another client without obtaining permission from the Office or notifying the client. For these violations, the Director of OED (“OED Director”) requested that Respondent be excluded or suspended from practice before the USPTO. Respondent submitted his Answer to the Complaint on January 22, 2015, denying liability for all of the violations and alleging several defenses.

On June 15, 2015, the OED Director filed a Prehearing Statement, specifying a proposed sanction of at least three years’ suspension, plus two years of probation if Respondent seeks and is thereafter permitted to be reinstated as a member of the patent bar. On June 29, 2015, Respondent filed a Prehearing Statement, wherein Respondent set forth four “counter-counts,” charging OED with “misunderstanding and/or mis-applying the applicable law, rules and standards, . . . attempting to induce [Respondent] to make an ethical violation . . . [by] violat[ing] the attorney client confidence in answering questions twice directly posed by the OED, . . . lack of knowledge of, and/or misapplication of, the existing laws, regulations and prevailing standards . . . , [and] great scandal in non-performance of its duties.”²

Subsequently, the hearing in this matter was scheduled, and in preparation therefor, the parties each submitted prehearing briefs. The OED Director’s prehearing brief, dated December 28, 2015, noted that he would not try the violations alleged in Count IX of the Complaint. On December 18, 2015, the parties jointly submitted Stipulated Facts.

A hearing in this matter was held on January 26–27, 2016, in San Diego, California.³ At the hearing, the Stipulated Facts were received into evidence and marked as Court’s Exhibit 1 (“CX 1”). Tr. at 6. All 65 of the OED Director’s Exhibits (“DX 1–65”) were admitted into evidence, and all five of Respondent’s Exhibits (“RX 1–5”) were admitted into the record. Tr. 11–12; 437–38. The OED Director called three witnesses to testify at the hearing: Renato

² Charges against OED are not within the scope of a disciplinary proceeding. 37 C.F.R. §§ 11.49, 11.54.

³ Citations to the hearing transcript will be made in the following format: “Tr. ____.”

Openiano, Diana Oleksa, and Respondent. Respondent testified on his own behalf in at the hearing, and did not call any other witnesses to testify. At the hearing, the Complaint was amended to conform to the proof that Respondent's records were located at a house owned by Respondent. Tr. 576-577.

After the hearing, the OED Director submitted a Post-hearing Brief, dated March 18, 2016 ("D Brief"). In his brief, he recommended that Respondent be suspended for three years, followed by a two-year probation if and when he is reinstated, and that Respondent be required to take and pass the Multistate Professional Responsibility Examination ("MPRE") before he seeks reinstatement to the patent bar. Respondent filed his Post-hearing Brief ("R Brief") on April 17, 2016, requesting that all counts of the Complaint be dismissed.⁴ On May 2, 2016, the OED Director filed a Post-hearing Reply Brief ("Reply"). The Respondent did not file any post-hearing reply brief, and therefore the record in this proceeding closed on May 17, 2016, the due date for his post-hearing reply brief.

II. Statutory and Regulatory Background

Congress gave the USPTO the authority to govern the conduct of attorneys who practice before it, including a requirement that attorneys "show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office." 35 U.S.C. § 2(b)(2)(D). The USPTO may suspend or exclude from practice before the USPTO, any "attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 2(b)(2)(D)." 35 U.S.C. § 32. The USPTO's authority to govern the conduct of attorneys is plenary. *Kroll v. Finnerty*, 242 F.3d 1359, 1364 (Fed. Cir. 2001) ("[T]he PTO has the exclusive authority to establish qualifications for admitting persons to practice before it, and to suspend or exclude them from practicing before it.").

On February 6, 1985, the USPTO amended its rules governing the practice before the USPTO by attorneys and agents, and established the PTO Code in Part 10 of Title 37, published as Practice Before the Patent and Trademark Office, 50 Fed. Reg. 5158 (Feb. 6, 1985) (Final Rule) (codified at 37 C.F.R. §§ 10.20–10.112). Effective May 3, 2013, the USPTO replaced the PTO Code with the PTO Rules in Part 11 of Title 37, published as Changes to Representation of Others Before the United States Patent and Trademark Office, 78 Fed. Reg. 20180 (April 3, 2013) (Final Rule) (codified at 37 C.F.R. §§ 11.101–11.901), which were based on the American Bar Association's Model Rules of Professional Conduct ("ABA Model Rule"). In enacting the PTO Rules, the USPTO "intended to bring standards of ethical practice before the Office into closer conformity with the professional responsibility rules adopted by nearly all States and the

⁴ Although Respondent was granted additional time until Friday, April 15, 2016 to file to file his post-hearing brief, it was still untimely submitted on Sunday, April 17, 2016. This delay is not significant and the brief is accepted.

District of Columbia, while addressing circumstances particular to practice before the Office.” Changes to Representation of Others Before the United States Patent and Trademark Office, 78 Fed. Reg. 20180 (April 3, 2013) (Final Rule).

The date of the alleged violation determines whether the PTO Code or the PTO Rules are applicable in this case. The conduct of Respondent that occurred prior to May 3, 2013 is governed by Part 10, the PTO Code, and conduct that occurred after that date is governed by Part 11, the PTO Rules.

III. Burden of Proof

The OED Director has the burden of proving all alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49; *see Klein v. Peterson*, 866 F.2d 412, 414 (Fed. Cir. 1989). Similarly, a respondent has the burden of proving any affirmative defense it relies on by clear and convincing evidence. 37 C.F.R. § 11.49. “Evidence is clear if it is certain, unambiguous, and plain to the understanding, and it is convincing if it is reasonable and persuasive enough to cause the trier of facts to believe it.” *Foster v. AlliedSignal, Inc.*, 293 F.3d 1187, 1194 (10th Cir. 2002) (internal quotations and citations omitted). This standard of proof has been met when the evidence presented “produces in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established, evidence so clear, direct and weighty and convincing as to enable the factfinder to come to a clear conviction, without hesitancy, of the truth of the precise facts in issue.” *Cruzan v. Dir., Mo. Dep’t of Health*, 497 U.S. 261, 285 n.11 (1990) (internal quotations and citations omitted).

IV. Findings of Fact

The following findings are based on the parties’ stipulations, the testimony of the witnesses, the exhibits entered into evidence, and the record as a whole.

1. Respondent was admitted to practice law in the State of California on December 11, 1986, with Bar Number 125453, and was an active member in good standing until February 1, 2016, when Respondent converted his membership to inactive. CX 1 ¶ 3; DX 2; R Brief ¶ 3.⁵
2. Respondent was registered as a patent attorney on December 31, 1980. CX 1 ¶ 1; DX 1; Tr. 532. Respondent’s registration number is 30,054. CX ¶ 2; DX 1.
3. Since 1980, Respondent has made his living as a practicing patent attorney, and has prepared over 300 patent applications over the course of 36 years. Tr. 532-534.

⁵ The California Bar website notes that on February 1, 2016, Respondent converted his bar membership to inactive. *See* <http://members.calbar.ca.gov/fal/Member/Detail/125453>.

4. Respondent has no previous disciplinary record with the USPTO or with the State Bar of California. D Brief ¶ 4; R Brief ¶ 4; Tr. 533.

A. Counts I and II

Patent applications filed by Respondent in 2008 and prior thereto on behalf of Mr. Openiano

5. Prior to the applications at issue in this proceeding, Respondent represented Renato Openiano in successfully obtaining 12 to 14 patents. Tr. 26, 27, 47.
6. On or about May 13, 2008, Mr. Renato Openiano hired Respondent to prepare and file four non-provisional patent applications. Tr. 31, 46, 53, 54, 55; DX 26 at 6-9.
7. There was no written employment contract between Respondent and Mr. Openiano, but they had a verbal agreement for Mr. Openiano to pay Respondent \$2,500 for each patent application. Tr. 29; R Brief ¶ 180.
8. On June 4, 2008, Respondent filed, on behalf of Renato Openiano, U.S. Patent Application Number 12/156,878 (“the ‘878 application”) titled, “Operating a Site Upon an International Communications Network to Cross-Refer Potential Sellers and Buyers of Real Estate to Selected Real Estate Agents, Rebating a Portion of Referral Fees Earned to Real Estate Sellers, or Buyers, or Both.” CX ¶ 4; DX 27 at 115–54; Tr. 32–37. It was filed just within the one year deadline from the date Mr. Openiano had prepared and filed a provisional patent application for that invention, on or about June 4, 2007. Tr. 28, 34–35; DX 26 at 7.
9. The ‘878 application was filed with a check dated June 4, 2008, from Mr. Openiano to “Commissioner for Patents” in the amount of \$515 for USPTO filing fees. CX ¶ 7; DX 29; Tr. 37–38.
10. On [REDACTED], Respondent filed, on behalf of Mr. Openiano, U.S. Patent Application Number [REDACTED] (“the [REDACTED] application”) titled, [REDACTED] [REDACTED]” CX ¶ 15; DX 31. It was filed just within the one year deadline from the date Mr. Openiano had prepared and filed a provisional patent application for that invention, on or about [REDACTED]. DX 26 at 7; Tr. 28.
11. The [REDACTED] application was filed with a check dated [REDACTED], from Mr. Openiano to “Commissioner for Patents” in the amount of \$515 for USPTO filing fees. CX ¶ 18; DX 33; Tr. 47.

12. On June 18, 2008, Respondent filed, on behalf of Mr. Openiano, U.S. Patent Application Number 12/214,510 (“the ‘510 application”) titled, “Addressing Data Loggers and Telephones Upon Networks, Including Upon the PSTN, in Parallel and in Common in Groups, with Subsequent Secondary Addressing of Devices Uniquely.” CX ¶ 30; DX 35 at 27–58; Tr. 53–55. It was filed just within the one year deadline from the date Mr. Openiano had prepared and filed a provisional patent application for that invention on or about June 18, 2007. Tr. 28, 54; DX 26 at 8.
13. The ‘510 application was filed with a check dated June 18, 2008, from Mr. Openiano to “Commissioner for Patents” in the amount of \$515 for USPTO filing fees. CX 33; DX 37; Tr. 55.
14. On June 23, 2008, Respondent filed, on behalf of Mr. Openiano, U.S. Patent Application Number 12/214,987 (“the ‘987 application”) titled, “Traffic Signal Lights Showing Dynamic Patterns, Particularly as are Interposed on Continuous Illumination.” CX ¶ 40; DX 39 at 27–55; Tr. 58–59. It was filed just within the one year deadline from the date Mr. Openiano had prepared and filed a provisional patent application for that invention on or about June 23, 2007. Tr. 28; DX 26 at 9.
15. The ‘987 application was filed with a check dated June 23, 2008, from Mr. Openiano to “Commissioner for Patents” in the amount of \$515 for USPTO filing fees. CX ¶ 43; DX 41; Tr. 61.
16. Mr. Openiano is named on the ‘878, [REDACTED] ‘510 and ‘987 applications as the sole inventor. CX ¶¶ 5, 16, 31, 41; DX 27 at 115; DX 31 at 27–28; DX 35 at 53–54; DX 39 at 27; Tr. 32, 44–45.
17. The filing of the ‘878, [REDACTED] ‘510 and ‘987 applications included a power of attorney appointing Respondent to prosecute the application and transact all business with the USPTO in connection with this application. CX ¶¶ 6, 17, 32, 42; DX 27 at 151; DX 31 at 29; DX 32; DX 35 at 55; DX 39 at 53; 60–61; Tr. 36–37, 46–47, 54–55.
18. As Respondent was granted the power of attorney, all USPTO communications in the ‘878, [REDACTED], ‘510 and ‘987 applications were only sent to him. DX 27 at 151; DX 31 at 29; DX 35 at 55; DX 39 at 53; Tr. 37, 48–49.
19. On July 1, 2008, Mr. Openiano issued a check to Respondent in the amount of \$10,000, as payment for the four patent applications filed by Respondent in 2008. RX 4 p. 104; Tr. 74–54, 145–146; 148–150, 151–152.
20. Mr. Openiano told Respondent at the time of, or soon after, giving him the \$10,000 check not to cash it because Mr. Openiano did not have the funds yet to cover the check. Tr. 150–151, 154, 160–161; DX 26 at 99. Mr. Openiano expected to receive commission on a

real estate sale to cover the check. Tr. 168-169, 253. On July 15, 2008, Mr. Openiano informed Respondent that a commission check he expected from his real estate business was not received because the buyer rescinded, but that he expected to receive a commission check in August 2008. DX 26 at 39; Tr. 74-75; 146, 150. Mr. Openiano paid approximately \$1,500 in cash to Respondent in July 2008 toward legal fees for the patent applications. Tr. 172-174, 229, 252-254, 259.

Events Relative to the 'Application

21. On July 21, 2008, the USPTO mailed Respondent a Notice to File Corrected Application Papers in the application, which required the timely submission of replacement drawings. The Notice set forth a two-month time period, until late September 2008, to submit replacement drawings in order to avoid abandonment, but stated that extensions of time were available under 37 C.F.R. § 1.136(a), which provides for purchasing extensions of time up to five months. CX ¶¶ 19, 22; DX 31 at 10-11; Tr. 48-50.
22. Respondent advised Mr. Openiano that the drawings had to be re-drawn. Tr. 158. After the September 2008 due date, on November 3, 2008, Mr. Openiano sent Respondent an email to follow up on the drawing requirement for the application, and they met on or about November 12, 2008 to discuss replacement drawings. CX ¶¶ 20-21; DX 26 at 58-60; Tr. 50-52.
23. Respondent did not file a response to the Notice to File Corrected Application Papers in the application, and did not seek an extension of time to file a response. CX ¶¶ 24-25; DX 31 at 5-6; Tr. 52.
24. On March 27, 2009, the USPTO mailed Respondent a Notice of Abandonment stating that the application is abandoned because no reply to the July 21, 2008 Notice to File Corrected Application Papers had been received USPTO. CX ¶ 26; DX 31 at 5-6; Tr. 52.
25. Mr. Openiano did not give Respondent permission to allow the application to go abandoned, and it became abandoned without Mr. Openiano's consent. CX ¶ 27; Tr. 53.
26. Although Respondent was aware that the application had become abandoned, he did not promptly inform Mr. Openiano that it had gone abandoned. Tr. 52, 53.

Events Relative to the '878 Application

27. On July 13, 2009, the USPTO mailed Respondent a non-final Office Action, which rejected all of the pending claims in the '878 application and set forth a three-month shortened statutory period for reply. CX ¶ 8; DX 27 at 77-101; Tr. 41-43.

28. Respondent received the non-final Office Action but did not inform Mr. Openiano of it and did not send him a copy. Tr. 43; R Brief ¶ 26.
29. Respondent did not file a response to the non-final Office Action. CX ¶ 9; DX 27.
30. On February 16, 2010, the USPTO mailed Respondent a Notice of Abandonment in the '878 application, stating that it is abandoned because no reply had been received by the USPTO in response to the non-final Office Action. CX ¶ 10; DX 27 at 74–76; Tr. 43–44.
31. The '878 application became abandoned without Mr. Openiano's express consent. CX ¶ 11; Tr. 43–44.
32. Although Respondent was aware that the '878 application had become abandoned, he did not promptly inform Mr. Openiano that it had gone abandoned. Tr. 44; R Brief ¶ 29.

Events Relative to the '987 Application

33. On November 26, 2010, the USPTO mailed Respondent a non-final Office Action rejecting all of the pending claims in the '987 application and setting a three-month shortened statutory period for reply. CX ¶ 44; DX 39 at 8–9; Tr. 61–62.
34. Respondent received the non-final Office Action but did not tell Mr. Openiano about it or send him a copy. Tr. 62.
35. Respondent did not file a response to the non-final Office Action. CX ¶ 45; DX 39 at 6; Tr. 62–63.
36. On June 22, 2011, the USPTO mailed Respondent a Notice of Abandonment stating that the '987 application is abandoned because no reply to the November 26, 2010 non-final Office Action was received by the USPTO. CX ¶ 46; DX 39 at 5–7; Tr. 62–63.
37. The '987 application became abandoned without Mr. Openiano's express consent. CX ¶ 47; Tr. 63.
38. Although Respondent was aware that the '987 application had become abandoned, he did not promptly inform Mr. Openiano that it had gone abandoned. R Brief at ¶ 124; Tr. 63.

Events Relative to the '510 Application

39. On December 8, 2011, the USPTO mailed Respondent a Notice of Allowance in the ‘510 application. The Notice of Allowance required payment of an \$870 issue fee and a \$300 publication fee for a patent to issue, but if the payment is not received, then within three months from the mailing date of the Notice, the application becomes abandoned. DX 35 at 11.
40. Respondent received the Notice of Allowance but did not inform Mr. Openiano about it and did not send him a copy. Tr. 56-57; R Brief ¶¶ 86, 89.
41. Respondent did not file a response to the Notice of Allowance nor did he pay the issue and publication fees. CX ¶¶ 34-35; DX 35 at 11-13.
42. On March 26, 2012, the USPTO mailed Respondent a Notice of Abandonment, which stated that the ‘510 application is abandoned because the USPTO had not received the issue and publication fees that were requested in the Notice of Allowance. CX ¶ 36; DX 35 at 5; Tr. at 57-58.
43. Mr. Openiano did not give Respondent permission to allow the ‘510 application to go abandoned, and it became abandoned without Mr. Openiano’s consent. CX ¶ 37; Tr. 58.
44. Although Respondent was aware that the ‘510 application had become abandoned, he did not promptly inform Mr. Openiano that it had gone abandoned. Tr. 87-90; DX 25, 26 at 99-100; R’s Brief ¶ 94.

Patent applications filed by Respondent on behalf of Mr. Openiano in 2010 and 2011

45. On or about September 28, 2010, Mr. Openiano hired Respondent to prepare and file a non-provisional patent application for a [REDACTED]. Tr. 65- 66; DX 26.
46. There was no written employment contract between Respondent and Mr. Openiano, but they had a verbal agreement that Mr. Openiano would pay \$2,500 for Respondent to prepare and file and file a patent application. Tr. 29; R Brief ¶ 187.
47. Mr. Openiano paid Respondent \$500 by check dated September 28, 2010, which was negotiated by Respondent, for patent legal services. CX 71; DX 26 at 2.
48. Mr. Openiano paid Respondent \$500 by check dated October 4, 2010, which was negotiated by Respondent, for patent legal services. CX 71; DX 26 at 3.
49. On [REDACTED], Respondent filed, on behalf of Mr. Openiano as sole inventor, U.S. Patent Application Number [REDACTED] (“the [REDACTED] application”) titled, “[REDACTED]” [REDACTED]

- [REDACTED].” CX ¶¶ 50, 51; DX 43 at 35–38; Tr. at 64–66. It was filed just within the one year deadline from the date Mr. Openiano had prepared and filed a provisional patent application for that invention, on or about [REDACTED]. Tr. 65-66.
50. The [REDACTED] application was filed with a check dated [REDACTED], from Mr. Openiano to “Commissioner for Patents” in the amount of \$545 for USPTO filing fees. CX ¶ 53; DX 45; Tr. 66.
51. On October 22, 2010, the USPTO mailed Respondent a Notice to File Corrected Application Papers, which required the timely submission of replacement drawings in the [REDACTED] application. This Notice set a two-month time period to submit replacement drawings in order to avoid abandonment, but extensions of time could be purchased. CX ¶ 54; DX 43 at 7–8; Tr. at 67–68.
52. Mr. Openiano paid Respondent \$500 by check dated November 3, 2010, which was negotiated by Respondent, for patent legal services. CX 71; DX 26 at 4.
53. Mr. Openiano paid Respondent \$500 by check dated December 10, 2010, which was negotiated by Respondent, for patent legal services. CX 71; DX 26 at 5.
54. Respondent received the Notice to File Corrected Application Papers but did not inform Mr. Openiano about it and did not send him a copy. Tr. 67-68; R Brief ¶ 147.
55. Respondent did not file any response to the Notice nor did he seek an extension of time. CX ¶ 55; DX 43 at 5–6.
56. On or about March 4, 2011, Mr. Openiano hired Respondent to prepare and file a non-provisional Continuation-In-Part patent application for an improvement to his “[REDACTED]” invention, which related back to the [REDACTED] application filed in 2008, pursuant to 35 U.S.C. § 120. Tr. 71; CX ¶ 62; DX 26.
57. There was no written employment contract between Respondent and Mr. Openiano, but they had a verbal agreement that Mr. Openiano would pay \$2,500 for Respondent to prepare and file and file a patent application. Tr. 29; R Brief ¶ 187.
58. On [REDACTED], Respondent filed, on behalf of Mr. Openiano as sole inventor, U.S. Patent Application Number [REDACTED] (“the [REDACTED] application”) titled, “[REDACTED]” CX ¶ 60, 61; DX 47 at 38–41; Tr. at 69. It was filed just within the one year deadline from the date Mr. Openiano had prepared and filed a provisional patent application for that invention, on or about [REDACTED]. Tr. 69-70.

59. The [REDACTED] application was filed with a check dated [REDACTED], from Mr. Openiano to “Commissioner for Patents” in the amount of \$545 for USPTO filing fees. CX ¶ 53; DX 45; Tr. 66.
60. The [REDACTED] and [REDACTED] applications included a power of attorney appointing Respondent to prosecute the application and transact all business with the USPTO in connection with the applications. CX ¶ 52; DX 43 at 13; Tr. 66. CX ¶ 63; DX 47 at 13; Tr. at 72. As Respondent was granted the power of attorney, all USPTO communications in the applications were only sent to him. DX 43 at 13; DX 47 at 13; Tr. 37, 37.
61. On March 30, 2011, the USPTO mailed Respondent a Notice to File Corrected Application Papers in the [REDACTED] application, requiring the timely submission of correctly numbered replacement claims in order to avoid abandonment of the [REDACTED] application. This Notice allotted a two-month time period to submit these replacement claims in order to avoid abandonment, but extensions of time could be purchased. CX ¶ 65; DX 47 at 8; Tr. 72–73.
62. Respondent received the Notice to File Corrected Application Papers in the [REDACTED] application but did not inform Mr. Openiano about it and did not send him a copy. Tr. 73; R Brief ¶ 165.
63. Respondent did not file a response to the Notice to File Corrected Application Papers in the [REDACTED] application nor did he request an extension of time. CX ¶ 66; DX 47 at 5.
64. On July 1, 2011, the USPTO mailed Respondent a Notice of Abandonment informing him that the [REDACTED] application is abandoned because no reply was received by the USPTO to the October 22, 2010 Notice to File Corrected Application Papers. CX ¶ 56; DX 43 at 7–8; Tr. 68–69.
65. The [REDACTED] application became abandoned without Mr. Openiano’s permission or express consent. CX ¶ 57; Tr. 69.
66. Respondent was aware that the [REDACTED] application had become abandoned, but did not promptly inform Mr. Openiano that the [REDACTED] application had gone abandoned. Tr. at 68; R Brief at ¶ 153.
67. On December 7, 2011, the USPTO mailed Respondent a Notice of Abandonment informing him that the [REDACTED] application is abandoned, as no reply was received by the USPTO to the March 30, 2011 Notice to File Corrected Application Papers. CX ¶ 67; DX 47 at 5–6; Tr. at 73–74.

68. The [REDACTED] application became abandoned without Mr. Openiano's permission or express consent. CX 68; Tr. 74.
69. Respondent was aware that the [REDACTED] application had become abandoned, but did not promptly inform Mr. Openiano that it had gone abandoned. Tr. 74; R Brief ¶ 170.

Respondent Informs Mr. Openiano of the Abandoned Applications

70. In October 2013, Mr. Openiano called Respondent to inquire about the status of the [REDACTED] application, and in response, Respondent requested a copy of the [REDACTED] application and set up a meeting with Mr. Openiano. Tr. 87-88; DX 26 at 98.
71. Respondent and Mr. Openiano had a meeting on or about October 30, 2013, in which Respondent informed Mr. Openiano that the 878, [REDACTED], '510, '987, [REDACTED], and [REDACTED] applications had gone abandoned. Tr. 89-90.
72. Respondent told Mr. Openiano that the "[REDACTED]" invention in the [REDACTED] application would not work, but Mr. Openiano argued that it would work. Tr. 89, 91. Respondent informed him that the six patent applications had gone abandoned because of the Patent Office's backlog, that he "did everything he can to prosecute the [REDACTED] patent" and that the Patent Office "screwed you up." Tr. 89-90.
73. Respondent told Mr. Openiano that Respondent could revive the applications for \$1,600 for each application. Tr. 90. A patent application can be revived only if the applicant can state that the entire delay, from the due date of the response to an Office communication until the revival petition is filed, was unintentional. Tr. 439.
74. On or about October 30, 2013, Mr. Openiano issued Respondent a check in the amount of \$1,600, post-dated for a few days later, for Respondent to revive the [REDACTED] application. Tr. 90-91. Mr. Openiano told Respondent not to cash it because he had a security issue with his account, and that he would provide Respondent with a replacement check. Tr. 91-92; DX 25. Mr. Openiano never sent Respondent a replacement check. Tr. 92; DX 25; DX 26 at 99-100.

Power of Attorney and Petition to Revive

75. Respondent did not seek permission from the USPTO to withdraw from representing Mr. Openiano in any of the '878, [REDACTED], '510, '987, [REDACTED], [REDACTED] applications. CX ¶¶ 12, 28, 38, 48, 58, 69; Tr. 448.

76. On February 16, 2015, Mr. Openiano revoked Respondent's power of attorney in the '878 application and substituted another attorney, Steve Reiss. This revocation was granted by the PTO on February 25, 2015. DX 27 at 69–73; Tr. 103–04.
77. In May 2015, Mr. Openiano revoked Respondent's power of attorney in the [REDACTED], '510, '987, [REDACTED], and [REDACTED] applications and substituted himself. These revocations were granted by the USPTO on June 1, 2015. DX 31 pp. 1–3; DX 35 pp. 1–3; DX 39 pp. 1–3; DX 47 pp. 1–3; Tr. 102–03.
78. Mr. Openiano has not filed a Petition to Revive the [REDACTED], '510, '987, [REDACTED] or [REDACTED] applications. CX 1 ¶¶ 29, 39, 49, 59, 70. Mr. Openiano did not lose interest in pursuing them, and searched for attorneys to file petitions for revival, but only had enough money to petition to revive one application. Tr. 102, 165, 182–183, 197–200; DX 24. PTO filing fees for a petition to revive are \$850 or more. DX 27 at 61–62.
79. On April 22, 2015, attorney Steve Reiss filed a Petition to Revive the '878 application and a Response to Office Action on behalf of Mr. Openiano, but the application was subsequently dismissed. CX 1 ¶¶ 13, 14; DX 27 at 61–64. Mr. Openiano paid him approximately \$6,000 for fees associated with the petition to revive. Tr. 105–106; DX 27 at 64.
80. On January 31, 2014, the Office of Enrollment and Discipline ("OED") mailed Respondent a "Request for Information and Evidence Pursuant to 37 C.F.R. § 11.22(f)" ("First RFI") seeking information, including information about applications he prepared for Mr. Openiano and communications with him. CX ¶ 72; DX 5 at 8–9. Respondent did not receive it, so OED sent another copy, which he received on March 24, 2014. CX ¶¶ 72, 73, 74; DX 6. The due date for a response to the First RFI was April 21, 2014. DX 6.
81. Respondent drafted a statement for Mr. Openiano to sign ("Proposed Statement"), and on April 20, 2014, the date before a response to the First RFI was due, attempted to contact Mr. Openiano to discuss it for the first time. DX 26 at 109–112; DX 7 at 6, 13. In the evening of April 20, 2014, Respondent reached Mr. Openiano in the Philippines, which was approximately 2:00 a.m. local time for Mr. Openiano, requesting that he immediately sign it, and Mr. Openiano said he would sign it. Tr. 94–98, 289–290.
82. On April 20, 2014, Respondent sent an email to Mr. Openiano, with the Proposed Statement attached, for him to sign. CX 1 ¶ 75; DX 26 at 109–112.
83. The Proposed Statement includes the following assertions: "I ultimately paid zero (\$0) towards my \$10K legal service fee" for four patent applications, "[w]hen necessary responses to the PTO became necessary during routine prosecution of the four applications my financial circumstances had not improved, and I felt that, in good faith, I could not direct [Respondent] to continue prosecution of the applications, in which of

course he agreed,” and “I have had many applications, and patents, over the course of my life . . . [and] I have been satisfied with [Respondent’s] performance regarding them all.” DX 7 at 13.

84. Respondent submitted a reply to the First RFI on April 21, 2014, stating that Mr. Openiano was a “continuing client of the firm,” and further stating as follows: “I had intended to attach an executed copy of the EXHIBIT 0-1 STATEMENT of Mr. Openiano. I have emailed this statement to Mr. Openiano, and telephonically secured his agreement to sign.” CX 77; DX 6; DX 7 at 6. Tr. at 278–79, 288. The unsigned Proposed Statement was attached to the email. DX 7 at 13.
85. After reading the Proposed Statement, Mr. Openiano refused to sign it, and emailed Respondent on April 23, 2014 stating that he would not sign the statement because it was not true. DX 26 at 111-112; Tr. 97.
86. Respondent made no effort to initiate contact with OED to advise that his representation in response to the First RFI that Mr. Openiano had agreed to sign the Proposed Statement was no longer correct. Tr. 454-455, 462-464.
87. OED received the response to the First RFI on April 25, 2014. DX 7 at 1.
88. On June 26, 2014, the OED mailed Respondent another RFI (“Second RFI”), which included a request to provide a copy of the Proposed Statement signed by Mr. Openiano. CX ¶ 78; DX 10 at 12; Tr. at 299.
89. On July 10, 2014, Respondent filed a response to the Second RFI, which did not include a copy of a signed statement from Mr. Openiano, and which explained: “The statement of Mr. Openiano will not be forthcoming, and, apparently on the premise that he would have liked . . . that his four applications not only to be prepared, but also to pursued [sic] to issuance, TOTALLY WITHOUT ANY PAYMENTS ON HIS BEHALF.” CX ¶¶ 79, 80; DX 11 at 14; Tr. at 308. In this response, Respondent represented to the OED that Mr. Openiano had not paid him any of his agreed upon \$10,000 legal fee, and that a payment of \$2500 that “may have been made . . . is to be particularly ascribed ONLY to the filing that became the [REDACTED] application.” CX ¶ 80. He stated further that “simple contract law controls” and that he was “under no duty to provide continuing legal services” to Mr. Openiano since he had not paid Respondent, had induced him to act by fraud and had not authorized Respondent to respond to Notices from the Office. DX 11 at 14–16.
90. On September 11, 2014, the OED mailed Respondent a Third RFI, which sought information about the steps he took to withdraw from the representation of Mr. Openiano. DX 11 at 15. CX ¶ 82; DX 21; Tr. at 345–46.

91. On October 9, 2014, Respondent filed a response to the Third RFI, reiterating that contract law controls, asserting that the matter with Mr. Openiano is a breach of contract, that he was not required to seek permission of the Office to withdraw from representation, and that “[t]o hold that I must seek permission from the PTO to withdraw from the representation of Mr. Openiano is to exalt PROCEDURE over the LAW (the UCC).” (capitalization in original) CX ¶ 83; DX 22 at 3-4.
92. Respondent did not inform Mr. Openiano that he considered Mr. Openiano to no longer be his client or that he was going to stop providing legal services to him. Tr. 80.

B. Counts III and IV

93. On December 5, 2008, Respondent filed U.S. Patent Application Number 12/315,762 (“the ‘762 application”) titled, “Universal, Fail-safe, Common Control of Multiple Alternators Electrically Connected in Tandem Parallel for Producing High Current,” which named Luis E. Bartol and Muriel L. Bartol as joint inventors. CX 84; DX 51 at 15–45.
94. This filing included a power of attorney appointing Respondent to prosecute the application and transact all business with the USPTO in connection with this application. As Respondent was granted the power of attorney, all USPTO communications in the ‘762 application were only sent to him. CX ¶ 84; DX 51 at 42; Tr. 327.
95. On July 27, 2011, the USPTO mailed Respondent a non-final Office Action, namely a “restriction requirement,” in the ‘762 application, requiring the applicant to respond in one month, stating his choice to prosecute one of the three named inventions. CX ¶ 85; DX 51 at 3–4; Tr. 325-326. The Office Action provided that extensions of time of up to five months were available for purchase under 7 C.F.R. § 1.136(a). DX 51; Tr. 326.
96. On July 31, 2011, Respondent advised Mr. Bartol by email of the non-final Office Action and recommended a proposed response. CX ¶ 86; DX 17 at 2; Tr. 331.
97. On August 9, 2011, Mr. Bartol sent an email to Respondent authorizing him to file a response electing claims 1-12 without traverse, as recommended. CX ¶ 87; DX 17; DX 18; Tr. 328–331. Mr. Bartol also stated in the email that the impetus for filing the application was “fundamentally defensive; that is, [to] avoid legal action against products we manufacture that are or will be shipping to customers in the USA that may incorporate certain technical characteristics over which someone might claim prior legal rights.” DX 17 at 1.

98. Respondent did not respond to the July 27, 2011 non-final Office Action in the ‘762 application. CX ¶ 88; DX 51 at 1–2; Tr. 326–327.
99. On February 23, 2012, the USPTO mailed Respondent a Notice of Abandonment, which stated that the ‘762 application was abandoned because no reply to the July 27, 2011 non-final Office Action had been received by the USPTO. CX ¶ 89; DX 51 at 1–2; Tr. 326–327.
100. Respondent did not inform the Bartols about the Notice of Abandonment in the ‘762 application, nor did he provide them any legal guidance or advice regarding the Notice. CX ¶¶ 90, 91.
101. Diana Oleksa, a staff attorney in the OED, investigated this matter against Respondent. Tr. 273, 276. As part of her investigation, she telephoned Mr. Bartol on August 11, 2014. DX 18. As noted by Ms. Oleksa, Mr. Bartol was unaware that Respondent had not responded to the non-final Office Action and that his application had gone abandoned, and he did not consent to the abandonment, and he wanted to know how he might revive the application. Tr. 328–329; DX 18. His email of August 9, 2011 to Respondent was the last time he communicated with Respondent, and he had made numerous unsuccessful attempts to reach Respondent. DX 18; Tr. 329–330.
102. The ‘762 application became abandoned without the consent of Mr. or Ms. Bartol. DX 18; Tr. 327–29.
103. The ‘762 application remains abandoned. CX ¶ 99; DX 51.
104. In response to the First RFI, Respondent claimed that Mr. Bartol had “lost interest in pursuing” the ‘762 application. CX ¶ 92; DX 7 at 9; Tr. 475–476.
105. In response to the Second RFI, Respondent stated, “[c]ommunications regarding the particular application of Mr. Bartol should exist in archival storage, but are no longer reasonably obtainable.” CX ¶ 93; DX 11 at 9; Tr. 304.
106. In Respondent’s response to the Third RFI, he informed the OED that in 2013 the records of his practice were relocated to 3411 Judy Avenue, Thermal, California, but that the records became disorganized as a result of the move. CX ¶ 95; DX 22 at 7. That address is a small private residence owned and controlled by Respondent for purposes of storage. CX ¶¶ 96, 97; Tr. 477–478; DX 60.

107. Respondent represented that records in the Bartol matter were located at that address in Thermal, California, but he did not go there to look for the records. Tr. 477, 481-482.

108. In response to the Third RFI, Respondent stated that he had a telephone conversation with Mr. Bartol subsequent to his email directive of August 9, 2014 to discuss the '762 patent application. Respondent explained in the response that Mr. Bartol had announced at the time of the application was filed that "it was directed to 'showing up' Mr. German Holguin, his co-inventor" who had left Mr. Bartol's corporation for new employment, so he was "'steamed' and desirous of letting [his previous co-inventor] Mr. Holguin "'down a peg' by showing that [he] . . . could outdo" Mr. Holguin's invention. Respondent stated that he reminded Mr. Bartol in the telephone conversation of the "economic fruitlessness" of obtaining the patent and the "arguably ignoble purposes" for which the patent was sought, and "thought that [he] had secured the acquiescence of Mr. Bartol" to his suggestion to abandon the '762 application. CX ¶ 98; DX 22 at 4, 5; Tr. 352.

109. In response to the Third RFI, Respondent objected to OED's inquiries regarding his records as "unwarranted," and queried what specifically OED wishes to see and "what bearing might it have on ANYTHING?" DX 22 at 7; CX ¶ 94.

C. Counts V and VI

110. [REDACTED] and her husband, [REDACTED], are the co-owners of [REDACTED], a corporation registered in the State of Oregon. CX ¶ 101; Tr. at 295, 339; DX 63.

111. Respondent had provided [REDACTED] with patent legal services over many years. CX 102; Tr. 482.

112. Mr. [REDACTED] and Ms. [REDACTED] are joint inventors of an invention called the "[REDACTED]" ("[REDACTED]"). DX 53 at 70-71.

113. On February 9, 2013, Mr. [REDACTED] and Ms. [REDACTED] executed a document that assigned all rights, title, and interest in their [REDACTED] patent application to [REDACTED]. CX ¶ 100; DX 63; Tr. 295-296. Respondent was aware of the assignment. CX ¶¶ 103, 111; DX 7 at 63, 65-66; Tr. 295-296. The assignment does not contain any right of reversion. Tr. 297; DX 63.

114. Mr. [REDACTED] and Ms. [REDACTED] hired Respondent to prepare, file and prosecute a patent application for the [REDACTED] invention. Tr. 295, 483. On [REDACTED], Respondent filed U.S. Patent Application Number [REDACTED] ("the '[REDACTED]' application") for

the [REDACTED] invention. CX ¶ 104; DX 53. This application named Mr. [REDACTED] and Ms. [REDACTED] as joint inventors. CX ¶¶ 104, 105; DX 53 at 72-73. Both Mr. [REDACTED] and Ms. [REDACTED] were Respondent's clients. Tr. 483, 492, 493

115. The filing in the [REDACTED] application included a power of attorney, which was signed by both Mr. [REDACTED] and Ms. [REDACTED], and appointed Respondent to prosecute the application and transact all business with the USPTO connected with the application. CX ¶ 106; DX 53 at 72-73; Tr. at 333. As Respondent was granted the power of attorney, all USPTO communications in the [REDACTED] application were only sent to him. DX 53 at 72-73.
116. All of Respondent's legal fees and the USPTO filing fees in connection with the [REDACTED] application were paid by Mr. and Ms. [REDACTED]. CX ¶¶ 107, 108; DX 20.
117. Respondent assumed that Mr. [REDACTED] was the point of contact for the [REDACTED] application, but he did not seek to confirm with Ms. [REDACTED] whether Mr. [REDACTED] was the sole point of contact on the application. Tr. 484, 491-493.
118. On March 14, 2013, the USPTO mailed Respondent a Notice to File Missing Parts, which required replacement drawings, payment of \$200 for a non-electronic filing fee, and a new oath or declaration in the [REDACTED] application. The Notice set a two-month time period to submit the required items in order to avoid abandonment. CX ¶ 109; DX 53 at 7-8; Tr. 333-334.
119. Respondent discussed the Notice to File Missing Parts with Mr. [REDACTED], but never filed a response to the Notice. Tr. 484-485, 495; RX 3; CX 112; DX 53.
120. Respondent received an email from Ms. [REDACTED] dated May 7, 2013 and responded to her on May 9, 2013 stating he sent PTO the request for assignment recordation, but he never advised her of the Notice to File Missing Parts, and he did not send her a copy of it. DX 20 at 2; CX ¶ 110; Tr. 337, 484-487, 490-491, 494-495.
121. On May 14, 2013, Respondent filed the assignment executed on February 9, 2013 with the USPTO. CX ¶ 111.
122. The last time Ms. [REDACTED] heard from Respondent was on May 9, 2013, in the email informing her that he sent the assignment documents, and she tried to contact him afterward but he never responded. Tr. 337-338, 486-490; DX 19; DX 20. In her email of May 9, 2013, responding to his, she inquired about the "patent pending" status of her application, and indicated her willingness to pay for further services, requesting an invoice for any services owing on the application after her payment of \$3,200. DX 20.

123. On November 20, 2013, the USPTO mailed Respondent a Notice of Abandonment, stating that the [REDACTED] application is abandoned because no response to the March 14, 2013 Notice to File Missing Parts was received by the USPTO. CX ¶ 112; DX 53 at 1–2; Tr. 335, 484.
124. Respondent was aware that the application had gone abandoned, but he did not inform Ms. [REDACTED] that it had gone abandoned. Tr. 337; DX 7 at 11.
125. The [REDACTED] application became abandoned without Ms. [REDACTED] knowledge or consent. CX ¶ 113; DX 19; Tr. 337–338.
126. In the First RFI, OED requested an explanation of what occurred such that Respondent allowed the [REDACTED] application to become abandoned, and an explanation of whether Mr. [REDACTED] and Ms. [REDACTED] consented to the abandonment of the [REDACTED] application, and what steps he took to notify them of the Notice to File Missing Parts and Notice of Abandonment. DX 5 at 24. In his response, dated April 21, 2014, Respondent stated:
- Subsequent to filing and assignment [to the [REDACTED]] a dispute broke out over the allocation of rights and benefits under the assigned patent, and no directives regarding prosecution of the [REDACTED] application were available from the client [REDACTED] nor from Mr. [REDACTED] who nonetheless to apparently being only an inventor who has assigned his patent rights, verbally asserted rights of control of the application. . . . Due to the dispute, no definitive directives regarding the prosecution of the application could be obtained, and it went abandoned.
- DX 7 at 10-11; CX 7 at 10.
127. In response to the First RFI, Respondent also stated, “the [REDACTED] now acknowledge their assignment of the application back to Mr. [REDACTED] assignment not yet recorded.” DX 7 at 11.
128. OED requested in the Second RFI that Respondent explain the steps he took to notify his clients of the Notices and to explain why he did not address them in response to the First RFI. DX 10 at 10. Respondent did not address those requests, but reiterated his responses to the First RFI, and stated an assignment agreement “was supplied, and subsequently executed.” DX 11 at 11. He provided OED a copy of an email from Ms. [REDACTED] dated August 26, 2013 requesting Respondent to draw up papers assigning the patent application rights to Mr. [REDACTED] and another individual, and stating that Mr. [REDACTED] would pay fees for the transition. DX 11 at 17.
129. Ms. [REDACTED] and Mr. [REDACTED] had discussed an assignment of the patent application to Mr. [REDACTED], but they could not agree to such an assignment because he would not

reimburse her for legal fees she had spent on the application. [REDACTED] continues to be the assignee of the [REDACTED] patent application. Tr. 339-340; DX 19.

130. Respondent did not see a copy of any assignment to Mr. [REDACTED] and did not hear from the [REDACTED] or confirm with them that any such assignment had taken place. Tr. 496-499, 501-502; R Brief ¶ 310. No such assignment was ever filed with the USPTO. Tr. 298.

131. A letter signed by Mr. [REDACTED] and sent to USPTO, dated March 8, 2015, states that he retains a “right of reversion of full ownership in the Application and any patent(s) arising therefrom from [REDACTED]” to himself, and that he has not yet exercised his right of reversion. RX 3. Mr. [REDACTED] does not state that rights in the patent application were assigned to him. *Id.* The letter states that the [REDACTED] have not “registered any objection” that he alone should manage Respondent’s prosecution of the application. *Id.*

132. In his response, filed October 14, 2014, to the OED’s inquiry in the Third RFI as to how the [REDACTED] application became abandoned without the consent of Ms. [REDACTED] and why he did not inform her of the Notice to File Missing Parts and Notice of Abandonment, he replied that the [REDACTED] “are no longer in charge of” the application “and have not been from an early time shortly after application filing,” that he had “no authority to communicate regarding the [REDACTED] application” with the [REDACTED], and that Mr. [REDACTED] told him that he was in possession of an assignment transferring all patent rights from the [REDACTED] back to him. Respondent suggested it was improper for OED to have contacted them about the application since only Mr. [REDACTED] had the right to make decisions about it. DX 21 at 4; DX 22 at 6; CX 115, 116, 118.

133. In a telephone conversation on or about August 26, 2014, Ms. Oleksa informed Ms. [REDACTED] that the [REDACTED] application was abandoned, and Ms. [REDACTED] said she was not aware that the patent application was abandoned and that she was interested in knowing how she might revive the application. Tr. 337-338; DX 19. As of December 18, 2015, neither Ms. [REDACTED] nor Mr. [REDACTED] has petitioned to have the [REDACTED] application revived. CX ¶ 119; DX 53; Tr. 500.

D. Counts VII and VIII

134. Respondent prepared on behalf of [REDACTED]⁶ two patent applications relating to [REDACTED]. Tr. 504; DX 54 at 10.

⁶ Although Mr. [REDACTED] later changed his name to “[REDACTED],” for the sake of clarity and consistency, he is referred to herein as Mr. [REDACTED]. RX 2.

135. On [REDACTED], Respondent filed U.S. Patent Application Numbers [REDACTED] (“the [REDACTED] application”) and [REDACTED] (“the [REDACTED] application”), which each named Mr. [REDACTED] as the sole inventor. CX ¶¶ 120, 121; DX 54 at 9–112; DX 56 at 91; Tr. 313, 320.

136. The [REDACTED] and the [REDACTED] applications each included a power of attorney appointing Respondent to prosecute the applications and transact all business with the USPTO in connection with both applications. CX ¶ 122; DX 54 at 10; DX 56 at 94; Tr. 313, 320–21. As Respondent was granted the power of attorney, all USPTO communications in the [REDACTED] and [REDACTED] applications were sent only to him. DX 54 at 10, DX 56 at 94.

137. Mr. [REDACTED] was Respondent’s client although he did not pay any legal service fee for either application. RX 2; Tr. 504, 506.

Events relative to the [REDACTED] application

138. On September 12, 2007, the USPTO mailed Respondent a “Notice to File Missing Parts,” which required the payment of \$100 for additional claim fees in the [REDACTED] application. The Notice set a two-month time period to submit the required fees in order to avoid abandonment. CX ¶ 123; DX 54 at 7–8; Tr. 314–15.

139. Respondent received the September 12, 2007 Notice to File Missing Parts in the [REDACTED] application but he did not tell Mr. [REDACTED] about it or send him a copy of it. Tr. 318–319, 505; RX 2; DX 16; R Brief ¶ 326.

140. Respondent did not file a response to the Notice to File Missing Parts by the November 12, 2007 due date. CX ¶ 124; DX 54; Tr. 509–510.

141. On May 30, 2008, the USPTO mailed Respondent a Notice of Abandonment, stating that the [REDACTED] application was abandoned because no reply to the September 12, 2007 Notice to File Missing Parts was received by the USPTO. CX ¶ 127; DX 54 at 2–3; Tr. 315.

142. Respondent was aware that the [REDACTED] application was abandoned but he did not inform Mr. [REDACTED] that it had become abandoned and did not promptly provide legal guidance or advice to him regarding the Notice of Abandonment. CX ¶ 129; RX 2; DX 16; Tr. 318–319.

143. The [REDACTED] application became abandoned without Mr. [REDACTED] consent. CX ¶ 131; DX 16; Tr. 318–319.

144. On August 19, 2008, Respondent submitted a check in the amount of \$100 to the USPTO in the [REDACTED] application, which was returned by the USPTO unprocessed because the [REDACTED] application was abandoned. DX 54 at 1; Tr. 315-316.
145. The fee owed in the [REDACTED] application could have been paid in August 2008 only if a petition to revive the application had been filed. Tr. 315-316.
146. No petition to revive the [REDACTED] application was filed in August 2008, and it remained abandoned as of December 22, 2014. CX 137; DX 54. However, on July 30, 2014, Ms. Oleksa sent a letter to Mr. [REDACTED] inquiring whether he knew his [REDACTED] application was abandoned, and on August 4, 2014, Mr. [REDACTED] telephoned her and told her he did not know it was abandoned and wanted to know what steps he could take to revive the application. DX 12, 16; Tr. 317-319.

Events relative to the [REDACTED] application

147. On September 13, 2007, the USPTO mailed Respondent a “Notice to File Corrected Application Papers” in the [REDACTED] application, which required the submission of a substitute specification because the original specification pages 1–9 contained unreadable text. This Notice set forth a two-month time period to submit the required documentation in order to avoid abandonment. CX ¶ 125; DX 56; Tr. 321.
148. Respondent received the September 12, 2007 Notice to File Corrected Application Papers in the [REDACTED] application, but did not tell Mr. [REDACTED] about it or send him a copy of it. RX 2; R Brief ¶ 334.
149. Respondent did not file a response to the September 13, 2007 Notice to File Corrected Application Papers in the [REDACTED] application by November 13, 2007. CX ¶ 126; DX 56.
150. On May 30, 2008, the USPTO mailed Respondent a Notice of Abandonment, stating that the [REDACTED] application is abandoned because no reply to the September 13, 2007 Notice to File Corrected Application Papers was received by the USPTO. CX ¶¶ 126, 128; DX 56 at 15–16; Tr. 321–322.
151. Respondent was aware that the [REDACTED] application was abandoned but he did not inform Mr. [REDACTED] that it had become abandoned and did not promptly provide legal guidance or advice to him regarding the Notice of Abandonment. CX 130; RX 2; Tr. 522.
152. The [REDACTED] application became abandoned without Mr. [REDACTED] consent. CX ¶ 132.

153. On August 22, 2008, Respondent filed with the USPTO new specification pages 1–9 in the [REDACTED] application. CX ¶ 133; DX 56 at 3-14. Respondent included in this submission a letter that included the statement, “a response to the [Notice to File Corrected Application Papers in the [REDACTED] application] is now AGAIN sent to the PTO.” CX ¶ 134; DX 56 at 3–5; Tr. 322.
154. Respondent had not previously submitted to the USPTO a response to the September 13, 2007 Notice to File Corrected Application Papers in the [REDACTED] application. CX ¶ 135; DX 56 at 15; Tr. 322.
155. A response to the Notice to File Corrected Application Papers in the [REDACTED] application could only have been filed in August 2008 if a petition to revive had been filed. Tr. 322.
156. No petition to revive the [REDACTED] application was filed in August 2008, and it remained abandoned as of December 22, 2014. CX ¶ 139; DX 56.

Communication with Mr. [REDACTED] and OED

157. In his response to the inquiry in the First RFI as to whether Mr. [REDACTED] had consented to abandonment of the [REDACTED] application and what steps he took to notify Mr. [REDACTED] of the Notice to File Missing Parts, Respondent stated that the records of his applications were in “archival storage” and that he could not remember much about the abandonment except that it was by direction. DX 5 at 20; DX 7 at 8; Tr. 290.
158. In his response to the Second RFI with a similar inquiry, and requesting an explanation of steps he had taken to obtain the requested documents from storage, Respondent stated, “[c]ommunications regarding the particular application of Mr. [REDACTED] should exist in archival storage, but are no longer reasonably obtainable.” DX 11 at 9.
159. The records of Mr. [REDACTED] were located at the residence owned by Respondent in Thermal, California. Tr. 477-478; DX 7 at 8.
160. Respondent did not make any effort to obtain his records concerning Mr. [REDACTED]’s applications from the residence in Thermal, California. Tr. 529.
161. In his response to an inquiry in the Third RFI as to why the records were no longer reasonably obtainable and what steps he had taken to obtain the requested records, Respondent objected to OED’s inquiries regarding his records as unwarranted, and asserted that in 2013 “archival storage of the records of my practice” were sent to the Thermal, California address and that “considerable order was lost” in the move. DX 22 at 7; DX 21 at 5.

162. The Third RFI asked Respondent to explain why the [REDACTED] application became abandoned, why he did not inform Mr. [REDACTED] of the Office correspondence, and why he submitted a \$100 check more than two months after the Notice of Abandonment. DX 21 at 4.
163. In his response to the Third RFI, Respondent stated that Mr. [REDACTED] had “lost interest in pursuing a patent under his THEN circumstances,” and that Mr. [REDACTED] told him that he “was sidetracked and lost interest in 2007, but he remembers no more of the details than do I.” DX 22 at 5.
164. Respondent further stated in response to the Third RFI that he could “remember almost nothing of this application . . . let alone the communications transpiring by telephone in response to specific communications of the PTO.” DX 22 at 5.
165. Respondent stated in response to the Third RFI that he had “no idea or record why a check was submitted” in August 2008 in the [REDACTED] application. DX 22 at 5.
166. Mr. [REDACTED] changed his name on April 2, 2009 to [REDACTED]. RX 2; DX 7 at 42; Tr. 291.
167. Mr. [REDACTED]’s email address with which he communicated with Respondent since November 28, 2007, changed at some point between May 15, 2008 and January 3, 2012, reflecting his change of name. DX 7 at 29-45; Tr. 291-292. Respondent and Mr. [REDACTED] exchanged emails on November 28, 2007 and May 8, 2008, two months after the initial Office Notices were mailed and before the Notice of Abandonment, using the same email addresses. DX 7 at 43.
168. Mr. [REDACTED]’s physical mailing address remained the same from the date Respondent filed the applications through at least July 2014. Tr. 526-527.
169. The phone number supplied on the Power of Attorney forms for Mr. [REDACTED]’s [REDACTED] and [REDACTED] applications, dated August 22, 2007, is the same phone number that he supplied Ms. Oleksa on August 4, 2014 for her to contact him. DX 54 at 10; DX 56 at 94; DX 16.

V. Procedural Issue

The OED Director, in his Post Hearing Reply Brief, requests that Respondent’s proposed factual findings be rejected because Respondent does not include citations to the record in support of his factual statements despite being ordered to provide such citations by my Order dated February 12, 2016, directing the filing of post-hearing briefs. Reply at 1. In addition, the Director asserts that Respondent’s proposed facts are not supported by any evidence in the

record. The Director also requests that I reject his legal arguments because Respondent failed to support them with any citations to legal authority as directed in my Order. Reply at 2-3.

Respondent's direct testimony at hearing consists largely of legal argument rather than facts. Tr. 538-566. His Post-Hearing Brief is not supported by any citation to legal authority, and the Statement of Proposed Facts therein is devoid of any citations to the record. In addition, his "proposed facts," other than those which are in agreement with the Director's, for the most part are not based on his testimony or any exhibits, and some of them include legal arguments or the words "I allege." He elected not to file a reply brief and thus chose not to attempt to cure these defects or otherwise respond to the Director's Reply. As a practicing attorney refusing to provide citations despite having received clear orders and warnings to provide them, Respondent displays a disregard for appropriate legal procedure, which is consistent with his disregard for appropriate legal procedure with the clients referenced in the Complaint. Nevertheless, while these defects require increased time and effort to ferret out his sworn factual testimony and to piece together his arguments and defenses, I decline to wholly reject his proposed facts. They are numbered and arranged to express agreement with, or a response to, each of the Director's proposed facts. I take those which are in agreement as admissions of fact, and those which are not I take as arguments and defenses to the corresponding proposed facts of the Director. Only the sworn testimony at hearing and the exhibits admitted into the record are taken as factual evidence. As to Respondent's failure to provide support for his legal arguments, rather than summarily rejecting them, I consider such failure as a further display of disregard for appropriate legal procedure and a refusal to make efforts to find any legal support for his arguments. Such failure is also consistent with his disregard for appropriate legal procedures with the clients referenced in the Complaint, as discussed below.

VI. Neglect and Failure to Communicate

A. Applicable Rules

The Complaint charges Respondent with neglect and failure to communicate, in violation of 37 C.F.R. §§ 10.23(a), (b) and (c)(8); 10.77(c); and 10.84(a)(1), (a)(2) and (a)(3), with respect to Mr. Openiano, Mr. and Mrs. Bartol, Ms. [REDACTED] and Mr. [REDACTED].⁷ In addition, the

⁷ The Complaint also alleged that Respondent violated 37 C.F.R. § 10.23(b)(6) and the analogous provision in Part 11, 37 C.F.R. § 11.804(i), because he engaged in "other conduct that adversely reflects on the practitioner's fitness to practice before the Office." However, the Director did not discuss those subsections in the Post Hearing Brief. The PTO's appellate tribunal has held that "to be 'other' conduct within the scope [of] Section 10.23(b)(6), conduct must not be prohibited by Section 10.23(b)(1)–(5)." *Moatz v. Colitz*, 68 U.S.P.Q.2d 1079, 1102–03 (2003). Accordingly, Respondent cannot be found to have violated both subsection 10.23(b)(6) and another subsection of 10.23(b), or both subsection 11.804(i) and another subsection of 11.804. As concluded below, Respondent violated other subsections of Sections

Complaint charges Respondent with a violation of 37 C.F.R. § 10.40 with respect to Mr. Openiano and with a violation of 37 C.F.R. § 11.104 with respect to Ms. [REDACTED].

The Rules provide at 37 C.F.R. § 10.23(a) that a “practitioner shall not engage in disreputable or gross misconduct,” which is defined at § 10.23(b)(1) as including “[v]iolat[ing] a disciplinary rule.” The PTO Code lists specific examples of conduct that constitutes disreputable or gross misconduct, including 37 C.F.R. § 10.23(c)(8), which states:

Failing to inform a client or former client . . . of correspondence received from the Office . . . when the correspondence (i) could have a significant effect on a matter pending before the Office, (ii) is received by the practitioner on behalf of a client or former client and (iii) is correspondence of which a reasonable practitioner would believe under the circumstances the client or former client should be notified.

In 37 C.F.R. § 10.77(c), the Rules state that a “practitioner shall not . . . [n]eglect a legal matter entrusted to the practitioner.”

As stated in 37 C.F.R. § 10.84(a), the Rules provide that in representing a client, a “practitioner shall not intentionally:

- (1) Fail to seek the lawful objectives of a client through reasonably available means permitted by law and the Disciplinary Rules.”
- (2) Fail to carry out a contract of employment entered into with a client for professional services, but a practitioner may withdraw as permitted under §§ 10.40, 10.63, and 10.66.
- (3) Prejudice or damage a client during the course of a professional relationship.

37 C.F.R. § 10.84(a)(1), (a)(2) and (a)(3).

Count I refers to 37 C.F.R. § 10.40, which provides that:

A practitioner shall not withdraw from employment in a proceeding before the Office without permission from the Office In any event, a practitioner shall not withdraw from employment until the practitioner has taken reasonable steps to avoid foreseeable prejudice to the rights of the client, including giving due notice to his or her client, allowing time for employment of another practitioner, delivering to the client all papers and property to which the client is entitled, and complying with all applicable laws and rules. A practitioner who withdraws from employment shall refund promptly any part of a fee paid in advance that has not been earned.

10.23(b) and 11.804, and thus cannot also be found to have violated 37 C.F.R. § 10.23(b)(6) or 37 C.F.R. § 11.804(i).

As relevant to allegations regarding Ms. [REDACTED] in Count V, the PTO Rule regarding communication, 37 C.F.R. § 11.104, parallels American Bar Association Model Rule 1.4, and provides:

- (a) A practitioner shall:
 - (1) Promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required by the USPTO Rules of Professional Conduct;
 - (2) Reasonably consult with the client about the means by which the client's objectives are to be accomplished;
 - (3) Keep the client reasonably informed about the status of the matter;
 - (4) Promptly comply with reasonable requests for information from the client; and
 - (5) Consult with the client about any relevant limitation on the practitioner's conduct when the practitioner knows that the client expects assistance not permitted by the USPTO Rules of Professional Conduct or other law.
- (b) A practitioner shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

B. Count I

1. Parties' Arguments

The OED Director asserts that Respondent engaged in disreputable or gross misconduct under 37 C.F.R. § 10.23(c)(8) on the basis that in numerous patent applications, he failed to notify Mr. Openiano of critical Office communications which required a response to keep the patent application viable, many of which required minimal effort. In addition, the Director asserts that Respondent failed to act competently, neglecting legal matters entrusted to him by letting Mr. Openiano's six patent applications to go abandoned without Mr. Openiano's knowledge or consent, which is a classic case of neglect. *Id.* at 46. The Director argues that Respondent had a fiduciary duty to Mr. Openiano to protect his intellectual property rights, whether he paid Respondent or not, citing to *Atilus v. United States*, 406 F.2d 694, 696 (5th Cir. 1969)(attorney retained in criminal case although unpaid still owed his client a duty of representation). D Brief at 47-48.

The Director asserts that Respondent failed to seek the lawful objectives of Mr. Openiano -- to proceed with non-provisional patent applications -- because Respondent failed to inform Mr. Openiano of Office communications and allowed the applications to go abandoned. D Brief at 49-50. The Director argues that Respondent viewed his relationship with Mr. Openiano as merely a matter of contract and believed he was free to ignore the patent applications because he was not paid, and decided that he would not represent his client yet not withdraw, in hopes that he would be paid, in clear violation of 37 C.F.R. 10.84(a)(1). *Id.* at 50.

The Director charges Respondent with violating 37 C.F.R. § 10.84(a)(2) for intentionally failing to carry out a contract of employment, in that he knew that Mr. Openiano was relying on his expertise to prosecute the six patent applications for final issuance of a patent, but intentionally failed to perform the professional services for which he was hired under the unwritten contract of employment, on the basis that he was not paid. The Director cites to *Disciplinary Counsel v. Lord*, 873 N.E. 2d 273, 277 (Ohio 2007), in which an attorney was disbarred for, *inter alia*, giving advice to the client and agreeing to file an appeal but failing to do so, and failing to appear at a hearing, resulting in an adverse decision, in violation of a disciplinary rule prohibiting a lawyer from failing to carry out a contract of employment and failing to withdraw from employment without taking reasonable steps to avoid foreseeable prejudice to the client. The Director argues that Respondent should have sought to withdraw as counsel if he believed he was not required to do further work on the six applications, and should not have put his own interest in collecting his fee before the client's interests, citing to, *inter alia*, *Comm'n for Lawyer Discipline of the State Bar of Texas v. A Texas Attorney*, 2015 WL 5130876, at *4 (Texas Bd. Disc. App. Aug. 27, 2015) ("If a lawyer is unwilling to complete the client's work due to the client's failure to pay the lawyer's fee, the lawyer should terminate the representation, moving to withdraw when necessary An attorney cannot . . . hold the client's final order hostage . . . until she pays his fee") and *Florida Bar v. King*, 664 So.2d 925, 926-927 (Fla. 1995) (affirming finding that attorney failed to provide diligent representation, rejecting argument that there could be no finding of misconduct because client had not paid a retainer). The Director asserts that Respondent also violated 30 C.F.R. § 10.84(a)(3) in that he intentionally damaged Mr. Openiano during the course of their professional relationship by intentionally failing to respond to Office communications and abandoning the applications, particularly where revival of the applications requires a showing that the abandonment was unintentional, and as Mr. Openiano testified, he was unable to find other lawyers to continue prosecution on those patents, and he did not have money to do so.

Finally, the Director points out that when Respondent decided to do no further work on Mr. Openiano's applications, he was required to seek permission to withdraw and to provide Mr. Openiano with due notice. The Director asserts that Respondent just stopped doing work on Mr. Openiano's patent applications without informing him that he was no longer going to provide legal services, and without taking steps to prevent prejudice to his patent matters, in violation of 37 C.F.R. § 10.40. D Brief at 54.

Respondent's position is that Mr. Openiano induced him to file the applications by fraud in writing a \$10,000 check which "was worthless" as he knew at the time it could not be deposited, and never paying him any of the \$10,000, and that any attorney-client relationship was voided under the Uniform Commercial Code (UCC), so there was no contract between him and Mr. Openiano. Tr. 467, 472, 547; R Brief ¶ 17. Regarding the [REDACTED] application filed in [REDACTED], he asserts that Mr. Openiano defrauded him again in giving him a check in the amount of \$500 to induce him to file the Continuation in Part application for an improvement to the "[REDACTED]" in March 2011, and then days later emailing him a message that the check was non-negotiable, and thereafter, Mr. Openiano "never made good this second bad check." R

Brief p. 23 ¶¶ 155, 156. Therefore, Respondent argues, any subsequent attorney-client relationship was voided under the UCC. *Id.*

He urges that the patent rules must be interpreted in accordance with contract law, codified in the UCC, and therefore he was under no duty to provide continuing legal services. R Brief ¶¶ 240, 243. Respondent argues that holding him to an ethical duty to continue pursuing Mr. Openiano's patent applications "without any coverage of the cost, such as the procurement of formal drawings therewith, it's all form over substance . . . to elevate the patent rules over the contents of the UCC." Tr. 547. He argues that if he had an ethical duty to prosecute Mr. Openiano's patent applications where he was not paid, then it would provide a "'road map' to every unscrupulous inventor in the country" who "need only fraudulently induce preparation and filing of a patent application . . . by a practitioner by act of passing a bad check, and to thereafter stand mute, alleging that any non-issuance of a patent is the fault, and ethical failing, of the practitioner should any of the patent-applied-for inventions later appear to be worth anything." R Brief p. 56⁸; Tr. 547. He argues that an attorney should not have to seek withdrawal on an application the filing of which was fraudulently induced. Tr. 548.

Under an alternative theory, Respondent argues, if he is held responsible for making responses on behalf of Mr. Openiano to the USPTO, then Mr. Openiano was "effectively directing [him] or causing [him] not to make responses," as Mr. Openiano "failed to provide proper authorization to make necessary responses" and "gave his constructive consent to abandonment." Tr. 466, 472, 548; R Brief ¶¶ 68, 239. He asserts that did not withdraw, and is not required to seek permission from the Office to withdraw, when he is doing what his client directs. R Brief ¶¶ 241, 242, 246. Respondent believed that continuing representation of Mr. Openiano was "the best way to increase the possibility that [Respondent] should ultimately be paid [his] attorney's fees owing." R Brief ¶ 246.

Respondent asserts that Mr. Openiano is a "disaffected client" with an opportunistic motivation. Tr. 541, 546. He recalls that Mr. Openiano typically would request Respondent's help to file an application, worried that his rights will fall away, and "suckered" Respondent in "again and again." Tr. 549. Respondent challenges Mr. Openiano's credibility on the basis of his failure to make efforts to revive his patent applications, and by asserting that in responding to Ms. Oleksa's inquiries, Mr. Openiano was seeking a "chance . . . to get something out of nothing," to get some patents that he was unable to afford previously, plus sue Respondent. Tr. 546. He also argues that there was confusion and inconsistency in Mr. Openiano's testimony and representations to Ms. Oleksa about payments to Respondent. Tr. 541-543, 545-546; R Brief at 56.

Respondent argues that Mr. Openiano, contrary to his testimony, "knew exactly what was going on, and that he declined to spend the money, presumably because he did not have it," but

⁸ The pages of Respondent's Brief are not numbered. Some paragraph numbers are mistakenly repeated. Page numbers are supplied herein for reference.

that if any of his inventions were to be successfully commercialized, then he could seek revival of the patent. Tr. 543-544, 548. Respondent argues that Mr. Openiano appears uninterested in issuance of a patent on his applications, as he delayed in seeking to revive the '878 application and did not seek to re-file or revive the others. Respondent surmises that Mr. Openiano wanted simply to file the applications for proof of priority of conception and support for attempted exploitation of the associated invention. R Brief at 56.

The Director replies that no authority exists for voiding an attorney-client relationship under the UCC, and that there is no evidence or legal argument to show that Mr. Openiano committed fraud or that Respondent would be relieved of fiduciary duties. Reply at 3, 17. The Director asserts that there is no evidence or testimony indicating that Mr. Openiano knew that Respondent would do nothing on the applications unless the "fraud" was cured. Moreover, the Director points out, Respondent admitted that he did not tell Mr. Openiano that he was going to stop providing legal services. Reply at 4, 7 (citing Tr. 80, 471-473). The Director also points out that Respondent does not define or support the term "constructive consent" as applied to Mr. Openiano's abandonment of the applications. Respondent provides no evidence to support several assertions in his Brief, including what the Office may do regarding any effort to revive the '510 application, Respondent being hired for limited legal services in the [REDACTED] application, and Mr. Openiano telling him not to continue prosecution. Reply at 7, 9, 10.

The Director argues that the issue of whether a client attempts to revive a patent application is not relevant to whether Respondent neglected the application and failed to communicate with the client. Reply at 17.

2. Analysis and Conclusions as to 37 C.F.R. § 10.23

To determine whether Respondent engaged in disreputable or gross misconduct in violation of 37 C.F.R. §§ 10.23(a) and (b) by violating Section 10.23(c)(8), the OED Director must prove by clear and convincing evidence that: (1) Mr. Openiano was Respondent's client, (2) Respondent failed to inform him of correspondence received from the Office, (3) by Respondent on behalf of Mr. Openiano, (4) that could have a significant effect on a matter pending before the Office, and (5) a reasonable practitioner would believe under the circumstances that Mr. Openiano should be notified of it. The evidence shows that Mr. Openiano was Respondent's client. Finding of Fact ("FF") 6, 7, 17. The undisputed evidence shows that Respondent received on behalf of Mr. Openiano, and failed to inform him of, correspondence received from the Office – namely the November 26, 2010 non-final Office Action in the '987 application, and Notices of Abandonment in the [REDACTED] application, '878 application, '987 application, '510 application, [REDACTED] application, and [REDACTED] application. FF 18, 24, 26, 30, 32, 34, 36, 38, 42, 44, 64, 66, 67, 69. Respondent did not inform Mr. Openiano that the applications had become abandoned until October 30, 2013, one to four years after they went abandoned. FF 71.

As to the other correspondence received from the Office on these patent applications, the parties dispute whether Respondent informed Mr. Openiano of the non-final Office Action in the '878 application, Notice of Allowance in the '510 application, and Notices to File Corrected Application Papers in the [REDACTED] and [REDACTED] patent applications. Mr. Openiano testified at the hearing, and told Ms. Oleksa during her investigation, that Respondent did not inform him of any of these correspondences. Tr. 43 ('878 application), 57 ('510 application), 67 ([REDACTED] application), 73 ([REDACTED] application), 138, 355; DX 24. Respondent did not testify as to whether he informed Mr. Openiano of these correspondences, but merely alleges in his Post-Hearing Brief that he did, while admitting that he did not send Mr. Openiano a copy. R Brief ¶ 26, 88, 148, 165. At the hearing, Respondent testified generally that Mr. Openiano "knew perfectly well what was going on." Tr. 548.

At the time he received the July 21, 2008 Notice to File Corrected Application Papers in the [REDACTED] application, Respondent was anticipating Mr. Openiano's payment to cover the \$10,000 check in August 2008, and advised him of that Notice. FF 20, 22. The following year, however, when Respondent received the July 13, 2009 non-final Office Action in the '878 application, Respondent did not send a copy of it because, Respondent explains, "Mr. Openiano's cure for his fraud [was] not forthcoming" and he "knew full well" that he would not receive continuing legal services toward prosecution of the application unless Respondent was paid the \$10,000. R Brief ¶ 26, 27. Respondent merely asserts in his Post Hearing Brief that he told Mr. Openiano about the Office Action in the '878 patent application, but it is not supported by any testimony or evidence, and is contradicted by Mr. Openiano's testimony. Moreover, his reason for not sending a copy would also be a reason not to inform Mr. Openiano about the Office Action at all, particularly where it rejected all of the pending claims, and where he provided a similar explanation for his undisputed failure to notify Mr. Openiano of the Office Action rejecting all pending claims in the '987 application. R Brief ¶ 118, 120.

Respondent provides the same rationale for not sending Mr. Openiano a copy of the Notice of Allowance in the '510 application. R Brief ¶ 89. Respondent asserts that he did verbally inform Mr. Openiano of the Notice of Allowance, but does not state what Mr. Openiano said in response, and merely suggests some possible reasons why Mr. Openiano would not pay the issue and publication fees to have the patent issue. Specifically, Respondent suggests that Mr. Openiano faced uncertain possibilities of successful commercial exploitation of the invention, he only invested \$515 and could revive it later, he "simply lost interest," and/or he did not have the money. R Brief ¶ 88, 91. Respondent's position is contrary to Mr. Openiano's testimony that Respondent did not inform him of the Notice of Allowance and that he would have worked out something with Respondent to pay the fees, and is not persuasive given that the total fees due would have been only \$1,170. Tr. 56-57. Moreover, Respondent's comment that any issue and publication fees "would necessarily have had to come out of my own pocket," suggests a disincentive to inform Mr. Openiano of the Notice of Allowance. R Brief ¶ 92.

Respondent asserts that he told Mr. Openiano about the October 22, 2010 Notice to File Corrected Application Papers in the [REDACTED] application, which required him to provide replacement

drawings. R Brief ¶¶ 148, 150. The Notice was sent to Respondent only a few days after Mr. Openiano had submitted a check to the USPTO in the amount of \$545 for the filing fee of the application, and had sent two \$500 checks to Respondent. Tr. 47, 48, 66. Especially given those circumstances, it seems improbable that Mr. Openiano was informed of the need for replacement drawings and yet did not provide them, arrange to have them made, or request an extension for filing them.

Respondent alleged, without testifying, that he used the opportunity of informing Mr. Openiano of the Notice to File Corrected Application Papers in the [REDACTED] applications, “to dun him for payment of his bill, and cure of his fraud.” R Brief ¶ 165. There is no testimony or evidence in the record to support this allegation.

Respondent attempted to impeach Mr. Openiano’s credibility by eliciting testimony that he has initiated several lawsuits, including one against Respondent, and that he stands to gain from the possible revival of his patents by testifying that he did not intend to abandon his applications. Tr. 110-115, 184-196. Respondent also attempted to impeach Mr. Openiano’s credibility on the basis that he is sufficiently knowledgeable about the patenting process to know that responses to Office actions would be due soon after each application was filed and that it would go abandoned without a timely response. Mr. Openiano, however, testified that he intended to obtain patents on all applications he requested Respondent to file, but that Respondent told him that he would not be able to obtain a patent on some of his applications, and as to others, that there was a backlog at the PTO. Tr. 116-136, 196. Respondent also suggested Mr. Openiano was biased by attempting to elicit testimony that he harbored hostility against Respondent for criticizing the likelihood of commercial success on his inventions. Tr. 203-218. These efforts did not demonstrate that Mr. Openiano harbored any such hostility. As to the initiation of a lawsuit against Respondent, any potential for Mr. Openiano’s testimony to be self-serving has little impact when weighed against the dearth of sworn testimony from Respondent, and the likelihood that Respondent’s testimony is self-serving. As to Respondent’s argument that Mr. Openiano’s testimony was inconsistent about payments he made, such inconsistency may be attributable to faulty memory and does not suggest a tendency to be untruthful.

I find Mr. Openiano to be a credible witness. His testimony was consistent with what he had told Ms. Oleksa. DX 24. Mr. Openiano’s frequent eye contact and relative calmness and composure in responding to complex questions during cross examination, his forthright manner of testifying, and his facial expressions gave an appearance of being truthful and genuine in his testimony. I credit his testimony and find that Respondent did not inform Mr. Openiano of the non-final Office Action in the ‘878 application, Notice of Allowance in the ‘510 application, and Notices to File Corrected Application Papers in the [REDACTED] and [REDACTED] patent applications.

There is no question that the Office correspondence of which Respondent failed to inform Mr. Openiano could have a significant effect on the patent applications, as they resulted in abandonment of the applications. A reasonable practitioner would believe under the circumstances presented by the evidence that Mr. Openiano immediately should be notified of

the Office notices at issue, as they provide the requirements and deadlines to avoid abandonment, and that he immediately should be notified of the abandonments, as revival of the application is more likely to be granted if a petition is filed soon after the abandonment. Tr. 441-442.

As to Respondent's defense that any attorney-client relationship was voided, Respondent's assertions as to this relationship are inconsistent. On one hand, Respondent testified, "He was my client until he committed fraud in July 1, 2008" and "his act of fraud . . . on four applications negates that I owe him any services or any fiduciary responsibility from that point forward." Tr. 468, 469. He also argues that he "advised him in no uncertain terms that absolutely no further legal services would be provided to him by me until, and unless, he made such progress as could be agreed-upon to pay his bill, and he understood this" and that he informed Mr. Openiano, "I was doing nothing on his patent matters." R Brief ¶ 120, 122. On the other hand, he testified, "I never ceased his [Openiano's] representation. . . . I filed two successor applications after his 2008, one in 2009 and one in, or 2010, and one in 2011. Why would that seem like I had ceased his representation?" Tr. 448, 449. He explained in his testimony, "The fact that I mentioned . . . that his representation was not being pursued in the matter of his filed applications is one defense, and it sounds in contract law that under the UCC there was never a contract and the UCC overrules the patent rules." Tr. 451. He explains in his Post-Hearing Brief:

I did not separately notify Mr. Openiano that I was going to stop providing him with legal services because he had not paid me because, in fact, this was not the case, and, having firmly established with Mr. Openiano that he would receive no more, nor any other, nor any additional legal services save that he timely come forward and negotiate and pay and authorize the provision of same, he never did so come forward for continuing patent prosecution services, but he did come forward for further applications preparations and filings that, by negotiated agreement . . . were duly timely provided to him.

R Brief ¶ 245. Respondent wants it both ways -- that he did not represent Mr. Openiano for purposes of further legal services after filing the applications, but that he did represent Mr. Openiano for purposes of filing new patent applications and getting paid.

Respondent's argument that there was no contract due to fraud, is flawed. The Restatement of the Law (Second), Contracts (1981) provides at Section 164, "If a party's manifestation of assent is induced by either a fraudulent or a material misrepresentation by the other party upon which the recipient is justified in relying, the contract is voidable by the recipient." This is distinct from the situation where there is no contract, which results from a misrepresentation as to the character or essential terms of a proposed contract, where there is no effective manifestation of assent. Restatement, § 163. Thus, if the contract between Respondent and Mr. Openiano was induced by fraudulent misrepresentation, it would not be void, but could be voidable. Respondent could only avoid his duty under the contract if he expressed to Mr. Openiano his decision to void the contract. Restatement § 7 ("A voidable contract is one where one or more parties have the power, by a manifestation of election to do so, to avoid the legal relations created by the contract"); Black's Law Dictionary (9th Ed. 2009)(voidable means

“capable of being affirmed or rejected at the option of one of the parties.”); *accord*, U.C.C. § 2-403(1)(b) (a person with voidable title has power to transfer good title to a purchaser even though the delivery of goods was induced by a check which was later dishonored). Furthermore, courts have disallowed reliance on a fraudulent inducement claim where the claimant’s support for it “woefully lacks in the type of details necessary for meeting the heightened pleading requirements of a fraud claim.” *Mendelsohn, Ducker & Assoc. v. Titan Atlas Mfg.*, 2013 U.S. Dist. LEXIS 62777, at * 26 (E.D. Pa., May 2, 2013). Such a fraudulent inducement claim would require Respondent to prove:

- (1) a misrepresentation; 2) that [Mr. Openiano] knew the representation was false and intended to induce [Respondent] to enter into the contract through that misrepresentation; (3) that [Respondent] actually relied on the misrepresentation in entering into the contract; and (4) that [Respondent’s] reliance led [him] to suffer an injury through entering into the contract.

Matassarini v. Grosvenor, 2015 U.S. Dist. LEXIS 183307 n. 163 (W.D. Tex., May 15, 2015). Respondent has not explained the legal requirements necessary to adequately plead a fraudulent inducement claim, how Mr. Openiano’s conduct satisfied the elements of the claim, or how his fiduciary duties would be nullified after preparation and filing of the applications.

Respondent also could avoid his duty under the contract if there was a condition therein providing that his duty arises only if the condition occurs. The law of contracts provides that the non-occurrence of a condition to a contract excuses performance of the other party’s duty until the condition occurs. Restatement §§ 225, 237. A “condition” is defined as “an event, not certain to occur, which must occur, unless its non-occurrence is excused, before performance under a contract becomes due.” *Id.* § 224.

There is no evidence that Respondent expressed to Mr. Openiano an intent to void a contract. Respondent’s testimony that he “never ceased his representation” of Mr. Openiano, and that continuing to represent Mr. Openiano was the only way he could be paid, is consistent with Mr. Openiano’s testimony that he understood Respondent continued to represent him. Tr. 80, 448, 474. Respondent was still expecting to be paid under a contract, and to be bound by the contract, when Mr. Openiano sent an email to Respondent in January 2011 stating that he could not pay for the next few months, and Respondent replied in an email “[D]on’t worry about it. Sounds like you’ve got enough on your mind.” Tr. 81-82; DX 26 at 87. Indeed, Respondent remained as Mr. Openiano’s attorney of record on all of the patent applications at issue and did not seek to withdraw from representing him. FF 17, 18, 60, 75.

Respondent implies that he added a condition to the contract, in the following testimony, “He [Mr. Openiano] was told that I filed these applications for you, I will continue in your representation if you go forward, if you pay” and “He said, ‘Well, hang in there, and I’ll pay if I – I understand the terms, I will pay – if I can pay, I will, but if I can’t, then I won’t, and I will in turn formally -- timely inform you . . .’ which ultimately resulted in the abandonments.” Tr. 470. This testimony is uncorroborated by any other evidence, and is vague, without any

information as to when any such condition was added, the amount to pay, whether it pertained to funding the \$10,000 check, when he would stop representation, which patent applications it applied to, or whether it relieved him of the duty to inform Mr. Openiano of Office correspondence. Indeed, Respondent apparently gave him an indeterminate time to pay off the \$10,000, as he testified, “. . . I continued to work out, work with him in the face of this uncovered fraud in the most beneficial manner I could, which is to say, okay, I – if you’re going to take the time, as you allege, to pay off the \$10,000, so be it . . .” Tr. 467-468. Consistent therewith, Mr. Openiano replied in the negative when asked whether Respondent told him he wasn’t his lawyer anymore or that he was going to withdraw because he had not paid Respondent. Tr. 80.

In any event, Respondent could not simply stop working on a patent application without notice to his client and to the PTO. “Attorneys do not have an absolute right to withdraw from representation at any time, with or without cause.” *Kirkland v. Golden Boy Promotions, Inc.*, 2013 U.S. Dist. LEXIS 198853, *3 (C.D. Cal. May 8, 2013). Even if “grounds for termination exist, attorneys seeking to withdraw must comply with the procedures set forth in [the applicable rules of professional conduct], and are subject to discipline for their failure to do so.” *Id.* “A lawyer violates his or her ethical mandate by abandoning a client, or by withdrawing at a critical point and thereby prejudicing the client's case.” *Id.* at 6-7. Because “the decision of whether to prosecute [an application] remains with the client” (*In re Patent No. 4,383,790*, 1998 Commr. Pat. LEXIS 171, *30 (USPTO 1998)), Respondent had a duty, at minimum, to provide Mr. Openiano with the information necessary for him to exercise his right to decide whether to abandon the application. To withhold from the client notice of action needed to avoid abandonment is to effectively strip the client of his right to decide. Failure of payment does not justify denying the client of this right. As stated by the Fifth Circuit Court of Appeals, “Counsel, of course, is entitled to charge for his services, but if, for whatever reason, he permits his services to be used without compensation . . . until a critical stage in the proceedings arrives, he can’t be permitted simply to bow out without notice either to court or client and frustrate forever the right of the client to protect his vital interests.” *Atilus v. United States*, 406 F.2d 694, 696 (5th Cir. 1969).

The evidence does not support any defense presented by Respondent that would relieve him of his duty to inform Mr. Openiano of, and respond to, Office correspondence in the patent applications at issue. I conclude that the Director has shown by clear and convincing evidence that Respondent engaged in disreputable or gross misconduct in violation of 37 C.F.R. §§ 10.23(a) and (b) by violating Section 10.23(c)(8).

3. Analysis and Conclusions as to 37 C.F.R. §§ 10.77(c) and 10.84

As pointed out by the Director, a practitioner allowing patent applications to go abandoned without the consent of his client is a classic example of neglecting a matter entrusted to a practitioner, in violation of 37 C.F.R. § 10.77(c). *E.g.*, *In re Hormann*, Proceeding No. D08-04 (USPTO, July 8, 2009). A practitioner knowingly allowing patent applications to go

abandoned also has “intentionally [f]ailed to seek the lawful objectives of a client through reasonably available means permitted by law and the Disciplinary Rules” under 37 C.F.R. § 10.84(a) where the client seeks a patent and does not intend to abandon his patent application. Respondent admits that he intentionally did not respond to the Office notices and knew that the applications therefore would go abandoned. R Brief ¶¶ 27, 32, 65, 92, 122, 151; Tr. 458. Mr. Openiano testified that his objective was to have the patents issue, and that he did not intend to abandon the patent applications. Tr. 106-107, 129-130, 133. Consistent with that objective, he hired another attorney to revive his patent applications, but, he testified, he could only afford to pay for revival of one application. Tr. 102-103; FF 76, 79.

Respondent’s position is that this testimony should be discredited and that Mr. Openiano instead “gave his constructive consent to abandonment” of the patent applications, prompting Respondent not to file a response to the Office Actions and Notices. R Brief ¶¶ 30, 65, 68, 97, 124, 155. As to the [REDACTED] patent application, Respondent discussed with Mr. Openiano the need for replacement drawings but Respondent did not respond to the Notice to File Corrected Application Papers. FF 22, 23. Respondent asserts that he told Mr. Openiano that he would engage a draftsman to draft the required drawings only if Mr. Openiano would pay the draftsman directly, but because Mr. Openiano failed to provide any payment or the drawings, and knew the consequences thereof, he “gave his constructive consent to abandonment.” R Brief ¶¶ 61, 65, 68. Respondent could have purchased an extension of time, but he did not do so. FF 21, 23. An extension of one month would cost as little as \$50. 37 C.F.R. 1.17(a)(1). Respondent met with Mr. Openiano in November 2008, more than one month after the due date had expired in September, to discuss the replacement drawings. FF 21, 22. Either Respondent neglected to notice that the time period for a response had expired, or he falsely led Mr. Openiano to believe that it had not expired. Mr. Openiano did not give permission for the [REDACTED] application to go abandoned, and there is no evidence that in this meeting, or at any other time prior to October 2013, Mr. Openiano knew that the [REDACTED] patent application would go abandoned. FF 25, 26, 71.

As to the other patent applications, Respondent did not inform Mr. Openiano of the non-final Office Actions in the ‘878 and ‘987 applications, Notice of Allowance in the ‘510 application, and Notices to File Corrected Application Papers in the [REDACTED] and [REDACTED] patent applications. FF 28, 34, 40, 54, 62. Respondent argues stoutly that Mr. Openiano nevertheless knew “what was going on” and knew that Respondent would not respond to any Office Actions or Notices unless the \$10,000 bill was paid, so Mr. Openiano’s non-communication and non-payment authorized Respondent not to respond, and caused the abandonments. R Brief ¶¶ 30, 31, 96, 122, 125, 151-156, 171-173. This argument is not supported by evidence of record and is contradicted by Mr. Openiano’s testimony that Respondent led him to believe that the Office had not sent any correspondence relating to the patent applications because it had a backlog. Tr. 116-136, 196. Respondent acknowledges that they “regularly verbally communicated with one another” between the filing of the ‘878 application until at least March 2011. R Brief ¶ 31. Mr. Openiano testified, “you [Respondent] keep on telling me there is a backlog with the Patent Office causing more delays . . . So you injected that into my mind . . . I inquire with you the status updates of those application, and you keep on telling me there is backlog . . . They’re cutting people, cutting staff, cutting personnel, so it’s taking longer and longer.” Tr. 135-136.

At the time of such discussion with Mr. Openiano, Respondent may not have anticipated that his client would insist on following up on the patent application or would speak to OED. Mr. Openiano testified that in the meeting in October 2013, Respondent told him that due to the fault of the Patent Office, the [REDACTED] application became abandoned and that Respondent did everything to prosecute it, and this testimony is consistent with his statements in emails to Ms. Oleksa and to Respondent on October 27, 2014. FF 72; Tr. 89; DX 25, DX 26 at 99. I find Mr. Openiano's testimony to be credible, and find that he did not authorize Respondent not to respond to the Office Actions and Notices. I conclude that the Director has shown by clear and convincing evidence that Respondent violated 37 C.F.R. 10.77 and 10.84(a).

I conclude that by failing to inform Mr. Openiano of the Office Actions and Notices, by allowing the patent applications to go abandoned, and by failing to inform him timely of the Notices of Abandonment, Respondent also intentionally "[f]ail[ed] to carry out a contract of employment entered into with a client for professional services" without withdrawing under the Rules.

By such failures he also intentionally "[p]rejudice[d] or damage[d] a client during the course of a professional relationship" in violation of 37 C.F.R. § 10.84(a)(2) and (3). Mr. Openiano wanted patents to issue on his applications, so when they were abandoned, he wanted to revive them. FF 74, 76, 78, 79. However, a petition to revive an application requires a showing that the delay from abandonment until filing of the petition was unintentional, and payment of filing fees of \$850 or more, and legal fees for preparing the petition. FF 78; Tr. 106, 441, 443; DX 27 at 61-62. As Mr. Openiano testified, he only had the money to hire an attorney for one of the applications, and he paid the attorney approximately \$6,000 in legal fees to prepare and prosecute the petition. FF 79.

The evidence shows that while Respondent neglected his client Mr. Openiano, Respondent did not in fact withdraw from employment in a proceeding before the Office, and therefore did not violate 37 C.F.R. § 10.40.

C. Count III

1. Parties' Arguments

The OED Director argues that Respondent violated most of the same sections of the PTO Code in regard to the Bartols as he did with Mr. Openiano. Respondent advised Mr. Bartol of the non-final Office Action in the '762 patent application, and Mr. Bartol wrote Respondent a response as to which claims they planned to pursue, but Respondent never filed a response, and did not advise them about the Notice of Abandonment. The Director challenges as not credible Respondent's claim that he and Mr. Bartol had agreed to drop the application, as it is contrary to information Mr. Bartol provided in response to OED's investigation, and it is unlikely, if the parties had decided to make such a change in course of action, that an additional email to that

effect would not exist. D Brief at 65; Reply at 13-14. The Director also challenges Respondent's characterization of Mr. Bartol's motive for filing the application as ego-based, given that Mr. Bartol stated in an email that his strategy is "fundamentally defensive; that is, avoid legal action against products we manufacture. . . , that may incorporate certain technical characteristics over which someone might claim prior legal rights." D Brief at 65-66 (citing DX 17 at 1).

Respondent asserts that Mr. Bartol discussed by telephone his reasons for seeking each of his patents, and Respondent found with respect to the '762 application that Mr. Bartol was under a misconception, and that they agreed that any patent issuing to Mr. Holguin was unlikely to be used for any lawsuit against Mr. Bartol's firm, that "the real reason Mr. Bartol was seeking a patent was vanity," that this was not a suitable business purpose, and that the application should be permitted to go abandoned "to save further futile costs." R Brief at 57, ¶¶ 257, 258. Thus, Respondent asserts, Mr. Bartol verbally directed him not to file a response, and on behalf of both Bartols consented to the abandonment of the application, and consequently Respondent did not inform them that it had gone abandoned. *Id.* at ¶¶ 260, 263, 264. Respondent points out that Mr. Bartol has not sought to revive the patent application. R Brief at 57.

2. Discussion and Conclusions

Respondent testified that he had obtained three patents for Mr. Bartol, that Mr. German Holguin was a co-inventor on them, and that millions of dollars of products were developed under them. Tr. 540, 550-551. He explained that Mr. Holguin, an engineer working for Mr. Bartol, left Mr. Bartol's company for its main competitor, and filed another patent application, which enraged Mr. Bartol and caused him to lose business. Tr. 551-553. He explained further that Mr. Bartol, "very steamed," wished to file immediately a patent application that "could be found superior" to Mr. Holguin's. Tr. 552-553. Respondent explained that he could have made three to five thousand dollars on the application, but he advised Mr. Bartol "not to do this" and that the application was abandoned by direction. Tr. 553-555.

Respondent's claimed altruistic motive is not corroborated by any other evidence, and is not the only possible explanation for his failure to submit a response to the Office Action. It is also possible that Respondent simply forgot, or was busy or disorganized and neglected to file a response to the non-final Office Action in the '762 application, particularly as there are a significant number of patent applications in this matter upon which Respondent failed to file responses to Office Actions and Notices.

Respondent's explanation also contradicts what Mr. Bartol reported to Ms. Oleksa. Telephoning her in response to her letter inquiring whether Respondent informed him of the Office correspondence on his patent application and whether he had consented to the abandonment, she testified, Mr. Bartol said that he was unaware that Respondent had not followed through on his application and that it had become abandoned. She testified, and wrote in her notes memorializing her conversation with Mr. Bartol, that he told her he had directed

Respondent to elect the first invention on the application, and that was the last time he communicated with Respondent, although he had made numerous unsuccessful attempts to contact Respondent by telephone. She testified and wrote further that he told her he did not consent to abandonment, and wanted to know how he might revive the application. FF 101; Tr. 328-330; DX 14, 18.

Mr. Bartol's email of August 9, 2011 instructing Respondent to file a response electing claims 1-12 demonstrates his intent for Respondent to respond to the Office Action. A reasonable practitioner would confirm in writing such a serious matter as deciding to abandon a patent application, particularly if he had to persuade the client not to pursue it after being given written direction to pursue the application. Respondent did not do so. Furthermore, Respondent's testimony at the hearing is not convincing. While he testified in detail and with much commentary about Mr. Bartol and Mr. Holguin, his testimony lacked detail on the issue at hand -- whether Mr. Bartol decided not to pursue the patent. Tr. 550-555. He testified that he asked Mr. Bartol why he was filing the application, and that Mr. Bartol responded that it was to "show up" Mr. Holguin, upon which Respondent asked whether that was a good reason to invest "multiple thousands of dollars" more to prosecute it. Tr. 554. However, he only offered a simple summary of the ensuing conversation -- that he "finally talked Luis down off his high horse, and got him to reconsider in a more deliberative fashion whether he really wanted this patent, and he made that decision at this time not to pursue it" and that Respondent "advised him not to do this and that is the reason the application was abandoned. By direction." Tr. 554-555. Moreover, Respondent's response to the Third RFI suggests he was not so sure that he had convinced Mr. Bartol to abandon the application, as he stated merely that he "*thought* that [he] had secured the acquiescence of Mr. Bartol" to his suggestion to abandon the '762 application. DX 22 at 4, 5 (emphasis added); Tr. 352; CX ¶ 98. I find no basis for discrediting Ms. Oleksa's testimony and notes memorializing her conversation with Mr. Bartol, or for discrediting statements Mr. Bartol made to her. Respondent has not supported by clear and convincing evidence his defense that the Bartols authorized or consented to abandonment of the application.

Accordingly, I conclude that by failing to respond to the Office Action, and allowing the application to become abandoned, Respondent neglected a legal matter entrusted to him, in violation of 37 C.F.R. § 10.77, and failed to seek the lawful objectives of the Bartols, in violation of 37 C.F.R. § 10.84(a)(1).

By failing to inform the Bartols of the Notice of Abandonment, Respondent also failed to inform a client of Office correspondence that could have a significant effect on a pending matter, in violation of 37 C.F.R. § 10.23(a) and (b) through § 10.23(c)(8). By such failure and allowing the patent application to go abandoned, Respondent intentionally "[f]ail[ed] to carry out a contract of employment entered into with a client for professional services" and intentionally "[p]rejudice[d] or damage[d] a client during the course of a professional relationship," in violation of 37 C.F.R. § 10.84(a)(2) and (3). The Bartols were not informed of the abandonment until August 2014, two and a half years after it went abandoned. FF 99, 101. The PTO fee for a petition to revive is approximately \$1,600 for a large entity, and the petitioner must pay legal fees of several thousand dollars for preparation of the petition, plus additional costs for

prosecution, and must show that the delay from abandonment until filing of the petition was unintentional. Tr. 441, 443, 570. Mr. Bartol expressed interest in revival of the application; the fact that he has not in fact revived it does not indicate a lack of damage or prejudice from Respondent's failures to act. FF 101.

D. Count V

1. Parties' Arguments

Respondent is charged with violating the same sections of the PTO Code in regard to the matter involving Ms. [REDACTED] as in regard to the Bartol matter, and in addition is charged with violating 37 C.F.R. § 11.104 for his failure to communicate after the new rules took effect on May 3, 2013.⁹ The OED Director asserts that Respondent violated the latter rule and Section 10.23(a), (b) and (c)(8) by ignoring one client, Ms. [REDACTED] and communicating instead with the co-client Mr. [REDACTED], where there was no reassignment of the application to him. The Director asserts that Respondent neglected a legal matter, intentionally failed to seek the lawful objectives of Ms. [REDACTED] to get a patent, intentionally failed to carry out a contract of employment with Ms. [REDACTED], and intentionally damaged her, by letting the application become abandoned under the direction of his other client Mr. [REDACTED], in violation of 37 C.F.R. § 10.77(c), 10.84(a)(1), 10.84(a)(2), and 10.84(a)(3).

Respondent's position is that Mr. [REDACTED] was the principal inventor and the sole point of contact for the patent application, and that Ms. [REDACTED] had acquiesced in the arrangement. R Brief ¶ 284, p. 47 ¶ 315. He asserts that he requested the replacement drawing from Mr. [REDACTED], but did not receive it and did not get Mr. [REDACTED]'s authorization to respond to the Notice to File Missing Parts. *Id.* ¶ 296. He argues that he did not know that "any dispute between Ms. [REDACTED] and Mr. [REDACTED] extended to the prosecution of the filed patent," that he was never approached by her, and that he "was never told by Mr. [REDACTED] anything but that he had full authority to attend to directing prosecution" of their patent application. R Brief pp. 57-58, ¶ 305. He asserts that he received information from Mr. [REDACTED] that the application had been reassigned to him, and any suggestion that Respondent should be responsible for "investigating the veracity of a designated client conduct . . . is both unrealistic, and unsound." *Id.* p. 58, ¶ 310. He asserts further that only Mr. [REDACTED] was in charge of the patent application, that Respondent "was not to report to her," and that "unauthorized communication of the status of an application to a party no longer holding rights therein could be devastating to the business purposes of the true rights holder." R Brief p. 46 ¶¶ 314, 315. At the hearing, he insisted that an attorney is not required to communicate with every individual inventor, but can deal with a single point of contact, and that "from day one" of the patent application, he was dealing only with Mr. [REDACTED]. Tr. 483-485. He

⁹ The Notice to File Missing Parts was sent to Respondent on March 14, 2013 and set forth a two-month reply period, which elapsed on May 14, 2013, after the PTO Rules took effect on May 3, 2013. Consequently, both 37 C.F.R. 10.23(a), (b) and (c)(8) and 37 C.F.R. § 11.1104 apply to Count V.

emphasized that Ms. [REDACTED] only was a co-inventor on a single claim in the application, and her role was de minimis, to “pay the bills,” to finance the invention. Tr. 491-492. He argues that the fact that neither client petitioned to revive the patent application shows that they have no desire to claim any rights in it. R Brief p. 47 ¶ 318.

In reply, the Director points out that there is no proof that the clients had an agreement that Mr. [REDACTED] was the sole point of contact or otherwise indicating that Respondent was obligated only to communicate with Mr. [REDACTED]. Reply at 14.

2. Discussion and Conclusions

The Rules do not specifically address a practitioner’s duty to co-clients. Generally, however, the fiduciary relationship of an attorney creates a duty not to act contrary to, or assume a position inconsistent with, his client’s interests. Where two parties are jointly prosecuting a patent application, they are commonly considered to be joint clients. *Merck Eprova AG v. ProThera, Inc.*, 670 F.Supp.2d 201, 211 (S.D.N.Y. 2009). An attorney’s representation of joint clients presents a risk that at some point the clients’ interests may differ. “A client is entitled to his attorney’s unimpaired loyalty and the danger is that an attorney representing conflicting or potentially conflicting interests will be tempted to favor one client over the other.” *Johnson v. Haberman & Kassoy et al.*, 201 Cal. App. 3d 1468, 1475 1988 Cal. App. LEXIS 535 (1988). For a patent practitioner, there is a potential for conflict of interest between co-inventors on a patent application. Indeed, Respondent admitted that he was familiar with disputes among co-inventors. Tr. 564.

Ms. [REDACTED] and Mr. [REDACTED] were co-inventors and were Respondent’s clients. FF 113-115. At the time of the due date for a response to the Notice to File Missing Parts in May 2013, Respondent filed the assignment of the patent application to [REDACTED], so he had no basis to conclude that she ceased being his client. FF 118, 121. Respondent admitted in response to the First RFI that subsequent to filing the assignment to the [REDACTED] “a dispute broke out over the allocations of rights and benefits under the assigned patent.” FF 126. Thus according to Respondent, the dispute began after the due date for the response to the Notice to File Missing Parts. FF 118, 121.

He also had no reasonable basis to conclude that she ceased being his client on grounds that the application had been assigned back to Mr. [REDACTED]. While Mr. [REDACTED] and Ms. [REDACTED] discussed a proposal to reassign the patent application to Mr. [REDACTED], the proposal fell through. FF 128-131; Tr. 339-340; DX 11 at 17. Respondent admitted at the hearing that he personally did not know whether it was assigned back to Mr. [REDACTED], but insisted that Mr. [REDACTED] told him that it was, as follows:

And as to whether the assignment [to Mr. [REDACTED]] exists, and is not yet recorded, I don’t know. I only know what Mr. [REDACTED], my – or one of my clients tells me. The [REDACTED] have never told me anything otherwise.

I have no knowledge -- from Mr. [REDACTED], I tend to believe that this reverse assignment does exist. He's told me that it does exist.

Tr. 497-498. However, Respondent's representations as to what Mr. [REDACTED] told him are not credible, as they are inconsistent with the letter from Mr. [REDACTED]. The letter does not indicate that the application was assigned back to him, but states merely that the original assignment had a right of reversion and that he has not yet exercised his right of reversion. FF 131.

Thus, Mr. [REDACTED] and Ms. [REDACTED] remained as Respondent's co-clients, and they indeed had a conflict of interest. Given the potential for conflict of interest, whether or not he knew of an actual conflict of interest, he was required to comply with the Rules with respect to each client.

Respondent, however, disregarded the risk involved with dual representation. He did not respond to Ms. [REDACTED]'s emails or otherwise communicate with her after May 2013, he failed to inform her of the Notice to File Missing Parts and Notice of Abandonment, and he allowed the [REDACTED] patent application to become abandoned without her knowledge or consent. FF 120, 122, 125. She indicated her interest in pursuing the patent application in her email to him on May 9, 2013. FF 122. In addition, as the client responsible for paying the bills, surely she should have been consulted or notified before a decision was made not to respond to the Notice to File Missing Parts -- to allow the application to go abandoned. Ms. Oleksa explained at the hearing that each of the joint inventors should be consulted in the steps to be taken in the case, because they are both of record. Tr. 294-295.

Respondent was not entitled to ignore the risk of dual representation and exempt himself from complying with the Rules with respect to Ms. [REDACTED] on the basis of the co-client's direction not to communicate with her and that he was the point of contact, or on the basis that she was not the primary inventor. A practitioner is allowed to limit the scope of the traditional attorney-client relationship "if the limitation is reasonable under the circumstances and the client gives informed consent." 37 C.F.R. 11.102(c). He did not get informed consent from Ms. [REDACTED] to limit his contact with her. FF 117. His failure to confirm with her that Mr. [REDACTED] is the sole point of contact underscores his failure perform his duty to his client Ms. [REDACTED].

To the extent that Respondent implies that maintaining Mr. [REDACTED] as sole point of contact was in furtherance of an attorney's duty to maintain confidentiality, this duty was misplaced with respect to avoiding disclosure to Ms. [REDACTED], the co-client. "A lawyer's obligation to communicate to one client all information needed to make an informed decision qualifies the [attorney's] duty to maintain the confidentiality of a co-client's information." *A v. B*, 158 N. J. 51, 56, 726 A.2d 924, 926 (NJ 1999).

Accordingly, I find by clear and convincing evidence that Respondent allowed the application to become abandoned without the knowledge or consent of his client Ms. [REDACTED], and he thereby neglected a legal matter entrusted to him, in violation of 37 C.F.R. § 10.77, failed to seek the lawful objectives of Ms. [REDACTED] in violation of 37 C.F.R. § 10.84(a)(1), intentionally "[f]ail[ed] to carry out a contract of employment entered into with a

client for professional services” and intentionally “[p]rejudice[d] or damage[d] a client during the course of a professional relationship,” in violation of 37 C.F.R. § 10.84(a)(2) and (3). FF 123, 125. Ms. [REDACTED] was not informed of the abandonment until Ms. Oleksa informed her of it in August 2014. Tr. 337; DX 19. The cost of reviving a patent application would include a PTO fee of at least \$800, plus the legal fees for preparing such a petition, and the petitioner must show that the delay from abandonment until filing of the petition, was unintentional. Tr. 441, 443, 523. Ms. [REDACTED] expressed interest in reviving the application; the fact that neither client actually petitioned to have it revived it does not indicate a lack of damage or prejudice from Respondent’s failures to act. FF 122, 133.

By failing to inform her of the March 14, 2013 Notice to File Missing Parts, Respondent also failed to inform a client of Office correspondence that could have a significant effect on a pending matter, in violation of 37 C.F.R. § 10.23(a) through § 10.23(c)(8). In addition, after May 3, 2013, by not informing her of the Notice to File Missing Parts and by not filing a response to it, he failed to “[p]romptly inform the client of any decision or circumstance with respect to which the client’s informed consent is required by the USPTO Rules,” failed to “[r]easonably consult with the client about the means by which the client’s objectives are to be accomplished” and failed to “explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation,” in violation of 37 C.F.R. § 11.104(a)(1) and (2) and 11.104(b). By not informing her of the Notice to File Missing Parts and Notice of Abandonment, and by not responding to her emails or otherwise communicating with her after May 2013, he failed to “[k]eep the client reasonably informed about the status of the matter” and failed to “[p]romptly comply with reasonable requests for information from the client,” in violation of 37 C.F.R. § 11.104(a)(3) and (4). FF 120, 122, 124.

E. Count VII

1. Parties’ Arguments

Respondent is charged with violating the same provisions in the Rules in regard to his client Mr. [REDACTED] as with the other clients referenced in the Complaint. *See*, Complaint ¶¶ 145-157. Respondent denies any ethical violation, and maintains in his Post Hearing Brief that because he was out of contact with Mr. [REDACTED], he neither informed him of the Notices from the Office nor sent him copies of them. R Brief ¶¶ 325, 326, 334, 338, 339. He argues that Mr. [REDACTED] “was unavailable to provide direction, and had left orders upon applications filings, for which he paid nothing (zero) to likewise do nothing for which any expense might be incurred in the future” and therefore Respondent “had done nothing for which cost(s) might be incurred by him” R Brief ¶ 340. He asserts that Mr. [REDACTED] had “expressed that he wanted only the official filings to present to potential investors.” R Brief ¶ 351. Respondent further contends that Mr. [REDACTED] “ultimately got exactly what he wanted from his applications, which was to explore the possibilities of the inventions . . . without spending [a] single dime on attorney’s fees” R Brief at 58. He further suggests that “[m]any inventions would be well served by this very treatment” of being abandoned early. *Id.* Respondent also

points out that, consistent with Mr. [REDACTED]'s lack of success in securing financial support to develop his inventions, he still has not sought to revive his applications. *Id.*

In response, the Director argues that Respondent intentionally failed to take adequate steps to communicate, as Mr. [REDACTED]'s mailing address did not change. Moreover, if Respondent could not reach his client, he had the obligation to seek permission from the Office to withdraw representation. The Director asserts that Respondent's position that Mr. [REDACTED] was not interested in pursuing the application is inconsistent with what Mr. [REDACTED] reported to OED. The Director suggests that Respondent could have subpoenaed Mr. [REDACTED] but perhaps chose not to because his testimony would have been adverse to Respondent. D Brief at 80. Inability to contact a client does not relieve an attorney of his duty to his client, the Director argues, as held in *Allison v. Comm'n for Lawyer Discipline*, 374 S.W.2d 520, 525 (Tex. App. 2012). Even if Mr. [REDACTED] is able to revive the patent, the Director asserts, it would receive a shorter patent term due to the delay, which constitutes damage to the client. D Brief at 81-82.

2. Discussion and Conclusions

Respondent offered to be a co-inventor on Mr. [REDACTED]'s patent application in exchange for preparing the patent application free of charge. Tr. 291-292; DX 7 at 29, 33, 45; FF 137. Respondent apparently intended to gain some percentage of the equity in the invention. DX 7 at 45. Mr. [REDACTED] signed a Power of Attorney statement on both applications, appointing Respondent to prosecute the applications, and therefore Mr. [REDACTED] was his client. FF 136. It is undisputed that Respondent did not tell Mr. [REDACTED] about the Notice to File Missing Parts in the [REDACTED] application and the Notice to File Corrected Application Papers in the [REDACTED] application, and did not file responses to the Notices, resulting in the applications becoming abandoned. FF 139-141, 148-150. Respondent also did not inform Mr. [REDACTED] of the resulting Notices of Abandonment or promptly provide him legal advice thereon. FF 142, 151.

Respondent explained at the hearing that Mr. [REDACTED] "knew about the requirement" to submit missing parts and knew that abandonment "was coming just as Mr. Openiano has known that when you don't respond to the PTO requirements, ultimately the consequence thereof is abandonment." Tr. 505-506, 510-511. He also testified that Mr. [REDACTED] was trying to see if he could get financing on the patent applications, and by the time of the deadline for responding, "he'd come back and say it's not going anyplace" Tr. 505-506, 510-511. Respondent testified that Mr. [REDACTED] directed him to make no response, and that the applications became abandoned "by authorization of Mr. [REDACTED]." Tr. 510, 559. Respondent explained that Mr. [REDACTED] told him that the group of potential investors "are not going to give me the money I request." Tr. 559-560. Respondent then asked him, "what does that mean with regards to continuing prosecution?" and Mr. [REDACTED] said, "You told me that if we don't respond, we don't – the applications die . . . I did what I wanted with them, and it didn't happen so, yeah, go ahead, don't do anything, let the applications become abandoned." Tr. 559-560. This testimony suggests that the conversation occurred prior to the applications

becoming abandoned, and is inconsistent with his claim that he could not contact Mr. [REDACTED] at that time. R Brief ¶¶ 325, 326, 334, 338, 338 (Respondent's claims that he was out of contact with his client).

In contrast to his assertions in response to the First and Third RFIs of his and Mr. [REDACTED]'s lack of memory about the applications, Respondent testified in detail about conversations he had with Mr. [REDACTED] regarding the Notices from PTO, Mr. [REDACTED]'s reasons for allowing the applications to go abandoned, and waiting until 2008 to respond to the Notices. Tr. 505-506, 508, 510, 511, 523, 559-560; FF 157, 163. He explains his apparent renewed memory as a result of discussion with Mr. [REDACTED] about the applications in the context of preparing a letter dated February 12, 2015 to Ms. Oleksa, signed by Mr. [REDACTED], stating, *inter alia*, that he paid nothing for the applications and that his name and email address had changed. Tr. 515; RX 2. Respondent testified as follows:

. . . when Mr. [REDACTED] executed his letter . . . , it wasn't done in a vacuum. He talked to me – and said, “What went, what do you recollect,? What went on there?”

I said, “Do you remember there was a requirement for a – a formal requirement for, what was it, new drawings or something – no, a deficiency in the filing fee for \$100.” He said “And I do.”

I say, “You remember we agreed you didn't have the money, you weren't going to pay that?”

Tr. 515. Notably, Respondent did not go on to testify as to any response of Mr. [REDACTED] to the question; he only testified generally that Mr. [REDACTED] “did not want these applications to pursue through issuance, unless investment was forthcoming.” Tr. 517. Respondent did not explain why that basis for abandonment was not included in the February 12, 2015 letter. Thus the record does not support a finding that Mr. [REDACTED] directed Respondent to abandon the application, but rather, that Respondent expected payment, and that if he did not receive payment, then he would allow it to become abandoned – consistent with his reasoning for letting Mr. Openiano's applications become abandoned. R Brief ¶¶ 30, 32, 68-71. Furthermore, the testimony that Mr. [REDACTED] knew of the requirement for new drawings or a \$100 fee conflicts with his statements in the letter and to Ms. Oleksa that he did not receive communication from Respondent on the status of his applications. RX 2; DX 16.

Respondent explained at the hearing that the \$100 check was submitted in August 2008 in the [REDACTED] application because Mr. [REDACTED] wanted to “re-approach his investors for a second bite at the apple. . .” and had asked Respondent what showing they could make to the PTO at such a late date, and that Respondent had told him that an attempt to satisfy the requirement “shows your investors, not just the PTO . . . you're still ploughing the ground.” Tr. 508, 511.

Ms. Oleksa acknowledged that an applicant may file a non-provisional application in order to discuss financing options with potential investors, and then abandon it after determining there is no market for the invention. Tr. 376-377. However, Respondent's submittal in August

2008 of the check in the [REDACTED] application and the new specification pages in the [REDACTED] application, and re-approaching investors for “a second bite at the apple,” suggests that Mr. [REDACTED] did not intend to abandon them. FF 144, 153. Mr. [REDACTED]’s response to Ms. Oleksa’s letter inquiring about the [REDACTED] application further confirms that he never intended to abandon the applications, as he stated that he was “surprised to learn that the application had become abandoned,” that he was not informed of the Office Notices, and that he did not consent to the abandonment, as well as asking what steps he could take to revive it. Tr. 317-319; DX 16. Moreover, he asserts that he was in contact with Respondent to revive the applications. RX 2; Tr. 530.

Respondent’s testimony that Mr. [REDACTED] told him not to do anything on the applications and to let them become abandoned is self-serving and uncorroborated, inconsistent with other evidence, and not credible. Respondent’s treatment of Mr. [REDACTED]’s applications shows his inclination not to take further action on applications for which he was not paid, and is consistent with his failure to take further action on applications for Mr. Openiano, on which he also was not being paid. See FF 89; CX 80; CX 11 at 14-16. Initially, having an intention to get a percentage of equity in the patent applications, Respondent may have been motivated to prepare and file them, but Mr. [REDACTED]’s difficulties in obtaining investors apparently diminished Respondent’s motivation to take further action on the applications. RX 2. However, under the Rules, as a patent attorney, Respondent had a duty to inform his client Mr. [REDACTED] of the Notices from the Office and to carry out his intentions. The submittal of a check for the additional claim fees in the [REDACTED] application, and new specification pages in the [REDACTED] application, after they had gone abandoned, and without a petition to revive, appear to be halfhearted and ineffectual efforts to create an illusion of progress being made on the application, and did not carry out Mr. [REDACTED]’s intent for Respondent to continue prosecution of the applications. FF 138, 144, 145, 147, 153, 155.

I note that Mr. [REDACTED]’s February 12, 2015 letter states “I regard [Respondent’s] professional services as satisfactory.” RX 2. However, it was written months after Ms. Oleksa issued the Third RFI, and after Respondent had talked to him about revival of his applications. DX 21. Respondent talked to Mr. [REDACTED] in the context of its execution, and it reflects a wordy communication style similar to that of Respondent and some arguments of Respondent, which suggests that Respondent either drafted it or had some influence on the content of the letter. RX 2; Tr. 515. The letter admits that Mr. [REDACTED] did not receive communication from Respondent on the status of his applications, but notes that he had changed his business email address and that “it is possible” that emails to that address would not have been received. *Id.*

However, the mere change in a business email address does not mean that Respondent could not contact him. Respondent testified that Mr. [REDACTED]’s telephone and email communication “collapsed.” Tr. 526-527. Indeed his name changed in April 2009, but that was almost a year after the applications became abandoned in May 2008. Tr. 526-527; FF 141, 150, 166. The evidence shows that they exchanged emails on November 28, 2007 and May 8, 2008, two months after the initial Office Notices were mailed and before the Notice of Abandonment,

using the same email addresses. FF 167; DX 7 at 43. Moreover, not only did Mr. [REDACTED]'s physical address remain the same, but also his phone number did not change, as the phone number supplied on the Power of Attorney forms for Mr. [REDACTED]'s applications, dated August 22, 2007, is the same phone number that he supplied Ms. Oleksa on August 4, 2014 for her to contact him. DX 54 at 10; DX 56 at 94; DX 16. FF 168, 169. Thus Respondent's claim that he was not able to contact Mr. [REDACTED] is not credible.

I find no basis for discrediting Ms. Oleksa's testimony and notes memorializing her conversation with Mr. [REDACTED], or for discrediting Mr. [REDACTED]'s statements to her. The clear and convincing evidence shows that Mr. [REDACTED] did not consent to the [REDACTED] and [REDACTED] 5 applications becoming abandoned. FF 143, 152.

Accordingly, I find that by failing to respond to the Notice to File Missing Parts and Notice to File Corrected Application Papers, and allowing the applications to become abandoned, Respondent neglected a legal matter entrusted to him, in violation of 37 C.F.R. § 10.77(c), and failed to seek the lawful objectives of Mr. [REDACTED], in violation of 37 C.F.R. § 10.84(a)(1).

By failing to inform Mr. [REDACTED] of the Notice to File Missing Parts, Notice to File Corrected Application Papers and Notice of Abandonment, Respondent also failed to inform a client of Office correspondence that "could have a significant effect" on a pending matter, in violation of 37 C.F.R. § 10.23(a) and (b) through § 10.23(c)(8). By such failure and allowing the patent application to go abandoned, Respondent intentionally "[f]ail[ed] to carry out a contract of employment entered into with a client for professional services" and intentionally "[p]rejudice[d] or damage[d] a client during the course of a professional relationship," in violation of 37 C.F.R. § 10.84(a)(2) and (3). His failure to inform Mr. [REDACTED] of the abandonments resulted in damage or prejudice because as a result of Respondent's failures, Mr. [REDACTED] would have to pay the PTO fee plus costs of legal services to petition for revival of the applications, and even if an application was revived, he would receive a shorter patent term due to the delay, rendering the patent less valuable. Tr. 523, 528; 35 U.S.C. § 154(a)(2). Mr. [REDACTED] expressed interest in revival of his '524 application; the fact that he has not in fact revived them, and that he did not pay Respondent for preparing the applications, does not indicate a lack of damage or prejudice from Respondent's failures to act. FF 146; *see, Florida Bar v. King*, 664 So.2d 925, 926-927 (Fla. 1995)(affirming finding that attorney failed to provide diligent representation, rejecting argument that there could be no finding of misconduct because client had not paid a retainer).

VII. False Statements and/or Misrepresentation

The Complaint alleges that Respondent made false statements and/or misrepresentation to his clients and to OED and that he failed to cooperate in matters concerning the clients, in violation of 37 C.F.R. §§ 11.303(a), 11.801(a) and (b), and 11.804(c) and (d). In addition, the Complaint alleges that Respondent violated 37 C.F.R. § 10.23(b)(4) of the PTO Code by

“[e]ngag[ing] in conduct involving dishonesty, fraud, deceit or misrepresentation,” in his communication with the Office in 2008 regarding Mr. [REDACTED].

A. Applicable Rules

The PTO Rule which governs candor toward a tribunal, 37 C.F.R. § 11.303(a), provides in pertinent part:¹⁰

A practitioner shall not knowingly:

- (1) Make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the practitioner;
- (2) . . .
- (3) Offer evidence that the practitioner knows to be false. If a practitioner, the practitioner’s client, or a witness called by the practitioner, has offered material evidence and the practitioner comes to know of its falsity, the practitioner shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal. A practitioner may refuse to offer evidence that the practitioner reasonably believes is false.

37 C.F.R. § 11.303(a). This rule corresponds to ABA Model Rule 3.3. Changes to Representation of Others Before the United States Patent and Trademark Office, 78 Fed. Reg. at 20184; *see* ABA Model Rule 3.3. ABA Model Rule 3.3 was enacted to “avoid conduct that undermines the integrity of the adjudicative process.” ABA Model Rule 3.3 cmt. 2.

The Rules provide at 37 C.F.R. § 11.801(a) and (b) that a practitioner in connection with a disciplinary or reinstatement matter, shall not:

- (a) Knowingly make a false statement of material fact.
- (b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, fail to cooperate with the Office . . . in an investigation of any matter before it, or knowingly fail to respond to a lawful demand or request for information from an admissions or disciplinary authority, except that the provisions of this section do not require disclosure of information otherwise protected by § 11.106.

¹⁰ The PTO Rules define “tribunal” to include “the Office,” which is defined as the USPTO. 37 C.F.R. § 11.1.

The Rules provide at 11.804(c) and (d) that it is professional misconduct for a practitioner to:

(c) Engage in conduct involving dishonesty, fraud, deceit or misrepresentation.

(d) Engage in conduct that is prejudicial to the administration of justice.

B. Count II

1. Parties' Arguments

The OED Director contends that Respondent violated 37 C.F.R. 11.303(a) in three ways. First, he prepared a statement that he knew contained falsehoods for Mr. Openiano to sign, which he then submitted to OED. Specifically, the statement asserts falsely that Mr. Openiano did not wish to pursue his patent applications, that Mr. Openiano was satisfied with Respondent's representation, and that he paid no legal fees. Second, Respondent knowingly failed to correct a false statement of material fact made to OED by not timely advising OED that Mr. Openiano had refused to sign the statement he had submitted. Third, Respondent knowingly made a false statement to OED in his response to the Second RFI that he had not been paid anything for his legal services, where four checks totaling \$2,000, plus some amount in cash, had been paid by Mr. Openiano to Respondent for his legal services. D Brief at 56-58.

The Director asserts that Respondent also violated 37 C.F.R. § 11.801(a) and (b) by the same conduct, on the basis that it constitutes knowingly making a false statement of material fact in connection with a disciplinary matter, failure to disclose facts necessary to correct a misapprehension, and failure to cooperate with OED's investigation. The Director argues that making false statements or misrepresentations to OED constitute failure to cooperate, and that it is "serious misconduct" which in other cases has resulted in suspension or exclusion from practice. D Brief at 59-61.

The Director argues Respondent also violated Rule 11.804(c) by preparing a false or misleading statement for Mr. Openiano to sign and submitting it to OED, and falsely informing OED that Mr. Openiano had not paid any legal fees. In addition, the Director alleges Respondent violated that Rule by making false statements or misrepresentations to Mr. Openiano at the October 30, 2013 meeting, that the applications were abandoned due to error by the USPTO and that he "did everything to prosecute" the applications. D Brief at 62 and ¶ 203. The OED Director cites, *inter alia*, to *In re Edelson*, Proceeding No. D2011-13 (USPTO Dec. 15, 2011), in which a practitioner was suspended for, among other things, providing false or misleading information to a client regarding the status of matters pending before the Office. D Brief at 62.

The Director asserts that the same conduct, impeding OED's disciplinary investigation and making false statements to his client, also constitutes a violation of 37 C.F.R. § 11.804(d) in that it is "conduct that is prejudicial to the administration of justice." The Director explains that

the rule is designed to protect the integrity of the judicial system, including the procedural functioning of the proceeding and the work of disciplinary authority regulating attorneys, and that “prejudice may arise from several acts that cause some harm or a single act that causes substantial harm,” citing *In re Paulson* 216 P.3d 859, 865 (Or. 2009).

Respondent’s position is that the statement he intended Mr. Openiano to sign was accurate except that he “has proven to be dissatisfied” with Respondent’s services. R Brief ¶ 227. He understood Mr. Openiano to be satisfied with his services because he kept coming back for more patent applications to be filed by Respondent. R Brief ¶¶ 217, 224. He asserts that the statement that Mr. Openiano told him not to continue prosecution of the patent applications was not false, as “Mr. Openiano did so tell and so behave” R Brief ¶ 216.

Respondent contends that he “made no special, nor separate, effort to immediately contact OED” to advise that the representation that Mr. Openiano had agreed to sign was incorrect, “because the inquiry of the OED was ongoing, and there was nothing that was time sensitive occurring.” R Brief ¶ 229.

Respondent denies that he told Mr. Openiano that the applications had gone abandoned due to error by the USPTO and that he had done all that he could on them, and he asserts that he would never make such an outrageous and prejudicial lie that could clearly be proved false. R Brief ¶ 203-205.

Respondent maintains that Mr. Openiano has paid nothing toward his \$10,000 bill. R Brief at ¶¶ 121, 186, 234. He explains that in 2010, when hired to prepare the application for the [REDACTED], he and Mr. Openiano had an agreement that Respondent would prepare the application and Mr. Openiano would pay \$2,500 in advance, plus progress in paying the outstanding \$10,000. R Brief at ¶¶ 133, 134. He explains further:

Insofar as, in a veritable blizzard of paper, I regret that the OED might have interpreted from my truthful statement that Mr. Openiano had never paid me any legal fees at all, as Mr. Openiano did pay me \$2,000 in the matter of his fifth application via four checks of \$500 each, but I deny that any additional amount was ever paid in cash.

R Brief ¶ 234.

2. Discussion and Conclusions

To establish a violation of 37 C.F.R. § 11.801(a), the Director must show that Respondent knowingly made a false statement of material fact in connection with a disciplinary matter. The questions presented are: (1) whether Respondent made assertion(s) of material fact that were false in the proposed statement he prepared, asked Mr. Openiano to sign, and submitted to OED (“Proposed Statement”); (2) whether he made the assertion(s) knowing they

were false; (3) whether Respondent made a false statement of material fact in the response to the second RFI, and (4) whether Respondent made the statement knowing it was false.

The Proposed Statement makes the following assertion:

When necessary responses to the PTO became necessary during routine prosecution of the four applications my financial circumstances had not improved, and I felt that, in good faith, I could not direct [Respondent] to continue prosecution of the applications, in which of course he agreed.

FF 83. Logically, the assertion must be construed to mean that Mr. Openiano *communicated* to Respondent an intent not to pursue the patent applications, otherwise Respondent could not have agreed with him. Strengthening the assertion is the sentence following it, suggesting that Mr. Openiano specifically intended to abandon the four applications: “Times when I have intentionally abandoned selective of my patent applications still in prosecution, and other times when I have intentionally declined to pay a maintenance fee on one of my issued patents, are not unfamiliar to me” DX 7 at 13. The assertion addresses the factual issue of whether or not Mr. Openiano agreed to abandonment of his patent applications, which is material to this disciplinary matter. The indirect nature of the assertion does not render it non-factual; rather, it strongly suggests that Respondent was trying to state a fact through inference in order to avoid telling a bald lie, and to induce Mr. Openiano to sign the Proposed Statement. It appears that Respondent expected him to sign quickly without much time to review it carefully, because he did not try to contact Mr. Openiano until the date before a response to the First RFI was due, and then urgently requested him to sign it immediately at 2:00 a.m. local time in the Philippines. FF 81, 82.

The assertion is false, and Respondent knew it was false at the time he sent it to OED in April 2014. As concluded above, the evidence shows that Mr. Openiano intended to have the patents issue and did not intend to allow his patent applications to become abandoned. Tr. 102-103, 106-107, 129-130, 133; FF 79. Knowing that Mr. Openiano did not communicate an intent to discontinue prosecution of the applications, Respondent testified that only Mr. Openiano’s “conduct” in giving the \$10,000 check and then telling him not to deposit it, gave permission to allow the applications to become abandoned. Tr. 456-462. Respondent’s efforts to elicit testimony from Mr. Openiano of having intentionally abandoned some of his patent applications in the past was unsuccessful. Tr. 122-129. As discussed above as to Count I, there was no “constructive authorization” to allow the patent applications to become abandoned due to non-payment of legal fees. I conclude that Respondent knowingly made a false statement of material fact in the Proposed Statement submitted to OED, with regard to whether Mr. Openiano agreed not to pursue his patent applications.

The assertion in the Proposed Statement that Mr. Openiano “ultimately paid zero (\$0) towards [his] \$10K legal service fee” for the four patent applications also is false, as is Respondent’s similar assertion in his response to the Second RFI. DX 7 at 13; FF 83, 89. Mr. Openiano had made payments toward the \$10,000 fee. FF 20, 47, 48, 52, 53. Mr. Openiano

testified that he paid Respondent \$1,500 in cash in July 2008 toward legal fees for the patent applications, when, after telling Respondent not to deposit the \$10,000 check, Respondent asked Mr. Openiano to pay some money toward his fees for the filing of the applications. FF 20; Tr. 173-174, 229, 252-253, 256-257, 263-264. As concluded above, I find Mr. Openiano to be a credible witness and I find no reason to discredit this particular testimony. Yet, given Respondent's denial of having receiving any such cash payment, the lack of any receipt or documentation of any such payment, and the length of time that elapsed between July 2008 and 2014, there is little basis for drawing an inference that Respondent remembered or knew of this cash payment at the time he prepared the Proposed Statement and his response to the Second RFI in 2014. The evidence does, however, support a finding that he knew about the payments later on by check toward the \$10,000. FF 47, 48, 52, 53. Mr. Openiano testified that his payment in 2010 of four checks in the amount of \$500 was a payment plan on the total amount owed of \$10,000 for the initial four patent applications in 2008, plus \$2,500 for the patent application filed in 2010, and were not an advance payment for filing the application in 2010. Tr. 224-229. Consistent therewith, and contrary to other statements in his Brief, Respondent admits that Mr. Openiano was paying on the account which had risen to \$12,500, and that the four checks were "toward payment on (1) the patent applications I prepared and filed in 2008, and also, (2) the new, fifth, application filed in 2010" R Brief ¶¶ 190, 191. He explains that in 2010 he agreed to file the fifth new patent application --

for a debt work-out program consisting [of] \$500 month payment [sic] which would now include a new, and additional fixed legal service fee of \$2,500 to prepare, and to file the new application. . . . Mr. Openiano proceeded to make payments to cure his bad check of 2008, and to pay as agreed for his new and fifth patent application, in the form of \$500 checks, as agreed, for each of some four months September, 2010 through December, 2010, at which time the checks stopped, placing Mr. Openiano in breach of his new agreement, and actually owing more legal fees (\$10,500).

R Brief at ¶ 187-188. This explanation, consistent with Mr. Openiano's, is accepted and Respondent's contrary explanation in Paragraphs 133, 134 and 234 of his Brief, is rejected. Tr. 467-468. Thus, the clear and convincing evidence of record establishes that Respondent, in violation of 37 C.F.R. § 11.801(a), knowingly made false statements to OED, in the Proposed Statement and in response to the Second RFI, that Mr. Openiano made no payments on the \$10,000 fee.

On the other hand, it is not so clear that Respondent knew when he submitted the Proposed Statement to OED in April 2014 that the assertion that Mr. Openiano had "been satisfied with [Respondent's] performance" regarding all the patent applications he filed, was false. FF 83, 84; DX 7 at 13. Mr. Openiano does not indicate that he was dissatisfied with Respondent when told in the October 30, 2013 meeting that his patent applications became abandoned, where, he testified, Respondent explained that the abandonments were the fault of the Office and that he could revive them. Tr. 89-90; FF 71, 72. His dissatisfaction apparently arose later, when Mr. Openiano "came to realize slowly . . . maybe [Respondent] wasn't very

honest,” but it is not apparent from the record when it arose, until it became manifest with Mr. Openiano’s revocation of the power of attorney in his patent applications in early 2015. Tr. 92; FF 76, 77, 82. In general, a client’s satisfaction with the practitioner’s performance is subjective and may change from time to time. I conclude that the record does not establish by clear and convincing evidence that Respondent knowingly made a “false statement of material fact” with respect to Mr. Openiano’s satisfaction with Respondent’s performance.

As to 37 C.F.R. § 11.801(b), arguably Respondent’s false representations that Mr. Openiano had not paid anything toward the \$10,000 legal fees, and the false statement as to Mr. Openiano’s intent not to pursue his applications, may constitute failure to cooperate with OED. However, under the common definition of the term “cooperation” cited by the Director, “to work with or act with another . . . willingly and agreeably,”¹¹ making false statements does not fit the category of failure to cooperate as well as it fits other categories of violation listed in the Rules, which Respondent is alleged to have violated by the same conduct. As to whether the Director has shown a violation of Rule 11.801(b) on the basis that Respondent failed to “disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter,” at the time Respondent prepared the response to the First RFI, it accurately represented that Respondent had secured Mr. Openiano’s agreement to sign the Proposed Statement. FF 81, 84. When Mr. Openiano told him by email on April 23, 2014 that he would not sign the Proposed Statement, Respondent knew that a misapprehension as to Mr. Openiano’s concurrence in the Proposed Statement’s assertions would arise when OED received it a couple days later. FF 85, 87. Respondent did not make any effort to initiate contact OED to disclose the fact that Mr. Openiano did not agree to sign the statement, which would be necessary to correct the misapprehension. FF 86. However, he did state that he would provide a signed copy, and then three months later in his response to the Second RFI, which specifically requested him to provide a copy of the Proposed Statement, he disclosed to OED the fact that Mr. Openiano would not sign. FF 88, 89; DX 11 at 14. The Rule does not expressly require “immediate” disclosure, but the Rule must be interpreted to require disclosure within a reasonable time in order for the disclosure to be effective. Respondent’s disclosure of the fact only in response to OED’s specific request for the signed statement, three months after the fact, constitutes a failure to correct a misapprehension that he knew had arisen. If OED had not sent the Second RFI but had closed the investigation based on the information in the response to the First RFI, Respondent might never have informed OED of the fact that Mr. Openiano did not agree to sign the statement. Respondent’s argument that the OED’s investigation was ongoing and nothing was time sensitive does not create any exception to the requirement of Rule 11.801(b). I conclude that Respondent failed to disclose the fact that Mr. Openiano refused to sign the Proposed Statement, which was necessary to correct a misapprehension by OED.

The Director relies on the same facts as those supporting violations of Rule 11.801(a) and (b) to establish violations of 37 C.F.R. § 11.303(a)(1) and (a)(3). Applying Rule 11.303(a) to the facts at hand, the Director must show that Respondent: knowingly made a false statement of fact

¹¹ <http://www.dictionary.com/browse/cooperate?s=t>.

or law to a tribunal, namely OED; failed to correct a false statement of material fact or law previously made to the tribunal; offered evidence to the tribunal that he knows to be false; or, when he comes to know of its falsity, failed to take reasonable remedial measures such as disclosure to OED. These are in essence the same elements of violation as those for Rule 11.801(a) and (b). Given that the Director alleges the same facts under both Rules, the facts also support a finding of violation of Rule 11.303(a), but finding Respondent in violation of both Rules may appear to inflate the gravity of the violations in Count II. Whereas Rule 11.303 governs disclosures to tribunals, Rule 11.801 governs disclosures in OED investigations and thus is more specifically applicable to the facts at hand. Therefore I conclude that Respondent violated Rule 11.801(a) and (b), and that it is not necessary to find that Respondent also violated Rule 11.303(a).

As to Rule 11.804(c), Mr. Openiano testified that during the October 30, 2013 meeting, Respondent informed him that the six patent applications had gone abandoned because of the Patent Office's backlog, that he "did everything he can to prosecute the [REDACTED] patent" and that the Patent Office "screwed you up." FF 72; Tr. 89-90. Respondent offered to revive the applications for \$1,600 each, and Mr. Openiano gave Respondent a check for \$1,600. FF 73, 74. It is unlikely that Mr. Openiano would have done so if Respondent had not blamed the Patent Office for the abandonments. Had Mr. Openiano and Respondent agreed not to pursue the applications, Respondent could not in good faith have recommended revival of the applications, because under 37 C.F.R. § 137, he would have to show that the abandonment was unintentional. Tr. 439. Respondent did not refute Mr. Openiano's testimony with any testimony of his own as to what he communicated to Mr. Openiano at the meeting. Therefore, and because I find Mr. Openiano to be a credible witness, I credit his testimony. I conclude that the Director has shown by clear and convincing evidence that Respondent engaged in conduct involving dishonesty, deceit or misrepresentation, in violation of Rule 11.804(c), by his false or misleading communications to his client Mr. Openiano at the October 30, 2013 meeting. As Respondent's false representations that Mr. Openiano had not paid anything toward the \$10,000 legal fees, and the false statement as to Mr. Openiano's intent not to pursue his applications also demonstrate conduct involving dishonesty, fraud, deceit or misrepresentation, they may be considered violations of either Rule 801(a) or Rule 11.804(c). At a minimum, these statements constitute "[d]eceptful statements of half-truths or concealment of material facts" that are deemed to be actual fraud within the meaning of the Rule. 37 C.F.R. § 10.23(d).

The false and misleading statements in the Proposed Statement submitted to OED and in Respondent's response to the Second RFI are impediments to a disciplinary investigation, resulting in a more protracted investigation with multiple Requests for Information and witness interviews, and therefore were prejudicial to the administration of justice, in violation of Rule 11.804(d).

In sum, Respondent's conduct, including his false statements and misrepresentations to Mr. Openiano and to OED, violated of 37 C.F.R. §§ 11.801(a) and (b), and 11.804(c) and (d).

C. Count IV

1. Parties' Arguments

The OED Director charges Respondent with violating the same regulatory provisions in regard to the Bartol matter as in the Openiano matter. The Director asserts that Respondent falsely informed the OED in response to the First RFI that Mr. Bartol had lost interest in pursuing the '762 application, and falsely informed the OED in response to the Third RFI that he thought Mr. Bartol had acquiesced to allowing the application to become abandoned. Pointing out that these responses are inconsistent with one another and with Respondent's hearing testimony, the Director argues that they are also rebutted by Mr. Bartol's statement to the OED. The Director believes Respondent simply fabricated an explanation as to why Mr. Bartol would authorize him to allow the application to go abandoned. D Brief at 67-68.

In addition, the Director asserts that Respondent falsely informed the OED in response to the Second RFI that communications regarding the application of Mr. Bartol should exist in "archival storage, but are no longer reasonably obtainable" when Respondent's records were located at a house he owned. D Brief at 67-69.

The Director argues that Respondent failed to cooperate in the disciplinary investigation, in violation of 37 C.F.R. § 11.801(b) when he made the false statements to OED, when he refused to attempt to produce records which were within his control, and when he insisted that "inquiries into his records were 'unwarranted and had no bearing on any issue'." D Brief at 69 (internal quotes without citation). In support, the Director cites to *In re Boyd*, 764 N.Y.S.2d 24, 25 (N.Y. App. Div. 2003), in which an attorney was disciplined for failure to cooperate with an investigation by failing to produce a client file and records. D Brief at 69-70.

As to the alleged violations of 37 C.F.R. § 11.804(c) and (d), the OED Director asserts that Respondent's inconsistent explanations and assertion that the records were no longer reasonably obtainable indicate that he was being dishonest or misrepresenting facts, and impaired OED's ability to conduct an unbiased investigation and perform its duties in the disciplinary process. D Brief at 70-71.

Respondent denies that the statements are false. He maintains that the records are in archival storage and not reasonably obtainable because there are voluminous records from his thirty years of patent law practice located at the house in Thermal, California. R Brief ¶ 268. He states that he made no efforts to obtain the records "because no relevant records exist there, and the OED has proved incapable of even speculating as to what it might seek there, presumably because the documentary record is already complete." R Brief ¶ 269. Respondent asserts that the allegation of failure to cooperate is frivolous and unsound, as OED has the last email of Mr. Bartol, and the OED has not explained why Respondent's method of keeping his archive of records of the Bartol patents would have any bearing on anything. *Id.* ¶¶ 272-274.

2. Discussion and Conclusions

As discussed above with respect to Count III, the '762 patent application became abandoned without the consent of the Bartols, and Mr. Bartol told Ms. Oleksa that his direction to Respondent to elect the first invention on the application was the last time he communicated with Respondent. FF 97, 101, 102; Tr. 328-330; DX 14, 18. Therefore, I find that Respondent's statement in response to the Second RFI that Mr. Bartol lost interest in pursuing the '762 application is false and that he made the statement knowing it was false. Consequently, Respondent violated Rule 11.801(a) by making that statement. It is not so clear, however, that the statement that he "thought that [he] had secured the acquiescence of Mr. Bartol" to allowing the abandonment constitutes a "false statement of material fact." It is merely a statement of what Respondent "thought."

Respondent's assertion that communications regarding the application of Mr. Bartol "should exist in archival storage, but are no longer reasonably obtainable" is a statement of fact that is material to OED's investigation. The question with respect to Rule 11.801(a) is whether this statement was false. Respondent stored records in a small two bedroom house of approximately 1100 square feet, without furniture, that he owned in Thermal, California, and this was apparently the location of his own "archival storage." FF 106; Tr. 475- 478; DX 60. Respondent explained that his records became disorganized as a result of moving them to the house, as his files were put into about 1,500 or 1,600 standard file boxes, loaded from a storage facility into a moving van and unloaded at the house, and were "not in good order," so that a person looking for a particular file would need to "stay a couple days" and do "a lot of heavy lifting to sort through these boxes" to find it. Tr. 477-480; FF 106. He explained that accessing files would require "physical labor" in the summer in a house that is not air conditioned, and he did not have the time, or a car, to drive 155 miles away to the house. Tr. 573-574.

An attorney is responsible for the organization of his files, including those in his own storage facility, and therefore they must be presumed to be reasonably obtainable, particularly those which are no more than a few years old. He cannot avoid a request to produce documents on the basis of his own disorganization or on the disadvantages of his chosen storage location. The purpose of storage is to be able to access records located there. He admitted he did not go to the house to attempt to locate the file, arguing that he can remember what the prosecution history is even on applications he did 30 years ago and no documents exist at the house other than the ones already in the PTO's file, and that he would not have written any memo of his conversation because he has a "good relationship" with his clients. Tr. 480-482, 574. This argument does not bear on the truthfulness or significance of his statement that communications regarding Mr. Bartol's application were longer reasonably obtainable. The clear and convincing evidence shows that Respondent knowingly made a false statement of material fact that the records are "no longer reasonably obtainable," in violation of Rule 11.801(a).

That false statement, and the assertion in the Third RFI that his records are voluminous and disorganized, were attempts to avoid producing records requested by OED. DX 22 at 7. OED requested Respondent to describe what steps he has taken to obtain the requested documents, and he never made any attempt to locate the records at the house. DX 21 at 5; FF 107. His refusal to produce the files given his asserted hardships, and argument at hearing that no

documents of interest exist there anyway, clearly reflects a lack of respect for and cooperation with OED's investigation, if not an attempt to hide information that might prove OED's case. There is no question that Respondent failed to cooperate in the disciplinary investigation or knowingly failed to respond to a lawful demand or request for information from OED in violation of 37 C.F.R. § 11.801(b), and engaged in conduct that was prejudicial to the administration of justice, in violation of 37 C.F.R. 11.804(d), by such refusal to produce records which were within his control. FF 106, 107; see, *In re DeLuca*, 655 N.Y.S.2d 516, 517 (App. Div. 1997)(attorney's failure to cooperate with an investigation into allegations of his misconduct, including failure to produce requested documents relevant to the investigation resulted in "thwart[ing] the Committee's investigation" and engaging in conduct prejudicial to the administration of justice).

The parties stipulated that in the response to the Third RFI, Respondent "asserted that . . . how he kept his records had no bearing on anything." CX ¶ 94. In fact, however, Respondent objected to OED's inquiries regarding his records as "unwarranted" and queried what specifically OED wishes to see and "what bearing might it have on ANYTHING?" FF 109. Such objection and query also indicate a refusal to cooperate with OED.

As discussed regarding Count II, the allegations of fact and the elements of liability for violations of Rule 11.801(a) and (b) are virtually the same as for Rule 11.303(a). I conclude that it is not necessary to find that Respondent also violated Rule 11.303(a). Also, the Director's allegations of fact in regard to Rule 11.804(c) are essentially the same as those supporting the violation of Rule 11.801(a), and therefore it is duplicative to find Respondent also in violation of Rule 11.804(c).

D. Count VI

1. Parties' Arguments

The OED Director charges Respondent with violating the same rules in regard to Ms. [REDACTED] as those referenced in Counts II and IV, on the basis that he falsely informed OED in response to the Third RFI that the [REDACTED] were no longer in charge of the [REDACTED] patent application and that he had no authority to communicate with them about it. OED asserts that although Ms. [REDACTED] was his client and the co-inventor and her company was the assignee of the patent application, Respondent blindly followed Mr. [REDACTED]' instructions, simply preferring to believe what Mr. [REDACTED] told him rather than consulting with Ms. [REDACTED] or confirming any reassignment of the patent application. D Brief at 76-77. In addition, the Director asserts that Respondent failed to cooperate with OED in violation of Rule 11.801(b) by the false statements and by refusing to answer OED's questions in the three RFIs about whether and how he had notified the [REDACTED] of the abandonment of the application, citing *In re Fagre-Stroetz*, 710 N.W.2d 783 788 (Minn. 2006)(failure to appropriately respond at any stage of the disciplinary proceedings constitutes a violation of the professional responsibility rules). The Director also asserts that Respondent failed to investigate what happened regarding

assignment of the patent, failed to confirm Mr. [REDACTED]'s statements, and made false statements to the OED "cavalierly, with utter disregard for the truth," which impeded OED's investigation, and thus he violated Rules 11.804(c) and (d). D Brief at 78.

In response, Respondent states as follows: "I was directed by Mr. [REDACTED] regarding the prosecution of the application in [sic] he only was in charge, and although Ms. [REDACTED] might contact me at any time, I was not to report to her." R Brief ¶ 315. Respondent maintains that no assignment of the patent rights back from the [REDACTED] need be put in evidence, as it is "unfathomable" to him what the "entire matter" has to do with any ethical violations. R Brief p. 46 ¶ 317. He questions why he should ask Ms. [REDACTED] if the patent application had been reassigned to Mr. [REDACTED] and why he should challenge the veracity of his own client, Mr. [REDACTED] "and expect to long remain in business." R Brief p. 47 ¶ 314. He asserts that Ms. [REDACTED] had long acquiesced in the arrangement of Mr. [REDACTED] being the sole point of contact. R Brief p. 47 ¶ 315.

2. Discussion and Conclusions

As concluded above with Count V, Respondent was not entitled to ignore the risk of dual representation and exempt himself from complying with the Rules with respect to Ms. [REDACTED] on the basis of the co-client's direction not to communicate with her. Furthermore, he had insufficient bases for his claims that the [REDACTED] were no longer in charge of the application, that he had no authority to communicate with them, and that she had long acquiesced in Mr. [REDACTED] being the sole point of contact. As to acquiescence, he apparently refers to the three-month time period – not a long period of time - from the date they hired Respondent to prepare the patent application in February 2013 until the crucial date in May 2013, when he was required to file a response to the Notice to File Missing Parts but failed to do so, allowing the application to go abandoned. FF 114, 118, 119. According to Respondent, she was not experienced with patent applications. Tr. 562. Therefore in the three months she may not have thought to contact Respondent, as she may not have expected any notice of PTO correspondence, particularly where he said nothing about any Office correspondence in his May 9, 2013 email. FF 120. Yet, she inquired about the "patent pending" status of her application in her May 9, 2013 email to him, and indicated that she was willing to pay for further services, requesting an invoice for any services owing on the application after her payment of \$3,200. FF 122; DX 20. She therefore communicated to him her interest in continuing prosecution of the application, demonstrating that she did not relinquish her interest and involvement in the patent application, a couple days before a response to the Notice to File Missing Parts was due. FF 118.

Furthermore, Respondent did not confirm with the [REDACTED] that Mr. [REDACTED] would be the sole point of contact, and apparently Mr. [REDACTED] did not confirm it either. FF 117. Mr. [REDACTED] merely states that "by mutual agreement" with them he was in charge of "making all necessary technical disclosure" to Respondent in support of the application, that the [REDACTED] did not indicate that they would assume management of Respondent's prosecution of the

application, and that had not “registered any objection” that he alone would perform that role. FF 131; RX 3. Respondent simply assumed that Mr. [REDACTED] was the point of contact, testifying that Mr. [REDACTED] “did not have to say only deal with me” as he was “familiar with patenting, and familiar with invention, represents himself to be the party responsible” and that he “never dealt with the [REDACTED].” Tr. 493. It is concluded that Respondent’s statement that they were no longer in charge of the patent application was misleading; while they may not have been in charge of technical aspects of it, they were “in charge” to the extent that they paid for it and intended to continue prosecution of it. FF 116, 122, 133.

Respondent, being concerned about maintaining his business with Mr. [REDACTED], was influenced by Mr. [REDACTED] views and interests and neglected to ensure he that represented the co-client’s interests and that he complied with the Rules regarding the co-client, demonstrating the classic problem with representing co-clients. In response to the Third RFI, he apparently adopted Mr. [REDACTED] perspective as to his authority to communicate with the [REDACTED] ignoring the fact that as Ms. [REDACTED]’s attorney he had authority and a duty to communicate with her. As a lawyer, he knew that he had authority to communicate with his client about her patent application, and in fact he did exercise that authority to communicate with her at least on one occasion. FF 120, 122. Therefore, he knew that the statement in response to the Third RFI, that he had no authority to communicate with the [REDACTED], was false. FF 132.

Respondent also falsely stated in response to the First RFI that “the [REDACTED] now acknowledge their assignment of the application back to Mr. [REDACTED] assignment not yet recorded,” and, in response to the Second RFI, that it was supplied and executed. FF 127, 128. There was no right of reversion in the assignment to [REDACTED]. FF 113. At the hearing, Respondent admitted his statement was “slightly inaccurate” with “impreciseness of the language” and that “as to whether the assignment exists, and is not yet recorded, I don’t know. Tr. 496-498. He admitted that the [REDACTED] “did not personally acknowledge” to him an assignment. Tr. 497. He also asserted that Mr. [REDACTED] had told him of an assignment “back to himself,” adding “I only know what Mr. [REDACTED] . . . tells me,” and the [REDACTED] never told him otherwise. Tr. 496-497. As noted above in the discussion of Count V, his assertion is not credible, particularly given Mr. [REDACTED] letter indicating that he had not yet exercised any right of reversion. FF 131. The clear and convincing evidence shows that Respondent, in violation of Rule 11.801(a), knowingly made false statements of fact that were material to this disciplinary action. The allegations of fact in regard to Rules 11.303(a) and 11.804(c) being the same as those supporting the violation of Rule 11.801(a), it is not necessary to find Respondent also in violation of Rules 11.303(a) and 11.804(c).

The next issue is whether Respondent failed to cooperate in the investigation, or knowingly failed to respond to a lawful demand or request for information from OED by refusing to answer OED’s questions about whether and how he had notified the [REDACTED] of the abandonment of the application. The First RFI requested three explanations: (1) what occurred that led to the abandonment, (2) whether Mr. [REDACTED] and Ms. [REDACTED] consented to abandonment of the application, and (3) what steps he took to notify them of the Notice to File

Missing Parts and Notice of Abandonment. FF 126; DX 5 at 24. Respondent did not provide the second two explanations, but as to the first he stated that Mr. [REDACTED] and the [REDACTED] had a disagreement (“bickering (or worse)”), that “the [REDACTED] now acknowledge their assignment of the application back to Mr. [REDACTED] assignment not yet recorded,” and that “[d]ue to the dispute, no definitive directives regarding prosecution of the application could be obtained, and it went abandoned.” FF 126, 127; DX 7 at 11.

The Second RFI requested Respondent to explain the steps he took to notify his clients of the Notices and to explain why he did not address them in response to the First RFI. FF 128; DX 10 at 10. Respondent did not address those requests, but reiterated that the application, “on which no authorization to do anything could be obtained because of an ongoing controversy as to ownership and control, was ultimately assigned . . . back to inventor [REDACTED]” FF 128; DX 11 at 11, 17. Also nonresponsive to the requests, he stated that he conversed with Mr. [REDACTED] on and after March 27, 2014 about revival of the application and payment of the PTO fees for revival and for recording the assignment, but no further communication was received. DX 11 at 11.

The Third RFI requested Respondent to provide a complete explanation of why he did not inform the [REDACTED] of the Notices issued by the Office. DX 21 at 4. In response, he stated that Mr. [REDACTED] has possession of an assignment transferring all patent rights back to him, that he “had taken over financial responsibility for the [REDACTED] application, which he (again) owns and controls” and that that “[w]hat turned out to be the terminal correspondence to me from the [REDACTED] is attached as EXHIBIT C” which is an email dated March 18, 2013. DX 22 at 6; FF 132. That email was not the last correspondence to Respondent, as they exchanged emails two months later, and Ms. [REDACTED] sent one, as included in his response to the Second RFI, in August 2013. FF 120; DX 11 at 17. Also, as noted above, Respondent did not know whether any such assignment existed. FF 129-131; Tr. 497. The responses to the Third RFI are false and there is no evidence that Respondent made any effort to determine whether or not they were true. Indeed, he had the opportunity to ask Mr. [REDACTED] for documentation of any reassignment of the application from the time they spoke on March 27, 2014, which was a few days after he received the First RFI on March 24, 2014 and before he wrote his responses to the RFIs claiming that the application was reassigned to Mr. [REDACTED] DX 7; DX 11 at 11; DX 22. Rather than availing himself of such opportunities, or simply contacting Ms. [REDACTED] about any reassignment, Respondent elected to take the risk of giving false information to OED.

The clear and convincing evidence shows that in his responses to the three RFIs, Respondent failed to cooperate with the Office in the disciplinary investigation, and knowingly failed to respond to a lawful demand or request for information from OED, in violation of 37 C.F.R. § 11.801(b).

The misleading and false statements, along with his evasiveness in responding to OED’s requests, made it necessary for OED to prepare and issue serial RFIs to Respondent and issue inquiry letters to his clients, multiplying the time and resources spent on the investigation, which was prejudicial to the administration of justice, and in violation of 37 C.F.R. 11.804(d). DX 15, 19. *In re Pu*, 826 N.Y.S. 2d 43, 44 (App. Div. 2006)(making a representation to a court that the

attorney knew was false was “prejudicial to the administration of justice” and warranted disciplinary action of suspension).

E. Count VIII

1. Parties’ Arguments

In regard to Respondent’s client Mr. [REDACTED] the Complaint charges Respondent with violating the same provisions of the Rules as in Counts II, IV and VI. See, Complaint ¶¶ 100, 120, 144, 172. Specifically, the Director alleges that Respondent, in violation of Rules 11.801(a), 11.804(c) and Rule 11.303(a), knowingly made false statements to the OED in his responses to the First and Third RFIs by claiming that the abandonments of the [REDACTED] and [REDACTED] applications were at the direction of Mr. [REDACTED]. The Director points out that Respondent’s detailed hearing testimony that Mr. [REDACTED] had a scheme to file patent applications solely to attract venture capital is inconsistent with Mr. [REDACTED] letter and statement to OED. The Director argues that making these false statements, stating in response to the Second RFI that communications regarding Mr. [REDACTED] application should exist in archival storage but are no longer reasonably attainable, and arguing that OED’s inquiries as to the records was unwarranted, constitute failure to cooperate in the investigation and is conduct prejudicial to the administration of justice, in violation of Rule 11.801(b) and 11.804(d). D Brief at 83-85.

In addition, the Director argues that on August 22, 2008, Respondent’s statement that papers were “now AGAIN sent to the PTO,” regarding the [REDACTED] application, was false information and violated 37 C.F.R. § 10.23(b)(4). D Brief at 82; DX 56 at 3.

Respondent denies that his statements were false, as he “operated under standing directives” to not take action on the patent applications that might incur expense, and that is why he “likely” did not mail correspondence to Mr. [REDACTED]. R Brief ¶¶ 351, 353, 366. Respondent explains that Mr. [REDACTED] lost interest in the patent applications, at least temporarily. Respondent attributes this to Mr. [REDACTED] “non-contact” and not having paid for the applications, and asserts that losing interest was logical, his efforts to secure investor interest having failed. R Brief ¶¶ 359, 360, 361. Respondent explains that he was able to provide detailed testimony explaining the circumstances at hearing because he and Mr. [REDACTED] had refreshed their memories after conversing with each other. R Brief ¶ 363. He asserts that Mr. [REDACTED] reminded him that the \$100 check was sent in the [REDACTED] application because Mr. [REDACTED] “wanted to show that he was seeking to revive the application and ‘re-approach his investors for a second bite at the apple.’” R Brief ¶ 367. He acknowledges that Mr. [REDACTED] did not know about his applications going abandoned until he was contacted by OED. R Brief at 365.

Respondent states that on August 22, 2008 he got back in touch with Mr. [REDACTED] and submitted the new specification pages 1-9 in the [REDACTED] application, with a letter stating that a

response “is now AGAIN sent to the PTO,” and that he “can now neither remember or prove that [he] did or did not submit these papers, the earliest set . . . having perhaps been timely prepared but, for lack of contact with nor direction from, Mr. [REDACTED] they were perhaps not actually submitted.” R Brief ¶¶ 341, 342, 345.

As to his assertion that the records are no longer reasonably obtainable, Respondent presents a similar defense as in regard to the Bartol matter, that “there is nothing within these records that is not now before the Court.” R Brief ¶ 357, 368.

1. Discussion and Conclusions

As concluded above in the discussion of Count VII, Respondent’s claims that Mr. [REDACTED] left “directives” or “orders” not to do anything on the applications for which any expense might be incurred, and that he was not able to contact Mr. [REDACTED] are not credible. The evidence as a whole demonstrates that Respondent did not inform Mr. [REDACTED] of the Notice to File Missing Parts and Notice for File Corrected Application Papers, Mr. [REDACTED] did not authorize or consent to abandonment of the applications, and he did not know that the applications had become abandoned. FF 139, 142, 143, 148, 151, 152. Mr. [REDACTED] told Ms. Oleksa that Respondent made an oral promise to handle the prosecution of the [REDACTED] application, that he did not consent to the abandonment of the application, and that he wanted to know how to revive the application. DX 16. Therefore, Respondent’s statement in response to the First RFI that abandonment was “by direction” is false, as is his statement in response to the Third RFI, that Mr. [REDACTED] “lost interest” in the applications. FF 157, 163. As Respondent allowed the applications to become abandoned, he knew why they became abandoned; there is no question that he knew that the statements were false at the time he made them. Therefore, the clear and convincing evidence shows that Respondent knowingly made a false statement of material fact, in violation of Rule 11.801(a).

As to Rule 11.804(b), these false statements do not fit so neatly into the category of failure to cooperate as Respondent’s refusal to make efforts to locate Mr. [REDACTED] records at the house in Thermal, California used for storage. FF 159, 160. Respondent’s statement in response to the Second RFI that communications regarding Mr. [REDACTED] application “should exist in archival storage, but are no longer reasonably obtainable” is similar to that made in regard to Mr. Bartol’s file. FF 158. Respondent testified that he did not make efforts to locate Mr. [REDACTED] records because he knew “exactly what was in them. Tr. 529. He further stated:

It’s a naked application file . . . there would not have been written communications, notes to file, and so on. When you’re operating for no recompense, you try and do things as efficiently as possible. . . . that means the telephone.

Tr. 529-530. As discussed above with regard to the Bartol files, this argument does not excuse his evasiveness in responding to OED’s inquiry and request for documents. His statement and

his refusal to search for those records constitute refusal to cooperate, and constitute conduct prejudicial to the administration of justice, as they further thwarted the OED's investigation, in violation of Rules 11.801(b) and 11.804(d).¹²

The next issue is whether Respondent violated Section 10.23(b)(4) of the PTO Code of Professional Conduct, by falsely informing the Office on August 22, 2008 that replacement papers previously had been sent in the [REDACTED] application, where he stated that a response to the Notice in the [REDACTED] application is "now AGAIN sent to the PTO." FF 153. The question is whether than statement constitutes "[e]ngag[ing] in conduct involving dishonesty, fraud, deceit or misrepresentation." The word "again" misrepresented to the OED that it was not the first time Respondent had sent the response. Respondent's argument in his Post Hearing Brief attempts to paint the statement as possibly a lapse of memory, but as an attorney he cannot in good faith excuse his misrepresentations in legal correspondence based on poor memory and lack of documentation of his legal filings. I conclude that the clear and convincing evidence demonstrates that Respondent engaged in conduct involving dishonest, deceit or misrepresentation, in violation of Section 10.23(b)(4) of the PTO Code.

The allegations of fact in regard to Rules 11.303(a) and 11.804(c) being the same as those supporting the violation of Rule 11.801(a), it is not necessary to find Respondent also in violation of Rules 11.303(a) and 11.804(c).

VIII. Sanction

A. Legal Standards

In determining the applicable sanction to be imposed, the PTO Rules require the consideration of four factors, as applicable:

- (1) Whether the practitioner has violated a duty owed to a 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 federal courts have consistently held that the purpose of disciplinary rules is not to punish, but rather "to protect the public, to protect the integrity of the legal profession and to

¹² Respondent's objection to OED's inquiry as to his records was addressed above in the discussion of Count IV regarding Mr. Bartol. FF 109, 161.

deter other lawyers from violating the Rules of Professional Conduct.” *Attorney Grievance Comm’n of Md. v. Marcalus*, 996 A.2d 350, 363 (Md. 2010) (quoting *Attorney Grievance Comm’n of Md. v. Bernstein*, 768 A.2d 607, 616 (Md. 2001)); *Coombs v. State Bar of California*, 779 P.2d 298, 306 (Cal. 1989); see ABA Standards at 8. Imposing sanctions advances the public’s confidence in the legal profession. *Attorney Grievance Comm’n of Md. v. Coppola*, 19 A.3d 431, 451–52 (Md. 2011). “Imposing a sanction protects the public interest because it demonstrates to members of the legal profession the type of conduct which will not be tolerated.” *Attorney Grievance Comm’n of Md. v. Hodes*, 105 A.3d 533, 574 (Md. 2014) (internal quotations and citations omitted). The most important ethical duties are the obligations that a lawyer owes to clients. *In re Claussen*, 909 P.2d 862, 872 (Ore. 1996); see ABA Standards at 8 (Rule 1.1). The harm from the violation need not be actual, only potential. *In re Claussen*, 909 P.2d 862, 872 (Ore. 1996) (citing ABA Standards at 25). These principles are reflected in the factors of 37 C.F.R. 11.54(b) and therefore standards that apply to attorney discipline also apply to disciplinary proceedings for patent practitioners.

In accordance with these principles, when determining the appropriate sanction to be imposed in a disciplinary proceeding, “the real and vital issue to be determined . . . is whether or not the accused, from the whole of the evidence as submitted, is a fit and proper person to be permitted to continue in the practice of law.” *In re Walker*, 254 N.W.2d 452, 455 (S.D. 1977) (internal citations and quotations omitted). The American Bar Association has promulgated a list of aggravating and mitigating factors for determining an appropriate sanction in attorney disciplinary proceedings. American Bar Association, Standards for Imposing Lawyer Sanctions (2005) (“ABA Standards”).¹³ The ABA Standards have been used as guidance in determining an appropriate sanction to impose in a PTO disciplinary proceeding. *In re Hormann*, Proceeding No D08-04 (USPTO July 8, 2009). The ABA Standards note that they do not account for multiple charges of conduct, and therefore the sanction imposed should at least be consistent with the sanction for the most serious instance of misconduct, and may then be increased to reflect the additional instances of misconduct. ABA Standards at 8. The aggravating factors in the ABA Standards include:

- (a) prior disciplinary offenses; (b) dishonest or selfish motive; (c) a pattern of misconduct; (d) multiple offenses; (e) bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of the disciplinary agency; (f) submission of false evidence, false statements, or other deceptive practices during the disciplinary process; (g) refusal to acknowledge wrongful nature of conduct; (h) vulnerability of victim; (i) substantial experience in the practice of law; and (j) indifference to making restitution.

¹³ The pages of the ABA Standards are not numbered. Therefore, in order to avoid confusion, citations to the ABA Standards are to the page numbers provided by the software used when viewing the PDF version of the ABA Standards.

ABA Standards at 18 (§ 9.22). The ABA Standards additionally list numerous mitigating factors, including:

(a) absence of a prior disciplinary record; (b) absence of a dishonest or selfish motive; (c) personal or emotional problems; (d) timely good faith effort to make restitution or to rectify consequences of misconduct; (e) full and free disclosure to disciplinary board or cooperative attitude toward proceedings; (f) inexperience in the practice of law . . . (j) delay in disciplinary proceedings . . . (l) remorse.

ABA Standards at 19–20 (§ 3.2).

The ABA Standards advise that generally the period for a suspension should be at least six months. ABA Standards at 9 (§ 2.3). When a lawyer’s diligence in representing a client is at issue, the ABA Standards advise that suspension is generally appropriate when: “(a) a lawyer knowingly fails to perform services for a client and causes injury or potential injury to a client, or (b) a lawyer engages in a pattern of neglect causes [sic] injury or potential injury to a client.” ABA Standards at 13 (§ 4.42). Suspension is also the appropriate sanction when a “lawyer knows that false statements or documents are being submitted to the court or that material information is improperly being withheld, takes no remedial action, and causes injury or potential injury to a party to the legal proceeding, or causes an adverse or potentially adverse effect on the legal proceeding.” ABA Standards at 15 (§ 6.12). The ABA Standards provide that a lawyer who has been suspended from practice “should not be permitted to return to practice until he has completed a reinstatement process demonstrating rehabilitation, compliance with all applicable discipline or disability orders, and fitness to practice law.” ABA Standards at 9. In order to demonstrate fitness to practice law, a lawyer may be required to take and pass “the professional responsibility examination.” ABA Standards at 10; *Chief Disciplinary Counsel v. Rozbicki*, 2013 Conn. Super. LEXIS 542 (2013) (As part of the sanction, the court required the attorney to take and pass the MPRE before being allowed to be reinstated to the bar.).

B. Parties’ Arguments

The OED Director recommends that Respondent be suspended for three years from practice before the Office in patent, trademark and other non-patent matters, plus be imposed a two-year probation if and when he is reinstated, and that he be required to take and pass the Multi-State Professional Responsibility Exam (“MPRE”). The Director calculated the three year suspension as the sum of a two-year suspension for the neglect of his clients, six months for lying to OED and failing to cooperate in the investigation, and another six months for aggravating factors. D Brief at 85.

As to the two-year suspension, the Director reasons that it is appropriate because the neglect of a client matter is a serious ethical violation. The Director cites to settlement agreements between OED and practitioners in which a two year suspension was agreed to for neglect of clients similar to that of Respondent. Here, the neglect included Respondent allowing multiple patent applications for several different clients to go abandoned, and failing to communicate with his clients or seek their input on how to proceed on their applications.

The Director asserts that making false statements to a disciplinary authority and attempting to mislead it warrants an additional significant sanction, citing to attorney disciplinary case decisions including *Cincinnati Bar Assoc. v. Moore*, 36 N.E. 3d 171 (Ohio 2015)(two year suspension with one year stayed). The Director asserts that Respondent did not bother to obtain his closed case files to ensure he accurately answered OED's inquiries, and that he changed his story, not treating OED inquiries seriously. The Director points out Rule 10.23(d), which provides that "a practitioner who acts with reckless indifference to whether a representation is true or false is chargeable with knowledge of its falsity" and that "[d]eceptive statements of half-truths or concealment of material facts shall be deemed actual fraud" within the meaning of the Rule. *Id.* at 87. Furthermore, the Director asserts, Respondent lied to clients which "is akin to lying to OED." *Id.* at 87-88.

Moreover, the Director argues, Respondent failed to cooperate with OED in the investigation and took great offense at OED's reasonable inquiries, demonstrating "flagrant disrespect" for OED's disciplinary authority, also deserving a significant sanction. D Brief at 90.

Upon review of the ABA Standards, the Director identified aggravating factors applicable to Respondent's violations, namely: Respondent's pattern of misconduct; multiple offenses; his bad faith obstruction of the disciplinary proceeding; submission of false evidence, false statements, or other deceptive practices during the disciplinary process; and refusal to acknowledge the wrongful nature of his conduct. D Brief at 90-92. The only mitigating factor that the OED Director found applicable was Respondent's absence of a prior disciplinary record. *Id.* at 93.

The Director recommends that Respondent be required to take and pass the MPRE because he has demonstrated that he does not understand the USPTO disciplinary rules, does not comprehend what he has done wrong, and maintains that his right to be paid for his work supersedes his ethical obligations. The Director recommends the two year probationary period to ensure that Respondent complies with the ethics rules if he seeks reinstatement. D Brief at 92-93.

Other than presenting the defenses discussed above as to liability, and an assertion that the Director did not establish "moral perfidy," Respondent did not address the issue of a sanction in his Post Hearing Brief.

C. Discussion and Conclusion on Applicable Sanction

1. Respondent Violated Duties Owed to His Clients, the Public, the Legal System, and the Profession

It is eminently clear that Respondent violated his duties to his clients Mr. Openiano, Mr. Bartol, Ms. [REDACTED] and Mr. [REDACTED] by neglecting the multiple patent applications referenced herein, thereby allowing all of the applications to become abandoned without the clients' knowledge or consent.

In accordance with ABA Standards § 2.3 and § 4.42, a suspension of at least six months is an appropriate sanction to impose on Respondent, on the basis of knowingly failing to perform services for one client, or engaging in a pattern of neglect, that causes injury or potential injury to one client. Respondent knowingly failed to perform services for Mr. Openiano, as Respondent willfully refused to respond to Office Notices unless and until he got paid for his legal services, constituting violations which warrant a significant period of suspension. In addition, Respondent neglected the Bartols' patent application, failing to respond to the Office Action and failing to inform them of the abandonment of their application, which warrants an extension of the period of suspension. FF 98, 100. Respondent knowingly failed to perform services for Ms. [REDACTED] on her patent application, for which an independent period of suspension would be appropriate to impose. Additionally, Respondent engaged in a pattern of neglect in regard to the two patent applications entrusted to him by Mr. [REDACTED] for which imposition of another independent period of suspension would be appropriate. All of these instances of neglect caused actual injury to each of the clients, as discussed in more detail below. For Respondent's failure to communicate and neglect regarding patent applications, it is appropriate to impose separate periods of suspension of approximately six months, to run consecutively for his misconduct in regard to each of the three clients Mr. Openiano, Ms. [REDACTED] and Mr. [REDACTED] and to further extend the period to account for his misconduct in regard to the Bartols.

It is also clear that Respondent violated his duties to the public, the legal system, and the profession by his lack of candor with the OED, including his false statements and misrepresentations to OED and his failures to respond to OED's inquiries in the RFIs. "A failure to respond to an inquiry by a disciplinary authority is 'an important matter and a threat to the credibility of attorney disciplinary proceedings,'" and "[u]nless attorneys cooperate in the process, the system fails and public confidence in the legal profession is undermined. If the members of our profession do not take the process of internal discipline seriously, we cannot expect the public to do so and the very basis of our professionalism erodes." *In re Johnson*, PTO Proceeding No. D2014-12, slip op. at 9 (Dec. 31, 2014) (Initial Decision) (quoting *State ex rel. Counsel for Discipline of Nebraska Supreme Court v. Tonderum*, 840 N.W.2d 487, 492 (Neb. 2013) and *In re Clark*, 663 P.2d 1339, 1441-42 (Wash. 1983)); *In re Disciplinary Action against Brost*, 850 N.W.2d 699, 704 (Minn. 2014)(failure to cooperate in a disciplinary proceeding

“weakens the public’s perception of the legal profession’s ability to self-regulate” and undermines the integrity of the attorney disciplinary system).

Respondent also violated his duty to the legal system and the profession, as well as to his client, by falsely informing Mr. Openiano that his patent applications became abandoned because of PTO error rather than his own neglect. This false accusation blemishes the integrity of the legal system and the profession, and is especially troublesome “in patent practice where the integrity of the legal profession is essential to maintain a functioning patent system.” *In re Slater*, 231 U.S.P.Q. 497, 985 Comm’r Pat. LEXIS 34 *59 (Comm’r Pat. 1985), *aff’d sub nom.*, *Slater v. Quigg*, 230 U.S.P.Q. 708 (D.DC 1986).

For the violations found under Counts II, IV, VI and VIII involving Respondent’s false statements, dishonesty, fraud, deceit and misrepresentation, along with his failure to cooperate with OED and respond to certain requests for information, it is appropriate to impose an additional term of suspension. These violations on the part of Respondent are akin to circumstances which are appropriate for an independent period of suspension under ABA Standard § 6.12, for lawyers who know that false statements or documents are being submitted to the court or that material information is improperly being withheld, who take no remedial action, and who “cause[] an adverse or potentially adverse effect” on the legal proceeding.

2. Culpability

As the reasons Respondent offered for the neglect were not credible, the Director suggests that the reasons Respondent neglected the applications might be that he was overwhelmed with work, neglectful of deadlines, or because he purposely neglected the applications, making independent determinations to let the applications become abandoned without consulting with his clients. Then he intentionally misrepresented the facts to OED to avoid disciplinary action. D Brief at 85-86; Reply Brief at 16.

Respondent argues that the Director has not shown that he had “moral perfidy,” and that “[i]t is uniformly and consistently that my clients profited, and not me.” R Brief at 55. The term “perfidy” is not a term in the disciplinary rules but is commonly defined as the quality of being dishonest or disloyal, or an act or instance of deception or betrayal. Webster’s Third New International Dictionary p. 1678 (2002). As discussed above, Respondent engaged in dishonesty and deceit in communicating with Mr. Openiano, in representing to him that there were delays in his patent applications due to the fault of the Office. Tr. 135-136. Furthermore, he made false statements to OED. Therefore his argument as to moral perfidy has no bearing on the sanction to impose.

The factor of culpability - whether Respondent acted intentionally, knowingly, or negligently - must be applied separately for his conduct regarding each client and the OED. As to Mr. Openiano, Respondent was frustrated by having prepared the patent applications but not receiving payment as expected, and he did not want to expend any more time and effort, or pay

issue and publication fees, in response to Office Notices without being paid. Thus his actions were intentional, as he intentionally chose not to communicate with Mr. Openiano about Notices on his patent applications, and intentionally did not respond to them. Tr. 458, 461-462; R Brief ¶¶ 26, 27, 32, 65, 70, 89, 92, 96, 118, 122, 125, 151, 154, 173.

He was not paid at all by Mr. [REDACTED] and Respondent apparently lost interest in the patent applications after Mr. [REDACTED] was not attracting investors in his inventions, as he would have to make a payment of \$100 for an additional fee on the [REDACTED] application, and make the effort to correct text on the [REDACTED] application. FF 138, 147; DX 16. Respondent was aware of the requirement to submit responses to the Office Notices, so he knew of the requirement and had adequate contact information to notify Mr. [REDACTED] but he failed to do so. FF 139, 148, 142, 151, 167, 168, 169. He acted in violation of the Rules at least knowingly, and perhaps intentionally in regard to Mr. [REDACTED]

As to the [REDACTED] patent application, Respondent communicated with Ms. [REDACTED] her but chose not to inform them about the Office's Notice to File Missing Parts, and he knew that the application would become abandoned due to his failure to file a response to the Notice. FF 117-120. He also knew at that time that they paid all fees for the patent application and that their company was the assignee of the patent application. FF 116, 121. He therefore intentionally failed to communicate with them and knowingly allowed the application to become abandoned.. As to the Bartols' application, the evidence does not show the actual reason why Respondent allowed it to become abandoned. It may have been due simply to missing the deadline, so I find that it is appropriate to assess as negligence.

As to communications with OED, as concluded above, Respondent knowingly made false statements of fact in regard to all four clients. In addition, Respondent made false or misleading communications to Mr. Openiano at the October 30, 2013 meeting which reflect a calculated attempt to deceive. FF 72. Respondent knowingly failed to disclose to OED that Mr. Openiano refused to sign the Proposed Statement. FF 85. His failure to cooperate with OED indicate three possibilities. In the case of Mr. Bartol and Mr. [REDACTED] Respondent either failed to document legally significant information, was trying to avoid its disclosure to OED, or simply did not want to be bothered with locating and reviewing his clients' files, and he intentionally refused to look for the files and cooperate with OED's investigation. Respondent knowingly failed to respond to OED's requests for information with respect to Ms. [REDACTED] FF 126, 128, 132.

3. Extent of the Actual or Potential Injury

Respondent's conduct led to significant actual injury for Mr. Openiano, Mr. Bartol, Ms. [REDACTED] and Mr. [REDACTED] By Respondent failing to respond to any of the Office correspondences that were sent in each of his client's patent applications, all of these applications became abandoned without the clients' knowledge or consent. Each of the four

clients expressed interest in reviving their applications. FF 74, 78, 101, 133, 146. To revive their patent applications, the clients would have to pay PTO fees for a petition for revival (at least \$850 per petition for small entities, and \$1600 for large entities) plus legal fees to prepare the petition. Tr. 106, 443, 523, 528, 545-546; DX 27 at 61-62; FF 78. They would have to make a statement that the abandonment from the day the reply was due until the day a grantable petition is filed was unintentional, upon which PTO may make inquiries. Tr. FF 73; 439, 441-445. They may have a reduced term of patent protection, or may not be able to revive the patent application. 35 U.S.C. § 154(a)(2); FF 79. Because Respondent failed to inform any of his clients that their patent applications had become abandoned, his clients were not made aware of the abandoned status of their patents until long after the Notice of Abandonments were originally mailed to them, nine months in the case of Ms. [REDACTED] two to four years as to Mr. Openiano, two years as to the Bartols, and six years as to Mr. [REDACTED] FF 24, 64, 71, 99, 101, 123, 133, 141, 146, 150.

In the case of Mr. Openiano, to revive the applications, he searched for attorneys to revive and continue prosecution of his applications, and would have to file a petition on all six applications. Tr. 106. Mr. Openiano only had the money to hire an attorney for one of the applications, and he paid the attorney approximately \$6,000 in legal fees to prepare and prosecute the petition. FF 78, 79.

Given the greater injury to Mr. Openiano and the intentional misconduct, a nine month suspension is appropriate to assess for the violations involving his patent applications. Three months are added to that to reflect the violations involving the Bartols' application, given the lesser gravity of the violations, level of culpability and extent of injury. For the violations involving Respondent's refusal to communicate with the [REDACTED] about their patent application for which they paid, and the injury resulting from its abandonment, an additional six month period of suspension is warranted. For the misconduct and level of injury to Mr. [REDACTED] for two patent applications, it is appropriate to add a further six month period of suspension. In sum, a two year period of suspension is appropriate for the violations found under Counts I, III, V, and VII.

The actual or potential injury to OED from Respondent's false statements, misrepresentations and failure to cooperate necessitated issuance of serial RFIs to Respondent, and inquiry letters to his clients, multiplying the time and resources spent on the investigation, as discussed above regarding violations of 37 C.F.R. 11.804(d). Considering Respondent's violation of duties owed to the public, the legal system, and the profession, and the culpability and level of injury to OED from the violations found under Counts II, IV, VI and VIII, these violations merit an additional six month period of suspension.

4. Aggravating and Mitigating Factors

In determining the ultimate sanction to impose on Respondent, there are multiple aggravating factors and one mitigating factor to take into consideration that apply to all of the violations. The aggravating factors that are relevant to Respondent's conduct and upon which there is evidence in the record are his substantial experience in the practice of law; his dishonest or selfish motive; a pattern of misconduct; multiple offenses; submission of false evidence, false statements, or other deceptive practices during the disciplinary proceedings; bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of the disciplinary agency; and refusal to acknowledge the wrongful nature of his conduct.

Respondent's substantial experience in the practice of law is evidenced by the fact that he has been licensed to practice law since December 11, 1986, and has been registered as a patent attorney since December 31, 1980. FF 1–3. This is more than enough time for him to familiarize himself with the disciplinary rules and ensure that his conduct does not result in an ethical violation of the rules.

Although Mr. Openiano did not pay the legal fees he agreed to, Respondent's conduct in the Openiano matters reflects a selfish motive in that he failed to remove himself from representing Mr. Openiano despite letting the applications become abandoned because he wanted to collect his legal fees. Respondent acknowledged that he had no intention of ceasing his representation of Mr. Openiano because he believed that this was his "best hope of getting paid." Tr. at 474. Respondent could have pursued his legal fees from Mr. Openiano through other legal means, however. By failing to withdraw from representation and putting his needs above his client's, Respondent's selfish motive further harmed Mr. Openiano.

As demonstrated by the abandonment of multiple patent applications of Mr. Openiano and Mr. [REDACTED] and violations found of multiple rules within each count of the Complaint, Respondent engaged in a pattern of misconduct and is liable for multiple offenses. *People v. Webb*, 306 P.3d 120, 125 (Colo. 2013) (pattern of misconduct may occur when similar conduct occurs "in more than one client matter during the same general timeframe."); *In re Reardon*, 759 A.2d 568, 576 (Del. 2000) (pattern of misconduct "may be discerned from two or more recognizably consistent acts that serve as a predictor of future misconduct."). The fact that Respondent committed multiple violations of the Rules, and repeatedly violated the same rules numerous times is of particular concern, as it demonstrates that he is either unaware that he is violating the Rules, or that he is incapable or indisposed to altering his conduct to comport with the rules without the imposition of a sanction.

Respondent's "submission of false evidence, false statements, and other deceptive practices" during the disciplinary proceedings, and his "bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of the disciplinary agency" serve as the basis of distinct violations found herein, and thus do not serve to aggravate other instances of misconduct. Standards § 9.22(e), 9.22(f).

Perhaps most troubling is Respondent's refusal to acknowledge or grasp the wrongful nature of his conduct. Throughout this entire proceeding, Respondent continued to claim that his conduct did not violate any disciplinary rules. Up until the very end, despite all the evidence presented by OED, Respondent continued to argue that there was "no ethical violation" and that he did "nothing wrong," and therefore, I should "dismiss all counts" against him. R Brief at 57–58. In his response to the Third RFI, he attempted to shift blame to the OED, as he claimed that OED was acting unethically by contacting Ms. [REDACTED] rather than Mr. [REDACTED] FF 132; D Brief ¶ 313; DX 22 at 6. Respondent lacked remorse, and expressed his disdain of OED pursuing this action against him, occasionally shouting or lashing out against the OED attorneys at the hearing. Tr. 217 (responding to an objection, Respondent asked one of the OED attorneys, "Do you like it when men call you that you don't know how to apply makeup and you're ugly. . . ."); Tr. 465 ("A minute ago I was cautioned against calling you names or swearing in Court by the Judge. Now, I'm accusing you of bad lawyering."); Tr. at 459-460 ("What the hell? . . . Your theory is we got together to discuss lunch over, what, the Padres? Are you out of your mind?"); Tr. 485, 496.

The absence of a prior disciplinary record is the sole mitigating factor favoring Respondent in this proceeding. Respondent has been practicing patent law for 36 years and has no prior disciplinary record. FF 2, 3, 4.

Balancing these aggravating and mitigating factors, I conclude that the sanction should be substantially increased, by another six months.

5. Conclusion

The assessment of a three-year suspension for the violations found herein is consistent with the sanctions imposed by administrative law judges and appellate tribunals against other patent practitioners who engaged in violations of similar magnitude. In *Moatz v. Bode*, Proceeding No. D02-14 (USPTO Final Decision, July 28, 2004),¹⁴ a practitioner was suspended for seven years, with suspension of four of those years stayed, for failure to inform several clients of Office correspondence, neglect of several clients' matters, failure to carry out contracts for employment, engaging in conduct prejudicial to the administration of justice, and willfully refusing to reveal or report knowledge or evidence to OED by failing to respond to RFIs.

A practitioner was suspended for two years for neglecting a client's patent application, having misplaced it, causing the applicant to lose all rights to patent protection for his invention, and for filing a patent application that the practitioner knew was not patentable as a matter of law, with an aggravating circumstance of recalcitrance where he had received prior warnings and suspension. *In re Kroll*, Proceeding No. D2014-14 (USPTO Final Order, March 4, 2016).¹⁵

¹⁴ Available at <https://e-foia.uspto.gov>.

¹⁵ *Ibid*.

In *Small v. Weiffenbach*, 10 U.S.P.Q.2d 1881 (Dept. Comm. 1988), *adopted*, 10 U.S.P.Q.2d 1898 (Comm'r Pat. 1989) a practitioner was suspended for a total of five years, including two years for neglecting and allowing 12 patent applications of his clients to become abandoned, and dishonesty, fraud, deceit or misrepresentations in responses to inquiries from the Director about the applications, plus another year for knowingly making false representations in response to inquiries from the Director about backdating documents. In that case, a mitigating circumstance was 25 years of practice with no prior violations, and aggravating circumstances were the practitioner's lack of contrition or remorse, involving and blaming his secretary for his transgressions, and having a "blatant disregard for the consequences which abandonment would have on his clients."

In a similar case, *In re Klein*, 6 U.S.P.Q.2d 1547 (Comm'r Pat. 1988), *aff'd sub nom Klein v. Peterson*, 696 F. Supp. 695, *aff'd* 866 F.2d 412 (Fed. Cir. 1989), *cert den.* 490 U.S. 1091 (1989), a practitioner was suspended for seven years, with suspension of five of those years stayed, for backdating certificates of mailing, filing documents late and thus neglecting client matters, and providing misleading answers to the Director's inquiries. Where an attorney tried to cover up his neglect of client matters and gave false information to the PTO, attempted to portray himself as a victim, displayed hostility toward his perceived antagonists at the PTO, and otherwise denied any wrongdoing," he was held to have engaged in a pattern of misconduct aggravated by his refusal to accept responsibility for his actions and the absence of remorse," and therefore, was suspended for two years. *In re Klein*, 183 A.D.2d 279, 590 N.Y.S.2d 700, 700-701 (1992).

A substantial term of suspension will serve to deter future misconduct by Respondent, deter similar misconduct by other practitioners, protect the public, and maintain the public confidence in the integrity of the profession. Respondent's misconduct was serious, repeated amongst the four clients, resulted in multiple violations of the PTO Code and the PTO Rules, and had damaging consequences for ten separate patent applications.

Respondent's inability to recognize his own dishonesty and deceit, his lack of comprehension of the disciplinary rules, and his tenacious insistence that he did not violate them necessitates certain requirements for Respondent to be reinstated, in order to protect the public and the administration of justice. Specifically, he must demonstrate knowledge of the disciplinary rules and must practice under a substantial probationary period. ABA Standards at 9, 10; *Rozbicki, supra*.

After a thorough review of all of these considerations, a three-year suspension, with reinstatement conditioned on a requirement that Respondent take and pass the MPRE, and a two-year probationary period thereafter, is an appropriate sanction for the violations found herein.¹⁶

¹⁶ A passing score on the MPRE will be determined based on the requirements from the State Bar of California, as Respondent is a member of the California State Bar.

ORDER

After careful and deliberate consideration of the above facts and conclusions, as well as the factors identified in 37 C.F.R. § 11.54(b):

IT IS HEREBY ORDERED that thirty (30) days from the date this Initial Decision is entered, Respondent **William C. Fuess**, PTO Registration No. 30,054, shall be suspended from practice before the USPTO for a period of three (3) years, and in addition, that Respondent be placed on a two (2) year period of probation to begin if and when he is reinstated. The terms of the probation are that Respondent shall comply with all Disciplinary Rules applicable to Patent Attorneys practicing before the USPTO.

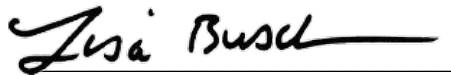
Prior to his reinstatement to practice before the Patent and Trademark Office, Respondent **William C. Fuess** shall take the Multi-State Professional Responsibility Exam, and receive a minimum passing score, which will be based on the requirements of the State Bar of California.

Respondent's attention is directed to 37 C.F.R. § 11.58 regarding the duties of suspended practitioners, and 37 C.F.R. § 11.60 concerning petition for reinstatement.

The facts and circumstances of this proceeding shall be fully published in the U.S. Patent and Trademark Office's official publication.

Under 37 C.F.R. § 11.55, any appeal by Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 11.54, must be filed with the U.S. Patent and Trademark Office at the address provided in 37 C.F.R. § 1.1(a)(3)(ii) within 30 days after the date of this Initial Decision. Such appeal must include exceptions to the Administrative Law Judge's Decision and supporting reasons therefor. Failure to file such an appeal in accordance with 37 C.F.R. § 11.55 will be deemed both an acceptance by Respondent of the Initial Decision and that party's waiver of rights to further administrative and judicial review.

SO ORDERED.




M. Lisa Buschmann
Administrative Law Judge

In the Matter of *William C. Fuess*, Respondent.
Proceeding No. D2015-08

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Initial Decision and Order**, issued by Administrative Law Judge M. Lisa Buschmann, dated July 21, 2017 was served on this day to the addressees in the manner indicated below.



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Paralegal Specialist

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Dated: July 21, 2017
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