

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

| | | |
|-----------------------|---|-------------------------|
| In the Matter of |) | |
| |) | |
| Theodore R. Paulding, |) | Proceeding No. D2009-50 |
| |) | |
| Respondent |) | |
| _____ |) | |

Final Order

Office of Enrollment and Discipline Director Harry I. Moatz ("OED Director") and Theodore R. Paulding ("Respondent") have submitted a Proposed Settlement Agreement to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office ("USPTO Director") or his designate for approval.

The OED Director and Respondent's Proposed Settlement Agreement sets forth certain stipulated facts, legal conclusions, and sanctions to which the OED Director and Respondent have agreed in order to resolve voluntarily a disciplinary complaint against Respondent. The Proposed Settlement Agreement, which satisfies the requirements of 37 C.F.R. § 11.26, resolves all disciplinary action by the United States Patent and Trademark Office ("USPTO" or "Office") arising from the stipulated facts set forth below.

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

Jurisdiction

At all times relevant hereto, Respondent of Wethersfield, Connecticut, has been an attorney registered to practice before the Office and is subject to the Disciplinary Rules of the USPTO Code of Professional Responsibility set forth at 37 C.F.R. § 10.20 *et seq.*

The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. § 2(b)(2)(D) and 37 CFR §§ 11.20(a)(3) and 11.26.

Stipulated Facts

1. Respondent of Wethersfield, Connecticut, is an attorney registered to practice patent law before the Office (Registration Number 19,294) and is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 *et seq.*

2. At all relevant times, Respondent maintained a business/operating account for his patent law practice. It was Respondent's business practice to bill and receive funds from

clients only after performing patent legal services on their behalf; therefore, he did not maintain a separate account in which only client funds could be placed.

3. Respondent did not keep formal accounting records for client funds he received.

4. From September 2007 through December 2008, Respondent signed and submitted to the Office ten (10) checks drawn on his business/operating account that were returned for insufficient funds. The returned checks totaled four thousand and seventy-three dollars (\$4,073.00).

5. As of the date of this Proposed Settlement Agreement, Respondent: (a) has made good on all returned checks and returned check fees, (b) has completed a six-hour continuing legal education class sponsored by the state bar association where he is licensed to practice non-patent law on the subject of law office management for the solo and small practitioner that included specific information on financial bookkeeping and ethics, and (c) has established and maintains and operates a separate bank account for depositing funds belonging to clients.

Mitigating Factor

6. Respondent has been registered as a patent attorney for over fifty (50) years and has had no prior disciplinary history.

Legal Conclusion

7. Based on the information contained in paragraphs 1 through 5, above, Respondent acknowledges that his conduct violated 37 C.F.R. § 10.112(c)(3) by not maintaining complete records of client funds and 37 C.F.R. §§ 10.23(b)(4) and 10.23(b)(6) by submitting checks that were returned for insufficient funds.

Sanctions

8. Respondent agreed, and it is ORDERED that:

- a. Respondent be, and hereby is, publicly reprimanded;
- b. The OED Director shall publish this Final Order;
- c. The OED Director shall publish the following Notice in the *Official Gazette*:

Notice of Reprimand

Theodore R. Paulding of Wethersfield, Connecticut, registered patent attorney (Registration Number 19,294). Mr. Paulding has been publicly reprimanded by the United States Patent and Trademark Office ("USPTO" or "Office") for violating 37

C.F.R. § 10.112(c)(3) by not maintaining complete records of client funds and 37 C.F.R. §§ 10.23(b)(4) and 10.23(b)(6) by submitting checks that were returned for insufficient funds.

It was Mr. Paulding's business practice to bill and receive funds from clients only after performing patent legal services on their behalf; therefore, he did not maintain a separate account in which only client funds could be placed. Mr. Paulding, however, did not keep formal accounting records for client funds he received. Also, during the period of September 2007 through December 2008, Mr. Paulding signed and submitted to the Office ten (10) checks drawn on his business/operating account that were returned for insufficient funds. The returned checks totaled four thousand and seventy-three dollars (\$4,073.00). Mr. Paulding: (a) has made good on all returned checks and returned check fees, (b) has completed a six-hour continuing legal education class on the topic of law office management for the solo and small practitioner that included specific information on financial bookkeeping and ethics sponsored by the state bar association where he is licensed to practice non-patent law, and (c) has established and maintains and operates a separate bank account for depositing funds belonging to clients.

The fact that Mr. Paulding has been a registered patent attorney for over fifty (50) years and has had no prior disciplinary history with the Office was a mitigating factor and is reflected in the agreed-upon discipline imposed in this case.

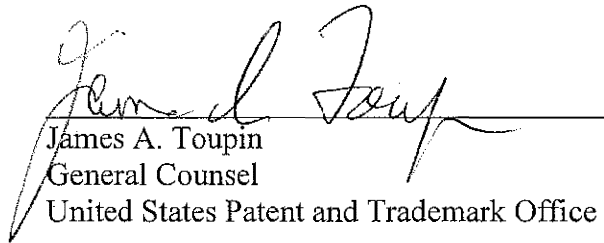
This action is the result of a settlement agreement between Mr. Paulding and the OED Director pursuant to the provisions of 35 U.S.C. § 2(b)(2)(D) and 37 C.F.R. §§ 11.26 and 11.59. Disciplinary decisions involving practitioners are posted at the Office of Enrollment and Discipline's Reading Room located at: <http://des.uspto.gov/Foia/OEDReadingRoom.jsp>.

- d. The OED Director shall give notice of public discipline and the reasons for the discipline to disciplinary enforcement agencies in the State where the practitioner is admitted to practice, to courts where the practitioner is known to be admitted, and the public; and
- e. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this agreement.

[signature page follows]

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Date

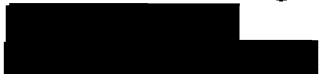

James A. Toupin
General Counsel
United States Patent and Trademark Office

on behalf of

David Kappos
Undersecretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

cc:

Harry I. Moatz
Director Office of Enrollment and Discipline
U.S. Patent and Trademark Office
Mail Stop OED
P.O. Box 1450
Alexandria, Virginia 22313-1450

Theodore R. Paulding


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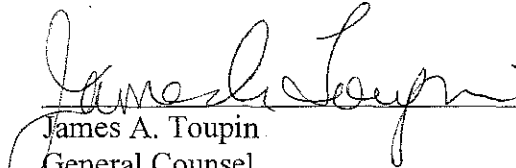
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James A. Toupin
General Counsel
United States Patent and Trademark Office

on behalf of

David Kappos
Undersecretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office