

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

In the Matter of:

MARK A. HAMILL,

Respondent.

Proceeding No. D2019-16

November 4, 2019

INITIAL DECISION ON DEFAULT JUDGMENT

This matter arises from a disciplinary complaint filed by the Director for the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “the Office”) against Mark A. Hamill (“Respondent”) pursuant to 35 U.S.C. § 32 as implemented by 37 C.F.R. Part 11.¹ The OED Director has filed a *Motion for Entry of Default Judgment and Imposition of Disciplinary Sanction* and a *Memorandum in Support* (“Default Motion”) seeking a default judgment and an order excluding Respondent from practice before the Office.

PROCEDURAL HISTORY

On February 11, 2019, the OED Director filed a *Complaint and Notice of Proceedings Under 35 U.S.C. § 32* (“Complaint”) against Respondent pursuant to 37 C.F.R. §§ 11.32 and 11.34, alleging violations of the USPTO Rules of Professional Conduct (37 C.F.R. §§ 11.101 *et seq.*). The same day the *Complaint* was filed, the OED Director attempted to serve it upon Respondent pursuant to 37 C.F.R. § 11.35(a)(2)(i) by sending him three copies of the *Complaint* via U.S. certified mail, with return receipt requested, as detailed below. On February 21, 2019, the Court issued a *Notice of Hearing and Order* requiring Respondent to file his Answer on or before March 13, 2019.

The first copy of the *Complaint* was mailed to what counsel for the OED Director thought was Respondent’s official address of record with the OED Director pursuant to 37 C.F.R. § 11.11, namely: 78 Willis Street, Suite 100, Glen Ellyn, Illinois 60137 (the “78 Willis Street address”).² The *Complaint* mailed to the 78 Willis Street address was returned to USPTO by the United States Postal Service (“USPS”) marked “Return to Sender,” “Unclaimed,” and “Unable to Forward.” On February 11, 2019, the OED Director additionally attempted to serve a copy of the *Complaint* on Respondent, by certified mail, return receipt requested, to two addresses where the OED Director reasonably believed that Respondent was receiving mail,

¹ Pursuant to an Interagency Agreement in effect beginning March 27, 2013, Administrative Law Judges of the U.S. Department of Housing and Urban Development are authorized to hear cases brought by USPTO.

² 37 C.F.R. § 11.11(a) requires a registered practitioner such as Respondent to notify the OED Director of the postal address for the practitioner’s office and to provide written notice of any address change within 30 days of the change.

namely: Law Office of Mark A. Hamill, Suite 409, 1850 S. Milwaukee Avenue, Libertyville, Illinois 60048 (“the 1850 S. Milwaukee address”), and Law Office of Mark A. Hamill, [REDACTED], [REDACTED] (“the [REDACTED] address”). The copies of the *Complaint* mailed to Respondent at both addresses were returned to USPTO by the USPS marked “Return to Sender,” “Unclaimed,” and “Unable to Forward.”

After being unable to serve Respondent by mail, the OED Director served notice on Respondent via publication pursuant to 37 C.F.R. § 11.35(b). Notices were published in the USPTO Official Gazette for two consecutive weeks, on April 23, 2019 and April 30, 2019. The applicable regulation mandates that Respondent had thirty (30) days from the date of publication of the second Notice in the Official Gazette to file an Answer to the *Complaint*, thus making his Answer due on or before May 30, 2019. See 37 C.F.R. § 11.35(b).

On June 3, 2019, when no Answer had been filed, counsel for the OED Director sent a letter to Respondent, by first-class postage-prepaid mail, pursuant to 37 C.F.R. § 11.43, to all of the addresses where the *Complaint* had been mailed. The June 3, 2019 letter informed Respondent that counsel for the OED Director intended to file a motion for default judgment and imposition of disciplinary sanctions against him and invited him to contact counsel on or before June 17, 2019, prior to the motion for default being filed. Respondent did not respond.

On or before July 22, 2019, counsel for the OED Director discovered that Respondent’s correct § 11.11 address is actually: 788 Willis Street, Suite 100, Glen Ellyn, Illinois 60137 (“the § 11.11 address”), not 78 Willis Street. On July 22, 2019, counsel mailed via certified mail, return receipt requested, the *Complaint*, all pleadings to date that had been filed in this matter, and the June 3, 2019 Letter, to Respondent at his correct § 11.11 address, the 1850 S. Milwaukee address, and the [REDACTED] address. Counsel included a cover letter inviting Respondent to contact counsel directly on or before August 6, 2019, regarding this matter. The USPS returned all three mailings to USPTO. Although no Answer to the *Complaint* has been filed, the Court draws the permissible inference that the *Complaint* was received by Respondent.

On September 13, 2019, the OED Director filed the *Default Motion*. Pursuant to the *Notice of Hearing and Order* issued by this Court on February 21, 2019, any party opposing a motion must file his or her opposition within 10 calendar days after the motion is filed, meaning that a response to the *Default Motion* was due on September 23, 2019. Respondent did not respond to the *Default Motion* by that date.

On October 9, 2019, the Court issued an *Order to Show Cause* directing Respondent to file a proposed Answer to the *Complaint* and to show cause why the *Default Motion* should not be granted by October 23, 2019. Respondent did not file any response by that date.

As of the date of this decision, Respondent has not responded to the *Complaint* or *Default Motion*, sought an extension of time to do so, or otherwise appeared in this matter. In short, the Court has received no communication from or on behalf of Respondent.

APPLICABLE LAW

USPTO Disciplinary Proceedings. USPTO has the “exclusive authority to establish qualifications for admitting persons to practice before it, and to suspend or exclude them from practicing before it.” Kroll v. Finnerty, 242 F.3d 1359, 1364 (Fed. Cir. 2001). This authority flows from 35 U.S.C. § 2(b)(2)(D), which empowers USPTO to establish regulations governing patent practitioners’ conduct before the Office, and 35 U.S.C. § 32, which empowers USPTO to discipline a practitioner who is “shown to be incompetent or disreputable, or guilty of gross misconduct,” or who violates USPTO’s regulations. The practitioner must receive notice and an opportunity for a hearing before such disciplinary action is taken. 35 U.S.C. § 32. Disciplinary hearings are conducted in accordance with USPTO’s procedural rules at 37 C.F.R. part 11, subpart C, and with section 7 of the Administrative Procedure Act, 5 U.S.C. § 556, by a hearing officer appointed by USPTO. See 37 C.F.R. §§ 11.39(a), 11.44. The OED Director has the burden of proving any alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49.

In 1985, USPTO issued regulations based on the ABA Model Code of Professional Responsibility to govern attorney conduct and practice. See 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). These rules set forth the USPTO Code of Professional Responsibility and “clarif[ied] and modernize[d] the rules relating to admission to practice and the conduct of disciplinary cases.” Id. at 5158. In May 2013, USPTO replaced the USPTO Code with the USPTO Rules of Professional Conduct, which are fashioned on the ABA’s Model Rules of Professional Conduct. See Changes to Representation of Others Before the United States Patent and Trademark Office, 78 Fed. Reg. 20180 (Apr. 3, 2013) (Final Rule) (codified at 37 C.F.R. §§ 11.101-11.901). By updating its regulations, USPTO sought to “provid[e] attorneys with consistent professional conduct standards, and large bodies of both case law and opinions written by disciplinary authorities that have adopted the ABA Model Rules.”³ Id. at 20180.

Consequences for Failure to Answer Complaint. USPTO’s procedural rules set forth the requirement for answering the *Complaint* and the consequences for failing to do so: “Failure to timely file an answer will constitute an admission of the allegations in the complaint and may result in entry of default judgment.” 37 C.F.R. § 11.36(e).

FINDINGS OF FACT

As a result of Respondent’s failure to answer the *Complaint*, Respondent is deemed to have admitted the allegations in the *Complaint*, which are set forth below as the Court’s findings of fact. See In re Riley, Proceeding No. D2013-04 (USPTO July 9, 2013)⁴ (granting OED Director’s motion for default judgment when respondent failed to answer the complaint).

At all times relevant to the *Complaint*, Respondent has been registered to practice before USPTO. Respondent was admitted to practice law in Illinois on November 7, 1991, and is

³ Thus, useful to understanding the USPTO Rules are the USPTO Code, the Comments and Annotations to the ABA Model Rules, and disciplinary decisions and opinions issued by state bars. See 78 Fed. Reg. at 20180.

⁴ Available at: <https://go.usa.gov/xV9Ku>.

currently listed as active and authorized to practice law in Illinois. Respondent was registered as a patent attorney on October 8, 1993. Respondent's patent registration number is 37,145.

1. Respondent's prior warning

Long before the disciplinary *Complaint* was filed in this case, Respondent had been warned about the need to fulfill his ethical obligations to his clients. On January 8, 2010, the OED Director issued a warning letter to Respondent. The January 8, 2010 warning letter described Respondent's neglect in handling a client matter; his failure to promptly respond to reasonable client inquiries; his failure to keep a client reasonably informed about the status of his matter; and his failure to explain matters to clients to the extent reasonably necessary to make informed decisions regarding the representation. The January 8, 2010 warning letter advised Respondent that his conduct was not in accordance with his ethical obligations to his clients and advised that:

a practitioner may not neglect a legal matter entrusted to the practitioner. 37 C.F.R. § 10.77(c). Intentionally failing to seek the lawful objectives of a client through reasonably available means and intentionally failing to carry out a contract of employment entered into with a client for professional services can lead to disciplinary action. See 37 C.F.R. § 11.84(a).⁵ . . . Intentionally prejudicing or damaging a client during the course of a professional relationship is misconduct. 37 C.F.R. § 10.84(a)(3).

2. Respondent's misconduct in the de Valdivielso representation

Prior to May 26, 2017, Noel de Valdivielso hired Respondent to draft and prosecute a nonprovisional patent application for his "Paver Locking Apparatus and Method" invention. On May 26, 2017, Respondent filed a nonprovisional patent application, U.S. Patent Application No. 15/606,671 ("the '671 application"), for the invention. The '671 application named Mr. de Valdivielso as the sole inventor and owner. The '671 application included a grant of power of attorney to Respondent. No filing fees were submitted to the USPTO with the '671 application.

Respondent did not inform Mr. de Valdivielso that the '671 application was filed without the required filing fees. Respondent did not inform Mr. de Valdivielso of the potential consequences of filing the '671 application without the required filing fees.

On June 6, 2017, the Office issued a Notice to File Missing Parts in the '671 application. The Notice was mailed to Respondent at the address to which he authorized USPTO to send correspondence pertaining to the '671 application. The Notice advised Respondent that payment of \$1,260.00 in filing fees was required to avoid abandonment of the application. The \$1,260.00 in fees included a \$70.00 surcharge pursuant to 37 C.F.R. § 1.16(f) for, *inter alia*, "late submission of the basic filing fee, search fee, or examination fee." The Notice also advised

⁵ The citation to "37 C.F.R. § 11.84" was incorrect. There was no 37 C.F.R. § 11.84 in effect at that time. The correct citation should have been to "37 C.F.R. § 10.84."

Respondent that there was a shortened statutory period of two months to respond but that “[e]xtensions of time may be obtained by filing a petition” with the appropriate fee.

Respondent did not inform Mr. de Valdivielso of the June 6, 2017 Notice to File Missing Parts. Respondent did not forward a copy of the Notice to Mr. de Valdivielso. Respondent did not advise Mr. de Valdivielso of options for responding to, or the potential consequences of not responding to the Notice.

On or around July 28, 2017, Respondent sent Mr. de Valdivielso a document entitled “Revised Invoice” that stated it was in reference to the “Utility Patent Application – Paver Locking Apparatus and Method” (the ’671 application), with the line item “Fees due USPTO for Utility Patent \$1,260.00.” On August 10, 2017, Mr. de Valdivielso paid \$3,260.00 to Respondent, which included the \$1,260.00 in USPTO filing fees for the ’671 application. On September 12, 2017, Respondent sent an invoice to Mr. de Valdivielso acknowledging that the account was paid in full and there was a zero balance on the account.

Respondent did not deposit the \$1,260.00 received from Mr. de Valdivielso for the USPTO filing fees into a client trust account. And despite having received the filing fees from Mr. de Valdivielso, Respondent did not pay USPTO the \$1,260.00 in fees or otherwise take action to prevent abandonment of the ’671 application. Respondent did not file a response to the Notice to File Missing Parts. Respondent did not inform Mr. de Valdivielso that he did not: 1) submit the \$1,260.00 to USPTO, 2) respond to the June 6, 2017 Notice, or 3) take any other action to prevent the abandonment of the ’671 application.

On February 6, 2018, the Office issued a Notice of Abandonment in the ’671 application which advised that “[n]o response was received” to the June 6, 2017 Notice to File Missing Parts. The Notice of Abandonment was mailed to Respondent at the address to which Respondent authorized USPTO to send correspondence pertaining to the ’617 application. Respondent did not inform Mr. de Valdivielso of the Notice of Abandonment, nor did he forward the Notice of Abandonment to Mr. de Valdivielso. Respondent did not advise Mr. de Valdivielso about options for responding and the potential consequences of failing to respond to the Notice of Abandonment. Respondent did not respond to the Notice of Abandonment, nor did he notify Mr. de Valdivielso that he had failed to respond.

Between September 12, 2017 and February 2018, Mr. de Valdivielso called Respondent several times to inquire about the status of the ’671 application. Respondent did not respond to Mr. de Valdivielso’s telephone calls.

As a consequence of Respondent’s failure to communicate with him, Mr. de Valdivielso hired new counsel to represent him. On February 17, 2018, a new “Power of Attorney by Applicant” form was filed in the ’671 application appointing new counsel and terminating Mr. de Valdivielso’s practitioner-client relationship with Respondent. On March 6, 2018, Mr. de Valdivielso’s new counsel filed a “Petition for Revival of an Application for Patent Abandoned Unintentionally under 37 CFR § 1.137(a)” (“the Petition to Revive”) in the ’671 application. On March 6, 2018, Mr. de Valdivielso’s new counsel submitted to the USPTO a total of \$2,375.00, which consisted of: 1) \$1,295.00 in previously unpaid filing fees for the ’671 application (an

increase of \$35.00 due to a statutory fee increase effective November 14, 2017); 2) \$80.00 late filing fee for oath or declaration (an increase of \$10.00 due to a statutory fee increase effective November 14, 2017); and 3) \$1,000.00 in filing fees for the Petition to Revive itself. Mr. de Valdivielso would not have had to pay the additional \$1,080.00 in late fees and Petition to Revive fees had Respondent paid the filing fees to the USPTO when he submitted the '671 application or in response to the June 6, 2017 Notice to File Missing Parts.

Between September 7, 2017 and March 19, 2018, Mr. de Valdivielso's new counsel attempted to contact Respondent by telephone (leaving voice messages) and sent several emails to numerous email addresses for Respondent. As of March 18, 2018, Respondent had not responded to Mr. de Valdivielso's new counsel's request for information about Mr. de Valdivielso's matter. It was not until March 2018, after Mr. de Valdivielso's new counsel informed Respondent that he would have to report Respondent's conduct to the OED Director and the Attorney Registration and Disciplinary Commission ("ARDC") of the Supreme Court of Illinois, that Respondent finally remitted \$3,200.00 to Mr. de Valdivielso.

On April 20, 2018, Respondent informed the ARDC that he had sent to Mr. de Valdivielso the \$3,200.00 to which Mr. de Valdivielso was entitled. Respondent asserted to ARDC that the \$3,200.00 included the USPTO filing fees "as well as the projected attorney's fees and all costs incurred in preparing and filing the petition to revive." Respondent never spoke to Mr. de Valdivielso's new counsel despite numerous requests from the new counsel to do so.

3. Respondent's misconduct in the A [REDACTED] representation

[REDACTED] A [REDACTED] hired Respondent to draft and prosecute a nonprovisional patent application for his "[REDACTED]" invention. The engagement agreement between Respondent and Mr. A [REDACTED] notes, in relevant part, that Respondent would pay expenses in advance and then bill Mr. A [REDACTED] for such incurred expenses:

In representing . . . clients, there . . . are other charges in addition to our fees that we itemize separately and bill to [clients]. These include fees charged by government agencies. . . . We incur outside charges as agents for our clients, who agree that these charges will always be paid on a regular basis.

On [REDACTED], 2017, Respondent filed a nonprovisional patent application, U.S. Patent Application No. [REDACTED] ("the [REDACTED] application") for the invention. The [REDACTED] application named Mr. A [REDACTED] as the sole inventor and owner. The [REDACTED] application included a grant of power of attorney to Respondent. No filing fees were submitted to USPTO with the [REDACTED] application.

On [REDACTED], 2017, the Office issued a Notice to File Missing Parts in the [REDACTED] application. The Notice advised that, *inter alia*, payment of \$800.00 in filing fees was required to avoid abandonment of the application. The \$800.00 in filing fees included a \$70.00

surcharge pursuant to 37 C.F.R. § 1.16(f) for, *inter alia*, “late submission of the basic filing fee, search fee, or examination fee.”

The Notice to File Missing Parts also advised that there was a shortened statutory period of two months to respond but that “[e]xtensions of time may be obtained by filing a petition” with the appropriate fee. The Notice also described other defects in the filing received by the Office: 1) the [REDACTED] application did not include Figure 14 as described in the specification, and 2) the [REDACTED] application contained other drawings, however, the specification did not contain the required description of the drawings. The Notice was mailed to Respondent at the address to which he had authorized USPTO to send correspondence pertaining to the [REDACTED] application.

On [REDACTED], 2017, Respondent mailed to Mr. A [REDACTED] a letter that included: 1) the filing receipt for the [REDACTED] application, 2) the [REDACTED], 2017 Notice to File Missing Parts, and 3) hard copies of the [REDACTED] application, claims, drawings and all the filing documents. The [REDACTED], 2017 letter stated:

The Notice to File Missing Parts requires a brief description of Figs. 14A and 14B8, which we will prepare and file as part of a substitute specification. Our draftsmen split the version of Fig. 14 filed in the provisional application into two pages so the prior description of the one page Fig. 14 is no longer accurate.

The [REDACTED], 2017 letter also stated elsewhere:

Please note that the USPTO fees of \$800.00 is required to be paid within two months of the notice, or by [REDACTED] 2017. We will attend to the payment of those fees by that deadline after you pay the outstanding balance on your account and forward to us the governmental fees due.

Contrary to the engagement letter that Respondent had sent to Mr. A [REDACTED] the [REDACTED], 2017 letter stated that Respondent would not pay the required filing fee until Respondent had received money from Mr. A [REDACTED].

Mr. A [REDACTED] told OED during its investigation of Respondent’s conduct that he received the [REDACTED], 2017 letter from Respondent, but he did not notice that it informed him of the required fees:

My attorney at the time, [Respondent], after a last minute flurry of document reviewing, approving and signing on [REDACTED], 2017, sent me what I thought was a follow-up letter on [REDACTED], 2017 containing a complete set of documents that we had been trading via email. I opened the envelope, glanced at the contents and noticed the documents and set it aside. It wasn’t until sometime in September that I noticed that [Respondent] informed me in the last

paragraph of the [REDACTED], 2017 letter that I had to pay the fee of \$800 by [REDACTED], 2017.

Respondent's [REDACTED], 2017 letter to Mr. A [REDACTED] solely identified an issue with the specification and figures as the reason for the [REDACTED], 2017 Notice to File Missing Parts. The letter did not explain that the failure to pay the appropriate filing fees was itself a basis for the issuance of the Notice. The letter also did not advise Mr. A [REDACTED] of the options for submitting a response to the Notice. Nor did the letter advise Mr. A [REDACTED] of the potential consequences of a failure to pay the appropriate filing fees.

On [REDACTED], 2017, Respondent mailed Mr. A [REDACTED] an invoice stating that the balance he owed to Respondent was \$4,385.00. On [REDACTED], 2017, Respondent mailed Mr. A [REDACTED] another invoice stating that the balance outstanding was \$4,455.00. Between [REDACTED], 2017 and [REDACTED], 2017, Mr. A [REDACTED] paid Respondent \$1,280.00. On [REDACTED], 2017, Respondent mailed Mr. A [REDACTED] an invoice stating that the balance outstanding was \$3,175.00. On [REDACTED], 2017, Mr. A [REDACTED] paid the remaining outstanding balance in full.

Even though Mr. A [REDACTED] paid Respondent the entire amount owed, Respondent did not submit to USPTO—as outlined in the engagement agreement—the filing fees. Respondent did not file a response to the Notice to File Missing Parts. Respondent did not notify Mr. A [REDACTED] that he did not file a response to the Notice to File Missing Parts.

On [REDACTED], 2017, the Office issued a Notice of Abandonment in the [REDACTED] application. The Notice of Abandonment was mailed to Respondent at the address to which Respondent authorized USPTO to send correspondence pertaining to the [REDACTED] application. Respondent did not forward the Notice of Abandonment to Mr. A [REDACTED] or advise Mr. A [REDACTED] of the potential courses of action to respond and potential consequences of not responding to the Notice of Abandonment. Respondent did not file a response to the Notice of Abandonment, nor did he notify Mr. A [REDACTED] that he had not filed a response.

Beginning in [REDACTED] 2017, Mr. A [REDACTED] left numerous voicemail messages and sent email messages to Respondent asking for information about the status of his matter. Respondent did not respond to any of Mr. A [REDACTED]'s requests for information. Respondent abandoned Mr. A [REDACTED] as a client and unilaterally terminated their practitioner-client relationship without notice.

4. Respondent's misconduct in the C [REDACTED] representation

On or around March 16, 2015, [REDACTED] C [REDACTED] hired Respondent to conduct a patentability search and file a provisional patent application for her "[REDACTED]" invention. On [REDACTED] 2015, Respondent filed a provisional patent application, U.S. Provisional Patent Application No. [REDACTED] ("the [REDACTED] application") for the invention. The [REDACTED] application named Ms. C [REDACTED] as the sole inventor and owner of the invention.

On [REDACTED], 2016, Ms. C [REDACTED] spoke to Respondent about filing a nonprovisional patent application based on the provisional application. On [REDACTED] 2016, Ms. C [REDACTED] received an email from Darlene Kirschbaum in Respondent's office, which stated:

Dear [REDACTED]:

This will confirm your telephone conversation of yesterday with [Respondent] regarding the conversion of your provisional patent application to a [nonprovisional] utility patent application, with a deadline of [REDACTED] 2016. We project the cost of preparing and filing the application to be between \$2,500 and \$3,000.

[Respondent] will begin working on the claims today.

If you have any comments or questions, please feel free to give [Respondent] a call.

On [REDACTED] 2016, Respondent filed a nonprovisional application, U.S. Patent Application No. [REDACTED] ("the [REDACTED] application"), for the invention. The [REDACTED] application named Ms. C [REDACTED] as the sole inventor and owner.

By letter dated [REDACTED], 2016, Respondent informed Ms. C [REDACTED], *inter alia*, that the [REDACTED] application had been filed on [REDACTED], 2016. Respondent provided Ms. C [REDACTED] with a copy of the following documents: utility patent application, Electronic Filing Acknowledgement Receipt, Application Data Sheet, Power Of Attorney, Declaration, Utility Patent Application Transmittal, and USPTO Electronic Acknowledgement Receipt. The [REDACTED] 2016 letter informed Ms. C [REDACTED] that she would need to provide Respondent an executed Declaration and a new "Power of Attorney" form. The letter also informed Ms. C [REDACTED] that, in order to file the [REDACTED] application, Respondent had submitted informal drawings and the Statutory Basic Filing fee was not paid. The letter further stated:

Accordingly, one of the next steps in the prosecution of the application should be the issuance of a Notice to File Missing Parts by the USPTO seeking Formal Drawings, and the Basic Filing Fee. The USPTO fees should total about \$850. We will inform you of the exact amount when we receive the notice.

On [REDACTED], 2017, the Office issued a Notice to File Missing Parts in the [REDACTED] application. The Notice advised, *inter alia*, that payment of \$800.00 in filing fees was required to avoid abandonment of the application. The \$800.00 fee included a \$70.00 surcharge pursuant to 37 C.F.R. § 1.16(f) for, *inter alia*, "late submission of the basic filing fee, search fee, or examination fee." The Notice further advised that there was a shortened statutory period of two months to respond but that "[e]xtensions of time may be obtained by filing a petition" with the appropriate fee. Finally, the Notice also advised that the [REDACTED] application required replacement drawings in compliance with 37 C.F.R. §§ 1.84 and 1.121(d) and required a properly executed inventor's oath or declaration. The Notice was mailed to Respondent at the

address to which Respondent authorized USPTO to send correspondence pertaining to the [REDACTED] application.

Respondent did not advise Ms. C [REDACTED] of the [REDACTED], 2017 Notice to File Missing Parts or of the options for responding to or the potential consequences of not responding to the Notice. Respondent did not file a response to the Notice and did not inform Ms. C [REDACTED] that he did not do so.

On [REDACTED], 2017, the Office issued a Notice of Abandonment in the [REDACTED] application. The Notice of Abandonment was mailed to Respondent at the address to which Respondent had authorized USPTO to send correspondence pertaining to the [REDACTED] application. Respondent did not forward the Notice of Abandonment to Ms. C [REDACTED] or advise Ms. C [REDACTED] of potential courses of action to respond to or the potential consequences if no response was filed to the Notice of Abandonment. Respondent did not file a response to the Notice of Abandonment and did not inform Ms. C [REDACTED] that he did not do so.

Between [REDACTED], 2015 and [REDACTED], 2017, Ms. C [REDACTED] paid Respondent \$7,595.00 for patent services and fees. This included funds collected to pay USPTO filing fees for the [REDACTED] application. Respondent did not deposit into a client trust account any USPTO filing fees collected from Ms. C [REDACTED]. Respondent did not return to Ms. C [REDACTED] the USPTO filing fees that Respondent did not forward to the USPTO. Ms. C [REDACTED] had a conversation with Respondent in March 2018, but Respondent did not mention that there were any outstanding USPTO filing fees to be paid, nor did Respondent mention the [REDACTED], 2017 Notice of Abandonment.

Between July 2018 and January 2019, Ms. C [REDACTED] left Respondent voice messages, sent email messages, and attempted to communicate on social media requesting information about the [REDACTED] application. Respondent did not respond to any of Ms. C [REDACTED]'s requests for information. Respondent abandoned Ms. C [REDACTED] as a client and terminated their practitioner-client relationship. As of January 24, 2019, Respondent has not returned any funds to Ms. C [REDACTED].

5. Respondent's non-compliance with the OED Director's investigation

On April 23, 2018, OED mailed to Respondent, at his § 11.11 address that Respondent had previously provided to OED, a Request for Information and Evidence Under 37 C.F.R. § 11.22(f) (the "April 23, 2018 RFI"). The April 23, 2018 RFI was lawfully issued pursuant to 37 C.F.R. § 11.22(f)(1)(ii).

The April 23, 2018 RFI requested that Respondent respond within thirty days, or on or before May 23, 2018. USPS records indicate that the April 23, 2018 RFI was delivered to Respondent by certified mail on April 30, 2018. Respondent did not respond to the April 23, 2018 RFI on or before May 23, 2018, nor did he request an extension of time to do so.

On May 30, 2018, OED mailed a Lack of Response letter to Respondent, noting that Respondent had failed to respond to the April 23, 2018 RFI. The May 30, 2018 Lack of Response letter set forth the consequences of a failure to respond and provided Respondent with

another copy of the April 23, 2018 RFI. The May 30, 2018 Lack of Response letter informed Respondent that he was to respond no later than June 13, 2018.

The May 30, 2018 Lack of Response letter was sent via certified mail to Respondent's § 11.11 address. Another copy was sent via certified mail to Respondent's 1850 S. Milwaukee address. Respondent signed the certified mail receipt accepting delivery of the letter to the § 11.11 address on June 13, 2018. Respondent signed the certified mail receipt accepting delivery of the letter to the 1850 S. Milwaukee address on June 8, 2018. Despite having received the letter, Respondent did not respond to the letter or the April 23, 2018 RFI on or before June 13, 2018, nor did he request an extension of time to do so.

As of the date of the filing of the *Complaint*, February 11, 2019, OED had not received any response to the May 30, 2018 Lack of Response Letter or the April 23, 2018 RFI, nor had Respondent otherwise communicated with OED. Respondent was provided ample notice and opportunity to respond to the April 23, 2018 RFI and the May 30, 2018 Lack of Response letter.

CONCLUSIONS OF LAW

Based upon the foregoing findings of fact, the Court concludes that Respondent violated the USPTO Rules of Professional Conduct as alleged, for the following reasons.

Count I: Misconduct relating to the de Valdivielso representation

a. 37 C.F.R. § 11.103 provides that a practitioner “shall act with reasonable diligence and promptness in representing a client.” Respondent violated this provision as charged in Count I when he failed to file a response to the June 6, 2017 Notice to File Missing Parts; failed to respond to the February 6, 2018 Notice of Abandonment; and failed to mitigate the negative consequences of his acts and omissions in regard to the '671 application.

b. 37 C.F.R. § 11.104(a)(3) provides that a practitioner shall “keep the client reasonably informed about the status of the client's matter.” Respondent violated this provision as charged in Count I when he failed to notify Mr. de Valdivielso that the '671 application was filed without the required fees; failed to notify Mr. de Valdivielso of the potential consequences of filing the '671 application without the required fees; failed to forward the June 6, 2017 Notice to File Missing Parts to Mr. de Valdivielso; failed to advise Mr. de Valdivielso of the options for and the potential consequences of not responding to the June 6, 2017 Notice to File Missing Parts; failed to forward the February 6, 2018 Notice of Abandonment to Mr. de Valdivielso; and failed to advise Mr. de Valdivielso of the options for and the potential consequences of not responding to the February 6, 2018 Notice of Abandonment

c. 37 C.F.R. § 11.104(a)(4) provides that a practitioner shall “promptly comply with reasonable requests for information from the client.” Respondent violated this provision as charged in Count I when he failed to promptly respond to voice messages containing reasonable requests for information from Mr. de Valdivielso and failed to promptly respond to voice and email messages containing reasonable requests for information from Mr. de Valdivielso's new counsel.

d. 37 C.F.R. § 11.104(b) provides that a “practitioner shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.” Respondent violated this provision as charged in Count I when he failed to notify Mr. de Valdivielso that the ’671 application was filed without the required fees; failed to notify Mr. de Valdivielso of the potential consequences of filing the ’671 application without the required fees; failed to forward the June 6, 2017 Notice to File Missing Parts to Mr. de Valdivielso; failed to advise Mr. de Valdivielso of the options for and the potential consequences of not responding to the June 6, 2017 Notice to File Missing Parts; failed to notify Mr. de Valdivielso that he did not respond to the June 6, 2017 Notice to File Missing Parts; failed to notify Mr. de Valdivielso of the options for responding to and the potential consequences of failing to respond to the February 6, 2018 Notice of Abandonment; and failed to notify Mr. de Valdivielso that he did not respond to the February 6, 2018 Notice of Abandonment.

e. 37 C.F.R. § 11.115(c) provides that a “practitioner shall deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the practitioner only as fees are earned or expenses incurred.” Respondent violated this provision as charged in Count I when he failed to deposit Mr. de Valdivielso’s funds for USPTO filing fee expenses into Respondent’s client trust account, to be withdrawn only as the USPTO filing fees were incurred.

f. 37 C.F.R. § 11.115(d) provides that “upon receiving funds or other property in which a client or third person has an interest, a practitioner shall promptly notify the client or third person. Except as stated in [§ 11.115] or otherwise permitted by law or by agreement with the client, a practitioner shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full accounting regarding such property.” Respondent violated this provision as charged in Count I when he failed to submit the \$1,260.00 collected from Mr. de Valdivielso to USPTO after the June 6, 2017 Notice to File Missing parts was issued and failed to promptly return the \$1,260.00 to Mr. de Valdivielso when it was not paid to USPTO.

g. 37 C.F.R. § 11.116(d) provides that upon the “termination of representation, a practitioner shall take steps to the extent reasonably practicable to protect a client’s interests, such as giving reasonable notice to the client, allowing time for employment of other counsel, surrendering papers and property to which the client is entitled and refunding any advance payment of fee or expense that has not been earned or incurred. The practitioner may retain papers relating to the client to the extent permitted by other law.” Respondent violated this provision as charged in Count I when he failed to respond to Mr. de Valdivielso’s new counsel’s requests for information regarding the ’671 application and when he failed to promptly return to Mr. de Valdivielso the \$1,260.00 that he had collected for USPTO filing fees.

h. 37 C.F.R. § 11.804(c) provides that “[i]t is professional misconduct for a practitioner to . . . [e]ngage in conduct involving dishonesty, fraud, deceit or misrepresentation.” Respondent violated this provision as charged in Count I when he informed Mr. de Valdivielso

that he was collecting \$1,260.00 for USPTO filing fees but did not forward the fees to USPTO and did not immediately return the funds to Mr. de Valdivielso.

Count II: Misconduct relating to the A [REDACTED] representation

a. Respondent violated 37 C.F.R. § 11.103 as charged in Count II when he failed to file a response to the [REDACTED], 2017 Notice to File Missing Parts; failed to respond to the [REDACTED], 2017 Notice of Abandonment; failed to mitigate the negative consequences of his acts and omissions in regard to [REDACTED] application; and failed to submit to USPTO the \$800.00 outstanding filing fee once Mr. A [REDACTED] had paid the entire balance due on his account.

b. Respondent violated 37 C.F.R. § 11.104(a)(3) as charged in Count II when he failed to forward the [REDACTED], 2017 Notice of Abandonment to Mr. A [REDACTED]

c. Respondent violated 37 C.F.R. § 11.104(a)(4) as charged in Count II when he failed to promptly respond to voice and email messages containing reasonable requests for information from Mr. A [REDACTED]

d. Respondent violated 37 C.F.R. § 11.104(b) as charged in Count II when he failed to notify Mr. A [REDACTED] of the potential consequences of failing to respond to the [REDACTED], 2017 Notice to File Missing Parts; failed to notify Mr. A [REDACTED] that he did not respond to the [REDACTED], 2017 Notice to File Missing Parts; failed to notify Mr. A [REDACTED] of the [REDACTED], 2017 Notice of Abandonment; failed to notify Mr. A [REDACTED] of the options for responding to and the potential consequences of failing to respond to the [REDACTED], 2017 Notice of Abandonment; and failed to notify Mr. A [REDACTED] that he did not respond to the [REDACTED], 2017 Notice of Abandonment.

e. Respondent violated 37 C.F.R. § 11.116(d) as charged in Count II when he failed to notify Mr. A [REDACTED] of his termination of the practitioner-client relationship and when he failed to take any reasonably practicable steps to protect Mr. A [REDACTED]'s interests in the [REDACTED] application upon that termination.

f. Respondent violated 37 C.F.R. § 11.804(c) as charged in Count II when he mischaracterized the [REDACTED], 2017 Notice to Filing Missing Parts as solely pertaining to issues related to a drawing submitted with the [REDACTED] application and not the failure to pay the required \$800.00 filing fees.

Count III: Misconduct relating to the C [REDACTED] representation

a. Respondent violated 37 C.F.R. § 11.103 as charged in Count III when he failed to file a response to the [REDACTED], 2017 Notice to File Missing Parts; failed to respond to the [REDACTED], 2017 Notice of Abandonment; and failed to mitigate the negative consequences of his acts and omissions in regard to the [REDACTED] application.

b. Respondent violated 37 C.F.R. § 11.104(a)(3) as charged in Count III when he failed to forward the [REDACTED] 2017 Notice to File Missing Parts to Ms. C [REDACTED]; failed to

advise Ms. C [REDACTED] of the options for responding and the potential consequences of failing to respond to the [REDACTED], 2017 Notice to File Missing Parts; failed to forward the [REDACTED], 2017 Notice of Abandonment to Ms. C [REDACTED] and failed to advise Ms. C [REDACTED] of the options for responding and the potential consequences of failing to respond to the [REDACTED], 2017 Notice of Abandonment.

c. Respondent violated 37 C.F.R. § 11.104(a)(4) as charged in Count III when he failed to promptly respond to voice, email, and social media messages containing reasonable requests for information about the [REDACTED] application from Ms. C [REDACTED].

d. Respondent violated 37 C.F.R. § 11.104(b) as charged in Count III when he failed to notify Ms. C [REDACTED] of the options for responding to and the potential consequences of failing to respond to the [REDACTED], 2017 Notice to File Missing Parts; failed to notify Ms. C [REDACTED] that he did not respond to the [REDACTED], 2017 Notice to File Missing Parts; failed to notify Ms. C [REDACTED] of the options for responding to and the potential consequences of failing to respond to the [REDACTED], 2017 Notice of Abandonment; and failed to notify Ms. C [REDACTED] that he did not respond to the [REDACTED], 2017 Notice of Abandonment.

e. Respondent violated 37 C.F.R. § 11.115(c) as charged in Count III when he failed to deposit Ms. C [REDACTED]'s funds for USPTO filing fee expenses into Respondent's client trust account.

f. Respondent violated 37 C.F.R. § 11.115(d) as charged in Count III when he failed to pay to USPTO the filing fees collected from Ms. C [REDACTED] after the [REDACTED], 2017 Notice to File Missing Parts was issued and failed to promptly return the filing fees to Ms. C [REDACTED] when they were not paid to USPTO.

g. Respondent violated 37 C.F.R. § 11.116(d) charged in Count III when he did not notify Ms. C [REDACTED] of the termination of the representation, failed to take any reasonably practicable steps to protect Ms. C [REDACTED]'s interests in the [REDACTED] application upon the termination of the representation, and did not return USPTO filing fees he had collected in advance.

h. Respondent violated 37 C.F.R. § 11.804(c) as charged in Count III when he collected funds for USPTO filing fees but did not forward the fees to USPTO and did not immediately return the funds to Ms. C [REDACTED] when he did not remit them to USPTO.

Count IV: Respondent's failure to cooperate in the OED investigation

a. 37 C.F.R. § 11.801(b) proscribes, among other things, failing to cooperate with an OED investigation and knowingly failing to respond to a lawful demand or request for information from a disciplinary authority. Respondent violated this provision as charged in Count IV by failing to respond to OED's April 23, 2018 RFI and May 30, 2018 Lack of Response letter, despite being provided ample notice, time, and opportunity to do so.

b. 37 C.F.R. § 11.804(d) provides that "[i]t is professional misconduct for a practitioner to ... [e]ngage in conduct that is prejudicial to the administration of justice." When

a practitioner is the subject of an OED disciplinary investigation, his failure to cooperate in the investigation undermines the integrity of the disciplinary system and weakens public trust in the bar's ability to police itself. Respondent's failure to cooperate with the OED investigation amounted to conduct prejudicial to the administration of justice, in violation of § 11.804(d).

SANCTIONS

The OED Director asks the Court to sanction Respondent by entering an order excluding him from practice before USPTO. The primary purpose of legal discipline is not to punish, but rather "to protect the public and the administration of justice from lawyers who have not discharged, will not discharge, or are unlikely properly to discharge their professional duties to clients, the public, the legal system, and the legal profession." *In re Brufsky*, Proceeding No. D2013-18, slip op. at 8 (USPTO June 23, 2014)⁶ (citing *Matter of Chastain*, 532 S.E.2d 264, 267 (S.C. 2000)).

In determining an appropriate sanction, USPTO regulations require this Court to consider the following four factors: (1) whether the practitioner has violated a duty owed to a client, the public, the legal system, or 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 conduct; and (4) the existence of any aggravating or mitigating factors. *See* 37 C.F.R. § 11.54(b); *see also In re Halling*, Proceeding No. D2019-10 (USPTO June 13, 2019)⁷; *In re Whitney*, Proceeding No. D2018-48 (USPTO Mar. 15, 2019)⁸; *In re Lau*, Proceeding No. D2016-37 (USPTO May 1, 2017)⁹; *In re Schwedler*, Proceeding No. D2015-38 (USPTO Mar. 21, 2016).¹⁰

1. Respondent violated a duty owed to his clients, the public, and the legal profession.

The practitioner-client relationship is a fiduciary relationship in which the practitioner owes the client a duty to represent his or her interests diligently and in good faith. *See Moatz v. Bender*, Proceeding No. D00-01, slip op. at 20 (USPTO Sept. 30, 2003)¹¹ ("Respondent owed a fiduciary duty individually to each of his clients."); *Carter v. ALK Holdings, Inc.*, 605 F.3d 1319, 1325 (Fed. Cir. 2010) (referencing patent practitioner's expected fiduciary duties to clients); *see also In re Law Examination of 1926*, 210 N.W. 710, 711 (Wis. 1926) ("An attorney occupies a fiduciary relationship towards his client. It is one of implicit confidence and of trust ... There is no field of human activity which requires fuller realization with respect to a fiduciary relationship than that which exists between the lawyer and his client.").

⁶ Available at: <https://go.usa.gov/xVQd4>.

⁷ Available at: <https://go.usa.gov/xVkUA>.

⁸ Available at: <https://go.usa.gov/xyEDK>.

⁹ Available at: <https://go.usa.gov/xVQdb>.

¹⁰ Available at: <https://go.usa.gov/xVQdD>.

¹¹ Available at: <https://go.usa.gov/xVQdB>.

Respondent breached the fiduciary duty he owed Mr. de Valdivielso when he agreed to represent Mr. de Valdivielso before the Office in connection with the '671 application, but filed the application without the proper filing fees; neglected the application and allowed it to go abandoned; failed numerous times to communicate with Mr. de Valdivielso about the status of the application; failed to inform Mr. de Valdivielso that the application was filed without the proper filing fees and of the potential consequences of filing without the fees; failed to inform Mr. de Valdivielso of the Notice to File Missing Parts that issued in the application; failed to deposit the collected fees into a trust account despite collecting the filing fee from Mr. de Valdivielso and failed to submit the fees to USPTO; failed to inform Mr. de Valdivielso of the Notice of Abandonment; failed to advise Mr. de Valdivielso about options for responding to the Notice of Abandonment; failed to explain the potential adverse consequences of not responding to the Notice of Abandonment; and failed to take steps to protect Mr. de Valdivielso's interests upon the termination of the representation, including failing to communicate with Mr. de Valdivielso's new counsel or return Mr. de Valdivielso's client file. Mr. de Valdivielso had to pay additional legal fees and an additional \$1,080.00 in late fees and Petition to Revive fees because of Respondent's conduct. Lastly, it was not until after Mr. de Valdivielso's new counsel informed Respondent that he would have to report Respondent's conduct to the OED Director and ARDC that Respondent finally remitted the \$3,200.00 to which Mr. de Valdivielso was entitled to Mr. de Valdivielso's new counsel.

Respondent breached the fiduciary duty he owed Mr. A [REDACTED] when he agreed to represent Mr. A [REDACTED] before the Office in connection with the [REDACTED] application, but filed the [REDACTED] application without the proper filing fees, even after stating in the representation agreement that filing fees would be advanced for Mr. A [REDACTED]'s application and invoiced after filing; neglected the [REDACTED] application and allowed it to go abandoned; failed numerous times to communicate with Mr. A [REDACTED] about the status of the [REDACTED] application; failed to submit the required filing fees to the USPTO with the [REDACTED] application itself or upon receipt of the Notice to File Missing Parts despite outlining in the engagement agreement that he would advance the filing fees; failed to advise Mr. A [REDACTED] of the potential consequences of failing to pay the filing fees or the options for how to respond to the Notice of Missing parts; still failed to advance the filing fees even after Mr. A [REDACTED] had paid Respondent's invoice in full; failed to inform Mr. A [REDACTED] of the Notice of Abandonment; failed to advise Mr. A [REDACTED] about options for responding to the Notice of Abandonment; and failed to explain the potential adverse consequences of not responding or not properly responding to the Notice of Abandonment. Furthermore, Respondent failed to take reasonable steps to protect Mr. A [REDACTED]'s interests upon the termination of the representation and was dishonest with Mr. A [REDACTED] about all the reasons the Office issued the Notice to File Missing Parts.

Respondent breached the fiduciary duty he owed to Ms. C [REDACTED] when he agreed to represent Ms. C [REDACTED] before the Office in connection with a patentability search and provisional and non-provisional utility patent applications for Ms. C [REDACTED]'s invention, but neglected the [REDACTED] application and allowed it to go abandoned; failed numerous times to communicate with Ms. C [REDACTED] about the status of the [REDACTED] application; failed to inform Ms. C [REDACTED] about the Notice to File missing parts after specifically telling her, in the letter he sent to her forwarding the [REDACTED] application, that he would notify her upon receipt of the Notice; failed to advise Ms. C [REDACTED] about options for responding to the Notice to File Missing Parts; failed to advise her of the

consequences of not responding to the Notice to File Missing Parts; failed to file a response to the Notice to File Missing Parts; failed to inform Ms. C [REDACTED] that he did not file a response to the Notice to File Missing Parts; failed to inform Ms. C [REDACTED] about the Notice of Abandonment; failed to advise Ms. C [REDACTED] of the potential options for responding to the Notice of Abandonment; failed to advise Ms. C [REDACTED] of the consequences of not responding to the Notice of Abandonment; collected funds to pay the filing fees and failed to deposit them into a trust account or remit them to USPTO; failed to take reasonable steps to protect Ms. C [REDACTED]'s interests upon the termination of the representation; and was dishonest with Ms. C [REDACTED].

Aside from violating his fiduciary duty to his clients, Respondent also violated the specific duties imposed by USPTO's regulations. Each attorney licensed to practice before USPTO must sign an oath or affirmation that he will observe the laws and rules governing USPTO practice. Respondent violated this oath when he failed to adhere to the USPTO Rules of Professional Conduct and failed to cooperate in the disciplinary investigation, thereby violating the duty he owed both to his clients and to the legal profession (specifically, the patent bar) to act in a professional manner in accordance with the patent bar's rules and with the oath he had signed.

Respondent also violated duties he owed to the legal system, the public, and the legal profession by failing to participate in these disciplinary proceedings. A lawyer's failure to cooperate in disciplinary investigations "weakens the public's perception of the legal profession's ability to self-regulate" and "harm[s] the legal profession by undermining the integrity of the attorney disciplinary system." *In re Brost*, 850 N.W.2d 699, 705 (Minn. 2014). When Respondent failed to file an Answer to the *Complaint*, he flouted this Tribunal's authority and imperiled the orderly functioning of the disciplinary process. See *In re Lau*, *supra*.

2. Respondent acted intentionally and knowingly.

Respondent's misconduct with respect to the clients named in the *Complaint* was negligent, knowing, and intentional.

Respondent knowingly accepted the representation of his clients and consistently neglected his clients' patent applications by not responding to communications from the Office, knowing that such action would ultimately lead to the applications going abandoned if not properly addressed. Neglect of a client matter is a serious ethical violation. See *Comm. on Prof'l Ethics & Conduct v. Freed*, 341 N.W.2d 757, 759 (Iowa 1983) ("We view respondent's retreat from the obligation he assumed as a serious matter, to be equated with the conduct of a surgeon who, without transferring responsibility, drops his scalpel and abandons his patient in the course of an operation."); *In re Jaynes*, 278 N.W.2d 429, 434 (N.D. 1979) ("Neglecting a client's case after accepting it is a very serious violation of the Code of Professional Responsibility."); *In re Gardner*, 39 A.D.2d 84, 85 (N.Y. 1972) ("[N]eglect of a client's interests is a most serious dereliction."). Respondent's abandonment of his clients' applications is a grave violation of the USPTO ethics rules. USPTO considers "[a]bandonment of a case or client after being paid for legal services [to be] a significant ethical violation for which attorneys have been disbarred." See *In re Shippey*, Proceeding No. D2011-27, slip op. at 12 (USPTO

Oct. 14, 2011).¹² Consequently, USPTO has excluded practitioners for abandoning clients. USPTO has also suspended and excluded practitioners who neglected their clients' applications. See, e.g., In re Campbell, Proceeding No. D2014-11 (USPTO Apr. 29, 2014)¹³; In re Shippey, *supra*; In re Hormann, Proceeding No. D08-04 (USPTO July 8, 2009).¹⁴

Further, a lawyer's duty to communicate honestly with a client is fundamental. See Cincinnati Bar Ass'n v. Deaton, 806 N.E.2d 503, 509 (Ohio 2004) ("[B]ecause respondent also deliberately concealed his neglect to protect his personal interests, thereby sacrificing his clients' welfare to preserve his own[, w]e view his actions as the equivalent of misappropriating funds from these clients, an offense that, absent sufficiently mitigating circumstances, requires our most severe sanction.") (citations omitted). In this case, despite requests for information from his clients, Respondent intentionally failed to communicate with his clients about the status of their patent applications. Respondent intentionally failed to explain the status of the patent applications to his clients so they could make informed decisions about the patent applications and the representation itself. The USPTO has suspended and excluded practitioners who acted knowingly, intentionally, or negligently by, *inter alia*, failing to advise a client of important office communications in violation of the ethics rules. See, e.g., In re Myers, Proceeding No. D2015-33 (USPTO Dec. 31, 2015)¹⁵ (practitioner excluded for, *inter alia*, allowing multiple patent applications to become abandoned without client consent, failing to notify the client of important Office communications, and failing to withdraw as attorney of record); In re Schaefer, Proceeding No. D2007-001 (USPTO Apr. 30, 2007)¹⁶ (similar misconduct; suspension); Moatz v. Rosenberg, Proceeding No. D06-07 (USPTO Mar. 7, 2007)¹⁷ (practitioner excluded for, *inter alia*, neglecting legal matters entrusted to him, failing to notify a client of important Office communications, and effectively withdrawing from employment in a proceeding before the USPTO without permission from the Office and without having taken reasonable steps to avoid prejudice to the client).

Respondent collected filing fees in advance, failed to hold the fees in trust, failed to forward the filing fees to the USPTO, and failed to return the fees to the clients. The USPTO Director has suspended and excluded practitioners who acted knowingly, intentionally, or negligently when they failed to deposit filing fees collected in advance into a client trust account, to be withdrawn by the practitioner only as the expenses are incurred, and when a practitioner has failed to promptly deliver to the client, or a third party, any funds that the client, or third

¹² Available at: <https://go.usa.gov/xVQdG>.

¹³ Available at: <https://go.usa.gov/xVQdE>.

¹⁴ Available at: <https://go.usa.gov/xVQdu>.

¹⁵ Available at: <https://go.usa.gov/xVQvb>.

¹⁶ Available at: <https://go.usa.gov/xVQv8>.

¹⁷ Available at: <https://go.usa.gov/xVQvQ>.

party, is entitled to receive. See *In re Walker*, Proceeding No. D2018-04 (USPTO Mar. 23, 2018)¹⁸; *In re Terzo*, Proceeding No. D2016-35 (USPTO Nov. 2, 2016).¹⁹

Respondent intentionally failed to protect his clients' interests upon termination of representation by not returning the fees collected but not remitted to the USPTO and not communicating with the clients or client's new counsel upon the termination of the representation. The USPTO Director has suspended and excluded practitioners who acted knowingly, intentionally, or negligently when they failed to take steps to the extent reasonably practicable to protect a client's interests upon termination of representation, such as giving reasonable notice to the client, surrendering papers and property to which the client is entitled and refunding any advance payment of expenses that have not been earned or incurred. See *In re Morishita*, Proceeding No. D2017-25 (USPTO Sept. 28, 2018)²⁰; *In re Walker*, *supra*; *In re Schwedler*, *supra*.²¹

Respondent was intentionally dishonest with his clients when he informed his clients that he was collecting \$1,260.00 for USPTO filing fees but did not forward the fees to the USPTO and not immediately return the funds to his clients and when he mischaracterized to Mr. A [REDACTED] that the [REDACTED], 2017 Notice to Filing Missing Parts as solely pertaining to issues related to a drawing submitted with the [REDACTED] application and not the failure to pay the required \$800.00 filing fees.

Respondent's acts and omissions leading to the charged violations of the USPTO Rules set forth in the *Complaint* were willful. In addition to his misconduct in connection with the three clients, Respondent did not respond to OED during the disciplinary investigation, did not answer the Complaint per the Court's Notice of Hearing and Order or otherwise communicate with counsel for the OED Director, and did not respond to the Court's order to file an answer. Respondent also failed in his obligation to keep his address up to date with the OED Director pursuant to 37 C.F.R. § 11.11(a). For all these reasons, a severe sanction is warranted.

3. Respondent's conduct caused actual injury to his clients

Respondent caused injury to his three clients through his lack of diligence, lack of communication about the status of their applications, and his failure to advise the clients so they

¹⁸ Available at: <https://go.usa.gov/xV9TC>. Mr. Walker neglected numerous client files, which led to their applications going abandoned. Among other things, he filed multiple patent applications but did not pay filing fees to the USPTO, even though his clients had paid those fees to him in advance. When his clients learned of the fate of their applications and contacted him, Mr. Walker agreed to refund their money, but did not do so. Additionally, he did not put his clients' prepaid fees and expenses into a trust account and did not keep the financial records required by the ethics rules.

¹⁹ Available at: <https://go.usa.gov/xV9Tb>. When he took over clients' representation, Mr. Terzo, among other things, neither informed those clients that he was their new attorney, nor did he inform them that the previous attorney was no longer available; he did not consult with or counsel his clients before filing their applications; and he deposited prepaid fees and expenses not yet earned and expenses not yet incurred into an operating account.

²⁰ Available at: <https://go.usa.gov/xyEDP>. Mr. Morishita, among other things, failed to refund any advance payment of fee or expenses that had not been earned or incurred.

²¹ Among other things, Mr. Schwedler failed to refund any portion of the unearned fees paid to him in advance by the client, and failed to return the client's file and property following the termination of his representation

could make informed decisions about the applications. Respondent's failure caused actual injury because his actions resulted in all of the applications going abandoned. Should any of the abandoned applications be revived, the clients may lose valuable intellectual property rights in the form of a shortened patent life. They would also have delays in marketing and selling of their products as a consequence of Respondent's neglect and the resultant abandonments. Having caused the clients actual injury, Respondent should receive a significant sanction.

4. Aggravating and mitigating factors exist in this case

The American Bar Association's Standards for Imposing Lawyer Sanctions set forth aggravating and mitigating factors for the Court to consider in determining an appropriate sanction. AM. BAR. ASS'N, STANDARDS FOR IMPOSING LAWYER SANCTIONS §§ 9.22, 9.32 (2015) (hereinafter "ABA STANDARDS"). Citing § 9.22 of the ABA STANDARDS, the OED Director contends that the following aggravating factors warrant a more severe sanction in this case: prior disciplinary offense; a dishonest or selfish motive; a pattern of misconduct; multiple offenses; bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of OED; and substantial experience in the practice of law. This Court agrees.

The first aggravating factor is a "prior disciplinary offense." See STANDARDS § 9.22(a). In 2010, the OED Director issued Respondent a warning letter advising him about his ethical obligations to his clients as a result of Respondent's neglect of a client. The January 8, 2010 warning letter described Respondent's neglect in handling a client matter; his failure to promptly respond to reasonable client inquiries; his failure to keep a client reasonably informed about the status of his matter; and his failure to explain matters to clients to the extent reasonably necessary to make informed decisions regarding the representation. Acknowledging that warning letters are neither public nor a disciplinary sanction (see 37 C.F.R. § 11.21), the warning letter is nonetheless relevant.

The second aggravating factor is a "dishonest or selfish motive." See STANDARDS § 9.22(b). Respondent acted with a dishonest and selfish motive when he collected filing fees in advance and then failed to hold the fees in trust; failed to forward the filing fees to the USPTO and simply kept the money; failed to return unused fees to his clients; and was dishonest with his clients about the reason for USPTO correspondence.

The third aggravating factor is "a pattern of misconduct." See STANDARDS § 9.22(c). In the instant matter, Respondent engaged in a pattern of misconduct in his representation of his three clients. Respondent consistently neglected Mr. de Valdivielso, Mr. A [REDACTED] and Ms. C [REDACTED]'s applications, which led to their applications going abandoned. Respondent failed to communicate with Mr. de Valdivielso, Mr. de Valdivielso's new counsel, Mr. A [REDACTED], and Ms. C [REDACTED]. Respondent collected filing fees in advance from two of the clients but failed to hold the fees in trust, and failed to forward the filing fees to the USPTO. Respondent failed to protect a client's interests upon termination of representation by not returning the clients' files and not returning unused filing fees.

The fourth aggravating factor is the commission of "multiple offenses." See STANDARDS § 9.22(d). Respondent committed multiple offenses when he engaged in the same misconduct

with respect to his three clients in three different applications. Respondent's misconduct led to over 20 violations of the USPTO Rules of Professional Conduct.

The fifth aggravating factor is "bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of the disciplinary agency." See STANDARDS § 9.22(e). Respondent's complete failure to participate in the discipline process both during the OED investigation and during the instant proceeding after receiving the April 23, 2018 RFI and being served by publication shows a bad faith obstruction of the disciplinary proceeding.

The sixth aggravating factor is whether the Respondent has "substantial experience in the practice of law." See STANDARDS § 9.22(i). Respondent has over 28 years of experience practicing before the USPTO and should know better than to engage in the misconduct demonstrated in this case.

The Court finds all of the foregoing to be aggravating factors. These factors, along with the injury Respondent caused to his clients, the knowing and intentional nature of his conduct, and the fact that he violated duties owed to his clients, the public, and his profession, warrant the severe sanction of exclusion.

Section 9.32 of the ABA STANDARDS identifies mitigating factors which, if they exist, may justify a reduction in the degree of discipline to be imposed. See STANDARDS § 9.31. The only mitigating factor here is the "absence of a prior disciplinary record." See STANDARDS § 9.32(a). The Court finds that mitigating factor to be of little weight, given Respondent's misconduct as described above.

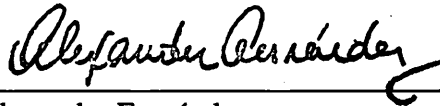
CONCLUSION

Because Respondent has failed to answer the *Complaint* or otherwise appear in this matter, Respondent is found to be in **DEFAULT** and to have admitted all the allegations in the *Complaint*. See 37 C.F.R. § 11.36(e).

Based on the facts thereby admitted, this Court finds that Respondent has violated the USPTO Rules of Professional Conduct as alleged.

After analyzing the factors enumerated in 37 C.F.R. § 11.54(b), this Court concludes that Respondent's misconduct warrants the sanction of exclusion. Accordingly, Respondent shall be **EXCLUDED** from practice before the U.S. Patent and Trademark Office in patent, trademark, and other non-patent matters.²²

So **ORDERED**,

A handwritten signature in black ink, appearing to read "Alexander Fernández", written over a horizontal line.

Alexander Fernández
United States Administrative Law Judge

Notice of Required Actions by Respondent: Respondent is directed to refer to 37 C.F.R. § 11.58 regarding his responsibilities in the case of suspension or exclusion.

Notice of Appeal Rights: Within thirty (30) days of this initial decision, either party may file an appeal to the USPTO Director pursuant to 37 C.F.R. § 11.55.

²² An excluded practitioner is eligible to apply for reinstatement no earlier than five years from the effective date of the exclusion. See 37 C.F.R. § 11.60(b). Eligibility is predicated upon full compliance with 37 C.F.R. § 11.58.