

**DEPARTMENT OF COMMERCE****United States Patent and Trademark Office****37 CFR Parts 1, 2, 7, 10, 11 and 41****[Docket No. PTO-C-2012-0034]****RIN 0651-AC81****Changes to Representation of Others Before the United States Patent and Trademark Office****AGENCY:** United States Patent and Trademark Office, Commerce.**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The United States Patent and Trademark Office (Office or USPTO) proposes to align the USPTO's professional responsibility rules with those of most other U.S. jurisdictions by replacing the current Patent and Trademark Office Code of Professional Responsibility, adopted in 1985, based on the 1980 version of the Model Code of Professional Responsibility of the American Bar Association ("ABA"), with new USPTO Rules of Professional Conduct, which are based on the Model Rules of Professional Conduct of the ABA, which were published in 1983, substantially revised in 2003 and updated through 2011. Changes approved by the ABA House of Delegates in August 2012 have not been incorporated in these proposed rules. The Office also proposes to revise the existing procedural rules governing disciplinary investigations and proceedings.

**DATES:** To be ensured of consideration, written comments must be received on or before December 17, 2012.

**ADDRESSES:** Comments should be sent by electronic mail message over the Internet addressed to: [ethicsrules.comments@uspto.gov](mailto:ethicsrules.comments@uspto.gov). Comments may also be submitted by mail addressed to: Mail Stop OED-Ethics Rules, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, Virginia 22313-1450, marked to the attention of William R. Covey, Deputy General Counsel for Enrollment and Discipline and Director of the Office of Enrollment and Discipline.

Comments may also be sent by electronic mail message over the Internet via the Federal eRulemaking Portal. See the Federal eRulemaking Portal Web site (<http://www.regulations.gov>) for additional instructions on providing comments via the Federal eRulemaking Portal.

Although comments may be submitted by postal mail, the Office

prefers to receive comments by electronic mail message over the Internet because sharing comments with the public is more easily accomplished. Electronic comments are preferred to be submitted in plain text, but also may be submitted in ADOBE® portable document format or MICROSOFT WORD® format. Comments not submitted electronically should be submitted on paper in a format that facilitates convenient digital scanning into ADOBE® portable document format.

Comments will be made available for public inspection at the Office of Enrollment and Discipline, located on the 8th Floor of the Madison West Building, 600 Dulany Street, Alexandria, Virginia. Comments also will be available for viewing via the Office's Internet Web site (<http://www.uspto.gov>). Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

**FOR FURTHER INFORMATION CONTACT:**

William R. Covey, Deputy General Counsel for Enrollment and Discipline and Director of the Office of Enrollment and Discipline, by telephone at 571-272-4097.

**SUPPLEMENTARY INFORMATION:****Executive Summary**

Pursuant to 35 U.S.C. 2(b)(2)(D), the Office governs "the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office." The Office also has the authority to suspend or exclude from practice before the Office any practitioner who "is 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) of this title." 35 U.S.C. 32. Pursuant to the authority provided in sections 2(b)(2)(D) and 32 of Title 35, practitioners representing parties in patent, trademark and other non-patent matters presently are required to conform to the Patent and Trademark Office Code of Professional Responsibility set forth in 37 CFR 10.20 through 10.112. These rules have been in place since 1985 and are based on the ABA Model Code of Professional Responsibility. See 50 FR 5158 (February 6, 1985). Since that time, the vast majority of State bars in the United States have adopted substantive disciplinary rules based on the newer ABA Model Rules of Professional Conduct. As noted below, the Office believes individuals representing others

before the Office will benefit from modernization of the regulations governing professional conduct before the Office and harmonization of these regulations with corresponding rules adopted by bars in the States and the District of Columbia.

The bars of 50 U.S. jurisdictions including the District of Columbia have adopted the ABA Model Rules of Professional Conduct or a modification thereof. This notice of proposed rulemaking sets out proposed USPTO Rules of Professional Conduct. The changes from the existing USPTO Code of Professional Responsibility are intended to bring standards of ethical practice before the Office into closer conformity with the Rules of Professional Conduct adopted by nearly all States and the District of Columbia, while addressing circumstances particular to practice before the Office. By adopting professional conduct rules consistent with the ABA Model Rules and the professional responsibility rules of 50 U.S. jurisdictions, the USPTO both would provide attorneys with consistent professional conduct standards, and would provide practitioners with large bodies of both case law and opinions written by disciplinary authorities that have adopted the ABA Model Rules of Professional Conduct. At this time, nearly 42,000 individuals are registered practitioners, of whom at least 75% are attorneys. The registered patent attorneys have offices located in all fifty States, the District of Columbia, and more than forty foreign countries. In addition to registered patent attorneys, any attorney who is a member in good standing of the bar of the highest court of a State, territory or possession of the United States is eligible to practice before the Office in trademark and other non-patent matters, without becoming a registered practitioner. 5 U.S.C. 500(b); 37 CFR 11.14. The attorneys who appear before the Office are subject to these rules as well. 37 CFR 11.19.

A body of precedent specific to practice before the USPTO will develop as disciplinary matters brought under the USPTO Rules of Professional Conduct progress through the USPTO and the Federal Courts. In the absence of binding USPTO-specific precedent, practitioners may refer to various sources for guidance. For example, it is expected that precedent based on the current Patent and Trademark Office Code of Professional Responsibility will assist interpretation of professional conduct standards under the proposed USPTO Rules of Professional Conduct. A practitioner also may refer to the Comments and Annotations to the ABA Model Rules of Professional Conduct for

guidance as to how to interpret the equivalent USPTO Rules of Professional Conduct. Additionally, relevant guidance may be provided by opinions issued by State bars and disciplinary decisions based on similar professional conduct rules in the States. Such guidance is not binding precedent relative to USPTO Rules of Professional Conduct, but it may provide a useful tool in interpreting the rules while a larger body of USPTO-specific precedent is established.

This rulemaking benefits and reduces costs for most practitioners by clarifying and streamlining their professional responsibility obligations. With this rulemaking, the USPTO would be adopting professional conduct rules consistent with the ABA Model Rules and the professional responsibility rules already followed by 50 U.S. jurisdictions, *i.e.*, the District of Columbia and 49 States, excluding California. Further, any change is not a significant deviation from rules of professional conduct for practitioners that are already required by the Office.

Table 1 shows the principal sources of the rules proposed for the USPTO Rules of Professional Conduct. In general, numbering of the USPTO Rules of Professional Conduct largely track numbering of the ABA Model Rules of Professional Conduct. For example, USPTO Rule of Professional Conduct 11.101 parallels ABA Model Rule of Professional Conduct 1.1; USPTO Rule of Professional Conduct 11.102 parallels ABA Model Rule of Professional Conduct 1.2; USPTO Rule of Professional Conduct 11.201 parallels ABA Model Rule of Professional Conduct 2.1; *et cetera*. The discussion below highlights instances where the USPTO Rules of Professional Conduct diverge from the ABA Model Rules of Professional Conduct.

The proposed USPTO Rules of Professional Conduct reserve or decline to implement certain provisions set forth in the ABA Model Rules of Professional Conduct. For example, the ABA Model Rules set forth specific provisions concerning domestic relations or criminal practice that do not appear in the proposed USPTO Rules of Professional Responsibility. *See, e.g.*, sections 11.102, 11.105(d), 11.108(g), 11.108(j), 11.301, 11.303(a)(3), 11.306, 11.308 and 11.704(c). Conduct that would violate an unadopted provision might nevertheless also violate an adopted provision (*e.g.*, the conduct might also violate the broader obligations under section 11.804 of the proposed USPTO Rules of Professional Conduct). In addition, a licensed attorney is subject to the professional

conduct rules of appropriate State licensing authorities, as well as of any courts before which the attorney practices. Failure to comply with those rules may lead to disciplinary action against the practitioner by the appropriate State bar or court and, in turn, possible reciprocal action against the practitioner by the USPTO. *See* 37 CFR 11.24 and 11.804(h).

In August 2012, the ABA House of Delegates approved revisions to the ABA Model Rules of Professional Conduct recommended by the ABA Commission on Ethics 20/20. *See* [http://www.americanbar.org/content/dam/aba/administrative/ethics\\_2020/20120808\\_house\\_action\\_compilation\\_redline\\_105a-f.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/administrative/ethics_2020/20120808_house_action_compilation_redline_105a-f.authcheckdam.pdf). These revisions have not been incorporated into these proposed rules since the states have not adopted those changes at this time. However, comments are solicited as to whether those changes should be incorporated into the USPTO Rules of Professional Conduct.

The Office does not propose any change to the preamble to section 11.1. This preamble provides in part: "This part governs solely the practice of patent, trademark, and other law before the United States Patent and Trademark Office. Nothing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary for the United States Patent and Trademark Office to accomplish its Federal objectives." Attorneys who practice before the Office are subject to professional conduct rules established by the Office as well as the appropriate State bars.

The Office adopted rules governing the conduct of disciplinary investigations in 2008. *See* 73 FR 47650 (August 14, 2008). Experience under these rules has demonstrated areas in which the rules could be clarified. Accordingly, the Office also proposes revisions to existing rules set forth at 37 CFR 11.19, 11.20, 11.22, 11.32, 11.34, 11.35 and 11.54. Finally, the Office proposes incorporating the survey rule, currently set forth at 37 CFR 10.11, as section 11.11(a)(2).

#### Discussion of Specific Rules

*Section 1.4(d)(4)* would be corrected by deleting the reference to section 11.804(b)(9), which does not exist.

*Sections 1.21(a)(7) and (a)(8)* would be deleted since the annual practitioner maintenance fee is proposed to be removed by this rule package. The Office has published a Notice of Proposed Rulemaking, Setting and Adjusting Patent Fees, 77 FR 55028,

55082, proposing to adjust the practitioner maintenance fee to \$120, and noting elsewhere in the rulemaking materials that the Office has suspended collection of those fees, making total collections \$0. The Office now proposes to remove this practitioner maintenance fee which is set forth in 11.8(d).

*Section 2.2(c)* would be revised to delete the reference to part 10 of this chapter, which would be removed and reserved.

*Section 7.25(a)* would be revised to delete the reference to part 10 of this chapter, which would be removed and reserved.

*Section 11.1* would set out definitions of terms used in the USPTO Rules of Professional Conduct. The definitions of *mandatory disciplinary rule* and *matter* have been deleted; the definitions of *fraud* or *fraudulent* and *practitioner* have been revised; and the terms *confirmed in writing*, *firm* or *law firm*, *informed consent*, *law-related services*, *partner*, *person*, *reasonable belief* or *reasonably believes*, *reasonably should know*, *screened*, *tribunal*, and *writing* or *written* would be newly defined. The definition of *practitioner* would be updated to refer to section 11.14 rather than section 10.14, and to refer to sections 11.14(a), (b) and (c) rather than sections 11.14(b), (c) and (e). The new definitions generally comport to definitions set forth in the ABA Model Rules of Professional Conduct. However, the definition of *fraud* or *fraudulent* used in the ABA Model Rules has not been adopted. Instead, the Office believes a uniform definition based on common law should apply to all individuals subject to the USPTO Rules of Professional Conduct. Accordingly, the definition of common law fraud is based on the definition discussed by the United States Court of Appeals for the Federal Circuit. *See Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc.*, 375 F.3d 1341, 1358 (Fed. Cir. 2004); *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 807 (Fed. Cir. 2000). Further, in the definition of *tribunal*, the reference to "the Office" includes those persons or entities acting in an adjudicative capacity.

*Section 11.2(c)* would be revised to delete redundant language.

*Section 11.2(d)* would be revised to clarify that a party dissatisfied with a final decision of the OED Director regarding enrollment or recognition must exhaust administrative remedies before seeking relief under the Administrative Procedure Act, 5 U.S.C. 551 *et seq.*

*Section 11.2(e)* would be revised to clarify that a party dissatisfied with an action or notice of the OED Director

during or at the conclusion of a disciplinary investigation must exhaust administrative remedies before seeking relief under the Administrative Procedure Act, 5 U.S.C. 551 et seq.

*Section 11.8(d)* would be reserved. The USPTO is deleting reference to an annual practitioner maintenance fee.

*Section 11.11* would be revised to change the language “registered attorney or agent” to “registered practitioner” and add the term “registered” as appropriate.

*Section 11.11(a) and (b)* would be revised to substantially incorporate the provisions currently set forth in 37 CFR 10.11. Specifically, the current provisions of section 11.11(a) would appear as section 11.11(a)(1) and the current provisions of section 10.11 would appear as section 11.11(a)(2).

Additionally, section 11.11(b) would be revised to provide that a practitioner failing to comply with section 11.11(a)(2) would be placed on administrative suspension, rather than removed from the register as set forth in section 10.11. Additionally, section 11.11(b)(1) would be revised to delete reference to section 11.8(d). Also, section 11.11(b)(4) would be deleted and reserved since an annual practitioner maintenance fee would be deleted by this rules package.

*Section 11.11(c)* would be revised to change the reference to the “Mandatory Disciplinary Rules” to the “USPTO Rules of Professional Conduct.” Section 11.11(c) would also be revised to delete reference to an annual practitioner maintenance fee.

*Section 11.11(d)* would be revised by updating the previous reference to section 10.40 to refer to section 11.116, which, with this rulemaking, would include provisions related to withdrawal from representation. Section 11.11(d) would also be revised to delete reference to an annual practitioner maintenance fee. Sections 11.11(d)(2) and (d)(4) are deleted and reserved since they are directed to an annual practitioner maintenance fee.

*Section 11.11(e)* would be revised to update the reference to the “Mandatory Disciplinary Rules” to read “USPTO Rules of Professional Conduct.”

*Section 11.11(f)* would be revised to remove reference to sections 1.21(a)(7)(i) and (a)(8)(i) which provide for annual practitioner maintenance fees.

*Section 11.19(a)* would be revised to expressly provide jurisdiction over a person not registered or recognized to practice before the Office if the person provides or offers to provide any legal services before the Office. This change is consistent with the USPTO’s statutory and inherent authority to regulate

practice before the Office, and it is consistent with the second sentence of ABA Model Rule of Professional Conduct 8.5(a).

*Section 11.20(a)(4)* would be revised to clarify that disciplinary sanctions that may be imposed upon revocation of probation are not necessarily limited to the remainder of the probation period.

*Section 11.20(b)* would be revised to more clearly set forth conditions that may be imposed with discipline.

*Section 11.21* would be revised to update the reference to the “Mandatory Disciplinary Rules” to read “USPTO Rules of Professional Conduct.”

*Section 11.22* would be revised to change the title to “Disciplinary Investigations” for clarification.

*Section 11.22(f)(2)* would be revised to update the reference to the “Mandatory Disciplinary Rules” to read “USPTO Rules of Professional Conduct.”

*Section 11.22(i)* would be revised to correct a technical error in the heading. Specifically, the reference to a warning letter in the heading could mistakenly be viewed as indicating that issuance of a warning means at least one of the conditions set forth in that section apply. Indeed, a warning may be issued in situations where, for example, there is sufficient evidence to conclude that there is probable cause to believe that grounds exist for discipline. However, in a situation where a potential violation of the disciplinary rules is minor in nature or was not willful, it often is in the interest of the Office, practitioners, and the public to resolve the matter with a warning rather than a formal disciplinary action.

*Section 11.24(e)* would be revised to make a technical correction. Specifically, the previous reference to 37 CFR 10.23 would be updated to refer to new section 11.804.

*Section 11.25(a)* would be revised to update the reference to the “Mandatory Disciplinary Rules” to read “USPTO Rules of Professional Conduct.”

*Section 11.32* would be revised to clarify that the Director of the Office of Enrollment and Discipline has the authority to exercise discretion in referring matters to the Committee on Discipline and in recommending settlement or issuing a warning in matters wherein the Committee on Discipline has made a probable cause determination. The section also would be revised to make a technical correction by deleting the reference to sections 11.19(b)(3) through (5), which do not exist.

*Section 11.34* would be revised to incorporate several technical corrections. Specifically, section

11.34(a) would be revised to eliminate an erroneous reference to section 11.25(b)(4). The requirements set forth in section 11.34 apply to complaints filed in disciplinary proceedings filed under sections 11.24, 11.25 and 11.32. The revision to section 11.34(a)(1) clarifies that an individual other than a “practitioner” may be a respondent. The revision to section 11.34(b) updates the reference to the “Mandatory Disciplinary Rules” to read “USPTO Rules of Professional Conduct.”

*Section 11.35(a)(2)(ii) and (a)(4)(ii)* would be revised by changing the term “a nonregistered practitioner” to “not registered.” The section would now specify the service address for an individual subject to the Office’s disciplinary jurisdiction who does not meet the definition of “practitioner” set forth in section 11.1.

*Section 11.54(a)(2) and (b)* would be revised to clarify that an initial decision of the hearing officer may impose conditions deemed appropriate under the circumstances, and should explain the reason for probation and any conditions imposed with discipline.

*Section 11.58(b)(2)* would be revised to update the reference to section 10.40 to refer to section 11.116.

*Section 11.58(f)(1)(ii)* would be revised to update the reference to the “Mandatory Disciplinary Rules” to read “USPTO Rules of Professional Conduct” and to delete reference to section 10.20(b).

*Section 11.61* would be deleted and reserved. A savings clause would be added at the end of Part 11.

## USPTO Rules of Professional Conduct

*Section 11.101* would address the requirement that practitioners provide competent representation to a client. Consistent with the provisions of 37 CFR 11.7, this rule acknowledges that competent representation in patent matters requires scientific and technical knowledge, skill, thoroughness and preparation as well as legal knowledge, skill, thoroughness and preparation, and otherwise corresponds to the ABA Model Rule of Professional Conduct 1.1.

*Section 11.102* would provide for the scope of representation of a client by a practitioner and the allocation of authority between the client and the practitioner. This section corresponds to the ABA Model Rule of Professional Conduct 1.2. However, the USPTO is declining to enact the substance of the last sentence of ABA Model Rule of Professional Conduct 1.2(a) as the USPTO does not regulate criminal law practice. Nonetheless, a patent attorney who engages in the practice of criminal law is subject to the disciplinary rules

of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. *See* 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one of the USPTO Rules of Professional Conduct.

*Section 11.102(b)* is reserved as the USPTO is declining to enact a specific rule regarding a practitioner's endorsement of a client's view or activities. However, the USPTO is not implying that a practitioner's representation of a client constitutes an endorsement of the client's political, economic, social, or moral views or activities.

*Section 11.103* would address a practitioner's duty to act with reasonable diligence and promptness in representing a client. This rule corresponds to the ABA Model Rule of Professional Conduct 1.3.

*Section 11.104* would address the practitioner's duty to communicate with the client. This rule corresponds to the ABA Model Rule of Professional Conduct 1.4. As in prior § 10.23(c)(8), under this rule a practitioner should not fail to timely and adequately inform a client or former client of correspondence received from the Office in a proceeding before the Office or from the client's or former client's opponent in an *inter partes* proceeding before 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.

*Section 11.105* would address the practitioner's responsibilities regarding fees. This rule corresponds to the ABA Model Rule of Professional Conduct 1.5. Nothing in paragraph (c) should be construed to prohibit practitioners gaining proprietary interests in patents under section 11.108(i)(3).

*Section 11.105(d)* is reserved as the USPTO is declining to enact a specific rule regarding contingent fee arrangements for domestic relations and criminal matters.

*Section 11.106* would address the practitioner's responsibilities regarding maintaining confidentiality of information. This section generally corresponds to the ABA Model Rule of Professional Conduct 1.6, but it includes exceptions in the case of inequitable

conduct before the Office in addition to crimes and fraud.

*Section 11.106(b)(3)* would state that a practitioner may reveal information relating to the representation of a client to the extent the practitioner reasonably believes necessary to prevent, mitigate or rectify substantial injury to the financial interests or property of another that is reasonably certain to result or has resulted from inequitable conduct before the Office.

*Section 11.106(c)* would additionally provide that regardless of the confidentiality requirements of Section 11.106(a), a practitioner is required to disclose to the Office all information necessary to comply with the duty of disclosure rules of this subchapter in practice before the Office.

*Section 11.107* would prohibit a practitioner from representing a client if the representation involves a concurrent conflict of interest. This rule corresponds to the ABA Model Rule of Professional Conduct 1.7. *See also*, 37 CFR 10.66.

*Section 11.108* would address conflicts of interest for current clients and specific rules, including rules regarding practitioners entering into business transactions with clients, the use of information by a practitioner relating to representation of a client, gifts between the practitioner and a client, literary rights based on information relating to representation of a client, a practitioner's provision of financial assistance to the client, compensation for services by a third party, aggregate settlement of claims where the practitioner represents two or more clients in a similar matter, agreements between the client and practitioner limiting liability of the practitioner, and the practitioner's acquiring a proprietary interest in the matter. This rule corresponds to the ABA Model Rule of Professional Conduct 1.8.

*Section 11.108(e)* would provide that a practitioner shall not provide financial assistance to a client in connection with pending or contemplated litigation or proceeding before the Office, except that a practitioner may advance court or tribunal costs and expenses of either litigation or a proceeding before the Office and a practitioner representing an indigent client may pay court or tribunal costs and expenses of litigation or a proceeding before the Office.

*Section 11.108(g)* differs from ABA Model Rule of Professional Conduct 1.8(g) in that the USPTO is declining to enact the portion of the rule relating to representation of clients in criminal matters and the corresponding regulation of multiple clients agreeing to

an aggregated agreement as to guilty or nolo contendere pleas.

*Section 11.108(i)* differs from ABA Model Rule of Professional Conduct 1.8(i) in that the USPTO would provide that a practitioner may, in a patent case, take an interest in the patent as part or all of his or her fee. *See* 37 CFR 10.64(a)(3).

*Section 11.108(j)* is reserved. The USPTO is declining to enact a rule that would specifically address sexual relations between practitioners and clients. Because of the fiduciary duty to clients, combining a professional relationship with any intimate personal relationship may raise concerns about conflict of interest and impairment of the judgment of both practitioner and client. To the extent warranted, such conduct may be investigated under more general provisions (*e.g.*, 37 CFR 11.804).

*Section 11.109* would address conflicts of interest and duties to former clients. This rule corresponds to the ABA Model Rule of Professional Conduct 1.9.

*Section 11.110* would address the imputation of conflicts of interest for practitioners in the same firm. This rule corresponds to the ABA Model Rule of Professional Conduct 1.10.

*Section 11.111* would address former or current Federal Government employees. This rule deals with practitioners who leave public office and enter other employment. It applies to judges and their law clerks as well as to practitioners who act in other capacities. The USPTO is declining to enact ABA Model Rule of Professional Conduct 1.11 and is instead enacting its own rule regarding successive government and private employment, namely, that a practitioner who is a former or current Federal Government employee shall not engage in any conduct which is contrary to applicable Federal ethics laws, including conflict of interest statutes and regulations of the department, agency or commission formerly or currently employing said practitioner. *See, e.g.*, 18 U.S.C. 207.

A practitioner representing a government agency, whether employed or specially retained by the government, is subject to the USPTO Rules of Professional Conduct, including the prohibition against representing adverse interests stated in section 11.107 and the protections afforded former clients in section 11.109. In addition, such a practitioner is subject to this section and to statutes and regulations, as well as government policies, concerning conflicts of interest and other Federal ethics requirements.

Section 11.112 would provide specific rules regarding the imputation of conflicts of interest for practitioners who were former judges, arbitrators, mediators or third-party neutrals. This rule corresponds to the ABA Model Rule of Professional Conduct 1.12.

Section 11.113 would provide specific rules regarding a practitioner's responsibilities when representing an organization as a client. This rule corresponds to the ABA Model Rule of Professional Conduct 1.13.

Section 11.114 would provide specific rules regarding a practitioner's responsibilities when representing a client with diminished capacity. This rule corresponds to the ABA Model Rule of Professional Conduct 1.14.

Section 11.115 would provide specific rules regarding a practitioner's responsibilities regarding safekeeping of client property and maintenance of financial records. This rule corresponds to the ABA Model Rule of Professional Conduct 1.15.

Section 11.115(a) would require that funds be kept in a separate client or third person account maintained in the state where the practitioner's office is situated, or elsewhere with the consent of the client or third person. The USPTO bar includes practitioners who are located outside the United States. The USPTO rules would propose that where the practitioner's office is situated in a foreign country, funds shall be kept in a separate account maintained in that foreign country or elsewhere with the consent of the client or third person. *See also*, 37 CFR 10.112.

Sections 11.115(b)–(e) correspond to the ABA Model Rules of Professional Conduct 1.15(b)–(e).

Section 11.115(f) would require that the type of records specified by section 11.115(a) would include those records consistent with (i) the ABA Model Rules for Client Trust Account Records; (ii) for lawyer practitioners, the types of records that are maintained meet the recordkeeping requirements of a state in which the lawyer is licensed and in good standing, the recordkeeping requirements of the state where the lawyer's principal place of business is located, or the recordkeeping requirements of this section; and/or (iii) for patent agents and persons granted limited recognition who are employed in the United States by a law firm, the types of records that are maintained meet the recordkeeping requirements of the state where at least one lawyer of the law firm is licensed and in good standing, the recordkeeping requirements of the state where the law firm's principal place of business is

located, or the recordkeeping requirements of this section. According to the ABA Standing Committee on Client Protection, the ABA Model Rules for Client Trust Account Records responds to a number of changes in banking and business practices that may have left lawyers "inadvertently running afoul of their jurisdiction's rules of professional conduct." The new rule addresses recordkeeping requirements after electronic transfers and clarifies who can authorize such transfers. The proposed rule also accounts for the Check Clearing for the 21st Century Act, which allows banks to substitute electronic images of checks for canceled checks. The rule also addresses the increasing prevalence of electronic banking and wire transfers or electronic transfers of funds, for which banks do not routinely provide specific confirmation. The proposed rule acknowledges those issues, addressing recordkeeping requirements after electronic transfers and clarifying who can authorize such transfers, record maintenance and safeguards required for electronic record storage systems. The rule also details minimum safeguards practitioners must implement when they allow non-practitioner employees to access client trust accounts; addresses partner responsibilities for storage of and access to client trust account records when partnerships are dissolved or when a practice is sold; and allows practitioners to maintain client trust account records in electronic, photographic, computer or other media or paper format, either at the practitioner's office or at an off-site storage facility, but it requires that records stored off-site be readily accessible to the practitioner and that the practitioner be able to produce and print them upon request.

Section 11.115(f) would require a practitioner to keep the same records as the practitioner must currently maintain to comply with 37 CFR 10.112(c)(3). Section 10.112(c)(3) requires a practitioner to "maintain complete records of all funds, securities and other properties of a client coming into the possession of the practitioner." Section 10.112(c)(3) is substantially the same as DR 9–102(b)(3) of the Model Code of Professional Responsibility of the American Bar Association, which was adopted by numerous states. It has been long recognized that compliance with the Code's rule requires maintenance of, *inter alia*, a cash receipts journal, a cash disbursements journal, and a subsidiary ledger, as well as periodic trial balances, and insufficient fund check reporting. *See Wright v. Virginia State Bar*, 357

SE.2d 518, 519 (Va. 1987); *In re Librizzi*, 569 A.2d 257, 258–259 (N.J. 1990); *In re Heffernan*, 351 NW.2d 13, 14 (Minn. 1984); *In re Austin*, 333 NW.2d 633, 634 (Minn. 1983); and *In re Kennedy*, 442 A.2d 79, 84–85 (Del. 1982). Thus, § 11.115(f) clarifies recordkeeping requirements that currently apply to all practitioners through section 10.112(c)(3).

Section 11.116 would provide rules regarding a practitioner's responsibilities in declining or terminating representation of a client. This rule corresponds to the ABA Model Rule of Professional Conduct 1.16.

Section 11.117 would provide rules regarding a practitioner's responsibilities when buying or selling a law practice or an area of law practice, including good will. This rule corresponds to the ABA Model Rule of Professional Conduct 1.17.

Section 11.117(b) differs from ABA Model Rule of Professional Conduct 1.17(b) in that the USPTO is proposing that to the extent the practice or the area of practice to be sold involves patent proceedings before the Office, that practice or area of practice may be sold only to one or more registered practitioners or law firms that includes at least one registered practitioner.

Section 11.118 would provide rules regarding a practitioner's responsibilities to prospective clients. This rule corresponds to the ABA Model Rule of Professional Conduct 1.18.

Sections 11.119–11.200 are reserved.

Section 11.201 would provide a rule addressing the practitioner's role in providing advice to a client and corresponds to the ABA Model Rule of Professional Conduct 2.1. However, the USPTO is declining to enact the substance of the last sentence of ABA Model Rule of Professional Conduct 2.1, which provides that in representing a client, a practitioner may refer to not only legal considerations, but also other factors. However, by not enacting the last sentence of Rule 2.1, the USPTO is not implying that a practitioner may not refer to other considerations such as moral, economic, social and political factors that may be relevant to the client's situation.

Section 11.202 is reserved. ABA Model Rule of Professional Conduct 2.2 was deleted in 2002 as the ABA no longer treats intermediation and the conflict-of-interest issues it raises separately from any other multi-representation conflicts. Issues relating to practitioners acting as intermediaries are dealt with under § 11.107.

Section 11.203 would articulate the ethical standards for circumstances where a practitioner provides an

evaluation of a matter affecting a client for the use by a third party. This rule corresponds to the ABA Model Rule of Professional Conduct 2.3. It should be noted that with respect to evaluation information under § 11.203 a practitioner is required to disclose information in compliance with the duty of disclosures provisions of this subchapter subject to disclosure to the USPTO pursuant to § 11.106(c).

Section 11.204 would provide a rule addressing the practitioner's role in serving as a third-party neutral, whether as an arbitrator, a mediator or in such other capacity, and corresponds to the ABA Model Rule of Professional Conduct 2.4.

Sections 11.205–11.300 are reserved.

Section 11.301 would require that a practitioner present well-grounded positions. The advocate has a duty to use legal procedure for the fullest benefit of the client's cause. The advocate also has a duty not to abuse the legal procedure. This rule corresponds to the ABA Model Rule of Professional Conduct 3.1; however, the USPTO is declining to enact the ABA Model Rule requirement that a lawyer for the defendant in a criminal proceeding may defend the proceeding by requiring that every element of the case be established. The USPTO proposes deleting the specific reference because it is a professional conduct rule limited to the practice of criminal law.

Section 11.302 would require that practitioners diligently pursue litigation and Office proceedings. This rule corresponds to the ABA Model Rule of Professional Conduct 3.2, adding that a practitioner shall make reasonable efforts to expedite proceedings before the Office as well as in litigated matters.

Section 11.303 would continue the duty of candor to a tribunal while specifying its application under different situations, and corresponds to the ABA Model Rule of Professional Conduct 3.3. Section 11.303(a)(2) sets forth the duty to disclose to the tribunal legal authority in the controlling jurisdiction known to the practitioner to be directly adverse to the position of the client and not disclosed by opposing counsel in an *inter partes* proceeding. It also sets forth this duty for an *ex parte* proceeding before the Office where the legal authority is not otherwise disclosed. All decisions made by the Office in patent and trademark matters affect the public interest. See *Lear v. Adkins*, 395 U.S. 653 (1969). Many of the decisions made by the Office are made *ex parte*. Accordingly, practitioners must cite to the Office known authority that is contrary, *i.e.*, directly adverse, to the position being

taken by the practitioner in good faith. Section 11.303(a)(3) does not include a reference to testimony of a defendant in a criminal matter, as set forth in ABA Model Rule 3.3(a)(3).

Section 11.303(e) would specify that in a proceeding before the Office, a practitioner must disclose information necessary to comply with the duty of disclosure provisions of this subchapter in practice before the Office. The practitioner's responsibility to present the client's case with persuasive force is qualified by the practitioner's duty of candor to the tribunal. See *Lipman v. Dickinson*, 174 F.3d 1363, 50 USPQ2d 1490 (Fed. Cir. 1999).

Section 11.304 would contemplate that evidence be marshaled fairly in a case before a tribunal, including in *ex parte* and *inter partes* proceedings before the Office. This rule corresponds to the ABA Model Rule of Professional Conduct 3.4, but it clarifies that the duties of the practitioner are not limited to trial matters but also to any proceeding before a tribunal.

Section 11.305 would contemplate that practitioners act with impartiality and decorum in *ex parte* and *inter partes* proceedings. This rule corresponds to the ABA Model Rule of Professional Conduct 3.5, but it clarifies that it is improper to seek to improperly influence a hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, employee or officer of the Office.

Section 11.305(c) is reserved as the USPTO is declining to enact a specific rule regarding a practitioner's communication with a juror or prospective juror. Nonetheless, a practitioner who engages in the practice of improper communication with a juror or prospective juror is subject to criminal laws and the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those laws and rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules of Professional Conduct (*e.g.*, § 11.804).

Section 11.306 is reserved as the USPTO is declining to enact a specific rule regarding trial publicity. Nonetheless, a practitioner who engages in improper conduct relating to trial publicity is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with

those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules of Professional Conduct (*e.g.*, § 11.804).

Section 11.307 would generally proscribe a practitioner from acting as an advocate in a proceeding before the Office in which the practitioner is likely to be a necessary witness. Combining the roles of advocate and witness can prejudice the opposing party and can involve a conflict of interest between the practitioner and client. This rule corresponds to the ABA Model Rule of Professional Conduct 3.7.

Section 11.308 is reserved. ABA Model Rule of Professional Conduct 3.8 addresses the "Special Responsibilities of a Prosecutor" in the context of criminal proceedings. Because practice before the Office does not involve criminal proceedings, the content of ABA Model Rule of Professional Conduct 3.8 is not being proposed. Nevertheless, an attorney who is both a practitioner before the Office and a criminal prosecutor may be subject to both the Office and other professional conduct rules. Discipline by a duly constituted authority of a State, the United States, or the country in which a practitioner resides may lead to reciprocal disciplinary action by the Office. See 37 CFR 11.24. Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules of Professional Conduct (*e.g.*, § 11.804).

Section 11.309 would regulate a practitioner's conduct when he or she is representing a client in a non-adjudicative proceeding before an administrative agency, such as the Office. This rule corresponds to the ABA Model Rule of Professional Conduct 3.9.

Sections 11.310–11.400 are reserved.

Section 11.401 would require a practitioner to be truthful when dealing with others on a client's behalf. This rule corresponds to the ABA Model Rule of Professional Conduct 4.1.

Section 11.402 would provide a standard for communicating with a represented party. Section 11.402(a) corresponds to the ABA Model Rule of Professional Conduct 4.2. Section 11.402(a) differs from ABA Model Rule of Professional Conduct 4.2 in that the proposed rule adds that in addition to

a practitioner being authorized to communicate with a represented party when the practitioner is authorized by law or a court order, a practitioner may communicate with a represented party when the practitioner is authorized by rule to do so.

*Section 11.402(b)* is based on District of Columbia Rule of Professional Conduct 4.2(b) and would recognize that special considerations come into play when the Federal Government, including the Office, is involved in a lawsuit. It would permit communications with those in Government having the authority to redress such grievances (but not with other Government personnel) without the prior consent of the practitioner representing the Government in such cases. However, a practitioner making such a communication without the prior consent of the practitioner representing the Government must make the kinds of disclosures that are required by § 11.402(b) in the case of communications with non-party employees.

*Section 11.402(b)* does not permit a practitioner to bypass counsel representing the government on every issue that may arise in the course of disputes with the government. It is intended to provide practitioners access to decision makers in government with respect to genuine grievances, such as to present the view that the government's basic policy position with respect to a dispute is faulty, or that government personnel are conducting themselves improperly with respect to aspects of the dispute. It is not intended to provide direct access on routine disputes such as ordinary discovery disputes, extensions of time or other scheduling matters, or similar routine aspects of the resolution of disputes.

*Section 11.403* would provide a standard for communicating with an unrepresented person, particularly one not experienced in dealing with legal matters. This rule corresponds to the ABA Model Rule of Professional Conduct 4.3.

*Section 11.404* would require a practitioner to respect the rights of third parties. Responsibility to a client requires a practitioner to subordinate the interests of others to those of the client, but that responsibility does not imply that a practitioner may disregard the rights of third persons. The rule also provides guidance to practitioners regarding the receipt of inadvertently sent documents. This rule corresponds to the ABA Model Rule of Professional Conduct 4.4.

*Sections 11.405–11.500* are reserved.

*Section 11.501* would set forth the responsibilities of a partner or supervisory practitioner. This rule corresponds to the ABA Model Rule of Professional Conduct 5.1.

*Section 11.502* would set forth the ethical and professional conduct responsibilities of a subordinate practitioner. This rule corresponds to the ABA Model Rule of Professional Conduct 5.2.

*Section 11.503* would set forth a practitioner's responsibilities regarding non-practitioner assistants. Practitioners generally employ assistants in their practice, including secretaries, technical advisors, student associates, draftspersons, investigators, law student interns, and paraprofessionals. This rule specifies the practitioner's responsibilities in supervising non-practitioner assistants and corresponds to the ABA Model Rule of Professional Conduct 5.3.

*Section 11.504* would protect the professional independence of a practitioner by providing traditional limitations on sharing fees with non-practitioners. This rule corresponds to the ABA Model Rule of Professional Conduct 5.4. (*See also*, 37 CFR 10.48, 10.49, 10.68)

*Section 11.504(a)(4)* would differ from the ABA Model Rule in favor of District of Columbia Rule of Professional Conduct 5.4(a)(5). *Section 11.504(a)(4)* permits a practitioner to share legal fees with a nonprofit organization that employed, retained, or recommended employment of the practitioner in the matter. A practitioner may decide to contribute all or part of legal fees recovered from the opposing party to the nonprofit organization. Such a contribution may or may not involve fee-splitting, but when it does, the prospect that the organization will obtain all or part of the practitioner's fees does not inherently compromise the practitioner's professional independence, whether the practitioner is employed by the organization or was only retained or recommended by it. A practitioner who has agreed to share legal fees with such an organization remains obligated to exercise professional judgment solely in the client's best interests. Moreover, fee-splitting in these circumstances may promote the financial viability of such nonprofit organizations and facilitate their public interest mission. Unlike the corresponding provision of the ABA Model Rules, this provision is not limited to sharing of fees awarded by a court because that restriction would significantly interfere with settlement of cases outside of court, without significantly advancing the purpose of

the exception. To prevent abuse, it applies only if the nonprofit organization has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code.

*Section 11.505* would proscribe practitioners from engaging in or aiding the unauthorized practice of law. This rule corresponds to the ABA Model Rule of Professional Conduct 5.5(a). The USPTO is declining to adopt the ABA Model Rules regarding

multijurisdictional practice of law. Limiting the practice of patent law before the Office to those recognized to practice protects the public against rendition of legal services by unqualified persons or organizations. A patent application is recognized as being a legal document and registration to practice before the USPTO sanctions "the performance of those services which are reasonably necessary and incident to the preparation and prosecution of patent applications." *Sperry v. Florida*, 373 U.S. 379, 386, 137 USPQ 578, 581 (1963). Thus, a registered practitioner may practice in patent matters before the Office regardless of where they reside within the United States.

It is noted that the USPTO registers individuals, not law firms or corporations, to practice in patent matters before the Office. Thus, a corporation is not authorized to practice law and render legal services. Instead, upon request and for a fee, the corporation could cause a patent application to be prepared by a registered practitioner. *See Lefkowitz v. Napatco*, 415 NE.2d 916, 212 USPQ 617 (NY 1980). There are numerous cases and ethics opinions wherein attorneys have been found to have aided lay organizations in the unauthorized practice of law by agreeing to accept referrals from a non-lawyer engaged in unauthorized practice of law. For example, an attorney was found to have aided the unauthorized practice of law by permitting a non-attorney operating as a business to gather data from estate planning clients for preparation of legal documents and forward the data to the attorney who thereafter prepared the documents (including a will, living trust, living will, and powers of attorney). The attorney, without having personally met or corresponded with the client, forwarded the documents to the non-attorney for the client to execute. *See Wayne County Bar Ass'n v. Naumoff*, 660 NE.2d 1177 (Ohio 1996). *See Comm. on Professional Ethics & Conduct v. Baker*, 492 NW.2d 695, 597 (Iowa 1992); *see also People v. Laden*, 893 P.2d 771 (Colo. 1995);



*People v. Macy*, 789 P.2d 188 (Colo. 1990); *People v. Boyles*, 591 P.2d 1315 (Colo. 1979); *In re Discipio*, 645 NE.2d 906 (Ill. 1994); *In re Komar*, 532 NE.2d 801 (Ill.1988); Formal Opinion 705, Committee on Professional Ethics of the Illinois State Bar Association (1982); Formal Opinion 1977–148, Standing Committee on Professional Responsibility and Conduct; Formal Opinion 87, Ethics Committee of the Colorado State Bar (1991).

*Section 11.505(b)* would specifically proscribe practice before the Office in patent, trademark, or other non-patent law if a practitioner is suspended, excluded, or excluded on consent before the Office. The rule would also proscribe practice before the Office in patent, trademark, or other non-patent law if a practitioner has been transferred to disability inactive status before the Office, has been administratively suspended before the Office, or is administratively inactive before the Office.

*Section 11.505(c)* would clarify that a practitioner is prohibited from assisting a person who is not a member of the bar of a jurisdiction in the performance of an activity that constitutes the unauthorized practice of law, and from assisting a person who is not registered to practice before the Office in patent matters in the unauthorized practice of law before the Office.

*Sections 11.505(d)*, like current § 10.47(b), would clarify that a practitioner is prohibited from aiding a suspended or excluded practitioner in the practice of law before the Office.

*Sections 11.505(e)* would provide that a practitioner is prohibited from aiding a suspended or excluded practitioner in the practice of law in any other jurisdiction.

*Section 11.505(f)*, consistent with § 11.14(b), would recognize that individuals who are not attorneys but who were recognized to practice before the Office in trademark matters prior to January 1, 1957, will continue to be recognized as agents to continue practice before the Office in trademark matters and such practice by those individuals is not the unauthorized practice of trademark law before the Office.

*Section 11.506* would prohibit agreements restricting rights to practice. This rule corresponds to the ABA Model Rule of Professional Conduct 5.6.

*Section 11.507* would provide for a practitioner being subject to the USPTO Rules of Professional Conduct if the practitioner provides law-related services. This rule corresponds to the ABA Model Rule of Professional

Conduct 5.7. The definition of “law-related service” is set forth in § 11.1.

*Sections 11.508–11.600* are reserved.

*Section 11.601–11.700* are reserved. The USPTO is declining to adopt the ABA Model Rules regarding public service. The USPTO recognizes that every practitioner, regardless of professional prominence or professional workload, has a responsibility to provide legal services to those unable to pay and that every practitioner should support all proper efforts to meet this need for legal services. However, attorney practitioners’ individual state ethical rules should provide guidance and regulations regarding their respective duties to provide voluntary *pro bono* service, accept court appointed representation, and serve as members of legal service and legal reform organizations. The USPTO is declining to add an increased regulatory requirement on attorney practitioners.

*Section 11.701* would govern all communications about a practitioner’s services, including advertising, and corresponds to the ABA Model Rule of Professional Conduct 7.1.

*Section 11.702* would provide for advertising by practitioners. This section corresponds to the ABA Model Rule of Professional Conduct 7.2. However, the USPTO is declining to enact the substance of ABA Model Rule of Professional Conduct 7.2(b)(2) as the USPTO does not currently regulate and does not anticipate regulating lawyer referral services.

*Section 11.703* would address the direct contact by a practitioner with a prospective client known to need legal services. This section corresponds to the ABA Model Rule of Professional Conduct 7.3.

*Section 11.704* would permit a practitioner to indicate areas of practice in communications about the practitioner’s services. Section 11.704(a) corresponds to the ABA Model Rule of Professional Conduct 7.4(a).

*Section 11.704(b)*, as with current § 10.34, would continue the long-established policy of the USPTO for the designation of practitioners practicing before the Office.

*Section 11.704(c)* is reserved as the USPTO is declining to regulate the communication of specialization in Admiralty practice.

*Section 11.704(d)* corresponds to the ABA Model Rule of Professional Conduct 7.4(d).

*Section 11.704(e)* would provide guidance to, and permit, an individual granted limited recognition under § 11.9 to use the designation “Limited Recognition” to indicate in communications about the individual’s

services that the individual, while not a “registered practitioner,” is authorized to practice before the USPTO in patent matters subject to the limitations in the individual’s grant of limited recognition under § 11.9.

*Section 11.705* would regulate firm names and letterheads. This section corresponds to the ABA Model Rule of Professional Conduct 7.5.

*Section 11.705(b)* is reserved as the USPTO is declining to enact a specific rule regarding law firms with offices in more than one jurisdiction since the USPTO encompasses one Federal jurisdiction. However, the USPTO is not implying that a law firm with offices in more than one jurisdiction may violate a State authority regulating this conduct. Nonetheless, a practitioner who engages in the improper use of firm names and letterhead is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules of Professional Conduct (e.g., § 11.804).

*Section 11.705(d)* is reserved. The USPTO declines to adopt ABA Model Rule of Professional Conduct 7.5(d) providing that practitioners may state or imply that they practice in a partnership or other organization only when that is the fact. However, the USPTO is not implying that practitioners may state or imply that they practice in a partnership or other organization if that is not the fact. Nonetheless, a practitioner who engages in the improper use of firm names and letterhead is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules of Professional Conduct (e.g., § 11.804).

*Section 11.706* is reserved as the USPTO is declining to enact a specific rule regarding political contributions to obtain legal engagements or appointments by judges. However, the USPTO is not implying that a



practitioner or law firm may accept a government legal engagement or an appointment by a judge if the practitioner or law firm makes a political contribution or solicits political contributions for the purpose of obtaining or being considered for that type of legal engagement or appointment. Nonetheless, a practitioner who engages in this type of practice is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules of Professional Conduct.

Sections 11.707–11.800 are reserved.

Section 11.801 would impose the same duty to persons seeking admission to a bar as well as to practitioners seeking registration or limited recognition. This section corresponds to the ABA Model Rule of Professional Conduct 8.1. This section would clarify that the section pertains to applicants for registration or an applicant for recognition to practice before the Office and would conform to current USPTO practice in §§ 11.6, 11.7, 11.9, 11.14 and 11.58.

If a person makes a material false statement in connection with an application for registration or recognition, it may be the basis for subsequent disciplinary action if the person is admitted, and in any event it may be relevant in a subsequent application. The duty imposed by § 11.801 applies to a practitioner's own admission or discipline as well as that of others. Thus, it is a separate professional offense for a practitioner to knowingly make a misrepresentation or omission in connection with a disciplinary investigation of the practitioner's own conduct. Section 11.801 also requires affirmative clarification of any misunderstanding on the part of the admissions or disciplinary authority of which the person involved becomes aware. Moreover, Section 11.801(d) requires practitioners to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it and would continue the practice set forth under former § 10.131(b).

Section 11.802 would require that a practitioner not make a statement that the practitioner knows to be false or with reckless disregard as to its truth or

falsity concerning the qualifications or integrity of a judge, adjudicatory officer or public legal officer, or of a candidate for election or appointment to judicial or legal office. This section corresponds to the ABA Model Rule of Professional Conduct 8.2. Government employees and officers such as administrative patent judges, administrative trademark judges, patent examiners, trademark examining attorneys, and petitions examiners, perform judicial and quasi-judicial functions. See, e.g., *United States v. Morgan*, 313 U.S. 409 (1941); *Western Electric Co. v. Piezo Technology, Inc.*, 860 F.2d 428 (Fed. Cir. 1988) (“Patent examiners are quasi-judicial officials.”); see also, *Butterworth v. United States ex rel. Hoe*, 112 U.S. 50, 67 (1884) (“That it was intended that the Commissioner of Patents, in issuing or withholding patents \* \* \* should exercise quasi-judicial functions, is apparent from the nature of the examinations and decision he is required to make.”); *Chamberlin v. Ison*, 779 F.2d 522, 524 (9th Cir. 1985) (“[I]t has long been recognized that PTO employees perform a ‘quasi-judicial’ function in examining patent applications.”) Such employees and officers are considered adjudicatory officers.

Section 11.803 would require reporting a violation of the Rules of Professional Conduct. This section corresponds to the ABA Model Rule of Professional Conduct 8.3.

Self-regulation of the legal profession requires that members of the profession seek a disciplinary investigation when they know of a violation of the Rules of Professional Conduct. Consistent with the current rule, § 10.24(a), a report about misconduct may not be required where it would involve violation of § 11.106(a). However, a practitioner should encourage a client to consent to disclosure where prosecution would not substantially prejudice the client's interests. Section 11.803(c) does not require disclosure of information otherwise protected by § 11.106, or information gained while participating in an approved lawyers assistance program. It should be noted that the USPTO does not sanction any lawyer's assistance programs and the reference thereto in § 11.803 is a reference to lawyer's assistance programs approved by a relevant state authority.

Section 11.804 would address the practice of providing for discipline involving a variety of acts constituting misconduct. Sections 11.804(a)–(f) correspond to the ABA Model Rules of Professional Conduct 8.4(a)–(f), respectively. It is noted that § 10.23(c) of the current Patent and Trademark Office

Code of Professional Responsibility sets forth specific examples of misconduct that constitute a violation of the rules. Because it is not possible to provide an exhaustive list of actions that constitute misconduct, Section 11.804 does not carry forward these specific examples into the USPTO Rules of Professional Conduct. The decision not to set forth specific examples of misconduct in the rule, however, should not be construed as an indication that the examples set forth in § 10.23(c) represent acceptable conduct under the USPTO Rules of Professional Conduct.

Section 11.804(g) would specifically address knowing assistance to an officer or employee of the Office in conduct that is a violation of applicable rules of conduct or other law.

Section 11.804(h) would clearly set forth that it is misconduct for a practitioner to be publicly disciplined on ethical grounds by any duly constituted authority of (1) a State, (2) the United States, or (3) the country in which the practitioner resides. See 37 CFR 11.24.

Section 11.804(i) would clearly set forth that it continues to be misconduct for a practitioner to engage in conduct that adversely reflects on the practitioner's fitness to practice before the Office.

Section 11.805 is reserved. The USPTO is declining to adopt the ABA Model Rule regarding disciplinary authority and choice of law. The disciplinary jurisdiction of the Office is set forth in section 11.19. The USPTO Director has statutory, 35 U.S.C. 2(b)(2)(D) and 32, and inherent authority to adopt rules regulating the practice of attorneys and other persons before the USPTO in patent, trademark, and non-patent law. The USPTO, like other Government agencies, has inherent authority to regulate who may practice before it as practitioners, including the authority to discipline practitioners. See *Goldsmith v. U.S. Board of Tax Appeals*, 270 U.S. 117 (1926); *Herman v. Dulles*, 205 F.2d 715 (D.C. Cir. 1953); and *Koden v. U.S. Department of Justice*, 564 F.2d 228 (7th Cir. 1977). Courts have affirmed that Congress, through the Administrative Procedure Act, 5 U.S.C. 500, did not limit the inherent power of agencies to discipline professionals who appear or practice before them. See *Polydoroff v. ICC*, 773 F.2d 372 (D.C. Cir. 1985); *Touche Ross & Co. v. SEC*, 609 F.2d 570 (2d Cir. 1979).

Sections 11.806–11.900 are reserved.

Section 11.901 would contain the following savings clauses: (a) A disciplinary proceeding based on conduct engaged in prior to the effective

date of these regulations may be instituted subsequent to such effective date, if such conduct would continue to justify disciplinary sanctions under the provisions of this part; (b) No practitioner shall be subject to a disciplinary proceeding under this part based on conduct engaged in before the effective date hereof if such conduct would not have been subject to disciplinary action before such effective date.

Section 41.5 would be revised to make a technical correction. Specifically, the previous reference to section 10.40 has been updated to refer to section 11.116.

TABLE 1—PRINCIPAL SOURCE OF SECTIONS 11.101 THROUGH 11.804

Section	Principal source
§ 11.101 .....	MRPC 1.1
§ 11.102 .....	MRPC 1.2
§ 11.103 .....	MRPC 1.3
§ 11.104 .....	MRPC 1.4
§ 11.105 .....	MRPC 1.5
§ 11.106(a)–(b) ...	MRPC 1.6(a)–(b)
§ 11.106(c) .....	USPTO
§ 11.107 .....	MRPC 1.7
§ 11.108 .....	MRPC 1.8
§ 11.109 .....	MRPC 1.9
§ 11.110 .....	MRPC 1.10
§ 11.111 .....	USPTO
§ 11.112 .....	MRPC 1.12
§ 11.113 .....	MRPC 1.13
§ 11.114 .....	MRPC 1.14
§ 11.115(a)–(e) ...	MRPC 1.15(a)–(e)
§ 11.115(f)(1) .....	MRCTAR Rule 1
§ 11.115(f)(2) .....	MRCTAR Rule 2
§ 11.115(f)(3) .....	MRCTAR Rule 3
§ 11.115(f)(4)–(5) ...	USPTO
§ 11.116 .....	MRPC 1.16
§ 11.117 .....	MRPC 1.17, USPTO
§ 11.118 .....	MRPC 1.18
§ 11.201 .....	MRPC 2.1
§ 11.203 .....	MRPC 2.3
§ 11.204 .....	MRPC 2.4
§ 11.301 .....	MRPC 3.1
§ 11.302 .....	MRPC 3.2
§ 11.303 .....	MRPC 3.3, USPTO
§ 11.304 .....	MRPC 3.4
§ 11.305 .....	MRPC 3.5
§ 11.307 .....	MRPC 3.7
§ 11.309 .....	MRPC 3.9
§ 11.401 .....	MRPC 4.1
§ 11.402(a) .....	MRPC 4.2(a)
§ 11.402(b) .....	DCRPR 4.2(b)
§ 11.403 .....	MRPC 4.3
§ 11.404 .....	MRPC 4.4
§ 11.501 .....	MRPC 5.1
§ 11.502 .....	MRPC 5.2
§ 11.503 .....	MRPC 5.3
§ 11.504 .....	MRPC 5.4; DCRPR 5.4(a)(5)
§ 11.505(a) .....	MRPC 5.5(a)
§ 11.505(b) .....	USPTO
§ 11.505(c) .....	USPTO
§ 11.505(d) .....	USPTO
§ 11.505(e) .....	USPTO
§ 11.505(f) .....	USPTO
§ 11.506 .....	MRPC 5.6
§ 11.507 .....	MRPC 5.7

TABLE 1—PRINCIPAL SOURCE OF SECTIONS 11.101 THROUGH 11.804—Continued

Section	Principal source
§ 11.701 .....	MRPC 7.1
§ 11.702 .....	MRPC 7.2
§ 11.703 .....	MRPC 7.3
§ 11.704(a) .....	MRPC 7.4(a)
§ 11.704(b) .....	37 CFR 10.34
§ 11.704(d) .....	MRPC 7.4(d)
§ 11.704(e) .....	USPTO
§ 11.705 .....	MRPC 7.5
§ 11.801(a)–(c) ...	MRPC 8.1(a)–(b)
§ 11.801(d) .....	USPTO
§ 11.802 .....	MRPC 8.2
§ 11.803 .....	MRPC 8.3
§ 11.804(a)–(f) ...	MRPC 8.4(a)–(f)
§ 11.804(g) .....	37 CFR 10.23(c)(19), 10.23(c)(20), 11.10(d)
§ 11.804(h) .....	37 CFR 10.23(c)(5), 11.24
§ 11.901 .....	USPTO

**Abbreviations:**

DCRPR means the District of Columbia Court of Appeals Rules of Professional Conduct (2007).

MRPC means the Model Rules of Professional Conduct of the American Bar Association (2011).

MRCTAR means the Model Rules for Client Trust Account Records of the American Bar Association (2010).

**Rulemaking Considerations**

Regulatory Flexibility Act: The Deputy General Counsel, United States Patent and Trademark Office, has certified to the Chief Counsel for Advocacy, Small Business Administration, that the changes in this notice of proposed rulemaking will not have a significant economic impact on a substantial number of small entities (Regulatory Flexibility Act, 5 U.S.C. 605(b)).

The primary effect of this rulemaking is not economic, but rather is to govern the conduct of practitioners in their interactions with their clients and with the Office.

The provisions of this rulemaking that may have a slight economic effect, such as record-keeping requirements, requirements to segregate client funds, and rules governing representation of multiple entities, are consistent with the USPTO's current rules, with which practitioners currently must comply. The existing USPTO Code applies to the approximately 41,000 registered patent practitioners currently appearing before the Office, as well as licensed attorneys practicing in trademark and other non-patent matters before the Office.

These proposed conduct rules continue the fundamental requirements of the Office's existing conduct rules. The existing rules have many broad canons and obligations that the proposed rules fundamentally continue, though with greater specificity and

clarity, and with some reorganization. The proposed rules also have greater specificity and clarity as to allowed conduct. The proposed rules, like the existing rules, codify many obligations that already apply to the practice of law under professional and fiduciary duties owed to clients. Because the provisions most likely to have an economic effect are already in place, these provisions do not contribute to the economic impact of this rulemaking.

Furthermore, for most practitioners, this rulemaking will reduce the economic impact of complying with the Office's professional responsibility requirements. Approximately 75 percent of registered practitioners are attorneys. The state bars of 50 U.S. jurisdictions have adopted rules based on the same ABA Model Rules on which these proposed rules are based. Therefore, for most current and prospective practitioners, the proposed rules would provide practitioners greater uniformity and familiarity with their professional conduct obligations before the Office and would harmonize the requirements to practice law before the Office and other jurisdictions. Moreover, for some provisions of this rulemaking, such as the record-keeping requirements in § 11.115(f)(4) and (f)(5), the rules explicitly state that an attorney or agent (employed in the U.S. by a law firm) that complies with the state in which he or she practices will be deemed in compliance with the Office's requirements, as well. Accordingly, this rulemaking streamlines many practitioners' obligations and thus reduces the administrative burden of compliance.

Accordingly, this rulemaking does not have a significant economic effect on a substantial number of small entities.

Executive Order 12866: This notice of proposed rulemaking has been determined to be not significant for purposes of Executive Order 12866 (September 30, 1993).

Executive Order 13563 (Improving Regulation and Regulatory Review): The Office has complied with Executive Order 13563. Specifically, the Office has, to the extent feasible and applicable: (1) Made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the

private sector and the public as a whole, and provided on-line access to the rulemaking docket; (7) attempted to promote coordination, simplification and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

Executive Order 13132: This notice of proposed rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (August 4, 1999).

Executive Order 13175 (Tribal Consultation): This rulemaking will not: (1) Have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

Executive Order 12988 (Civil Justice Reform): This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

Executive Order 12630 (Taking of Private Property): This rulemaking will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the final rule and other required information to the U.S. Senate, the U.S. House of Representatives and the Comptroller General of the

Government Accountability Office. The changes in this notice are not expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this notice is not expected to result in a "major rule" as defined in 5 U.S.C. 804(2).

Unfunded Mandates Reform Act of 1995: The changes in this notice do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. *See* 2 U.S.C. 1501 *et seq.*

National Environmental Policy Act: This rulemaking will not have any effect on the quality of environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. *See* 42 U.S.C. 4321 *et seq.*

National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

Paperwork Reduction Act: This notice of proposed rulemaking involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501 *et seq.*). Collection of information activities involved in this notice of proposed rulemaking have been reviewed and previously approved by OMB under OMB control number 0651-0017.

The title, description, and respondent description of the currently approved information collection 0651-0017 are shown below with an estimate of the annual reporting burdens. Included in this estimate is the time for gathering and maintaining the data needed, and completing and reviewing the collection of information. The principal impact of the changes in this notice of proposed

rulemaking is to registered practitioners and attorneys practicing before the Office in trademark and other non-patent matters.

OMB Number: 0651-0017.

Title: Practitioner Records Maintenance and Disclosure Before the Patent and Trademark Office.

Form Numbers: None.

Affected Public: Individuals or households, businesses or other for-profit, not-for-profit institutions, Federal Government, and state, local, or tribal governments.

Estimated Number of Likely Respondents: 10,726.

Estimated Total Annual Burden Hours: 11,126 hours.

Needs and Uses: The information in this collection is necessary for the United States Patent and Trademark Office to implement Federal statutes and regulations. *See* 35 U.S.C. 2(b)(2)(D) and 35 U.S.C. 32. These rules will require that registered practitioners and attorneys who appear before the Office maintain complete records of clients, including all funds, securities and other properties of clients coming into his/her possession, and render appropriate accounts to the client regarding such records, as well as report violations of the rules to the Office. Practitioners are mandated by the rules to maintain proper documentation so that they can fully cooperate with an investigation in the event of a report of an alleged violation and that violations are prosecuted as appropriate. The Office has determined that the record keeping and maintenance of such records are excluded from any associated PRA burden as these activities are usual and customary for practitioners representing clients. 5 CFR 1320.3(b)(2). Additionally, in the case of most attorney practitioners, any requirements for collection of information are not presumed to impose a Federal burden as these requirements are also required by a unit of State or local government, namely State bar(s), and would be required even in the absence of any Federal requirement.

5 CFR 1320.3(b)(3). These rules also require, in certain instances, that written consents or certifications be provided. Such consents or certifications have been determined not to constitute information under 5 CFR 1320.3(h)(1).

First, the Office estimates that it will take an individual or organization approximately three hours, on average, to gather, prepare and submit an initial grievance alleging and supporting a violation of professional conduct. The Office estimates that approximately 200 grievances will be received annually

from such respondents. The requirements of 5 CFR Part 1320 do not apply to collections of information by the Office during the conduct of an investigation involving a potential violation of Office professional conduct rules. 5 CFR 1320.4(a)(2). Second, the Office estimates that non-attorney practitioners may, on average, incur a total of thirty minutes of annual burden to notify senders of documents relating to the representation of a client that were inadvertently sent. Proposed 37 CFR 11.404(b). Third, the Office estimates that non-attorney practitioners may, on average, incur a total of thirty minutes of annual burden to comply with the proposed § 11.703(c) disclosure requirements relating to soliciting professional employment. Of the approximately 41,000 registered practitioners, 10,526 are non-attorneys and therefore considered likely respondents under the PRA for purposes of this information collection.

Comments are invited on: (1) Whether the collection of information is necessary for proper performance of the functions of the agency; (2) the accuracy of the agency's estimate of the burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information to respondents.

Interested persons are requested to send comments regarding these information collections, including suggestions for reducing this burden, to William R. Covey, Deputy General Counsel for Enrollment and Discipline and Director of the Office of Enrollment and Discipline, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, Virginia 22313-1450, or to the Office of Information and Regulatory Affairs of OMB, New Executive Office Building, 725 17th Street, NW., Room 10235, Washington, DC 20503, Attention: Desk Officer for the United States Patent and Trademark Office.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

## List of Subjects

### 37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

### 37 CFR Parts 2 and 7

Administrative practice and procedure, Trademarks.

### 37 CFR Part 10

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

### 37 CFR Part 11

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, under the authority of 35 U.S.C. 2(b)(2)(A) and (D), 35 U.S.C. 32, the United States Patent and Trademark Office proposes to amend 37 CFR Parts 1, 2, 7, 10, 11, and 41 as follows:

## PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for 37 CFR Part 1 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), unless otherwise noted.

2. Section 1.4 is amended to revise paragraph (d)(4)(i) to read as follows:

### § 1.4 Nature of correspondence and signature requirements.

\* \* \* \* \*

(d) \* \* \*

(4) *Certifications.* (i) *Section 11.18 certifications:* The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification under § 11.18(b) of this subchapter. Violations of § 11.18(b)(2) of this subchapter by a party, whether a practitioner or non-practitioner, may result in the imposition of sanctions under § 11.18(c) of this subchapter. Any practitioner violating § 11.18(b) of this subchapter may also be subject to disciplinary action. *See* § 11.18(d) of this subchapter.

\* \* \* \* \*

3. Section 1.21 is amended to remove and reserve paragraphs (a)(7) and (a)(8) to read as follows:

### § 1.21 Miscellaneous fees and charges.

\* \* \* \* \*

(a) \* \* \*

(7)–(8) [Reserved]

\* \* \* \* \*

## PART 2—RULES OF PRACTICE IN TRADEMARK CASES

4. The authority citation for 37 CFR Part 2 continues to read as follows:

**Authority:** 15 U.S.C. 1123, 35 U.S.C. 2, unless otherwise noted.

5. Section 2.2 is amended to revise paragraph (c) to read as follows:

### § 2.2 Definitions.

\* \* \* \* \*

(c) *Director* as used in this chapter, except for part 11, means the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

\* \* \* \* \*

## PART 7—RULES OF PRACTICE IN FILINGS PURSUANT TO THE PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS

6. The authority citation for 37 CFR Part 7 continues to read as follows:

**Authority:** 15 U.S.C. 1123, 35 U.S.C. 2, unless otherwise noted.

7. Section 7.25 is amended to revise paragraph (a) to read as follows:

### § 7.25 Sections of part 2 applicable to extension of protection.

(a) Except for §§ 2.22–2.23, 2.130–2.131, 2.160–2.166, 2.168, 2.173, 2.175, 2.181–2.186 and 2.197, all sections in part 2 and all sections in part 11 of this chapter shall apply to an extension of protection of an international registration to the United States, including sections related to proceedings before the Trademark Trial and Appeal Board, unless otherwise stated.

\* \* \* \* \*

## PART 10 [Removed and reserved]

8. Part 10 is removed and reserved.

## PART 11—REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE

9. The authority citation for 37 CFR Part 11 continues to read as follows:

**Authority:** 5 U.S.C. 500, 15 U.S.C. 1123, 35 U.S.C. 2(b)(2), 32, 41.

10. Amend § 11.1 to remove the definitions of “mandatory disciplinary rule” and “matter;” revise the definitions of “fraud or fraudulent” and “practitioner;” and add in alphabetical order the definitions of “confirmed in writing,” “firm or law firm,” “informed consent,” “law related services,” “partner,” “person,” “reasonable belief or reasonably believes,” “reasonably should know,” “screened,” “tribunal” and “writing or written” as follows:

**§ 11.1 Definitions.**

\* \* \* \* \*

*Confirmed in writing*, when used in reference to the informed consent of a person, means informed consent that is given in writing by the person or a writing that a practitioner promptly transmits to the person confirming an oral informed consent. If it is not feasible to obtain or transmit the writing at the time the person gives informed consent, then the practitioner must obtain or transmit it within a reasonable time thereafter.

\* \* \* \* \*

*Firm or law firm* means a practitioner or practitioners in a law partnership, professional corporation, sole proprietorship or other association authorized to practice law; or practitioners employed in a legal services organization or the legal department of a corporation or other organization.

\* \* \* \* \*

*Fraud or fraudulent* means conduct that involves a misrepresentation of material fact made with intent to deceive or a state of mind so reckless respecting consequences as to be the equivalent of intent, where there is justifiable reliance on the misrepresentation by the party deceived, inducing the party to act thereon, and where there is injury to the party deceived resulting from reliance on the misrepresentation. Fraud also may be established by a purposeful omission or failure to state a material fact, which omission or failure to state makes other statements misleading, and where the other elements of justifiable reliance and injury are established.

\* \* \* \* \*

*Informed consent* means the agreement by a person to a proposed course of conduct after the practitioner has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct.

\* \* \* \* \*

*Law-related services* means services that might reasonably be performed in conjunction with and in substance are related to the provision of legal services, and that are not prohibited as unauthorized practice of law when provided by a non-lawyer.

\* \* \* \* \*

*Partner* means a member of a partnership, a shareholder in a law firm organized as a professional corporation, or a member of an association authorized to practice law.

*Person* means an individual, a corporation, an association, a trust, a

partnership, and any other organization or legal entity.

*Practitioner* means:

(1) An attorney or agent registered to practice before the Office in patent matters,

(2) An individual authorized under 5 U.S.C. 500(b) or otherwise as provided by § 11.14(a), (b), and (c) of this subchapter, to practice before the Office in trademark matters or other non-patent matters, or

(3) An individual authorized to practice before the Office in a patent case or matters under § 11.9(a) or (b).

\* \* \* \* \*

*Reasonable belief or reasonably believes* when used in reference to a practitioner means that the practitioner believes the matter in question and that the circumstances are such that the belief is reasonable.

*Reasonably should know* when used in reference to a practitioner means that a practitioner of reasonable prudence and competence would ascertain the matter in question.

\* \* \* \* \*

*Screened* means the isolation of a practitioner from any participation in a matter through the timely imposition of procedures within a firm that are reasonably adequate under the circumstances to protect information that the isolated practitioner is obligated to protect under these USPTO Rules of Professional Conduct or other law.

\* \* \* \* \*

*Tribunal* means the Office, a court, an arbitrator in a binding arbitration proceeding or a legislative body, administrative agency or other body acting in an adjudicative capacity. A legislative body, administrative agency or other body acts in an adjudicative capacity when a neutral official, after the presentation of evidence or legal argument by a party or parties, will render a binding legal judgment directly affecting a party's interests in a particular matter.

\* \* \* \* \*

*Writing or written* means a tangible or electronic record of a communication or representation, including handwriting, typewriting, printing, photostating, photography, audio or video recording and email. A "signed" writing includes an electronic sound, symbol or process attached to or logically associated with a writing and executed or adopted by a person with the intent to sign the writing.

11. Revise § 11.2(c), (d) and (e) to read as follows:

**§ 11.2 Director of the Office of Enrollment and Discipline.**

\* \* \* \* \*

(c) *Petition to OED Director regarding enrollment or recognition.* Any petition from any action or requirement of the staff of OED reporting to the OED Director shall be taken to the OED Director accompanied by payment of the fee set forth in § 1.21(a)(5)(i) of this chapter. Any such petition not filed within sixty days from the mailing date of the action or notice from which relief is requested will be dismissed as untimely. The filing of a petition will neither stay the period for taking other action which may be running, nor stay other proceedings. The petitioner may file a single request for reconsideration of a decision within thirty days of the date of the decision. Filing a request for reconsideration stays the period for seeking review of the OED Director's decision until a final decision on the request for reconsideration is issued.

(d) *Review of OED Director's decision regarding enrollment or recognition.* A party dissatisfied with a final decision of the OED Director regarding enrollment or recognition shall seek review of the decision upon petition to the USPTO Director accompanied by payment of the fee set forth in § 1.21(a)(5)(ii) of this chapter. By filing such petition to the USPTO Director, the party waives any right to seek reconsideration from the OED Director. Any petition not filed within thirty days after the final decision of the OED Director may be dismissed as untimely. Briefs or memoranda, if any, in support of the petition shall accompany the petition. The petition will be decided on the basis of the record made before the OED Director. The USPTO Director in deciding the petition will consider no new evidence. Copies of documents already of record before the OED Director shall not be submitted with the petition. An oral hearing will not be granted except when considered necessary by the USPTO Director. Any request for reconsideration of the decision of the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision. Only a decision of the USPTO Director regarding denial of a petition constitutes a final decision for the purpose of judicial review.

(e) *Petition to USPTO Director in disciplinary matters.* A party dissatisfied with any action or notice of any employee of the Office of Enrollment and Discipline during or at the conclusion of a disciplinary investigation shall seek review of the action or notice upon petition to the OED Director. A petition from any action or notice of the staff reporting to the OED Director shall be taken to the OED Director. A party dissatisfied with

the OED Director's final decision shall seek review of the final decision upon petition to the USPTO Director to invoke the supervisory authority of the USPTO Director in appropriate circumstances in disciplinary matters. Any petition under this paragraph must contain a statement of the facts involved and the point or points to be reviewed and the action requested. Briefs or memoranda, if any, in support of the petition must accompany the petition. Where facts are to be proven, the proof in the form of affidavits or declarations (and exhibits, if any) must accompany the petition. The OED Director may be directed by the USPTO Director to file a reply to the petition to the USPTO Director, supplying a copy to the petitioner. An oral hearing on petition taken to the USPTO Director will not be granted except when considered necessary by the USPTO Director. The filing of a petition under this paragraph will not stay an investigation, disciplinary proceeding, or other proceedings. Any petition under this part not filed within thirty days of the mailing date of the action or notice from which relief is requested may be dismissed as untimely. Any request for reconsideration of the decision of the OED Director or the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision. Only a decision of the USPTO Director regarding denial of a petition constitutes a final decision for the purpose of judicial review.

12. Remove and reserve § 11.8(d) to read as follows:

**§ 11.8 Oath and registration fee.**

\* \* \* \* \*

(d) [Reserved]

13. Revise § 11.11(a), (b), and (c), remove and reserve paragraphs (d)(2) and (d)(4), and revise paragraphs (d)(5), (d)(6), and (e) to read as follows:

**§ 11.11 Administrative suspension, inactivation, resignation, and readmission.**

(a) *Contact information.* (1) A registered practitioner must notify the OED Director of his or her postal address for his or her office, up to three email addresses where he or she receives email, and business telephone number, as well as every change to any of said addresses or telephone numbers within thirty days of the date of the change. A registered practitioner shall, in addition to any notice of change of address and telephone number filed in individual patent applications, separately file written notice of the change of address or telephone number to the OED Director. A registered practitioner who is an attorney in good

standing with the bar of the highest court of one or more States shall provide the OED Director with the State bar identification number associated with each membership. The OED Director shall publish from the roster a list containing the name, postal business addresses, business telephone number, registration number, and registration status as an attorney or agent of each registered practitioner recognized to practice before the Office in patent cases.

(2) A letter may be addressed to any registered practitioner, at the address of which separate notice was last received by the OED Director, for the purpose of ascertaining whether such practitioner desires to remain on the register. Any registered practitioner failing to reply and give any information requested by the OED Director within a time limit specified will be subject to administrative suspension under paragraph (b) of this section.

(b) *Administrative suspension.* (1) Whenever it appears that a registered practitioner or a person granted limited recognition under § 11.9(b) has failed to comply with § 11.8(d) or paragraph (a)(2) of this section, the OED Director shall publish and send a notice to the registered practitioner or person granted limited recognition advising of the noncompliance, the consequence of being administratively suspended under paragraph (b)(5) of this section if noncompliance is not timely remedied, and the requirements for reinstatement under paragraph (f) of this section. The notice shall be published and sent to the registered practitioner or person granted limited recognition by mail to the last postal address furnished under paragraph (a) of this section or by email addressed to the last email addresses furnished under paragraph (a) of this section. The notice shall demand compliance and payment of a delinquency fee set forth in § 1.21(a)(9)(i) of this subchapter within sixty days after the date of such notice.

(2) In the event a registered practitioner or person granted limited recognition fails to comply with the notice of paragraph (b)(1) of this section within the time allowed, the OED Director shall publish and send in the manner provided for in paragraph (b)(1) of this section to the registered practitioner or person granted limited recognition a Rule to Show Cause why his or her registration or recognition should not be administratively suspended, and he or she no longer be permitted to practice before the Office in patent matters or in any way hold himself or herself out as being registered or authorized to practice before the

Office in patent matters. The OED Director shall file a copy of the Rule to Show Cause with the USPTO Director.

(3) Within 30 days of the OED Director's sending the Rule to Show Cause identified in paragraph (b)(2) of this section, the registered practitioner or person granted limited recognition may file a response to the Rule to Show Cause with the USPTO Director. The response must set forth the factual and legal bases why the person should not be administratively suspended. The registered practitioner or person granted limited recognition shall serve the OED Director with a copy of the response at the time it is filed with the USPTO Director. Within ten days of receiving a copy of the response, the OED Director may file a reply with the USPTO Director that includes documents demonstrating that the notice identified in paragraph (b)(1) of this section was published and sent to the practitioner in accordance with paragraph (b)(1) of this section. A copy of the reply by the OED Director shall be served on the registered practitioner or person granted limited recognition. When acting on the Rule to Show Cause, if the USPTO Director determines that there are no genuine issues of material fact regarding the Office's compliance with the notice requirements under this section or the failure of the person to pay the requisite fees, the USPTO Director shall enter an order administratively suspending the registered practitioner or person granted limited recognition. Otherwise, the USPTO Director shall enter an appropriate order dismissing the Rule to Show Cause. Nothing herein shall permit an administratively suspended registered practitioner or person granted limited recognition to seek a stay of the administrative suspension during the pendency of any review of the USPTO Director's final decision.

(4) [Reserved]

(5) An administratively suspended registered practitioner or person granted limited recognition is subject to investigation and discipline for his or her conduct prior to, during, or after the period he or she was administratively suspended.

(6) An administratively suspended registered practitioner or person granted limited recognition is prohibited from practicing before the Office in patent cases while administratively suspended. A registered practitioner or person granted limited recognition who knows he or she has been administratively suspended under this section will be subject to discipline for failing to comply with the provisions of this paragraph (b).

(c) *Administrative inactivation.* (1) Any registered practitioner who shall become employed by the Office shall comply with § 11.116 for withdrawal from the applications, patents, and trademark matters wherein he or she represents an applicant or other person, and notify the OED Director in writing of said employment on the first day of said employment. The name of any registered practitioner employed by the Office shall be endorsed on the roster as administratively inactive. Upon separation from the Office, the administratively inactive practitioner may request reactivation by completing and filing an application, Data Sheet, signing a written undertaking required by § 11.10, and paying the fee set forth in § 1.21(a)(1)(i) of this subchapter. An administratively inactive practitioner remains subject to the provisions of the USPTO Rules of Professional Conduct and to proceedings and sanctions under §§ 11.19 through 11.58 for conduct that violates a provision of the USPTO Rules of Professional Conduct prior to or during employment at the Office. If, within 30 days after separation from the Office, the registered practitioner does not request active status or another status, the registered practitioner will be endorsed on the roster as voluntarily inactive and be subject to the provisions of paragraph (d) of this section.

(2) Any registered practitioner who is a judge of a court of record, full-time court commissioner, U.S. bankruptcy judge, U.S. magistrate judge, or a retired judge who is eligible for temporary judicial assignment and is not engaged in the practice of law may request, in writing, that his or her name be endorsed on the roster as administratively inactive. Upon acceptance of the request, the OED Director shall endorse the name of the practitioner as administratively inactive. Following separation from the bench, the practitioner may request restoration to active status by completing and filing an application, Data Sheet, and signing a written undertaking required by § 11.10.

(d) \* \* \*

(2) [Reserved]

\* \* \* \* \*

(4) [Reserved]

(5) A registered practitioner in voluntary inactive status is prohibited from practicing before the Office in patent cases while in voluntary inactive status. A registered practitioner in voluntary inactive status will be subject to discipline for failing to comply with the provisions of this paragraph. Upon acceptance of the request for voluntary inactive status, the practitioner must comply with the provisions of § 11.116.

(6) Any registered practitioner whose name has been endorsed as voluntarily inactive pursuant to paragraph (d)(1) of this section and is not under investigation and not subject to a disciplinary proceeding may be restored to active status on the register as may be appropriate provided that the practitioner files a written request for restoration, a completed application for registration on a form supplied by the OED Director furnishing all requested information and material, including information and material pertaining to the practitioner's moral character and reputation under § 11.7(a)(2)(i) during the period of inactivation, a declaration or affidavit attesting to the fact that the practitioner has read the most recent revisions of the patent laws and the rules of practice before the Office, and pays the fees set forth in §§ 1.21(a)(7)(iii) and (iv) of this subchapter.

(e) *Resignation.* A registered practitioner or a practitioner recognized under § 11.14(c), who is not under investigation under § 11.22 for a possible violation of the USPTO Rules of Professional Conduct, subject to discipline under §§ 11.24 or 11.25, or a practitioner against whom probable cause has been found by a panel of the Committee on Discipline under § 11.23(b), may resign by notifying the OED Director in writing that he or she desires to resign. Upon acceptance in writing by the OED Director of such notice, that registered practitioner or practitioner under § 11.14 shall no longer be eligible to practice before the Office in patent matters but shall continue to file a change of address for five years thereafter in order that he or she may be located in the event information regarding the practitioner's conduct comes to the attention of the OED Director or any grievance is made about his or her conduct while he or she engaged in practice before the Office. The name of any registered practitioner whose resignation is accepted shall be removed from the register, endorsed as resigned, and notice thereof published in the Official Gazette. Upon acceptance of the resignation by the OED Director, the registered practitioner must comply with the provisions of § 11.116.

14. Revise § 11.19(a) and (b)(1)(iv) to read as follows:

**§ 11.19 Disciplinary jurisdiction; Jurisdiction to transfer to disability inactive status.**

(a) All practitioners engaged in practice before the Office; all practitioners administratively suspended; all practitioners registered

to practice before the Office in patent cases; all practitioners inactivated; all practitioners authorized under § 11.6(d) to take testimony; and all practitioners transferred to disability inactive status, reprimanded, suspended, or excluded from the practice of law by a duly constituted authority, including by the USPTO Director, are subject to the disciplinary jurisdiction of the Office. Practitioners who have resigned shall also be subject to such jurisdiction with respect to conduct undertaken prior to the resignation and conduct in regard to any practice before the Office following the resignation. A person not registered or recognized to practice before the Office is also subject to the disciplinary authority of the Office if the person provides or offers to provide any legal services before the Office.

(b) \* \* \*

(1) \* \* \*

(iv) Violation of any USPTO Rule of Professional Conduct; or

\* \* \* \* \*

15. Revise § 11.20(a)(4) and (b) to read as follows:

**§ 11.20 Disciplinary sanctions; Transfer to disability inactive status.**

(a) \* \* \*

(4) *Probation.* Probation may be imposed *in lieu* of or in addition to any other disciplinary sanction. Any conditions of probation shall be stated in writing in the order imposing probation. The order shall also state whether, and to what extent, the practitioner shall be required to notify clients of the probation. Violation of any condition of probation shall be cause for imposition of the disciplinary sanction. Imposition of the disciplinary sanction predicated upon violation of probation shall occur only after an order to show cause why the disciplinary sanction should not be imposed is resolved adversely to the practitioner.

(b) *Conditions imposed with discipline.* When imposing discipline, the USPTO Director may condition reinstatement upon the practitioner making restitution, successfully completing a professional responsibility course or examination, or any other condition deemed appropriate under the circumstances.

\* \* \* \* \*

16. Revise § 11.21 to read as follows:

**§ 11.21 Warnings.**

A warning is neither public nor a disciplinary sanction. The OED Director may conclude an investigation with the issuance of a warning. The warning shall contain a brief statement of facts and USPTO Rules of Professional Conduct relevant to the facts.



17. In § 11.22 revise the section heading, paragraph (f)(2), and the introductory text of paragraph (i) to read as follows:

**§ 11.22 Disciplinary investigations.**

\* \* \* \* \*

(f) \* \* \*

(2) The OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from a non-grieving client either after obtaining the consent of the practitioner or upon a finding by a Contact Member of the Committee on Discipline, appointed in accordance with § 11.23(d), that good cause exists to believe that the possible ground for discipline alleged has occurred with respect to non-grieving clients. Neither a request for, nor disclosure of, such information shall constitute a violation of any USPTO Rules of Professional Conduct.

\* \* \* \* \*

(i) *Closing investigation.* The OED Director shall terminate an investigation and decline to refer a matter to the Committee on Discipline if the OED Director determines that:

\* \* \* \* \*

18. Revise § 11.24(e) to read as follows:

**§ 11.24 Reciprocal discipline.**

\* \* \* \* \*

(e) *Adjudication in another jurisdiction or Federal agency or program.* In all other respects, a final adjudication in another jurisdiction or Federal agency or program that a practitioner, whether or not admitted in that jurisdiction, has been guilty of misconduct shall establish a prima facie case by clear and convincing evidence that the practitioner has engaged in misconduct under § 11.804.

\* \* \* \* \*

19. Revise § 11.25(a) to read as follows:

**§ 11.25 Interim suspension and discipline based upon conviction of committing a serious crime.**

(a) *Notification of OED Director.* Upon being convicted of a crime in a court of the United States, any State, or a foreign country, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing of the same within thirty days from the date of such conviction. Upon being advised or learning that a practitioner subject to the disciplinary jurisdiction of the Office has been convicted of a crime, the OED Director shall make a preliminary determination whether the crime constitutes a serious crime warranting interim suspension. If the

crime is a serious crime, the OED Director shall file with the USPTO Director proof of the conviction and request the USPTO Director to issue a notice and order set forth in paragraph (b)(2) of this section. The OED Director shall in addition, without Committee on Discipline authorization, file with the USPTO Director a complaint against the practitioner complying with § 11.34 predicated upon the conviction of a serious crime. If the crime is not a serious crime, the OED Director shall process the matter in the same manner as any other information or evidence of a possible violation of any USPTO Rule of Professional Conduct coming to the attention of the OED Director.

\* \* \* \* \*

20. Revise § 11.32 to read as follows:

**§ 11.32 Instituting a disciplinary proceeding.**

If after conducting an investigation under § 11.22(a), the OED Director is of the opinion that grounds exist for discipline under § 11.19(b), the OED Director, after complying where necessary with the provisions of 5 U.S.C. 558(c), may convene a meeting of a panel of the Committee on Discipline. If convened, the panel of the Committee on Discipline shall then determine as specified in § 11.23(b) whether there is probable cause to bring disciplinary charges. If the panel of the Committee on Discipline determines that probable cause exists to bring charges, the OED Director may institute a disciplinary proceeding by filing a complaint under § 11.34.

21. In § 11.34 revise the introductory text of paragraph (a), and paragraphs (a)(1) and (b) to read as follows:

**§ 11.34 Complaint.**

(a) A complaint instituting a disciplinary proceeding shall:

(1) Name the person who is the subject of the complaint who may then be referred to as the “respondent”;

\* \* \* \* \*

(b) A complaint will be deemed sufficient if it fairly informs the respondent of any grounds for discipline, and where applicable, the USPTO Rules of Professional Conduct that form the basis for the disciplinary proceeding so that the respondent is able to adequately prepare a defense.

\* \* \* \* \*

22. Revise § 11.35(a)(2)(ii) and (a)(4)(ii) to read as follows:

**§ 11.35 Service of complaint.**

(a) \* \* \*

(2) \* \* \*

(ii) A respondent who is not registered at the last address for the respondent known to the OED Director.

\* \* \* \* \*

(4) \* \* \*

(ii) A respondent who is not registered at the last address for the respondent known to the OED Director.

\* \* \* \* \*

23. In § 11.54 revise paragraph (a)(2) and the introductory text of paragraph (b) to read as follows:

**§ 11.54 Initial decision of hearing officer.**

(a) \* \* \*

(2) An order of default judgment, of suspension or exclusion from practice, of reprimand, of probation or an order dismissing the complaint. The order also may impose any conditions deemed appropriate under the circumstances. The hearing officer shall transmit a copy of the decision to the OED Director and to the respondent. After issuing the decision, the hearing officer shall transmit the entire record to the OED Director. In the absence of an appeal to the USPTO Director, the decision of the hearing officer, including a default judgment, will, without further proceedings, become the decision of the USPTO Director thirty days from the date of the decision of the hearing officer.

(b) The initial decision of the hearing officer shall explain the reason for any default judgment, reprimand, suspension, exclusion, or probation, and shall explain any conditions imposed with discipline. In determining any sanction, the following four factors must be considered if they are applicable:

\* \* \* \* \*

24. In § 11.58 revise the introductory text of paragraph (b)(2) and paragraph (f)(1)(ii) to read as follows:

**§ 11.58 Duties of disciplined or resigned practitioner, or practitioner on disability inactive status.**

\* \* \* \* \*

(b) \* \* \*

(2) Within forty-five days after entry of the order of suspension, exclusion, or of acceptance of resignation, the practitioner shall file with the OED Director an affidavit of compliance certifying that the practitioner has fully complied with the provisions of the order, this section, and with § 11.116 for withdrawal from representation. Appended to the affidavit of compliance shall be:

\* \* \* \* \*

(f) \* \* \*

(1) \* \* \*

(ii) Shows by clear and convincing evidence that the excluded, suspended

or resigned practitioner, or practitioner transferred to disability inactive status has complied with the provisions of this section and all USPTO Rules of Professional Conduct; and

\* \* \* \* \*

#### **§ 11.61 [Removed and reserved]**

25. Section 11.61 is removed and reserved.

26. Part 11 is amended to add Subpart D to read as follows:

#### **Subpart D—USPTO Rules of Professional Conduct**

11.100 [Reserved]

##### **Client-Practitioner Relationship**

- 11.101 Competence.
- 11.102 Scope of representation and allocation of authority between client and practitioner.
- 11.103 Diligence.
- 11.104 Communication.
- 11.105 Fees.
- 11.106 Confidentiality of information.
- 11.107 Conflict of interest: Current clients.
- 11.108 Conflict of interest: Current clients: Specific rules.
- 11.109 Duties to former clients.
- 11.110 Imputation of conflicts of interest: General rule.
- 11.111 Former or current Federal Government employees.
- 11.112 Former judge, arbitrator, mediator or other third-party neutral.
- 11.113 Organization as client.
- 11.114 Client with diminished capacity.
- 11.115 Safekeeping property.
- 11.116 Declining or terminating representation.
- 11.117 Sale of law practice.
- 11.118 Duties to prospective client.
- 11.119–11.200 [Reserved]

##### **Counselor**

- 11.201 Advisor.
- 11.202 [Reserved]
- 11.203 Evaluation for use by third persons.
- 11.204 Practitioner serving as third-party neutral.
- 11.205–11.300 [Reserved]

##### **Advocate**

- 11.301 Meritorious claims and contentions.
- 11.302 Expediting proceedings.
- 11.303 Candor toward the tribunal.
- 11.304 Fairness to opposing party and counsel.
- 11.305 Impartiality and decorum of the tribunal.
- 11.306 [Reserved]
- 11.307 Practitioner as witness.
- 11.308 [Reserved]
- 11.309 Advocate in nonadjudicative proceedings.
- 11.310–11.400 [Reserved]

##### **Transactions With Persons Other Than Clients**

- 11.401 Truthfulness in statements to others.
- 11.402 Communication with person represented by a practitioner.
- 11.403 Dealing with unrepresented person.
- 11.404 Respect for rights of third persons.

11.405–11.500 [Reserved]

##### **Law Firms and Associations**

- 11.501 Responsibilities of partners, managers, and supervisory practitioners.
- 11.502 Responsibilities of a subordinate practitioner.
- 11.503 Responsibilities regarding non-practitioner assistants.
- 11.504 Professional independence of a practitioner.
- 11.505 Unauthorized practice of law.
- 11.506 Restrictions on right to practice.
- 11.507 Responsibilities regarding law-related services.
- 11.508–11.700 [Reserved]

##### **Information About Legal Services**

- 11.701 Communications concerning a practitioner's services.
- 11.702 Advertising.
- 11.703 Direct contact with prospective clients.
- 11.704 Communication of fields of practice and specialization.
- 11.705 Firm names and letterheads.
- 11.706–11.800 [Reserved]

##### **Maintaining the Integrity of the Profession**

- 11.801 Registration, recognition and disciplinary matters.
- 11.802 Judicial and legal officials.
- 11.803 Reporting professional misconduct.
- 11.804 Misconduct.
- 11.805–11.900 [Reserved]
- 11.901 Savings clause.

#### **Subpart D—USPTO Rules of Professional Conduct**

##### **§ 11.100 [Reserved]**

##### **Client-Practitioner Relationship**

##### **§ 11.101 Competence.**

A practitioner shall provide competent representation to a client. Competent representation requires the legal, scientific, and technical knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

##### **§ 11.102 Scope of representation and allocation of authority between client and practitioner.**

(a) Subject to paragraphs (c) and (d) of this section, a practitioner shall abide by a client's decisions concerning the objectives of representation and, as required by § 11.104, shall consult with the client as to the means by which they are to be pursued. A practitioner may take such action on behalf of the client as is impliedly authorized to carry out the representation. A practitioner shall abide by a client's decision whether to settle a matter.

(b) [Reserved].

(c) A practitioner may limit the scope of the representation if the limitation is reasonable under the circumstances and the client gives informed consent.

(d) A practitioner shall not counsel a client to engage, or assist a client, in

conduct that the practitioner knows is criminal or fraudulent, but a practitioner may discuss the legal consequences of any proposed course of conduct with a client and may counsel or assist a client to make a good-faith effort to determine the validity, scope, meaning or application of the law.

##### **§ 11.103 Diligence.**

A practitioner shall act with reasonable diligence and promptness in representing a client.

##### **§ 11.104 Communication.**

(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.

##### **§ 11.105 Fees.**

(a) A practitioner shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:

(1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;

(2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the practitioner;

(3) The fee customarily charged in the locality for similar legal services;

(4) The amount involved and the results obtained;

(5) The time limitations imposed by the client or by the circumstances;

(6) The nature and length of the professional relationship with the client;

(7) The experience, reputation, and ability of the practitioner or practitioners performing the services; and

(8) Whether the fee is fixed or contingent.

(b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the practitioner will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.

(c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by law. A contingent fee agreement shall be in a writing signed by the client and shall state the method by which the fee is to be determined, including the percentage or percentages that shall accrue to the practitioner in the event of settlement, trial or appeal; litigation and other expenses to be deducted from the recovery; and whether such expenses are to be deducted before or after the contingent fee is calculated. The agreement must clearly notify the client of any expenses for which the client will be liable whether or not the client is the prevailing party. Upon conclusion of a contingent fee matter, the practitioner shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

(d) [Reserved].

(e) A division of a fee between practitioners who are not in the same firm may be made only if:

(1) The division is in proportion to the services performed by each practitioner or each practitioner assumes joint responsibility for the representation;

(2) The client agrees to the arrangement, including the share each practitioner will receive, and the agreement is confirmed in writing; and

(3) The total fee is reasonable.

#### **§ 11.106 Confidentiality of information.**

(a) A practitioner shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation, the disclosure is permitted by paragraph (b) of this section, or the disclosure is required by paragraph (c) of this section.

(b) A practitioner may reveal information relating to the representation of a client to the extent

the practitioner reasonably believes necessary:

(1) To prevent reasonably certain death or substantial bodily harm;

(2) To prevent the client from committing a crime, fraud, or inequitable conduct before the Office that is reasonably certain to result in substantial injury to the financial interests or property of another and in furtherance of which the client has used or is using the practitioner's services;

(3) To prevent, mitigate or rectify substantial injury to the financial interests or property of another that is reasonably certain to result or has resulted from the client's commission of a crime, fraud, or inequitable conduct before the Office in furtherance of which the client has used the practitioner's services;

(4) To secure legal advice about the practitioner's compliance with the USPTO Rules of Professional Conduct;

(5) To establish a claim or defense on behalf of the practitioner in a controversy between the practitioner and the client, to establish a defense to a criminal charge or civil claim against the practitioner based upon conduct in which the client was involved, or to respond to allegations in any proceeding concerning the practitioner's representation of the client; or

(6) To comply with other law or a court order.

(c) A practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions.

#### **§ 11.107 Conflict of interest: Current clients.**

(a) Except as provided in paragraph (b) of this section, a practitioner shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:

(1) The representation of one client will be directly adverse to another client; or

(2) There is a significant risk that the representation of one or more clients will be materially limited by the practitioner's responsibilities to another client, a former client or a third person or by a personal interest of the practitioner.

(b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a) of this section, a practitioner may represent a client if:

(1) The practitioner reasonably believes that the practitioner will be able to provide competent and diligent representation to each affected client;

(2) The representation is not prohibited by law;

(3) The representation does not involve the assertion of a claim by one client against another client represented by the practitioner in the same litigation or other proceeding before a tribunal; and

(4) Each affected client gives informed consent, confirmed in writing.

#### **§ 11.108 Conflict of interest: Current clients: Specific rules.**

(a) A practitioner shall not enter into a business transaction with a client or knowingly acquire an ownership, possessory, security or other pecuniary interest adverse to a client unless:

(1) The transaction and terms on which the practitioner acquires the interest are fair and reasonable to the client and are fully disclosed and transmitted in writing in a manner that can be reasonably understood by the client;

(2) The client is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the advice of independent legal counsel in the transaction; and

(3) The client gives informed consent, in a writing signed by the client, to the essential terms of the transaction and the practitioner's role in the transaction, including whether the practitioner is representing the client in the transaction.

(b) A practitioner shall not use information relating to representation of a client to the disadvantage of the client unless the client gives informed consent, except as permitted or required by the USPTO Rules of Professional Conduct.

(c) A practitioner shall not solicit any substantial gift from a client, including a testamentary gift, or prepare on behalf of a client an instrument giving the practitioner or a person related to the practitioner any substantial gift unless the practitioner or other recipient of the gift is related to the client. For purposes of this paragraph, related persons include a spouse, child, grandchild, parent, grandparent or other relative or individual with whom the practitioner or the client maintains a close, familial relationship.

(d) Prior to the conclusion of representation of a client, a practitioner shall not make or negotiate an agreement giving the practitioner literary or media rights to a portrayal or account based in substantial part on information relating to the representation.

(e) A practitioner shall not provide financial assistance to a client in connection with pending or contemplated litigation, except that:

(1) A practitioner may advance court costs and expenses of litigation, the repayment of which may be contingent on the outcome of the matter; and

(2) A practitioner representing an indigent client may pay court costs and expenses of litigation on behalf of the client.

(f) A practitioner shall not accept compensation for representing a client from one other than the client unless:

(1) The client gives informed consent;

(2) There is no interference with the practitioner's independence of professional judgment or with the client-practitioner relationship; and

(3) Information relating to representation of a client is protected as required by § 11.106.

(g) A practitioner who represents two or more clients shall not participate in making an aggregate settlement of the claims of or against the clients, unless each client gives informed consent, in writing signed by the client. The practitioner's disclosure shall include the existence and nature of all the claims involved and of the participation of each person in the settlement.

(h) A practitioner shall not:

(1) Make an agreement prospectively limiting the practitioner's liability to a client for malpractice unless the client is independently represented in making the agreement; or

(2) Settle a claim or potential claim for such liability with an unrepresented client or former client unless that person is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the advice of independent legal counsel in connection therewith.

(i) A practitioner shall not acquire a proprietary interest in the cause of action, subject matter of litigation, or a proceeding before the Office which the practitioner is conducting for a client, except that the practitioner may:

(1) Acquire a lien authorized by law to secure the practitioner's fee or expenses;

(2) Contract with a client for a reasonable contingent fee in a civil case; and

(3) In a patent case or a proceeding before the Office, take an interest in the patent as part or all of his or her fee.

(j) [Reserved].

(k) While practitioners are associated in a firm, a prohibition in paragraphs (a) through (i) of this section that applies to any one of them shall apply to all of them.

#### **§ 11.109 Duties to former clients.**

(a) A practitioner who has formerly represented a client in a matter shall not thereafter represent another person in

the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client gives informed consent, confirmed in writing.

(b) A practitioner shall not knowingly represent a person in the same or a substantially related matter in which a firm with which the practitioner formerly was associated had previously represented a client

(1) Whose interests are materially adverse to that person; and

(2) About whom the practitioner had acquired information protected by §§ 11.106 and 11.109(c) that is material to the matter;

unless the former client gives informed consent, confirmed in writing.

(c) A practitioner who has formerly represented a client in a matter or whose present or former firm has formerly represented a client in a matter shall not thereafter:

(1) Use information relating to the representation to the disadvantage of the former client except as the USPTO Rules of Professional Conduct would permit or require with respect to a client, or when the information has become generally known; or

(2) Reveal information relating to the representation except as the USPTO Rules of Professional Conduct would permit or require with respect to a client.

#### **§ 11.110 Imputation of conflicts of interest: General rule.**

(a) While practitioners are associated in a firm, none of them shall knowingly represent a client when any one of them practicing alone would be prohibited from doing so by §§ 11.107 or 11.109, unless

(1) The prohibition is based on a personal interest of the disqualified practitioner and does not present a significant risk of materially limiting the representation of the client by the remaining practitioners in the firm; or

(2) The prohibition is based upon § 11.109(a) or (b), and arises out of the disqualified practitioner's association with a prior firm, and

(i) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom;

(ii) Written notice is promptly given to any affected former client to enable the former client to ascertain compliance with the provisions of this section, which shall include a description of the screening procedures employed; a statement of the firm's and of the screened practitioner's compliance with the USPTO Rules of

Professional Conduct; a statement that review may be available before a tribunal; and an agreement by the firm to respond promptly to any written inquiries or objections by the former client about the screening procedures; and

(iii) Certifications of compliance with the USPTO Rules of Professional Conduct and with the screening procedures are provided to the former client by the screened practitioner and by a partner of the firm, at reasonable intervals upon the former client's written request and upon termination of the screening procedures.

(b) When a practitioner has terminated an association with a firm, the firm is not prohibited from thereafter representing a person with interests materially adverse to those of a client represented by the formerly associated practitioner and not currently represented by the firm, unless:

(1) The matter is the same or substantially related to that in which the formerly associated practitioner represented the client; and

(2) Any practitioner remaining in the firm has information protected by §§ 11.106 and 11.109(c) that is material to the matter.

(c) A disqualification prescribed by this section may be waived by the affected client under the conditions stated in § 11.107.

(d) The disqualification of practitioners associated in a firm with former or current Federal Government lawyers is governed by § 11.111.

#### **§ 11.111 Former or current Federal Government employees.**

A practitioner who is a former or current Federal Government employee shall not engage in any conduct which is contrary to applicable Federal ethics law, including conflict of interest statutes and regulations of the department, agency or commission formerly or currently employing said practitioner.

#### **§ 11.112 Former judge, arbitrator, mediator or other third-party neutral.**

(a) Except as stated in paragraph (d) of this section, a practitioner shall not represent anyone in connection with a matter in which the practitioner participated personally and substantially as a judge or other adjudicative officer or law clerk to such a person or as an arbitrator, mediator or other third-party neutral, unless all parties to the proceeding give informed consent, confirmed in writing.

(b) A practitioner shall not negotiate for employment with any person who is involved as a party or as practitioner for

a party in a matter in which the practitioner is participating personally and substantially as a judge or other adjudicative officer or as an arbitrator, mediator or other third-party neutral. A practitioner serving as a law clerk to a judge or other adjudicative officer may negotiate for employment with a party or practitioner involved in a matter in which the clerk is participating personally and substantially, but only after the practitioner has notified the judge, or other adjudicative officer.

(c) If a practitioner is disqualified by paragraph (a) of this section, no practitioner in a firm with which that practitioner is associated may knowingly undertake or continue representation in the matter unless:

(1) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(2) Written notice is promptly given to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this section.

(d) An arbitrator selected as a partisan of a party in a multimember arbitration panel is not prohibited from subsequently representing that party.

#### **§ 11.113 Organization as client.**

(a) A practitioner employed or retained by an organization represents the organization acting through its duly authorized constituents.

(b) If a practitioner for an organization knows that an officer, employee or other person associated with the organization is engaged in action, intends to act or refuses to act in a matter related to the representation that is a violation of a legal obligation to the organization, or a violation of law that reasonably might be imputed to the organization, and that is likely to result in substantial injury to the organization, then the practitioner shall proceed as is reasonably necessary in the best interest of the organization. Unless the practitioner reasonably believes that it is not necessary in the best interest of the organization to do so, the practitioner shall refer the matter to higher authority in the organization, including, if warranted by the circumstances, to the highest authority that can act on behalf of the organization as determined by applicable law.

(c) Except as provided in paragraph (d) of this section, if

(1) Despite the practitioner's efforts in accordance with paragraph (b) of this section the highest authority that can act on behalf of the organization insists upon or fails to address in a timely and appropriate manner an action, or a

refusal to act, that is clearly a violation of law, and

(2) The practitioner reasonably believes that the violation is reasonably certain to result in substantial injury to the organization, then the practitioner may reveal information relating to the representation whether or not § 11.106 permits such disclosure, but only if and to the extent the practitioner reasonably believes necessary to prevent substantial injury to the organization.

(d) Paragraph (c) of this section shall not apply with respect to information relating to a practitioner's representation of an organization to investigate an alleged violation of law, or to defend the organization or an officer, employee or other constituent associated with the organization against a claim arising out of an alleged violation of law.

(e) A practitioner who reasonably believes that he or she has been discharged because of the practitioner's actions taken pursuant to paragraphs (b) or (c) of this section, or who withdraws under circumstances that require or permit the practitioner to take action under either of those paragraphs, shall proceed as the practitioner reasonably believes necessary to assure that the organization's highest authority is informed of the practitioner's discharge or withdrawal.

(f) In dealing with an organization's directors, officers, employees, members, shareholders, or other constituents, a practitioner shall explain the identity of the client when the practitioner knows or reasonably should know that the organization's interests are adverse to those of the constituents with whom the practitioner is dealing.

(g) A practitioner representing an organization may also represent any of its directors, officers, employees, members, shareholders or other constituents, subject to the provisions of § 11.107. If the organization's consent to the dual representation is required by § 11.107, the consent shall be given by an appropriate official of the organization other than the individual who is to be represented, or by the shareholders.

#### **§ 11.114 Client with diminished capacity.**

(a) When a client's capacity to make adequately considered decisions in connection with a representation is diminished, whether because of minority, mental impairment or for some other reason, the practitioner shall, as far as reasonably possible, maintain a normal client-practitioner relationship with the client.

(b) When the practitioner reasonably believes that the client has diminished

capacity, is at risk of substantial physical, financial or other harm unless action is taken and cannot adequately act in the client's own interest, the practitioner may take reasonably necessary protective action, including consulting with individuals or entities that have the ability to take action to protect the client and, in appropriate cases, seeking the appointment of a guardian ad litem, conservator or guardian.

(c) Information relating to the representation of a client with diminished capacity is protected under § 11.106. When taking protective action pursuant to paragraph (b) of this section, the practitioner is impliedly authorized under § 11.106(a) to reveal information about the client, but only to the extent reasonably necessary to protect the client's interests.

#### **§ 11.115 Safekeeping property.**

(a) A practitioner shall hold property of clients or third persons that is in a practitioner's possession in connection with a representation separate from the practitioner's own property. Funds shall be kept in a separate account maintained in the state where the practitioner's office is situated, or elsewhere with the consent of the client or third person. Where the practitioner's office is situated in a foreign country, funds shall be kept in a separate account maintained in that foreign country or elsewhere with the consent of the client or third person. Other property shall be identified as such and appropriately safeguarded. Complete records of such account funds and other property shall be kept by the practitioner and shall be preserved for a period of five years after termination of the representation.

(b) A practitioner may deposit the practitioner's own funds in a client trust account for the sole purpose of paying bank service charges on that account, but only in an amount necessary for that purpose.

(c) 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.

(d) 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 this section 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.

(e) When in the course of representation a practitioner is in possession of property in which two or more persons (one of whom may be the practitioner) claim interests, the property shall be kept separate by the practitioner until the dispute is resolved. The practitioner shall promptly distribute all portions of the property as to which the interests are not in dispute.

(f) All separate accounts for clients or third persons kept by a practitioner must also comply with the following provisions:

(1) *Required records.* The records to be kept include:

(i) Receipt and disbursement journals containing a record of deposits to and withdrawals from client trust accounts, specifically identifying the date, source, and description of each item deposited, as well as the date, payee and purpose of each disbursement;

(ii) Ledger records for all client trust accounts showing, for each separate trust client or beneficiary, the source of all funds deposited, the names of all persons for whom the funds are or were held, the amount of such funds, the descriptions and amounts of charges or withdrawals, and the names of all persons or entities to whom such funds were disbursed;

(iii) Copies of retainer and compensation agreements with clients;

(iv) Copies of accountings to clients or third persons showing the disbursement of funds to them or on their behalf;

(v) Copies of bills for legal fees and expenses rendered to clients;

(vi) Copies of records showing disbursements on behalf of clients;

(vii) The physical or electronic equivalents of all checkbook registers, bank statements, records of deposit, pre-numbered canceled checks, and substitute checks provided by a financial institution;

(viii) Records of all electronic transfers from client trust accounts, including the name of the person authorizing transfer, the date of transfer, the name of the recipient and confirmation from the financial institution of the trust account number from which money was withdrawn and the date and the time the transfer was completed;

(ix) Copies of monthly trial balances and quarterly reconciliations of the client trust accounts maintained by the practitioner; and

(x) Copies of those portions of client files that are reasonably related to client trust account transactions.

(2) *Client trust account safeguards.*

With respect to client trust accounts required by paragraphs (a) through (e) of this section:

(i) Only a practitioner or a person under the direct supervision of the practitioner shall be an authorized signatory or authorize transfers from a client trust account;

(ii) Receipts shall be deposited intact and records of deposit should be sufficiently detailed to identify each item; and

(iii) Withdrawals shall be made only by check payable to a named payee and not to cash, or by authorized electronic transfer.

(3) *Availability of records.* Records required by paragraph (f)(1) of this section may be maintained by electronic, photographic, or other media provided that they otherwise comply with paragraphs (f)(1) and (f)(2) of this section and that printed copies can be produced. These records shall be readily accessible to the practitioner.

(4) *Lawyers.* The records kept by a lawyer are deemed to be in compliance with this section if the types of records that are maintained meet the recordkeeping requirements of a state in which the lawyer is licensed and in good standing, the recordkeeping requirements of the state where the lawyer's principal place of business is located, or the recordkeeping requirements of this section.

(5) *Patent agents and persons granted limited recognition who are employed in the United States by a law firm.* The records kept by a law firm employing one or more registered patent agents or persons granted limited recognition under § 11.9 are deemed to be in compliance with this section if the types of records that are maintained meet the recordkeeping requirements of the state where at least one practitioner of the law firm is licensed and in good standing, the recordkeeping requirements of the state where the law firm's principal place of business is located, or the recordkeeping requirements of this section.

**§ 11.116 Declining or terminating representation.**

(a) Except as stated in paragraph (c) of this section, a practitioner shall not represent a client, or where representation has commenced, shall withdraw from the representation of a client if:

(1) The representation will result in violation of the USPTO Rules of Professional Conduct or other law;

(2) The practitioner's physical or mental condition materially impairs the

practitioner's ability to represent the client; or

(3) The practitioner is discharged.

(b) Except as stated in paragraph (c) of this section, a practitioner may withdraw from representing a client if:

(1) Withdrawal can be accomplished without material adverse effect on the interests of the client;

(2) The client persists in a course of action involving the practitioner's services that the practitioner reasonably believes is criminal or fraudulent;

(3) The client has used the practitioner's services to perpetrate a crime or fraud;

(4) A client insists upon taking action that the practitioner considers repugnant or with which the practitioner has a fundamental disagreement;

(5) The client fails substantially to fulfill an obligation to the practitioner regarding the practitioner's services and has been given reasonable warning that the practitioner will withdraw unless the obligation is fulfilled;

(6) The representation will result in an unreasonable financial burden on the practitioner or has been rendered unreasonably difficult by the client; or

(7) Other good cause for withdrawal exists.

(c) A practitioner must comply with applicable law requiring notice to or permission of a tribunal when terminating a representation. When ordered to do so by a tribunal, a practitioner shall continue representation notwithstanding good cause for terminating the representation.

(d) Upon 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.

**§ 11.117 Sale of law practice.**

A practitioner or a law firm may sell or purchase a law practice, or an area of law practice, including good will, if the following conditions are satisfied:

(a) The seller ceases to engage in the private practice of law, or in the area of practice that has been sold, in a geographic area in which the practice has been conducted;

(b)(1) Except as provided in paragraph (b)(2) of this section, the entire practice, or the entire area of practice, is sold to one or more lawyers or law firms;

(2) To the extent the practice or the area of practice involves patent proceedings before the Office, that practice or area of practice may be sold only to one or more registered practitioners or law firms that include at least one registered practitioner;

(c)(1) The seller gives written notice to each of the seller's clients regarding:

(i) The proposed sale;

(ii) The client's right to retain other counsel or to take possession of the file; and

(iii) The fact that the client's consent to the transfer of the client's files will be presumed if the client does not take any action or does not otherwise object within ninety (90) days after receipt of the notice.

(2) If a client cannot be given notice, the representation of that client may be transferred to the purchaser only upon entry of an order so authorizing by a court having jurisdiction. The seller may disclose to the court in camera information relating to the representation only to the extent necessary to obtain an order authorizing the transfer of a file; and

(d) The fees charged clients shall not be increased by reason of the sale.

#### **§ 11.118 Duties to prospective client.**

(a) A person who discusses with a practitioner the possibility of forming a client-practitioner relationship with respect to a matter is a prospective client.

(b) Even when no client-practitioner relationship ensues, a practitioner who has had discussions with the prospective client shall not use or reveal information learned in the consultation, except as § 11.109 would permit with respect to information of a former client.

(c) A practitioner subject to paragraph (b) of this section shall not represent a client with interests materially adverse to those of a prospective client in the same or a substantially related matter if the practitioner received information from the prospective client that could be significantly harmful to that person in the matter, except as provided in paragraph (d) of this section. If a practitioner is disqualified from representation under this paragraph, no practitioner in a firm with which that practitioner is associated may knowingly undertake or continue representation in such a matter, except as provided in paragraph (d) of this section.

(d) When the practitioner has received disqualifying information as defined in paragraph (c) of this section, representation is permissible if:

(1) Both the affected client and the prospective client have given informed consent, confirmed in writing; or

(2) The practitioner who received the information took reasonable measures to avoid exposure to more disqualifying information than was reasonably necessary to determine whether to represent the prospective client; and

(i) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(ii) Written notice is promptly given to the prospective client.

#### **§§ 11.119–11.200 [Reserved]**

#### **Counselor**

##### **§ 11.201 Advisor.**

In representing a client, a practitioner shall exercise independent professional judgment and render candid advice.

##### **§ 11.202 [Reserved]**

##### **§ 11.203 Evaluation for use by third persons.**

(a) A practitioner may provide an evaluation of a matter affecting a client for the use of someone other than the client if the practitioner reasonably believes that making the evaluation is compatible with other aspects of the practitioner's relationship with the client.

(b) When the practitioner knows or reasonably should know that the evaluation is likely to affect the client's interests materially and adversely, the practitioner shall not provide the evaluation unless the client gives informed consent.

(c) Except as disclosure is authorized or required in connection with a report of an evaluation regarding a patent, trademark or other non-patent law matter before the Office, information relating to the evaluation is otherwise protected by § 11.106.

##### **§ 11.204 Practitioner serving as third-party neutral.**

(a) A practitioner serves as a third-party neutral when the practitioner assists two or more persons who are not clients of the practitioner to reach a resolution of a dispute or other matter that has arisen between them. Service as a third-party neutral may include service as an arbitrator, a mediator or in such other capacity as will enable the practitioner to assist the parties to resolve the matter.

(b) A practitioner serving as a third-party neutral shall inform unrepresented parties that the practitioner is not representing them. When the practitioner knows or reasonably should know that a party

does not understand the practitioner's role in the matter, the practitioner shall explain the difference between the practitioner's role as a third-party neutral and a practitioner's role as one who represents a client.

#### **§§ 11.205–11.300 [Reserved]**

#### **Advocate**

##### **§ 11.301 Meritorious claims and contentions.**

A practitioner shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis in law and fact for doing so that is not frivolous, which includes a good-faith argument for an extension, modification or reversal of existing law.

##### **§ 11.302 Expediting proceedings.**

A practitioner shall make reasonable efforts to expedite proceedings before a tribunal consistent with the interests of the client.

##### **§ 11.303 Candor toward the tribunal.**

(a) 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) Fail to disclose to the tribunal legal authority in the controlling jurisdiction known to the practitioner to be directly adverse to the position of the client and not disclosed by opposing counsel in an *inter partes* proceeding, or fail to disclose such authority in an *ex parte* proceeding before the Office if such authority is not otherwise disclosed; or

(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.

(b) A practitioner who represents a client in a proceeding before a tribunal and who knows that a person intends to engage, is engaging or has engaged in criminal or fraudulent conduct related to the proceeding shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.

(c) The duties stated in paragraphs (a) and (b) of this section continue to the conclusion of the proceeding, and apply even if compliance requires disclosure of information otherwise protected by § 11.106.

(d) In an *ex parte* proceeding, a practitioner shall inform the tribunal of



all material facts known to the practitioner that will enable the tribunal to make an informed decision, whether or not the facts are adverse.

(e) In a proceeding before the Office, a practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions.

#### **§ 11.304 Fairness to opposing party and counsel.**

A practitioner shall not:

(a) Unlawfully obstruct another party's access to evidence or unlawfully alter, destroy or conceal a document or other material having potential evidentiary value. A practitioner shall not counsel or assist another person to do any such act;

(b) Falsify evidence, counsel or assist a witness to testify falsely, or offer an inducement to a witness that is prohibited by law;

(c) Knowingly disobey an obligation under the rules of a tribunal except for an open refusal based on an assertion that no valid obligation exists;

(d) Make a frivolous discovery request or fail to make a reasonably diligent effort to comply with a legally proper discovery request by an opposing party;

(e) In a proceeding before a tribunal, allude to any matter that the practitioner does not reasonably believe is relevant or that will not be supported by admissible evidence, assert personal knowledge of facts in issue except when testifying as a witness, or state a personal opinion as to the justness of a cause, the credibility of a witness, the culpability of a civil litigant or the guilt or innocence of an accused; or

(f) Request a person other than a client to refrain from voluntarily giving relevant information to another party unless:

(1) The person is a relative or an employee or other agent of a client; and

(2) The practitioner reasonably believes that the person's interests will not be adversely affected by refraining from giving such information.

#### **§ 11.305 Impartiality and decorum of the tribunal.**

A practitioner shall not:

(a) Seek to influence a judge, hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, juror, prospective juror, employee or officer of the Office, or other official by means prohibited by law;

(b) Communicate *ex parte* with such a person during the proceeding unless authorized to do so by law, rule or court order; or

(c) [Reserved]

(d) Engage in conduct intended to disrupt any proceeding before a tribunal.

#### **§ 11.306 [Reserved]**

#### **§ 11.307 Practitioner as witness.**

(a) A practitioner shall not act as advocate at a proceeding before a tribunal in which the practitioner is likely to be a necessary witness unless:

(1) The testimony relates to an uncontested issue;

(2) The testimony relates to the nature and value of legal services rendered in the case;

(3) Disqualification of the practitioner would work substantial hardship on the client; or

(4) The testimony relates to a duty of disclosure.

(b) A practitioner may act as advocate in a proceeding before a tribunal in which another practitioner in the practitioner's firm is likely to be called as a witness unless precluded from doing so by §§ 11.107 or 11.109.

#### **§ 11.308 [Reserved]**

#### **§ 11.309 Advocate in nonadjudicative proceedings.**

A practitioner representing a client before a legislative body or administrative agency in a nonadjudicative proceeding shall disclose that the appearance is in a representative capacity and shall conform to the provisions of §§ 11.303(a) through (c), 11.304 (a) through (c), and 11.305.

#### **§§ 11.310–11.400 [Reserved]**

#### **Transactions With Persons Other Than Clients**

##### **§ 11.401 Truthfulness in statements to others.**

In the course of representing a client, a practitioner shall not knowingly:

(a) Make a false statement of material fact or law to a third person; or

(b) Fail to disclose a material fact to a third person when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by § 11.106.

##### **§ 11.402 Communication with person represented by a practitioner.**

(a) In representing a client, a practitioner shall not communicate about the subject of the representation with a person the practitioner knows to be represented by another practitioner in the matter, unless the practitioner has the consent of the other practitioner or is authorized to do so by law, rule, or a court order.

(b) This section does not prohibit communication by a practitioner with

government officials who are otherwise represented by counsel and who have the authority to redress the grievances of the practitioner's client, provided that, if the communication relates to a matter for which the government official is represented, then prior to the communication the practitioner must disclose to such government official both the practitioner's identity and the fact that the practitioner represents a party with a claim against the government.

#### **§ 11.403 Dealing with unrepresented person.**

In dealing on behalf of a client with a person who is not represented by a practitioner, a practitioner shall not state or imply that the practitioner is disinterested. When the practitioner knows or reasonably should know that the unrepresented person misunderstands the practitioner's role in the matter, the practitioner shall make reasonable efforts to correct the misunderstanding. The practitioner shall not give legal advice to an unrepresented person, other than the advice to secure counsel, if the practitioner knows or reasonably should know that the interests of such a person are or have a reasonable possibility of being in conflict with the interests of the client.

#### **§ 11.404 Respect for rights of third persons.**

(a) In representing a client, a practitioner shall not use means that have no substantial purpose other than to embarrass, delay, or burden a third person, or use methods of obtaining evidence that violate the legal rights of such a person.

(b) A practitioner who receives a document relating to the representation of the practitioner's client and knows or reasonably should know that the document was inadvertently sent shall promptly notify the sender.

#### **§§ 11.405–11.500 [Reserved]**

#### **Law Firms and Associations**

##### **§ 11.501 Responsibilities of partners, managers, and supervisory practitioners.**

(a) A practitioner who is a partner in a law firm, and a practitioner who individually or together with other practitioners possesses comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that all practitioners in the firm conform to the USPTO Rules of Professional Conduct.

(b) A practitioner having direct supervisory authority over another

practitioner shall make reasonable efforts to ensure that the other practitioner conforms to the USPTO Rules of Professional Conduct.

(c) A practitioner shall be responsible for another practitioner's violation of the USPTO Rules of Professional Conduct if:

(1) The practitioner orders or, with knowledge of the specific conduct, ratifies the conduct involved; or

(2) The practitioner is a partner or has comparable managerial authority in the law firm in which the other practitioner practices, or has direct supervisory authority over the other practitioner, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

#### **§ 11.502 Responsibilities of a subordinate practitioner.**

(a) A practitioner is bound by the USPTO Rules of Professional Conduct notwithstanding that the practitioner acted at the direction of another person.

(b) A subordinate practitioner does not violate the USPTO Rules of Professional Conduct if that practitioner acts in accordance with a supervisory practitioner's reasonable resolution of an arguable question of professional duty.

#### **§ 11.503 Responsibilities regarding non-practitioner assistants.**

With respect to a non-practitioner assistant employed or retained by or associated with a practitioner:

(a) A practitioner who is a partner, and a practitioner who individually or together with other practitioners possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the practitioner;

(b) A practitioner having direct supervisory authority over the non-practitioner assistant shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the practitioner; and

(c) A practitioner shall be responsible for conduct of such a person that would be a violation of the USPTO Rules of Professional Conduct if engaged in by a practitioner if:

(1) The practitioner orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or

(2) The practitioner is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory

authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

#### **§ 11.504 Professional independence of a practitioner.**

(a) A practitioner or law firm shall not share legal fees with a non-practitioner, except that:

(1) An agreement by a practitioner with the practitioner's firm, partner, or associate may provide for the payment of money, over a reasonable period of time after the practitioner's death, to the practitioner's estate or to one or more specified persons;

(2) A practitioner who purchases the practice of a deceased, disabled, or disappeared practitioner may, pursuant to the provisions of § 11.117, pay to the estate or other representative of that practitioner the agreed-upon purchase price;

(3) A practitioner or law firm may include non-practitioner employees in a compensation or retirement plan, even though the plan is based in whole or in part on a profit-sharing arrangement; and

(4) A practitioner may share legal fees, whether awarded by a tribunal or received in settlement of a matter, with a nonprofit organization that employed, retained or recommended employment of the practitioner in the matter and that qualifies under Section 501(c)(3) of the Internal Revenue Code.

(b) A practitioner shall not form a partnership with a non-practitioner if any of the activities of the partnership consist of the practice of law.

(c) A practitioner shall not permit a person who recommends, employs, or pays the practitioner to render legal services for another to direct or regulate the practitioner's professional judgment in rendering such legal services.

(d) A practitioner shall not practice with or in the form of a professional corporation or association authorized to practice law for a profit, if:

(1) A non-practitioner owns any interest therein, except that a fiduciary representative of the estate of a practitioner may hold the stock or interest of the practitioner for a reasonable time during administration;

(2) A non-practitioner is a corporate director or officer thereof or occupies the position of similar responsibility in any form of association other than a corporation; or

(3) A non-practitioner has the right to direct or control the professional judgment of a practitioner.

#### **§ 11.505 Unauthorized practice of law.**

A practitioner shall not:

(a) Practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction;

(b) Practice before the Office in patent, trademark, or other non-patent law in violation of this subchapter;

(c) Assist a person who is not a member of the bar of a jurisdiction in the performance of an activity that constitutes the unauthorized practice of law, or assist a person who is not a registered patent practitioner in the performance of an activity that constitutes unauthorized patent practice before the Office;

(d) Aid a suspended, disbarred or excluded practitioner in the unauthorized practice of patent, trademark, or other non-patent law before the Office;

(e) Aid a suspended, disbarred or excluded attorney in the unauthorized practice of law in any other jurisdiction; or

(f) Practice before the Office in trademark matters if the practitioner was registered as a patent agent after January 1, 1957, and is not an attorney.

#### **§ 11.506 Restrictions on right to practice.**

A practitioner shall not participate in offering or making:

(a) A partnership, shareholders, operating, employment, or other similar type of agreement that restricts the right of a practitioner to practice after termination of the relationship, except an agreement concerning benefits upon retirement; or

(b) An agreement in which a restriction on the practitioner's right to practice is part of the settlement of a client controversy.

#### **§ 11.507 Responsibilities regarding law-related services.**

A practitioner shall be subject to the USPTO Rules of Professional Conduct with respect to the provision of law-related services if the law-related services are provided:

(a) By the practitioner in circumstances that are not distinct from the practitioner's provision of legal services to clients; or

(b) In other circumstances by an entity controlled by the practitioner individually or with others if the practitioner fails to take reasonable measures to assure that a person obtaining the law-related services knows that the services are not legal services and that the protections of the client-practitioner relationship do not exist.

**§§ 11.508–11.700 [Reserved]****Information About Legal Services****§ 11.701 Communications concerning a practitioner's services.**

A practitioner shall not make a false or misleading communication about the practitioner or the practitioner's services. A communication is false or misleading if it contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.

**§ 11.702 Advertising.**

(a) Subject to the requirements of §§ 11.701 and 11.703, a practitioner may advertise services through written, recorded or electronic communication, including public media.

(b) A practitioner shall not give anything of value to a person for recommending the practitioner's services except that a practitioner may:

(1) Pay the reasonable costs of advertisements or communications permitted by this section;

(2) [Reserved];

(3) Pay for a law practice in accordance with § 11.117; and

(4) Refer clients to another practitioner or a non-practitioner professional pursuant to an agreement not otherwise prohibited under the USPTO Rules of Professional Conduct that provides for the other person to refer clients or customers to the practitioner, if:

(i) The reciprocal referral agreement is not exclusive, and

(ii) The client is informed of the existence and nature of the agreement.

(c) Any communication made pursuant to this section shall include the name and office address of at least one practitioner or law firm responsible for its content.

**§ 11.703 Direct contact with prospective clients.**

(a) A practitioner shall not by in-person, live telephone or real-time electronic contact solicit professional employment from a prospective client when a significant motive for the practitioner's doing so is the practitioner's pecuniary gain, unless the person contacted:

(1) Is a practitioner; or

(2) Has a family, close personal, or prior professional relationship with the practitioner.

(b) A practitioner shall not solicit professional employment from a prospective client by written, recorded or electronic communication or by in-person, telephone or real-time electronic contact even when not otherwise

prohibited by paragraph (a) of this section, if:

(1) The prospective client has made known to the practitioner a desire not to be solicited by the practitioner; or

(2) The solicitation involves coercion, duress or harassment.

(c) Every written, recorded or electronic communication from a practitioner soliciting professional employment from a prospective client known to be in need of legal services in a particular matter shall include the words "Advertising Material" on the outside envelope, if any, and at the beginning and ending of any recorded or electronic communication, unless the recipient of the communication is a person specified in paragraphs (a)(1) or (a)(2) of this section.

(d) Notwithstanding the prohibitions in paragraph (a) of this section, a practitioner may participate with a prepaid or group legal service plan operated by an organization not owned or directed by the practitioner that uses in-person or telephone contact to solicit memberships or subscriptions for the plan from persons who are not known to need legal services in a particular matter covered by the plan.

**§ 11.704 Communication of fields of practice and specialization.**

(a) A practitioner may communicate the fact that the practitioner does or does not practice in particular fields of law.

(b) A registered practitioner who is an attorney may use the designation "Patents," "Patent Attorney," "Patent Lawyer," "Registered Patent Attorney," or a substantially similar designation. A registered practitioner who is not an attorney may use the designation "Patents," "Patent Agent," "Registered Patent Agent," or a substantially similar designation. Unless authorized by § 11.14(b), a registered patent agent shall not hold himself or herself out as being qualified or authorized to practice before the Office in trademark matters or before a court.

(c) [Reserved].

(d) A practitioner shall not state or imply that a practitioner is certified as a specialist in a particular field of law, unless:

(1) The practitioner has been certified as a specialist by an organization that has been approved by an appropriate state authority or that has been accredited by the American Bar Association; and

(2) The name of the certifying organization is clearly identified in the communication.

(e) An individual granted limited recognition under § 11.9 may use the designation "Limited Recognition."

**§ 11.705 Firm names and letterheads.**

(a) A practitioner shall not use a firm name, letterhead or other professional designation that violates § 11.701. A trade name may be used by a practitioner in private practice if it does not imply a connection with a government agency or with a public or charitable legal services organization and is not otherwise in violation of § 11.701.

(b) [Reserved].

(c) The name of a practitioner holding a public office shall not be used in the name of a law firm, or in communications on its behalf, during any substantial period in which the practitioner is not actively and regularly practicing with the firm.

**§§ 11.706–11.800 [Reserved]****Maintaining the Integrity of the Profession****§ 11.801 Registration, recognition and disciplinary matters.**

An applicant for registration or recognition to practice before the Office, or a practitioner in connection with an application for registration or recognition, or a practitioner in connection with a disciplinary or reinstatement matter, shall not:

(a) Knowingly make a false statement of material fact, or

(b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, or

(c) 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, or

(d) Fail to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it.

**§ 11.802 Judicial and legal officials.**

(a) A practitioner shall not make a statement that the practitioner knows to be false or with reckless disregard as to its truth or falsity concerning the qualifications or integrity of a judge, adjudicatory officer or public legal officer, or of a candidate for election or appointment to judicial or legal office.

(b) A practitioner who is a candidate for judicial office shall comply with the applicable provisions of the Code of Judicial Conduct.

**§ 11.803 Reporting professional misconduct.**

(a) A practitioner who knows that another practitioner has committed a violation of the USPTO Rules of Professional Conduct that raises a substantial question as to that practitioner's honesty, trustworthiness or fitness as a practitioner in other respects, shall inform the OED Director and any other appropriate professional authority.

(b) A practitioner who knows that a judge, hearing officer, administrative law judge, administrative patent judge, or administrative trademark judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the individual's fitness for office shall inform the appropriate authority.

(c) The provisions of this section do not require disclosure of information otherwise protected by § 11.106 or information gained while participating in an approved lawyers assistance program.

**§ 11.804 Misconduct.**

It is professional misconduct for a practitioner to:

(a) Violate or attempt to violate the USPTO Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another;

(b) Commit a criminal act that reflects adversely on the practitioner's honesty, trustworthiness or fitness as a practitioner in other respects;

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

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

(e) State or imply an ability to influence improperly a government agency or official or to achieve results by means that violate the USPTO Rules of Professional Conduct or other law;

(f) Knowingly assist a judge, hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law;

(g) Knowingly assist an officer or employee of the Office in conduct that is a violation of applicable rules of conduct or other law;

(h) Be publicly disciplined on ethical or professional misconduct grounds by any duly constituted authority of:

- (1) A State,
- (2) The United States, or
- (3) The country in which the practitioner resides; or

(i) Engage in other conduct that adversely reflects on the practitioner's fitness to practice before the Office.

**§ 11.805–11.900 [Reserved]****§ 11.901 Savings clause.**

(a) A disciplinary proceeding based on conduct engaged in prior to the effective date of these regulations may be instituted subsequent to such

effective date, if such conduct would continue to justify disciplinary sanctions under the provisions of this part.

(b) No practitioner shall be subject to a disciplinary proceeding under this part based on conduct engaged in before the effective date hereof if such conduct would not have been subject to disciplinary action before such effective date.

**PART 41—PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD**

27. The authority citation for 37 CFR part 41 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), 3(a)(2)(A), 21, 23, 32, 41, 134, and 135.

28. Revise § 41.5(c) to read as follows:

**§ 41.5 Counsel.**

\* \* \* \* \*

(c) *Withdrawal.* Counsel may not withdraw from a proceeding before the Board unless the Board authorizes such withdrawal. See § 11.116 of this subchapter regarding conditions for withdrawal.

\* \* \* \* \*

Dated: October 10, 2012.

**David J. Kappos,**

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

[FR Doc. 2012–25355 Filed 10–17–12; 8:45 am]

**BILLING CODE 3510–16–P**