

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

In the Matter of

Michael A. Hierl

Respondent.

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Proceeding No. D06-19

FINAL ORDER

The Director of Enrollment and Discipline (OED Director) of the United States Patent and Trademark Office (USPTO) and Michael A. Hierl (Respondent), have submitted a settlement agreement in the above-identified proceeding that meets the requirements of 37 C.F.R. §10.133(g).

Pursuant to that agreement, this Final Order sets forth the following stipulated facts, legal conclusions and discipline.

STIPULATED FACTS

Count 1

1. Respondent is registered and licensed to practice and represent others before the USPTO.
2. Until October 22, 2007, Respondent was a shareholder/director of his law firm, Olson & Hierl, Ltd. ("O&H"), which specializes in intellectual property matters.
3. Respondent has represented to the OED Director that on October 22, 2007, following the grant of summary judgment to the OED Director, he tendered his letter of resignation to his firm, and as of the end of November 2007, Respondent will no longer be employed by O&H and will not resume employment at that firm. Respondent also made the OED Director aware of other mitigating circumstances and expressed regret for his actions.
4. Respondent and his law firm, O&H, represented Nova Solutions, Inc. and its predecessor entities ("Nova") in intellectual property matters for approximately twelve years, including prosecution of patent applications before the USPTO.
5. John Lechman is President and Chief Executive Officer of Nova, and is a named inventor on Nova patent applications.

6. On or about August 8, 2002, Mr. Lechman sent a letter to Respondent ("the August 8 Letter") terminating Respondent's services. The letter thanked Respondent for his past services rendered on Nova's behalf and informed Respondent that Nova has "decided to move in another direction." The letter requested that Respondent "ship all of our files to the law firm of Webb & Lewis, LLC ("Lewis"), 1080 Kalamath Street, Denver, CO 80204, Attention: Glenn L. Webb;" "identify all outstanding matters that need attention in the near future as well as the dates for any other responsive matters;" fax a summary letter "by the end of the week" of all pending matters that Respondent's firm was handling on Nova's behalf identifying the subject matter and responsive date for each; notify Nova if he is not able to ship the files that need immediate attention by the next week and the reason for not doing so; and ship the remaining files by the end of the month.

7. Respondent received the August 8 Letter on August 12, 2002.

8. After receiving the August 8 Letter, Respondent claims he attempted to contact Mr. Lechman about the letter, and he did not seek in writing additional time to comply with Nova's request in the August 8 Letter that Respondent identify matters needing immediate attention and to provide a summary of all pending matters his firm was handling for Nova by the next week.

9. After receiving the August 8 Letter, Respondent did not comply with Nova's request that he notify Nova that he was not able to ship the files that need immediate attention by the next week and the reason for not doing so; and he did not ship the remaining files by the end of the month.

10. After receiving the August 8 Letter, Respondent received four "Notices to File Missing Parts" correspondence from the USPTO related to Nova's patent applications, but Respondent did not provide notice of them or forward them to Nova or Lewis prior to the expiration of their two-month deadlines for response.

11. Respondent claims his firm asserted a retaining lien under Illinois common law with regard to the files maintained by Respondent's firm for Nova matters in view of Respondent's belief of outstanding invoices to Nova.

12. After receiving the August 8 Letter, Respondent continued to represent Nova before the USPTO in connection with Nova's patent applications. Respondent made filings with the USPTO on behalf of Nova, including:

(i) A response after a non-final action and amendment to the drawings in application Ser. No. (NOVA-49), on or about August 15, 2002.

(ii) An express abandonment in the application Ser. No. 09/724,282 (NOVA-48) on or about October 22, 2002, in view of continued prosecution of application Ser. No. (NOVA-48 CIP).

(iii) A response after non-final action and filing an Information Disclosure Statement ("IDS") in application Ser. No. (NOVA-48 CIP), on or about October 22, 2002.

13. Respondent performed the work described in paragraph 12 above without obtaining prior approval from Nova.

14. Respondent did not report the work described in paragraph 12 above or forward copies of the documents filed with the USPTO to Nova or Webb/Lewis.

15. In October 2002, Respondent incurred a \$920 filing fee for a three month extension of time to respond for one of Nova's patent applications (Ser. No. _____), and billed the fee to Nova, as shown in an invoice dated November 12, 2002, from O&H to Nova.

16. On or about December 5, 2002, Respondent's partner, Arne Olson, sent Mr. Webb a listing of Nova matters pending before the USPTO with due dates, identified by Respondent's internal file reference number without any details such as serial numbers or the title of the inventions.

17. On January 24, 2003, Mr. Webb filed a complaint with the OED alleging that O&H "is continuing to refuse to provide copies of files, correspondence from the USPTO, or to provide a summary of pending matters for Nova until the outstanding bills submitted on or after October 24, 2002 have been paid."

18. On or about February 10, 2003, O&H filed a lawsuit in Illinois against Nova, *Olson & Hierl, Ltd., v. Nova Solutions, Inc.*, 2003-L-001706, to collect bills it issued to Nova. On June 11, 2003, Nova filed counterclaims against O&H in the Illinois lawsuit for breach of contract, breach of fiduciary duty, and professional negligence. The lawsuit settled in December 2006.

19. Nova's files were not transmitted by Respondent/O&H to Nova/Lewis until at least January 2004.

LEGAL CONCLUSIONS

Count 1

20. Based upon the foregoing stipulated facts, Respondent acknowledged that his conduct violated the following Disciplinary Rules of the Code of Professional Responsibility as outlined in Section 10 of 37 C.F.R.:

- a. Rule 10.23(c)(8) by not informing Nova of correspondence received from the USPTO, in particular the Notices of Missing Parts received by Respondent after the August 8 Letter, when the correspondence (i) could have a significant effect on a matter pending before the Office, (ii) was received by the practitioner on behalf of Nova and (iii) was correspondence of which a reasonable practitioner would believe under the circumstances Nova or its new counsel should be notified.
- b. Rule 10.112(c)(4) by not delivering to Nova as requested by Nova the properties in the possession of Respondent which Nova was entitled to receive,

including specifically by not providing to Nova at least the communications from the USPTO received after August 8, 2002.

- c. Rule 10.23(b)(6) by engaging in conduct that adversely reflects on the practitioner's fitness to practice before the USPTO by, for example, not timely providing to Nova or its new counsel schedules listing pertinent details and due dates in Nova's intellectual property matters being handled by Respondent, and by violating disciplinary rules 10.23(c)(8) and 10.112(c)(4).

SANCTIONS

Based upon the foregoing, including the mitigating factors that Respondent has resigned from his firm, presented other mitigating circumstances to the OED Director, and expressed regret for his actions, Respondent agreed and it is:

21. **ORDERED** that the Final Order incorporates the stipulated facts above.
22. **ORDERED** that the Respondent is suspended from the practice of patent law, trademark law, and other non-patent law before the USPTO for three months starting from the date of the Final Order.
23. **ORDERED** that the OED Director publish the Final Order.
24. **ORDERED** that the OED Director publish the following Notice:

Notice of Suspension

Michael A. Hierl, of Chicago, Illinois, a patent attorney, registration number 29,807, has been suspended from practice before the United States Patent and Trademark Office in patent, trademark, and other non-patent law cases for a period of three months beginning [ENTER DATE OF FINAL ORDER]. This suspension is made pursuant to the provisions of 35 U.S.C. § 32 and 37 C.F.R. § 10.133(g).

25. **ORDERED** that the OED Director give notice to appropriate employees of the USPTO, courts, and authorities in any state in which Respondent is known to be a member of the bar; and any appropriate bar association. 37 C.F.R. § 10.159(a).
26. **ORDERED** that within 30 days of the execution of this Final Order, Respondent shall, in accordance with 37 C.F.R. § 10.158(b)(2), surrender each client's active USPTO case file(s) to (1) each client or (2) another practitioner designated by each client, and shall file proof thereof with the OED Director within the same 30 day period.
27. **ORDERED** that any communication relating to a client matter that is addressed to Respondent and/or received by him shall be immediately forwarded to the client or the practitioner designated by the client, and that Respondent will take no other legal action in the

matter, enter any appearance, or provide any legal advice concerning the matter that is the subject of the communication, all in accordance with 37 C.F.R. §§ 10.158(a), (b)(2), (b)(6).

28. **ORDERED** that within 30 days of the execution of this Final Order, Respondent shall, in accordance with 37 C.F.R. §§ 10.158(b)(8), 10.160(d), return to any client having immediate or prospective business before the Office any unearned legal funds, including any unearned retainer fee, and any securities and property of the client, and shall file a proof thereof with the OED Director no later than filing his petition for reinstatement.

29. **ORDERED** that upon the execution of this Final Order, Respondent shall promptly take steps to comply with the provisions of 37 C.F.R. § 10.158(b)(3), (b)(4), (b)(5), (b)(6), and (b)(7), and further, within 30 days of taking steps to comply with § 10.158(b)(4) Respondent shall file with the OED Director an affidavit describing the precise nature of the steps taken, and still further directing that Respondent shall submit proof of compliance with §§ 10.158(b)(3), (b)(5), (b)(6), and (b)(7) with the OED Director upon filing a petition for reinstatement under 37 C.F.R. § 10.160.

30. **ORDERED** that upon the execution of this Final Order, Respondent shall promptly take steps to fully comply with the provisions of 37 C.F.R. §§ 10.158(c) and (d).

31. **ORDERED** that all parties shall bear their own costs.

REINSTATEMENT

32. Following the suspension for three months in compliance with the foregoing provisions, Respondent may apply for reinstatement to practice effective upon filing a petition for reinstatement and an affidavit showing compliance with 37 CFR §§ 10.158 and 10.160.

October 30, 2007
Date

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

On behalf of Jon W. Dudas
Under Secretary of Commerce For
Intellectual Property and Director of the
United States Patent and Trademark Office

cc: Harry I. Moatz
OED Director

cc: Michael A. Hierl
Olson & Hierl
20 North Wacker Drive - 36th Floor
Chicago, Illinois 60606-3181