

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

**IN THE MATTER OF:**

**STEVEN B. KELBER,**

**Respondent.**

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**Proceeding No. : 2006-13**

**INITIAL DECISION**

**Before:** Susan L. Biro  
Chief Administrative Law Judge, EPA<sup>1</sup>

**Issued:** September 23, 2008

**Appearances:**

**For Complainant:**

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**For Respondent:**

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<sup>1</sup> The Administrative Law Judges of the United States Environmental Protection Agency are authorized to hear cases pending before the United States Department of Commerce, Patent and Trademark Office, pursuant to an Interagency Agreement effective for a period beginning March 22, 1999.

## PROCEDURAL HISTORY

On February 21, 2007, the Director of Enrollment and Discipline (“OED,” “Director” or “Complainant”), United States Patent and Trademark Office (“PTO”), initiated this action by filing a Complaint and Notice of Proceedings under 35 U.S.C. § 32 against Respondent, Steven B. Kelber, an attorney registered to practice before the PTO (Registration No. 30,073). The Complaint alleges in two counts that Respondent violated the PTO’s Disciplinary Rules of Professional Conduct, set forth in 37 C.F.R. Part 10, and seeks as relief therefor an order excluding Respondent from practice before the PTO. Count 1 of the Complaint alleges that in 2003, in connection with a PTO administrative proceeding styled *Genentech v. Chiron*, Interference No. 105,048, Respondent fabricated an exhibit, introduced it into evidence during cross-examination, asked the witness a series of questions about it, did not refer to it as a demonstrative aid, and failed, prior to or during the cross-examination, to inform the tribunal, the opposing party or the witness that it was a fabrication and not reflective of authentic data, in violation of 37 C.F.R. §§ 10.23(b)(4), (b)(5), (b)(6) and 10.85(a)(4), (a)(6). Count 2 of the Complaint alleges that Respondent violated 37 C.F.R. §§ 10.23(b)(4), (b)(6), and (c)(2)(ii), when he represented in a letter to the OED dated December 12, 2005, that “his fitness to practice before the [PTO] has never been called into question,” after he had been found on December 13, 1995, to have engaged in “inequitable conduct” pertaining to the prosecution of a patent application in an International Trade Commission proceeding styled *In the Matter of Certain Salinomycin Biomass and Preparations Containing Same*, Investigation No. 337-TA-370, and after receiving a letter dated November 2, 2001 from the OED in regard thereto.

On April 23, 2007, Respondent filed an Answer to the Complaint denying liability for the violations as well as a Motion to Dismiss Count 2 of the Complaint as a Matter of Law. Complainant filed an Opposition to the Motion on May 8, 2007 and the Motion was denied by Order dated May 22, 2007.

Thereafter, pursuant to an April 24, 2007 Order Scheduling Prehearing Procedures and Hearing, the parties filed their prehearing exchanges. In addition, various prehearing motions were filed by the parties and ruled upon by this Tribunal including a Motion to Take Discovery, a Motion to Take Video Deposition of Expert Witness, a Supplemental Motion for Discovery and Motion for Depositions of Witnesses, and a Motion to File an Amended Prehearing Exchange.

A hearing was held in this matter before the undersigned on July 17-18, 2007, in Washington, D.C.<sup>2</sup> Complainant at hearing presented the testimony of three witnesses: Andrew Metz, Respondent Steven Kelber, and Thomas Morgan. Respondent presented at hearing the testimony of two witnesses: Ronald Smith and Stephen Braga. Mr. Braga’s testimony was submitted via videotaped deposition, pursuant to this Tribunal’s Order of June 8, 2007. In addition, 14 of Complainant’s exhibits, numbered 4, 10, 25, 26, 28, 32, 40, 42, 46, 48, 52, and 54-56, were offered and admitted into evidence (cited hereinafter as “C’s Ex. \_\_\_\_”). Tr. 64, 329,

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<sup>2</sup> Citation to the transcript of the hearing will be in the following form: “Tr. \_\_\_\_.”

459. Twenty-nine of Respondent's exhibits labeled I-K, Q-X, BB-GG, JJ-MM, TT, ZZ, AAA, CCC, FFF, HHH, III, KKK, LLL (admitted in part), and MMM, were offered and admitted into evidence (cited hereinafter as "R's Ex. \_\_\_\_"). Tr. 463, 489-90, 493, 509, 541-43. Further admitted into evidence were the parties' Joint Exhibits, numbered 1-20 (cited hereinafter as "Jt. Ex. \_\_\_\_"). Tr. 41.

The transcript of the hearing was received by the undersigned on July 24, 2007. The parties were given the opportunity to file post-hearing briefs. Complainant filed his post-hearing brief on September 17, 2007 ("C's Brief"). Respondent filed a post-hearing brief on November 19, 2007 ("R's Brief"), along with an Affidavit he made dated November 19, 2007 ("November 19<sup>th</sup> Affidavit"). On November 29, 2007, Complainant filed a Motion to Strike the November 19<sup>th</sup> Affidavit, and on November 30, 2007, Respondent filed an Opposition thereto.

On March 31, 2008, in further support of his position, Respondent submitted to this Tribunal a copy of the decision in the matter styled *Ryan v. Young*, No. 105,504, 2008 WL 577435 (B.P.A.I. Mar. 4, 2008). OED responded to the submission by letter dated April 4, 2008, challenging its relevancy, to which Respondent replied by letter dated April 8, 2008. No further pleadings or other filings were made by the parties thereafter and the record closed.

### **MOTION TO STRIKE**

In his post-hearing Affidavit of November 19<sup>th</sup>, Respondent acknowledges that, in regard to the interference case at issue in Count 1, he should have informed the Board of Patent Appeals and Interferences ("the Board") of the circumstances at issue in Count 1 earlier, and expresses regret for the consequent diversion of its energy and resources. In his Affidavit he also references his experience in interference practice and work with the Board members.

The Director in his Motion to Strike the Affidavit from the evidentiary record characterizes it as constituting "new evidence" that is being untimely presented, with no opportunity for him to rebut it by cross-examination, consequently causing him to suffer severe prejudice if it were admitted.

In his Opposition to the Director's Motion, Respondent asserts that the Affidavit is not untimely new evidence, but is "information that this tribunal has discretion to consider in the event that it determines that any sanction should be imposed." Opposition ("Opp.") at 1. Respondent refers to a common-law right of allocution, allowing a defendant to make a statement before sentencing, which is not subject to cross-examination. Respondent points out that the Supreme Court has held that information not admissible as evidence may be considered by the sentencing judge at sentencing, for which the "fullest information possible concerning the defendant's life and characteristics" is "highly relevant." *United States v. Williams*, 337 U.S. 241, 246-7 (1949). Drawing the connection to this matter, Respondent asserts that the nature of this proceeding is quasi-criminal. Respondent points out that the Affidavit expressly stated that

it is submitted "specifically in mitigation of any sanction, should this tribunal find that a violation of the Disciplinary Rules occurred," and the Affidavit does not present information bearing on liability. Opp. at 2-3.

The Supreme Court has recognized the existence of a common law "ritual of allocution" at the sentencing of defendants *in capital/felony cases*, noting that it was created to "avoid the possibility that a person might be tried, convicted, and sentenced to death in complete silence." *McGautha v. California*, 402 U.S. 183, 219 (1971). See also, *Shelton v. State*, 744 A.2d 465, 491 (Del. 1999) (setting forth the "History of Allocution," noting that "[a]t common law, allocution was essential because the accused was neither permitted to have counsel at trial nor to testify on his or her own behalf. Furthermore, the judge possessed little sentencing discretion because the mandatory punishment for almost all felonies was death."). Further, that ritual has been codified in the Federal Rules of Criminal Procedure, which provides that a court must "determine whether the defendant wishes to make a statement and to present any information in mitigation of a sentence." Fed. R. Crim. P. 32(c)(3)(C). This rule reflects the "long tradition of giving all defendants the right to directly address the court and plead for mercy," and requires the judge to consider the allocution when imposing a sentence. *United States v. Burgos-Andujar*, 275 F.3d 23, 28, 30 (1<sup>st</sup> Cir. 2001). The rule is "designed to temper punishment with mercy in appropriate cases and to ensure that sentencing reflects individualized circumstances." *United States v. de Alba Pagan*, 33 F.3d 125, 129 (1<sup>st</sup> Cir. 1994).

However, this is not a felony/capital case and the Federal Rules of Criminal Procedure do not apply to this proceeding. Fed. R. Crim. P. (a)(1). The PTO Rules (37 C.F.R. Part 10), which are applicable here, do not include any specific provision for allocutions in disciplinary cases. Respondent has not cited to any authority for applying the ritual of allocution to an attorney or patent practitioner subject to a disciplinary proceeding under the PTO Rules, nor has any such authority otherwise been found. Thus, while there is case law supporting Respondent's assertion that an attorney disciplinary proceeding is "quasi-criminal,"<sup>3</sup> it does not follow that the "ritual of allocution" applies to this specific proceeding.

On the other hand, there is some case law which generally supports allowing an attorney facing disbarment the right to be heard in mitigation before the court imposes discipline. See, *In re Bird*, 353 F.3d 636, 639 (8<sup>th</sup> Cir. 2003)(dissenting opinion); *Matter of Jones*, 506 F.2d 527, 529 (8<sup>th</sup> Cir. 1974) (where in disbarment hearing the attorney convicted of a felony did not present any mitigating evidence, case was remanded for second disbarment hearing to ensure he has opportunity to present any evidence of mitigation that he desired); *Groppi v. Leslie*, 404 U.S. 496, 504 (1972)(attorney held in contempt given opportunity to speak in the nature of a right of allocution). However, it is noted that Respondent has been given, and has availed himself of, full opportunity at the hearing to testify and to present evidence and testimony in mitigation. There is no further right to an opportunity to speak, present evidence, or submit an affidavit for mitigation.

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<sup>3</sup> *In re Ruffalo*, 390 U.S. 544, 551 (1968)(lawyer disciplinary proceedings are quasi-criminal in nature).

purposes. *Cf., Burgos-Andujar*, 275 F.3d at 29 (“The Federal Rules of Criminal Procedure do not accord a defendant the right to a second allocution.”). In general Federal court practice, if party wishes to submit a document or testimony after the hearing is adjourned, he must submit a motion to reopen the hearing, and the motion must meet the applicable requirements for motions. Respondent did not submit any motion with the Affidavit.

Moreover, even if there is discretion for the presiding judge to allow an opportunity for an allocution, the Affidavit does not constitute such an allocution, which “envision[s] a *personal* colloquy between the sentencing judge and the defendant.” *Burgos-Andujar*, 275 F.3d at 30 (quoting *United States v. Myers*, 150 F.3d 459, 461 (5<sup>th</sup> Cir. 1998)).

Finally, even assuming *arguendo* that the Affidavit was accepted into the record, it would not affect the sanction imposed herein. Respondent’s testimony as to his experience in interference practice and interaction with Board members is already sufficiently documented in the record. Tr. 307, 318. He is not being penalized for any lack of remorse for his delayed action or non-action. It may be assumed that a practitioner regrets his action, inaction or delayed action, once OED files a complaint. Therefore his acknowledgment and regret after the Complaint was filed, and *ergo*, after the hearing, that he should have informed the Board earlier, and that he took the Board’s time and resources by not informing it earlier, do not decrease the level of sanction.

Accordingly, the Director’s Motion to Strike is **GRANTED**.

#### **STANDARD OF PROOF**

The PTO’s Disciplinary Rules of Professional Conduct provide at the following as to the applicable standard of proof:

In a disciplinary proceeding, the Director shall have the burden of proving his or her case by clear and convincing evidence and a respondent shall have the burden of proving any affirmative defense by clear and convincing evidence.

10 C.F.R. § 10.149. *See also, Jaskiewicz v. Mossinhoff*, 822 F.2d 1053 (Fed. Cir. 1987).

This “intermediate standard of clear and convincing evidence” lies “between a preponderance of the evidence and proof beyond a reasonable doubt.” *Addington v. Texas*, 441 U.S. 418, 425 (1979).

The clear and convincing standard of proof has been variously defined ... as evidence which produces in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established, evidence so clear, direct and weighty and convincing as to enable [the fact finder] to come to a clear conviction, without hesitancy, of the truth of the precise facts in issue.

*Cruzan v. Missouri Dep't of Health*, 497 U.S. 261, 285 n.11 (1990) (alteration in original) (internal quotation omitted).

## COUNT 1

### A. Factual Background Relevant to Count 1

Since 1980, Respondent Steven B. Kelber has been an attorney registered to practice before the PTO (Registration No. 30,073). Tr. 160, 162-63. More than half of Mr. Kelber's law practice has involved "patent interference" and, by his own account, he is one of the few attorneys in the country noted for having an expertise in this area of law. Tr. 306-07. Respondent testified that for some 20 years he has co-taught the only course given on interference practice and that he has served as a consultant on such matters to the PTO's Board of Patent Appeals and Interferences ("the Board") and its members. Tr. 307, 318.

Patent interference is a specialized form of administrative litigation conducted before the Board pursuant to 35 U.S.C. § 135. Tr. 307. A patent interference proceeding is "declared," *i.e.* initiated, by the PTO "[w]henever an application is made for a patent which, in the opinion of the [PTO] Director, would interfere with any pending application, or with any unexpired patent." 35 U.S.C. § 135(a). *See also*, 37 C.F.R. § 41.203 ("An interference exists if the subject matter of a claim of one party would, if prior art, have anticipated or rendered obvious the subject matter of a claim of the opposing party and vice versa."). The parties to the interference are the applicant and a patentee or another applicant, with competing patent claims. 35 U.S.C. § 135(a). In such contested cases, the Board determines questions of priority of the inventions and may determine questions of patentability.<sup>4</sup> *Id.* "Any final decision, if adverse to the claim of an applicant, shall

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<sup>4</sup> A "patent" is a government issued property "right to exclude others from making, using, offering for sale, or selling an invention in the United States" or "importing" the invention into the United States for a period of 20 years. 35 U.S.C. § 154(a). Patents in the United States are granted based on a "first to invent," not on a "first to file" basis, so proving when "invention" occurred, and the priority that is derived therefrom, is very significant. *See*, 35 U.S.C. § 102(g). Determinations as to who was first to invent are made taking into consideration dates of events relating to conception, diligence and reduction to practice. *Id.* In addition, there are restrictions on what is patentable, so in an interference proceeding the Board can decide that the contested invention (or claim related thereto) is not entitled to patent protection and thus neither party wins. *Id.* For example, an applicant is not entitled to a patent if he, himself, did not invent the subject matter sought to be patented, the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or if the applicant has abandoned the invention. 35 U.S.C. § 102(a)-(f). A party not satisfied with the Board's decision can request reconsideration and/or appeal either directly to the United States Court of Appeals for the Federal Circuit or, alternatively, to a United States District Court. 35 U.S.C. §§ 141, 146.

constitute the final refusal by the Patent and Trademark Office of the claims involved, and the Director may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved in the patent, and notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation by the Patent and Trademark Office.” *Id.* Thus, such proceedings are often of great monetary significance to the parties. See e.g., *Chiron Corp. v. Abbott Lab.*, Misc. No. 94-0123, 1994 U.S. Dist. LEXIS 9449, at \*5 (D. Pa. Jul. 5, 1994)(noting that the patents in dispute had already generated \$30 million dollars in royalties).

Administrative Patent Judges (APJ) in the Trial Section of the Board preside over interference cases which proceed according to a specialized set of procedural rules set forth in 37 C.F.R. §§ 41.100-41.158 and are guided by the Manual of Patent Examining Procedures, Chapter 2300 (Eighth Ed., August 2001) as well as “Standing Orders” of the Board (Jt. Ex. 16). “Discovery” in interference actions is “limited.” 37 C.F.R. § 41.150. The rules provide for “automatic discovery” requiring that “[w]ithin 21 days of a request by an opposing party,” a party must serve a copy of every “requested patent, patent application, literature reference, and test standard mentioned in the specification of the party’s involved patent or application, or application upon which the party will rely for benefit [priority in time],” and provide the Board notice (but not copies) of such service. A party may only obtain “additional discovery” by filing a miscellaneous motion for authorization which is granted only if the APJ finds the additional discovery to be “in the interests of justice.” 37 C.F.R. §§ 41.150, 41.156. However, the Rules do allow a party to obtain production of documents during cross-examination of an opponent witness. 37 C.F.R. § 41.150.

Interference cases are decided by APJs almost exclusively on a written record (there is generally no oral hearing held before an APJ) and all the “evidence” in the case is submitted in the form of exhibits which are individually labeled and listed. 37 C.F.R. § 41.154(a), (c). Such evidence consists of affidavits, transcripts of depositions, documents and things. 37 C.F.R. § 41.154(a). All “direct” testimony in a patent interference case is submitted in the form of affidavits and supporting exhibits submitted therewith. 37 C.F.R. § 41.157(a). “Cross-examination” of affiants occurs by “deposition.” 37 C.F.R. § 41.157(c). Evidence that is not taken, sought, or filed in accordance with the Interference Rules is not admissible. 37 C.F.R. § 41.151.

Because such “cross-examination” is conducted outside the supervising presence of a presiding officer, the conduct of the parties before, during and after the deposition is carefully prescribed in the Rules, and the Board may impose sanctions against a party for misconduct. 37 C.F.R. § 41.128. For example, the Rules provide that a party must include in its notice of deposition a “list of the exhibits to be relied upon during the deposition” and any exhibits relied upon during the deposition must be numbered and served at that time. 37 C.F.R. §§ 41.157(c)(4), (e)(3). In addition, objections to deposition evidence must be made during the deposition and “[e]vidence to cure the objection must be provided during the deposition,” unless

the parties stipulate otherwise. 37 C.F.R. § 41.155(a). The Rules further provide that the “proponent of the [deposition] testimony must file the original [transcript] as an exhibit” and any exhibit cited in the testimony must be served with it. 37 C.F.R. §§ 41.158(7), 41.150. Moreover, after the transcript is filed, any party wishing to preserve the objections made during the deposition must then file a motion to exclude. 37 C.F.R. § 41.155. Thus, while depositions in interference proceedings superficially resemble discovery depositions of the type taken in federal court litigation, they are quite different therefrom in practice and significance.

For many, many years, the competing biotechnology research companies of Genentech, Inc. (Genentech) and Chiron Corporation (Chiron) (f/k/a Cetus Corp.) have engaged in a series of contentious patent-related lawsuits.<sup>5</sup> Tr. 306; Jt. Ex. 13, p. 3. Among such actions is the federal district court case Chiron filed against Genentech in 2000 alleging that Genentech’s “herceptin” antibody infringed its patent issued in April 2000 (No. 6,054,561) which claims patent protection for its monoclonal antibodies capable of binding to specific human breast cancer antigens based upon patent applications dating back to 1984.<sup>6</sup> Tr. 165; *Chiron Corp. v. Genentech, Inc.*, 266 F. Supp. 2d 1172 (D. Cal. 2002); *Chiron Corp. v. Genentech, Inc.*, 268 F. Supp. 2d 1139, 1140 (D. Cal. 2002). In its defense in that case, Genentech counterclaimed that Chiron’s patent claims

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<sup>5</sup> See e.g., *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247 (Fed. Cir. 2004), *cert. denied*, 543 U.S. 1050 (2005) (holding invalid Chiron patent claims on chimeric antibodies); *Genentech, Inc. v. Chiron Corp.*, 112 F.3d 495 (Fed. Cir. 1997) (appeal from 1994 Board decision in interference action involving human insulin-like growth factor-I awarding priority to Chiron); and *Scripps Clinic & Research Foundation v. Genentech, Inc.*, 927 F.2d 1565 (Fed. Cir. 1991) (Chiron is a named appellant in appeal involving 1989 patent infringement claim against Genentech involving complex protein essential to blood clotting).

<sup>6</sup> “Antibodies . . . are produced by the immune system in response to the presence of an antigen, or foreign substance, in the body. Antibodies recognize and bind to specific receptor sites, or ‘epitopes,’ on the antigen. Because antibodies are capable of homing in on specific antigens, they are useful for identifying and destroying harmful agents in the body, such as bacteria, viruses, and cancer cells. For example, a toxin may be attached to an antibody so that it will kill the antigen to which it binds.” *Chiron Corp. v. Genentech, Inc.*, 266 F. Supp. 2d 1172, 1175 (D. Cal. 2002). A “mononuclear” antibody (*i.e.* one coming from “one cloned” cell) can be created by utilizing the “hybridoma method,” which involves “taking a human cancer cell and injecting it into a mouse, which produces antibodies in response. The murine (mouse) B-cells that produce the antibodies are then isolated. Because each B-cell is unique and produces only one kind of antibody, a B-cell with an extended life span can produce numerous, identical antibodies. Accordingly, once the B-cell is isolated, it is fused with an immortal myeloma tumor cell. The resulting hybrid cell, or “hybridoma,” is an immortal cell line that is capable of producing an unlimited supply of identical antibodies,” or “monoclonal antibodies.” *Id.* Such “[h]omogenous preparations of identical antibodies, all of which have a high affinity for binding to cancerous antigens and can distinguish cancer antigens from normal tissue, are useful in the treatment and diagnosis of cancer.” *Id.*



were invalidated by prior art. *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247 (Fed. Cir. 2004). As a result, during that proceeding Genentech was ordered to produce certain documents relating to its research regarding an antibody product capable of binding to human breast cancer antigens. *Chiron Corp. v. Genentech, Inc.*, 179 F. Supp. 2d 1182 (D. Cal. 2001). Subsequently, punitive monetary sanctions were imposed upon Genentech when it failed to provide Chiron with all the required documents which included those relating to its antibody referred to as "7.16.4." Tr. 316-17, C's Ex. 1, p.3 n.2. Eventually, that case concluded when Genentech's antibody was found to infringe Chiron's patent, but Chiron's patent was held invalid because none of the asserted claims were entitled to priority based upon the earlier filed applications. *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247 (Fed. Cir. 2004), *reh'g en banc denied*, 2004 U.S. App. LEXIS 12762 (Fed. Cir. 2004), *cert. denied*, 543 U.S. 1050 (2005). Respondent did not serve as Genentech's counsel in that federal court infringement proceeding. Tr. 316-17.

However, at the same time that case was pending, in or about 2000, Respondent began representing Genentech in a related administrative matter styled *Genentech v. Chiron*, Interference No. 105,048, pending before the Board. Tr. 161-63, 304-05. That interference action arose as a result of both companies submitting patent applications with claims to having invented or discovered a mononuclear antibody capable of binding to the human breast cancer antigen known as "HER2" [Human Epidermal Growth Factor Receptor 2]. Tr. 163. In support of its patent claim, Chiron asserted in that proceeding, *inter alia*, that while its antibody known as "520C9" bound to HER2, Genentech's antibody known as "7.16.4" did not, and it submitted two declarations from its expert witness, Dr. Joyce Taylor-Papadimitriou (Dr. Taylor), respectively dated April 25, 2003 and July 31, 2003, in support of this assertion. Tr. 163-63, 167-68, 172-74; Jt. Ex. 9 (1<sup>st</sup> Taylor Declaration), Jt. Ex.17 (2<sup>nd</sup> Taylor Declaration). Particularly, Dr. Taylor stated in her Declarations that she had examined the scientific evidence regarding Genentech's antibody 7.16.4 binding to HER2, including the Declaration of inventor Mark Greene, and the reports of experiments upon which he relies, and concluded therefrom that those documents did not demonstrate to her that the antibody 7.16.4 binds to HER2 "in any useful manner," *i.e.* so it could be "useful as a diagnostic or therapeutic agent in breast cancer." Jt. Ex. 17, ¶¶ 22-25. Respondent, Genentech's counsel, "cross-examined," *i.e.* deposed, Dr. Taylor in response to her first Declaration on June 13, 2003, and in response to her second Declaration on September 19, 2003. Jt. Ex. 18; Tr. 170-72; Jt. Ex. 2; Tr. 174.

Prior to taking Dr. Taylor's second deposition and in preparation therefor, Respondent selected and altered two pages from a genuine Genentech Laboratory Notebook which had been produced by Genentech to Chiron in the district court litigation and was identified and presented in that proceeding as "Chiron Ex. 1146." Jt. Ex. 11; Tr. 210, 262-263, 269-270, 290. Specifically, Respondent obscured the bar code and number adjacent thereto, and modified the Bates number on the cover page of the Notebook (Bates #G-CRN 0066 10979) leaving visible thereon only the printed words "LABORATORY NOTEBOOK" and "GENENTECH, INC." and added a new Bates number of G-CRN 09218 12028. Compare Jt. Ex. 11 (original exhibit) with Jt. Ex. 3 (modified exhibit). *See also*, Jt. Ex. 4, pp. 8-11. The second page Respondent modified from Chiron Exhibit 1146 (Bates #G-CRN 0066 11001), included data and a chart displaying

information on the results of a Genentech experiment demonstrating the ability of Chiron's antibody 520C9 to bind to (or "recognize") HER2. Tr. 198, 264. As to this page, Respondent changed the identification of the antibody being tested as shown in the narrative text and chart thereon from Chiron's 520C9 antibody to Genentech's 7.16.4 antibody and certain experimental details related thereto, as well as the reference notebook and Bates numbers reflected thereon. Tr. 270-274; compare Jt. Ex. 11 (original exhibit) with Jt. Ex. 3 (modified exhibit). *See also*, Jt. Ex. 4, pp. 12-16.

Then, during the course of the second deposition of Dr. Taylor, the following exchange took place with regard to the two modified pages then identified for the purposes of the administrative interference proceeding as Exhibit GX 2195:

MR. KELBER: I'll ask the reporter to mark this as Exhibit [GX] 2195, please.

(Exhibit [GX] 2195 [Jt. Ex. 3 hereto] was marked)

BY MR. KELBER:

Q I am going to hand you a document that's been marked as Exhibit 2195 and ask you if you've seen – the first page is just a cover page – seen that page of data before.

A No, I haven't seen that.

Q Is that persuasive of – let me strike that.  
Is that evidence that is definitive as to the binding of 7.16.4 to HER2?

MR. WALTERS: Objection, lacks foundation and object to the document on the same basis.

A The ECD [extra cellular domain] here is – the external domain of the human HER2?

BY MR. KELBER:

Q Okay.

A I'm asking.

Q Oh. Doctor, I assume so but my testimony – any statements are not testimony to you. It is what it is.

MR. WALTERS: Objection, lacks foundation.

A Well, I suppose that if the ECD is the human HER2, it's not clear, I don't think, what the concentration of the ECD is that's on the plate. I presume that the abscissa is the concentration of antibody added to the medium and the ordinate is the binding so one would need to know how much ECD they put on the plate, whether it's the same as what they have been using in the past and have a control antibody in the experiment, as we said.  
If there – a control antibody shows no binding whatsoever, this would suggest that these can be binding of 7.16.4 to the

– to the external domain of whatever is on the plate, which is ECD with that definition, but I presume – I’m – I’m presuming, but it doesn’t define it as being the human HER2.

MR. WALTERS: Move to strike on the grounds previously mentioned.

BY MR. KELBER:

Q Would it be correct to refer to whatever ECD it is as the antigen -

MR. WALTERS: Objection, lacks -

BY MR. KELBER:

Q - in this experiment?

MR. WALTERS: Objection, lacks foundation.

A Well, I’m not quite clear why there isn’t all the information connected with it, you know, why there’s just one page that doesn’t say what the ECD is, what the concentration of it is on the plate, why there isn’t a control antibody so it’s difficult when one is given a – just a small part of the experiment.

Jt. Ex. 2, pp. 21-23.

The foregoing represents the totality of the recorded discussion of GX 2195 (the modified exhibit) between Respondent and Dr. Taylor and/or Chiron counsel, Mr. Eric S. Walters, at the deposition. At no point before, during or immediately after the deposition, did Respondent inform Chiron or Dr. Taylor of the origins of GX 2195. Tr. 222-23, 225; Jt. Ex. 2; Jt. Ex. 4, pp. 19-20.

Starting on October 3, 2003, two weeks after the second deposition of Dr. Taylor, and continuing over the next four days until October 7, 2005, Chiron’s counsel and Respondent exchanged a series of e-mails concerning Respondent’s use of GX 2195 at Dr. Taylor’s deposition. Those e-mails include the following exchanges:

[Email dated October 3, 2003]

[CHIRON’S COUNSEL]: At Dr. Taylor-Papadimitriou’s deposition, you questioned her, over our objection, regarding an excerpt from what appears to be a Genentech laboratory notebook (Ex. 2195). We would request that you provide us with a clean copy of the complete notebook as maintained in Genentech’s files.

In addition, the production of this document was required in the district court litigation by a number of court orders, yet we have no record of it having been produced. Please let us know if we are mistaken. If not, what is Genentech’s explanation for its apparent failure to comply with the Court’s orders?

[Email dated October 5, 2003]

[RESPONDENT]: We never made any representation that the document in question, 2195, was an actual Genentech laboratory notebook, or corresponded to any notebook. I merely asked if she had been shown that data, and was it persuasive. As far as I am aware, the exhibit does not correspond to any original notebook anywhere.

[Email dated October 7, 2003]

[CHIRON'S COUNSEL]: Thank you for your email, but it raises more questions than it answers. Where, exactly, did Exhibit 2195 come from? Did it come from Genentech's files, as the Bates numbering suggests? If so, it should definitely have been produced in the litigation. If not, it was apparently designed to look like "an actual Genentech document." Who created the document, and when was it created? Please let us know.

In addition, the ELISA plot in Ex. 2195 refers to Genentech laboratory notebook 14150. It also appears to refer to Genentech laboratory notebook 10885. Please provide a complete copy of those notebooks to us.

[Email dated October 7, 2003]

[RESPONDENT]: As previously noted, it is not a Genentech document. As far as I know, it does not correspond to an actual experiment. That is not to say that it does not, I am simply unaware of any.

[Email dated October 7, 2003]

[CHIRON'S COUNSEL]: You state that the document "is not a Genentech document," but that is not responsive to the questions posed in my earlier email. In particular:

- (1) Where, exactly, did Exhibit 2195 come from?
- (2) Did it come from Genentech's files, as the Bates numbering suggests?
- (3) Who created the document, and when was it created?
- (4) Will Genentech provide us with complete copies of notebooks 14510 and 10885, referenced in Ex. 2195?

If you are not willing to provide all of the information requested, please let me know what times you are available for a call with the APJ so that we can sort this out.

[Email dated October 7, 2003]

[RESPONDENT]: Please see below Eric. It would be of benefit if we could talk off the record - would be happy to do that if you agree that it is completely shielded in an attempt to resolve your concerns.

- (1) Where, exactly, did Exhibit 2195 come from?
- (2) Did it come from Genentech's files, as the Bates numbering suggests? NO
- (3) Who created the document, and when was it created?  
COUNSEL CREATED THE DOCUMENT, THE REST OF THE INFORMATION IS SENSITIVE AND NOT RESPONSIVE. I CANNOT UNDERSTAND WHAT THE NATURE OF THE CONCERN IS. IF YOU WANT TO CALL THE JUDGE, I WILL BE AVAILABLE MUCH OF TOMORROW, BUT I WOULD APPRECIATE KNOWING WHAT THE ISSUE IS.
- (4) Will Genentech provide us with complete copies of notebooks 14510 and 10885, referenced in Ex. 2195? NO

C's Ex. 4.

Promptly thereafter, Chiron's counsel scheduled a conference call with the presiding APJ, Judge Michael P. Tierney, and on October 9, 2003 sent Judge Tierney a lengthy letter detailing its arguments regarding the exhibit, asserting that it was a "complete fraud" used in an attempt to "trick" and "mislead the witness during cross-examination," and that such conduct violates disciplinary rules 37 C.F.R. 10.23(b)(4), 10.85(a)(4)-(6), and 10.89(c)(1) and the duty of candor to the Patent Office. Chiron requested the APJ issue a sanction order in response "tailored to address Genentech's misconduct." It also sent a copy of the letter to Respondent and the OED. Jt. Ex. 19.

On October 14, 2003, Judge Tierney held a conference call with the parties. Jt. Ex. 4. During the conference, Respondent admitted he alone had created GX 2195 as "a demonstrative" in order "to establish a line of cross-examination in attempt to demonstrate bias, either conscious or unconscious, of one of the expert witnesses testifying on behalf of Chiron." Jt. Ex. 4, pp. 6-7. He stated he had "the perception that . . . Dr. Taylor, again unconsciously or otherwise, reacts differently to a similar or identical data and practices, depending on the name of the antibody" involved. Jt. Ex. 4, p. 7. Specifically, he felt that her criticisms as to the testing performed on 7.16.4 were equally applicable to that performed on Chiron's antibody, so he created "an artificial or demonstrative exhibit [with] . . . an identical set of data, to see, without more, whether Dr. Taylor-Papadimitriou would react to that data" differently. Jt. Ex. 4, pp. 17-18. Respondent wanted the exhibit to have "the feel" or "flavor of authenticity" so he gave the data sheet a cover sheet, reference number and a Bates number similar in form to those actually used by Genentech. Jt. Ex. 4, pp. 17-18; Tr. 267-69. Respondent further admitted during the conference that he never advised Chiron or the Board that GX 2195 was a demonstrative either before or during the deposition or afterwards, prior to the e-mail correspondence with Chiron's counsel, explaining that the opportunity to do so "really didn't exist" in that he had not made a determination whether Genentech would rely on the testimony regarding GX 2195. Jt. Ex. 4, pp. 19-20. Respondent alleged that, had he decided to use Dr. Taylor's testimony elicited in response to GX 2195, he would have identified it in his reply as a demonstrative exhibit created

to demonstrate bias. Jt. Ex. 4, p. 20. Mr. Kelber claimed that had he alerted Chiron to the true nature of the exhibit before using it, the value of the demonstrative would have been destroyed, and until he elected to use it, Chiron's complaint was "premature." *Id.*

The following day, the parties and the APJ engaged in a second conference call. Jt. Ex. 8. During the conference call, Judge Tierney authorized Chiron to file a miscellaneous motion for entry of an order imposing sanctions to be presented to the Board. Jt. Ex. 8, pp. 10-11, 13-14. On October 29, 2003, Chiron filed a Motion for a Determination that Genentech Engaged in Sanctionable Conduct. C's Ex. 26. Chiron filed a Motion to Suppress various pieces of evidence, including Exhibit 2195, on November 7, 2003. C's Ex. 46. The Board held a hearing on those motions and others on January 7, 2004. Jt. Ex. 13. During that hearing, Respondent acknowledged that, although he had served as counsel in 100 other interference cases previously, he had never used a demonstrative exhibit in a deposition before and further, had no knowledge of anyone else using one in an interference proceeding. Jt. Ex. 13, pp. 216-17. Nevertheless, Respondent stated that he believed he was authorized to do so by the Federal Rules of Evidence. Jt. Ex. 13, p. 216.

On November 30, 2004, the Board issued a decision denying Chiron's Motion to Suppress with respect to GX 2195, since it was authentic for the purpose relied on by the Board, which was to show that Genentech had engaged in inappropriate conduct. Jt. Ex. 20, pp. 185-86. On the same day, the Board also issued a decision finding that Genentech and Respondent had engaged in inappropriate conduct. Jt. Ex. 1, pp. 1, 4, 30.

In their opinion, the Board stated that "Genentech's creation and use of manufactured evidence and failure to timely admit to such conduct detracts from the just, speedy and inexpensive determination of the interference." Jt. Ex. 1, p. 27. The Board also noted that "[a]gainst this backdrop [of respect for scientific research], the use of manufactured data, without identifying it as manufactured, is truly extraordinary." Jt. Ex. 1, p. 23. The Board's concern was that the manufactured evidence could be placed into the record, either by accident or deliberate action, since Genentech had not timely informed either Chiron or the Board of the ruse. Jt. Ex. 1, pp. 24, 27. Lack of prior consultation with the Board also "undermines the Board's ability to control the proceeding," and attorneys using manufactured evidence are tempted to "play semantic games" to mislead both witnesses and opposing counsel. Jt. Ex. 1, pp. 27, 28. The Board did recognize that the issue was one of first impression, but thought that Genentech should have obtained authorization from the Board prior to using such tactics. Jt. Ex. 1, p. 29. Since the ruse had been discovered before any action had been taken by the Board in regard to the deposition, the Board decided to continue the interference proceedings, and defer a decision on the appropriate sanction until a later time. Jt. Ex. 1, p. 1, 29.

The following day, December 1, 2004, the Patent Board issued a decision finding certain of Genentech's claims unpatentable and that no interference in fact existed between any of

Genentech's remaining claims and Chiron's claims.<sup>7</sup>

### **B. Disciplinary Rules at Issue in Count 1**

As indicated above, Respondent's creation and use of GX 2195 in Dr. Taylor's September 19, 2003 cross-examination, and his failure to timely inform opposing counsel of the true nature of GX 2195 prior to or during the cross-examination, is the basis upon which the PTO alleges in Count 1 that Respondent violated the applicable disciplinary rules set forth in 37 C.F.R. §§ 10.23(b)(4), (b)(5), (b)(6), 10.85 (a)(4), and (a)(6).

Disciplinary Rules 10.23(b)(4), (b)(5), (b)(6) provide as follows:

(b) A practitioner shall not:

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

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

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

37 C.F.R. §§ 10.23(b)(4), (b)(5) and (b)(6).

Disciplinary Rules 10.85 (a)(4), and (a)(6) provide as follows:

(a) In representation of a client, a practitioner shall not:

\* \* \*

(4) Knowingly use perjured testimony or false evidence.

\* \* \*

(6) Participate in the creation or preservation of evidence when the practitioner knows or it is obvious that the evidence is false.

---

<sup>7</sup> The litigation, however, did not end there but continued on apparently at least until November 1, 2005. *See, Genentech, Inc. v. Chiron Corp.*, 156 Fed. Appx. 301 (Fed. Cir. 2005)(dismissing Chiron's appeal of November 30, 2004 decision of Board in Interference No. 105,048). *See also, Robert M. Hudziak, et al.; real party-in-interest Genentech, Inc. v. David B. Ring; real party-in-interest Chiron, Corp.*, 2005 Pat. App. LEXIS 26 \*7 (Pat. App. 2005); 80 U.S.P.Q.2D (BNA) 1018 (B.P.A.I. Sept. 30, 2005) (indicating Interference 105,048 was terminated and redeclared as Interferences 105,266 and 105, 267).

37 C.F.R. §§ 10.85 (a)(4) and (a)(6) .

Respondent's liability under these Rules are considered below, in reverse order.

### **C. Arguments, Discussion, Findings and Conclusions as to Rules 10.85(a)(4) and (a)(6)**

The elements of liability for a violation of Disciplinary Rule 10.85(a)(6) are as follows: (1) in representation of a client there is certain evidence; (2) the respondent participated in the creation or preservation of the evidence; and (3) such participation occurred at a time when the respondent knows or it is obvious that the evidence is false. The elements of liability for a violation of Disciplinary Rule 10.85(a)(4) are: (1) in representation of a client there is certain evidence (or testimony); (2) the evidence is false (or testimony is perjured); and (3) respondent used it knowing it was false. The Director must prove each of these elements by clear and convincing evidence. 37 C.F.R. § 10.149.

There is no dispute that Respondent created GX 2195 and that it is false in the sense that all the data it reflects is fictitious - the document was not a photocopy of any portion of any actual laboratory notebook and the test results reflected in the chart were not derived from any experiment actually performed. Jt. Ex. 4, p. 14. Further, Respondent does not deny that he knew the document was false in that sense, and that he used it during a deposition. Thus, the dispute focuses primarily on the issue of whether GX 2195 constitutes "evidence" within the meaning of Rules 10.85(a)(4) and (a)(6).

#### **1. The Parties' Arguments**

The Director argues that GX 2195 is "evidence" based upon: Rule 671(a) of the Rules of Practice in Patent Cases stating that "[e]vidence consists of affidavits, transcripts of depositions, documents and things" (37 C.F.R. § 1.671(a)); the applicable Standing Order providing that "[a]ll evidence (including, transcripts of deposition, documents and things) shall be presented as an exhibit" (Jt. Ex. 16, p. 27); case law indicating that exhibits marked for identification and discussed during cross-examination depositions are part of the record (*Lawson v. Enloe*, No. 102,274, 1992 WL 475808, 26 U.S.P.Q. 2d 1594 (B.P.A.I. Oct. 23, 1991) and *Gunn v. Bosch*, 181 U.S.P.Q. 758; 759 (B.P.I. 1973)); the Board's references to GX 2195 as "evidence" (Jt. Ex. 1, pp. 2, 24, 25, 27-29 and n. 9); Judge Metz's testimony to the effect that GX 2195 automatically became "evidence" when Respondent marked and used it (Tr. 65); and the fact that Respondent did not identify GX 2195 as a demonstrative aid during the deposition. C's Brief at 48-50.

Judge Metz, who served as an Administrative Patent Judge for seventeen years before retiring in 2005, was qualified at hearing as an expert in the field of interference practice and procedure before the Board. Tr. 52. He testified as follows:



It is my opinion that GX 2195 was evidence in the interference and that's based in part just on my initial reaction to seeing GX 2195 as a 2000 exhibit. I know that it's an exhibit of a junior party in an interference and as an exhibit by definition of the rules it's evidence.

Tr. 65. When he was asked on direct examination, "[w]hen Respondent marked the document as Exhibit 2195 and used it during the deposition, was it automatically evidence at that time?," Judge Metz answered in the affirmative. Tr. 65. He stated that his opinion was based upon *Lawson v. Enloe* and *Gunn v. Bosch*. Tr. 65-67. He also testified that he did not know of any lawyer, other than Respondent, who had used a fabricated document during a deposition. Tr. 72. He distinguished "all encompassing evidence," which in his understanding is "everything in the file wrapper from the declaration paper Number 1 until the termination," from "record evidence, that is the evidence a party intends to rely on at a hearing." Tr. 87.

OED further argues that there is no objective evidence that at the time of Dr. Taylor's deposition, Respondent intended GX 2195 to be anything other than what it purports to be, and that Respondent did not indicate in any way that it was being used as a demonstrative aid. C's Brief at 50-51.

Respondent on the other hand argues that GX 2195 was not "evidence" when it was used at the deposition. The document only became "evidence" when it was identified and/or submitted subsequently in connection with Chiron's motions for sanctions and suppression. Jt. Ex. 20, pp. 185-186; C's Ex. 26, p. 2; C's Ex. 46, p. 2. In support of his position, Respondent presented the testimony of Judge Smith, who was found qualified at hearing as an expert in interference practice and procedure, based, *inter alia*, upon his experience as an Administrative Patent Judge from 1985 to 1998, during which time 85 to 90 percent of his docket were interference cases, including 200 to 300 that went through to final decisions, and others in which he ruled on interlocutory motions. Tr. 482-488. At hearing, Judge Smith testified that the Standing Order, which sets out the Board's guidelines and requirements for parties in interference cases, was issued in 1998. The Standing Order changed the Board's prior practice of having parties file exhibits with motions, to requiring parties to merely list exhibits with their motions, but not to file them, until a date set by the Board. Tr. 491-493. Further, he opined that a deposition, or an exhibit to a deposition, only becomes "evidence" in an interference proceeding if a party submits it to the Board in the form of an exhibit, and that he does not know of any authority for the concept of a document marked at a deposition "automatically" becoming evidence. Tr. 495-497, 518-519.

Judge Smith based his opinion on Rule 639(b) of the Rules of Practice in Patent Cases, entitled "Evidence in support of motion, opposition or reply" which states in pertinent part: "Proof may be in the form of patents, printed publications and affidavits" which, as well as "any exhibits identified in affidavits submitted under this paragraph, shall, to the extent possible, be given sequential exhibit numbers, which shall also serve as the exhibit numbers *in the event* the patents, printed publications and exhibits are filed with the party's record." 37 C.F.R. § 1.639(b)

(8<sup>th</sup> Ed. Rev. 1, Feb. 2003)(emphasis added); see, Tr. 498- 499. He also based his conclusion on Rule 39 of the Standing Order which provides that all evidence shall be presented as an exhibit, and on Rule 26 of the Standing Order which provides that in presenting a motion, evidence is included by presenting a list of exhibits the party relies on in support of a motion. Tr. 499-500.

Respondent and Judge Smith also rely on *Lanuza v. Fan*, No. 105,162, 2005 WL 238927, \*22-23, 76 U.S.P.Q. 2d 1559, 1577 (B.P.A.I. Jan. 12, 2005), where a party had not properly placed evidence before the Board in support of its motion, and the Board held that documents in the interference file and any involved patent are not in evidence unless specifically listed in a motion, opposition or reply, in conformance with the Standing Order. They also cite in support *LeVeen v. Edwards*, No. 104,290, 2002 WL 746168, 57 U.S.P.Q.2d 1416 (B.P.A.I. Jan. 1, 2002), in which a party wished to offer a whole file history as evidence of a filing date, and the Board held that an exhibit was admitted in evidence only to the extent that it was offered to prove the filing date, and otherwise was not admitted into evidence. Judge Smith also referred to his decision in *Grose v. Plank*, No. 101, 549, 1990 WL 354508, 15 U.S.P.Q.2d 1338, 1340-41 (B.P.A.I. Mar. 23, 1990), in which he held that documents presented during the rebuttal period and not during the testimony period were not in evidence because they were not introduced during the period required by the rule, 671(e). Judge Smith testified that these decisions consistently indicate that documents and exhibits are not in evidence until the Board accepts them in evidence. Tr. 505-506. Furthermore, he opined that GX 2195 was not evidence when it was used in the deposition of Dr. Taylor, and would not be evidence if no one submitted it to the Board and no one relied on it in their record or their brief. Tr. 506-507. Respondent notes in his Brief that the court reporter did not submit the transcript of Dr. Taylor's second deposition to the Board, as the parties had a running stipulation that transcripts need not be submitted by the reporter, and the parties only submitted it with papers relating to the subsequent conference calls. R's Brief n. 19 (citing Jt. Ex. 18 at 236). Finally, Judge Smith commented that he did not think that Mr. Kelber's conduct negatively affected the integrity of the Board. Tr. 518.

In further support of his position, Respondent distinguishes *Lawson v. Enloe* and *Gunn v. Bosch* by pointing out that they involved an exhibit identified during a deposition but not verbally moved into evidence during the deposition, which the Board held was part of the record where it was submitted to the Board and relied upon by a party. Tr. 515-517. He notes both those cases were decided prior to the adoption of the Standing Order. R's Brief at 23-24. Respondent points out that Dr. Taylor never authenticated GX 2195, and that Chiron's counsel objected to use of GX 2195 during the deposition. *Id.* Following on this point, Respondent suggests that there is a distinction between an identified exhibit and an exhibit which is properly admitted as evidence, stating that the latter is evidence for the fact-finder's determination which arises from proffers and rulings on objections and arguments regarding authenticity and relevance. R's Brief at 16. Because Respondent only employed GX 2195 as a demonstrative exhibit in cross-examination without seeking to introduce it as evidence before any fact-finder, he asserts it was not "evidence." R's Brief at 17.

Respondent additionally argues that even if GX 2195 is “evidence,” that it was not “false evidence.” Evidence is defined based on the purpose for which it is used, Respondent asserts, citing to definitions of “evidence” in 1 Wigmore, *Evidence* § 1(c) (Tillers rev. 1983) and Black’s Law Dictionary. R’s Brief at 17-18. Respondent explains that use of an exhibit or demonstrative does not constitute submission of it as evidence for all potential purposes in a case. R’s Brief at 18. Therefore, he claims the only way GX 2195 could be “false evidence” is if he used it to show the binding properties of Genentech’s antibody, and he did not use it for that purpose. Rather, Respondent asserts that all evidence at the hearing indicates that Respondent intended to use GX 2195 solely to expose Dr. Taylor’s bias through possible later submission to the Board, and that OED’s suggestions as to what Respondent might have done is mere speculation. R’s Brief at 19-20. Respondent notes that the “file wrapper” is not considered by the Board, which only considers those materials filed pursuant to requirements of the Standing Order. R’s Brief n. 19.

In its Reply, OED asserts that a “document specifically created with untrue information and with the intent to deceive is false.” C’s Reply Brief at 14. OED maintains that GX 2195 was “evidence” once it was marked and used at the deposition. OED notes that the Board denied Chiron’s motion to suppress GX 2195 from the record. Jt. Ex. 20, pp. 185-186. OED quotes the interference rules which govern *Lawson* and *Gunn*, asserting that they are basically the same as those that apply to the present case, and take precedence over the Standing Order. In *Lawson*, the Board found that after an exhibit was marked and used at the deposition, it is deemed part of the record. OED argues that *Fan*, *LeVeen* and *Grose* are not persuasive in this case because they involve documents as evidence rather than an exhibit marked and used at deposition.

On March 31, 2008, in further support of his position in this case, Respondent submitted a copy of *Ryan v. Young*, 2008 WL 577435 (B.P.A.I., Mar. 4, 2008), which discusses when a document is and is not “in evidence” in interference cases. By letter dated April 4, 2008, OED states that the decision does not support Respondent’s case, and that 37 C.F.R. §§ 10.85(a)(4) and (a)(6) do not require proof that a document was admitted “in evidence.” By letter dated April 8, Respondent maintains that the *Ryan* decision is relevant and if further briefing is desired, Respondent would submit such briefing.

## 2. Discussion, Findings and Conclusions

It is easy to seize upon a lawyer’s act of fabricating a document as inherently wrong and to conclude, in the words of Shakespeare, that “This has been some stair-work, some trunk-work, some behind-door-work.” *The Winter’s Tale*, Act III Scene iii 73-75. However, a closer analysis is needed to determine whether Respondent violated Rules 10.85(a)(4) and 10.85(a)(6), particularly where former Administrative Patent Judges (“APJs”), both of whom are experts in interference practice and procedure, differ in their opinions.

The term “evidence” as it relates to a document, is broadly used to refer to a document which is a means of establishing a factual matter, or more narrowly, to refer to a document which

is proffered into a tribunal's record. *Black's Law Dictionary* 576 (7<sup>th</sup> ed. 1999)("[s]omething . . . that tends to prove or disprove the existence of an alleged fact" or the "collective mass of things, esp. testimony and exhibits, *presented before a tribunal* in a given dispute.")(emphasis added). The term is thus defined in two separate ways, broadly and narrowly. See, 31A C.J.S. *Evidence* § 3 at 67-68 (1996)("Evidence, broadly defined, is the means from which an inference may logically be drawn as to the existence of a fact. . . . 'Evidence' has also been defined to mean any species of proof legally presented at the trial of an issue, by the act of the parties and through the medium of witnesses, records, documents . . . and the like."). Evidence has also been defined as "any matter of fact which is *furnished to a legal tribunal*, otherwise than by reasoning or a reference to what is noticed without proof, as the basis of an inference in ascertaining some other fact." James B. Thayer, *Presumptions and the Law of Evidence*, 3 Harv. L. Rev. 141, 142 (1889)(emphasis added)(quoted in *Black's Law Dictionary* at 576).

Thus, the question is whether to construe broadly or narrowly the term "evidence" within the meaning of the provisions of the Rules 10.85(a)(4) and (a)(6), "In representation of a client . . . a practitioner shall not [k]nowingly use . . . false evidence [or] [p]articipate in the creation or preservation of evidence when . . . the evidence is false." 37 C.F.R. § 10.85(a)(4), (a)(6) (emphasis added).

Rule 671(a), 37 C.F.R. § 1.671(a) ("[e]vidence consists of affidavits, transcripts of depositions, documents and things") states what types of materials may constitute evidence in an interference, but does not indicate the point in time at which such an item becomes evidence in a proceeding, and therefore does not support OED's position. A document may not be "evidence" at all points in time. For example, at the time a document was created, it cannot be "evidence" with respect to a proceeding that has not yet been initiated. After initiation of the proceeding, when a document is created or contemplated as evidence by a party or its attorney, it cannot be considered as evidence within the meaning of Rule 10.85(a)(4) or (a)(6), because it is merely an unimplemented plan of a party or its attorney. Thus, the fact that a document exists during the attorney's representation of a client, and could be the means of establishing a factual matter, or could tend to prove an alleged fact, does not render the document an item of "evidence." Some objective act or event must occur for the document to be deemed as evidence.

The next question is what act or event transforms a document into "evidence." The provision in the Standing Order that "[a]ll evidence (including, transcripts of deposition, documents and things) shall be presented as an exhibit" (Jt. Ex. 16, p. 27) indicates that before a document can become "evidence" it must first be "presented as an exhibit." That is, it must be marked as an exhibit and "presented." The Standing Order does not indicate to whom it must be presented: a witness, an opposing party, or the tribunal. The Standing Order also does not indicate that a document becomes evidence at the time it is "presented;" it only establishes that a document cannot be "evidence" until, at earliest, the time it has been "presented as an exhibit." The Standing Order indicates that all evidence must be presented as an exhibit, but does not indicate that all exhibits must be presented as evidence. Therefore, the provision of the Standing Order does not support OED's position.

OED also relies upon *Lawson v. Enloe*, 1992 WL 475808 (Bd. Pat App. & Int. 1991) and *Gunn v. Bosch*, 181 U.S.P.Q. 758, 759 (Bd. Pat App. & Int. 1973). In the *Lawson* decision, where Lawson moved to suppress an exhibit which was not explicitly offered into evidence during Enloe's testimony, the court denied the motion because the exhibit was marked for identification and was identified by the witness during the cross-examination, and Lawson did not object to it during the deposition. The exhibit was relied upon and submitted to the Board by Enloe. In that context, the court deemed the exhibit to be part of the record. Similarly, in *Gunn*, the document was identified during a deposition but not verbally moved into evidence. A document is "identified" when it is authenticated by testimony of a witness qualified to identify or authenticate it. See, *Black's Law Dictionary* 748; *McCormick on Evidence* § 51 (West, 3rd ed. 1984). There is no dispute that GX 2195 was not authenticated, identified, by any witness. Therefore, *Lawson* and *Gunn* do not address the specific issue at hand.

The Board, in its ruling on inappropriate conduct in the '048 interference, states that Respondent "introduced exhibit 2195 into evidence during a deposition of . . . Dr. Joyce Taylor" and refers to "manufactured evidence" and "evidence" (Jt. Ex. 1, pp. 2, 24, 25, 27-29 and n. 9). Respondent did not actually introduce GX 2195 into evidence, as he did not even begin to lay a foundation for it. In order to introduce a document into evidence, it must be authenticated, or it must be self-authenticating. Tr. 280-281; *McCormick on Evidence* §§ 51, 218-228. In interferences, similarly, an exhibit must be "identified and offered into evidence," as the Rules provide that "[e]xhibits include documents and things *identified* in affidavits or on the record during the taking of oral depositions . . ." 37 C.F.R. § 1.653(c)(2) and 1.653(i) (2003)(emphasis added). The Board appears to be using the term "evidence" in the sense of its broad definition – an item that tends to prove or disprove an alleged fact – or on the basis that GX 2195 was presented by Chiron as evidence in support of its Motion for a Determination that Genentech Engaged in Sanctionable Conduct ("motion for sanctions"), dated October 29, 2003. C's Ex. 26, p. 2; Jt. Ex. 20, p. 185. The Board did not use or interpret the term "evidence" in the context of the Disciplinary Rules at issue, but merely made a determination as to whether Genentech engaged in inappropriate conduct. The Board expressly stated that the issue of whether or not Mr. Kelber's actions require a disciplinary investigation is a question for OED. Jt. Ex. 1, n. 6, p. 20. When Chiron moved to suppress GX 2195 from the record as not admissible, Respondent opposed suppression, stating that Genentech "offers it for no reason other than to demonstrate the bias of the witness," that it is "not offered to prove the truth of the statements advanced therein" and is not "'authentic' because it was not intended to be so." C's Ex. 42, p. 11. The Board denied the motion to suppress GX 2195 from the record because the Board relied on it as evidence to establish that Mr. Kelber manufactured it and to rule on the allegation of inappropriate conduct, but the Board made clear that it "did not rely upon the manufactured document to establish that the experimental results reported therein were true." Jt. Ex. 20, pp. 185-186. The Board's references and treatment of GX 2195 do not support a finding that GX 2195 constitutes "evidence" within the meaning of 37 C.F.R. §§ 10.85 (a)(4) and (a)(6).

Judge Metz's testimony that GX 2195 automatically became "evidence" when Respondent marked and used it at the deposition (tr. 65) does not persuasively establish that the

document constitutes "evidence" within the meaning of 37 C.F.R. §§ 10.85 (a)(4) and (a)(6). His testimony in this regard relied on *Lawson and Gunn*, which as discussed above, do not address the precise question at issue, and on GX 2195 being marked as a 2000 exhibit. He reasoned that because it was an exhibit, "by definition of the rules it's evidence." Tr. 65. He explained that his references to "evidence" are what he described as "all encompassing evidence which in my understanding is everything in the file wrapper from the declaration paper Number 1 until the termination" and that everything in the file wrapper "is evidence and forms part of the record." Tr. 87, 126. He specifically distinguished "all encompassing evidence" from "record evidence, that is the evidence a party intends to rely on at a hearing." Tr. 87, 126. When asked about the meaning of the rule that all evidence shall be presented as an exhibit, he stated that it means "a party's evidence on which they seek to rely at a hearing," that is, the strict sense of "evidence." Tr. 89. He testified that not all depositions taken and documents gathered are submitted to the trier of fact in an interference, but that, under the Standing Order, a document is only filed, and placed in the file wrapper, if it is evidence in support of a motion, opposition or reply. Tr. 90, 128-129. The person taking a deposition must serve it, and if he does not file the deposition transcript (which includes exhibits referenced therein), the opposing party may file it. Tr. 129-130, 133, 61. He testified that the applicable rules ("600 Rules") direct the court reporter to file the deposition transcript with the Board. Tr. 130, 133. He stated that rules require that the exhibits to a deposition be attached to the transcript along with a list of exhibits, showing page numbers where the exhibit was first introduced, and that when a party shows the witness a document during a deposition, and asks questions about it, it becomes part of the deposition. Tr. 61, 133. Therefore, he testified, the deposition and exhibits thereto would be in the record, in the file wrapper. Tr. 134, 135. He stated that in his experience, some judges only review documents filed by the parties and others review everything in the file wrapper. Tr. 135.

The Board's recent *Ryan v. Young* decision, submitted by Respondent after the Post-Hearing Briefs were received, states as follows, in pertinent part:

When is an exhibit "in evidence" before the Board?

A *first* condition for an exhibit to be considered "in evidence" before the board is that the exhibit must be filed. All exhibits are normally filed in the motions phase at Time Period 8 and in the priority phase at Time Period 18. On relatively rare occasions, the Board may require an exhibit to be filed earlier.

During an interference, a party may use an exhibit (e.g., in a cross-examination deposition of an opponent's witness) and ultimately decide not to rely on the exhibit. Under these circumstances, the exhibit is neither filed nor discussed in an opposition. The exhibit would not be in evidence. Nevertheless, the opponent could list and rely on the exhibit in a reply, in which case the exhibit would be submitted by opponent when exhibits are filed.

A *second* condition is that the exhibit must be listed and discussed in a motion,

opposition or reply.

\* \* \* \*

Moreover, an exhibit is considered “in evidence” only to the extent that the exhibit or a portion of the exhibit is mentioned and relied upon in a motion, opposition or reply. A party cannot list and rely on an exhibit for one purpose in the motions and sometime later in the proceeding, *e.g.*, during the priority phase, rely on the exhibit for another purpose unless the motion is again listed and relied upon for the other purpose in a motion for judgment based on priority.

\* \* \* \*

In an interference with multiple motions, each motion should be viewed as a separate proceeding independent of other motions at least for the purpose of determining what evidence will be considered in resolving a given motion.

2008 WL 577435 at \*5 (B.P.A.I. 2008)(emphasis in original). This description of procedures is consistent with *Lanuza v. Fan, supra*, and with the testimony of Judge Smith, who testified that “the exhibits are not in evidence unless they’re submitted . . . to the board by a party and relied upon by the party and admitted into evidence by the party.” Tr. 515-516. He also testified that it would not be necessary for a party to file a motion to exclude an exhibit if it was not filed by the opposing party. Tr. 517. This testimony and *Ryan v. Young* indicate that any depositions or exhibits submitted to the Board by a court reporter but not filed by a party are not “in evidence” before the Board. In this case, the record indicates that the court reporter did not even submit the transcript of the second Taylor deposition to the Board, as pursuant to 37 C.F.R. § 1.676(d), since the parties had a stipulation that transcripts need not be submitted by the reporter. Jt. Ex. 18, p. 236.

Therefore, GX 2195 would only be “in evidence” if the second Taylor deposition and GX 2195, or GX 2195 alone, were filed with the Board in support of a motion, opposition or reply or as an exhibit for the final hearing. Both Respondent and Chiron presented the second Taylor deposition as an exhibit. Tr. 282. Exhibits are to be merely listed in motions, but filed with the Board under the Standing Order §39 at a certain time. In the ‘048 Interference, exhibits were to be filed on December 17, 2003. R’s Ex. FF, p. 328. When Respondent filed the record with the Board, the exhibit list included a listing for GX 2195 with a notation “exhibit not submitted,” which the Board took to mean that Genentech was “withdrawing” the exhibit. Jt. Ex. 13, pp. 159-160. Respondent testified that “[m]any of the exhibits did not go with either deposition and this [GX 2195] is one of them. It’s not customary under the standing order to submit all of the exhibits if you don’t wish to rely on them. You only submit the ones you wish to rely on.” Tr. 282. GX 2195 was listed by Chiron as evidence of inappropriate conduct and for the motion to suppress, and was listed by Respondent as evidence relied on for its responses to those motions, but GX 2195 was not, and did not become, evidence in the priority phase in support of Genentech’s or Chiron’s case on the substantive issues.<sup>8</sup> Jt. Ex. 13, p. 176; Jt. Ex. 14, p. 2; Jt.

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<sup>8</sup> The term “substantive issues” is used herein as a short expression to indicate the issues in the interference upon which parties have the burden of proof.

Ex. 15, p. 1; Jt. Ex. 20, pp. 185-186; C's Ex. 26, p. 2; Tr. 281. As stated above, "each motion should be viewed as a separate proceeding independent of other motions at least for the purpose of determining what evidence will be considered in resolving a given motion." *Ryan v. Young*, 2008 WL 577435 at \*5. GX 2195 was "in evidence" before the Board only on the issues in Chiron's motion for sanctions and motion to suppress and was not "in evidence" before the Board on any other issues in the case.

Thus, there was no event which transformed GX 2195 into evidence until it was submitted by Chiron as evidence in support of its motion for sanctions. Therefore, prior to that point, Respondent had not created or used the document as "evidence." A person cannot "[k]nowingly use . . . evidence" or "[p]articipate in the creation . . . of evidence *when the practitioner knows or it is obvious that the evidence is false*" (37 C.F.R. § 10.858(a)(4) and (a)(6)(emphasis added)) *if, at the time it is created and used, it is not contemplated by that person as "evidence."* That is, a person cannot knowingly use evidence if he does not intend for it to be used, and does not know that it may be used, as evidence. He cannot create evidence knowing that it is false evidence if he creates it for a purpose other than to use it as evidence, and does not intend for the item to be used as evidence. The definition of "fabricated evidence," which is "[f]alse or deceitful evidence that is unlawfully created, usu[ally] after the relevant event, *in an attempt to avoid liability or conviction,*" supports this reasoning. *Black's Law Dictionary* 578 (emphasis added).

There is no support in the record to show that Respondent intended for GX 2195 to be used as evidence. Respondent, as an experienced patent attorney, knows that under the Standing Order there is no reason for the Board to consider an exhibit as evidence other than as presented by the parties in their motions, responses, and exhibits in support of their position on the substantive issues in the interference, particularly where the exhibit has not been authenticated. *See, e.g.*, Tr. 277-281, 307, 312; Jt. Ex. 13, p. 197; *see also*, Tr. 142-149. Respondent has consistently and credibly maintained that he created and used GX 2195 as a demonstrative aid to test the bias of Dr. Taylor. *See, e.g.*, Tr. 222-225, 275-276; Jt. Ex. 4, p. 7; Jt. Ex. 13, p. 176; Jt. Ex. 15, pp. 1-3, 7-8. The other testimony and evidence of record is in accord with, or at least does not refute, Respondent's stated intent. Tr. 110-112, 142-149, 518; Jt. Ex. 1 at 24. At the time of the second Taylor deposition, Respondent had already submitted to Chiron Genentech's notebooks and exhibits pertaining to binding of its antibody 7.16.4 to HER2. Tr. 279-280; Jt. Ex. 15, p. 2. Motions and responses had been filed already at the time of the second Taylor deposition, and Respondent would have had to request permission from the Board to submit with a reply any evidence on a substantive issue. Tr. 278-279, 300; 507-508. The record supports a finding that Respondent created GX 2195 to look authentic enough to cause Dr. Taylor to think it was genuine glancing at it during the deposition, but not authentic enough to cause Chiron's counsel to believe it was genuine. Tr. 218-221, 267-274; Jt. Ex. 13, pp. 197, 199. For example, Respondent changed "virtually every reference number" on GX 2195 to one that does not exist in the Genentech portfolio, changed the designation of the notebook to one that does not exist, and changed the assay to positive which, Respondent testified, "anybody . . . in this industry would recognize that that's not a reliable assay." Tr. 272-274. The fact that Respondent did not attempt



to authenticate it or introduce it as evidence would, and did, immediately put Chiron's counsel on notice that it was not properly offered as evidence, as he objected to it during the deposition. Jt. Ex. 2, pp. 21-22. In addition, the Standing Order, at § 43 requires a party who is relying on scientific data to explain, through testimony of a witness, why the data is being relied upon, how the test is performed, how the data is used to determine a value, and other information. Jt. Ex. 16, p. 30. Respondent did not comply with any of those requirements.

This testimony and evidence, indicating Respondent's intent to use GX 2195 only as a demonstrative aid, is not undermined by OED's argument that there is a lack of evidence to show that Dr. Taylor had previously relied on the graph in Chiron Exhibit ("CX") 1146. C's Brief, pp. 17-20, 40-41. The evidence shows that Chiron and Dr. Taylor reviewed the Fendly report (Jt. Ex. 10), which included a graph (Jt. Ex. 10, Bates G-CRNP 0105 00029) similar to CX 1146 (Jt. Ex. 11). Jt. Ex. 18, pp. 72-73; R's Ex. Q, p. 3; R's Ex. R, p. 19; R's Ex. S, p. 13; R's Ex. T, p. 7; R's Ex. U, pp. 7-8; R's Ex. V, pp. 11-12; R's Ex. W, p. 14; R's Ex. X, p. 11. Respondent duplicated and modified CX 1146 to create GX 2195. This evidence is sufficient to form a basis for Respondent's belief that Dr. Taylor reviewed CX 1146 or the similar graph in the Fendly Report, and a rationale for Respondent to test her bias with GX 2195. Whether Respondent had a *strong* basis for his belief, or whether or not she in fact relied on CX 1146 in forming her opinions, or whether Respondent had a *solid* rationale for testing bias with GX 2195, does not have significant weight as to the credibility of Respondent's stated intent to test her bias with GX 2195.

Moreover, while a disputed issue in the '048 interference was whether Genentech's 7.16.4 antibody binds to HER2, which would of course motivate Respondent, as Genentech's counsel, to gather and present evidence of such binding, if it existed, does not alone suggest that Respondent intended to present GX 2195, *specifically*, as evidence of such binding.

Thus, the record does not show by clear and convincing evidence that Respondent intended to create or use GX 2195 as "evidence" in the '048 Interference. Instead, the record shows by clear and convincing evidence that Respondent intended to present GX 2195 to Dr. Taylor as a demonstrative aid in an attempt to reveal her bias. Presenting a demonstrative aid to a witness is not an intent to create or use evidence in the case. There is a clear distinction. Federal courts allow demonstrative aids to be used under Federal Rule of Civil Procedure 611(a) without being admitted as evidence, in order to make the interrogation of witnesses or presentation of evidence more effective for the "ascertainment of truth" and to "avoid needless consumption of time." *United States v. Taylor*, 210 F.3d 311, 315 (5<sup>th</sup> Cir. 2000); *see*, R's Ex FFF, p. 22 ("A demonstrative is typically not itself evidence in the case."). Demonstrative aids are increasingly common in court practice, and may take many forms, such as duplicates, models, sketches, diagrams and mock-ups. *United States v. Burt*, 495 F.3d 733, 740 (7<sup>th</sup> Cir. 2007)(allowing as demonstrative aid excerpts of online chat as modified with actual names substituted for alias screen names), citing Kenneth S. Braun, 2 *McCormick on Evidence* § 212 (6<sup>th</sup> ed. 2006); *Colgan Air, Inc. v. Raytheon Aircraft Co.*, Civ. No. 1:05CV213, 2008 U.S. Dist. LEXIS 13501 (E.D. Va., Feb. 21, 2008). Respondent testified that he used demonstrative aids in

other interference cases, and did not submit them to the Board. Tr. 307-313. Such aids have been held to exceed the purpose of demonstrative aids where there is a danger that the jury would confuse the art with reality, considering that impressions on a jury are difficult to limit. *Harris v. Poppel*, 411 F.3d 1189, 1197 (10<sup>th</sup> Cir. 2005)(court held that videotapes depicting actors re-enacting a murder representing plaintiff's staged re-creation of the facts in controversy went beyond use as a demonstrative aid). Such a situation is clearly distinct from the present case. Therefore, there is no basis to conclude that Respondent's creation and use of GX 2195 as a demonstrative aid should be deemed a creation and use of evidence for purposes of determining Respondent's liability for Count 1.

Therefore the record does not support a finding that Respondent had any intent to create or use GX 2195 as "evidence" as alleged in the Complaint. Because the record does not show by clear and convincing evidence that Respondent created GX 2195 to be used as evidence or that he used it as evidence during the Taylor deposition, OED has not shown by clear and convincing evidence that Respondent violated 37 C.F.R. §§ 10.85(a)(4) or (a)(6).

#### **D. Arguments, Discussion, Findings and Conclusions as to Rule 10.23(b)(4)**

Rule 10.23(b)(4) provides that a practitioner shall not "[e]ngage in conduct involving dishonesty, fraud, deceit, or misrepresentation." Subsection 10.23(d) provides that "[a] practitioner who acts with reckless indifference to whether a representation is true or false is chargeable with knowledge of its falsity. Deceitful statements of half-truths or concealment of material facts shall be deemed actual fraud within the meaning of this part."

##### **1. The Parties' Arguments Regarding Respondent's Conduct During the Deposition**

OED's position is that Respondent engaged in dishonesty or misrepresentation, in violation of 37 C.F.R. §10.23(b)(4), when he fabricated and used GX 2195 to mislead Dr. Taylor and Chiron's counsel, Mr. Walters. OED asserts that Respondent admitted creating and using GX 2195 to deceive Dr. Taylor and Chiron's counsel into thinking it was a genuine Genentech document. Jt. Ex. 4, pp. 6, 17, 18; Jt. Ex. 14, pp. 5-6; Jt. Ex. 15, pp. 6-8. OED cites to the testimony of its ethics expert, Professor Morgan, to the effect that Respondent engaged in dishonesty, deceit, fraud or misrepresentation by fabricating GX 2195 and introducing it at the deposition. Tr. 336-337. In support of its position that it is unethical to misrepresent the truth by word or deed when cross-examining a witness, OED also cites to case law, namely *In re Metzger*, 31 Haw. 929 (Haw. 1931)(court found a "deliberate misrepresentation" where attorney created a new handwriting sample to look just like an exhibit in evidence of the defendant's handwriting and on cross-examination asked the handwriting expert whether it matched the defendant's handwriting), *United States v. Thoreen*, 653 F.2d 1332 (9<sup>th</sup> Cir. 1981)(attorney held in criminal contempt where he substituted a person for the defendant at counsel's table and gestured toward him as if he were the defendant, and government misidentified the substitute as defendant), *In re*

*Friedman*, 392 N.E. 2d 1333, 1334 (Ill. 1979)(attorney's conduct held unethical where he instructed police officers to commit perjury to expose bribes by defense attorneys), *Cincinnati Bar Ass'n v. Statzer*, 800 N.E. 2d 1117 (Ohio 2003)(attorney found to have engaged in deceitful tactic where during deposition, she placed blank but labeled cassette tapes in front of witness, referred to them when questioning witness and urged truthful testimony, to create false impression that they contained compromising personal information).

OED states that Respondent tried to trick Dr. Taylor by asking her whether GX 2195 is "definitive" as to binding of the Genentech antibody, and was dishonest when he replied "I assume so" to her question about what was depicted on the graph, when he knew that it did not represent any experiment. Challenging Respondent's claim that he was trying to expose her bias, OED states that there is no evidence, and that at best it is "a bald speculation" on the part of Respondent, that Dr. Taylor relied upon CX 1146. C's Brief at 40-41 (citing *Jt. Ex. 18*, p. 72). OED argues that even when cross-examining a witness for bias, dishonesty is not acceptable, and there are no cases indicating the contrary. An attorney cannot zealously represent a client beyond the bounds of the law, OED emphasizes, citing *Metzger*, *Friedman*, and *Thoreen*.

Respondent's position is that OED's failure to prove that GX 2195 was "false evidence" is fatal to all allegations of Count 1, as sub-paragraphs 19(a) through (e) of the Complaint refer to "evidence" or "false evidence," which allegations OED is required to prove to find a violation in Count 1. R's Brief at 25-26 and n. 23. Respondent argues that he cannot be found guilty of violations different from those alleged in the Complaint, and that specific allegations stated in the Complaint must be proven regardless of whether they are necessary to the Complaint, citing *Stirone v. United States*, 361 U.S. 212, 214-216 (1960) and *United States v. Randall*, 171 F.3d 195, 209-210 (4<sup>th</sup> Cir. 1999). R's Brief at 26 and n. 23. Respondent asserts that the allegations in the Complaint regarding false evidence are the ones Respondent defended against and do not provide notice of the violations alleged by OED in its Post-Hearing Brief which do not refer to "false evidence." R's Brief at 25-29. OED's post-hearing allegation of misleading Dr. Taylor and Chiron by using GX 2195 is thus impermissible. R's Brief at 26, 28-29. In support of this argument, Respondent cites *Rodale Press Inc. v. Federal Trade Comm'n*, 407 F.2d 1252, 1256 (D.C. Cir. 1968), *In re Sanchez*, 1984 WL 48105 \*8 (CFTC, Jan. 31. 1984), and *Nader v. Interstate Commerce Comm'n*, 851 F.2d 1501 (D.C. Cir. 1988)(unpublished).

Respondent further argues that his use of GX 2195 was an exercise of his duty to zealously represent his client, in which attorneys are obligated to inquire into a witness' bias and are afforded wide latitude in the selection of evidence to show bias, and that it was within the bounds of the law. Respondent points out the holding in *Terry v. State of Mississippi*, 718 So.2d 1115 (Miss. 1998), in which use of a falsified computer record was held to be permissible to refute the witness' assertion that such computer records could not be falsified, where the court was not misled. R's Brief at 12-13. Respondent asserts that presenting a misleading situation to a witness to expose bias is accepted practice and conforms with Federal Rules of Evidence. R's Brief at 6, 30. In further support, Respondent quotes from Jeffrey Kestler, *Questioning Techniques and Tactics*, §4.36 (2005):

It is proper to use ruses of various kinds in order to expose dishonesty. Such reasonable ruses include the use of fabricated information as bait to trap the lying witness. Ethical problems with cross-examination involving false information should arise only when the questioner is attempting to convince the fact finder that the false evidence is true.

Respondent also cites to the Hazard treatise, Geoffrey C. Hazard, Jr. and W. William Hodes, *The Law of Lawyering* § 30.11 at 30-21 & 30-22 (3<sup>rd</sup> ed. 2005), stating that tactics such as Respondent's should be considered prohibited only when "decisional law in the jurisdiction has already proscribed such tactics, or if courtroom experiments or demonstrations require the advance permission of the trial judge . . . ." R's Brief at 6-7, 29 (quoting Hazard treatise). Respondent argues that where use of such tactics "could not create a mis-impression on the part of the fact-finder, and no decisional law forbids them or requires prior notice, such conduct cannot be said to involve 'dishonesty or misrepresentation' in violation of § 10.23(b)(4)," or violate 10.23(b)(5) or (b)(6). R's Brief at 29-30.

Respondent analogizes his use of GX 2195 during the deposition of Dr. Taylor with offering wine, from wine bottles with labels switched, to a wine expert qualified to distinguish French from American wines, to effectively probe the expert's bias by testing the claimed expertise. R's Brief at 14.

Respondent distinguishes *Metzger* on the basis that the attorney altered a court record and deceived the tribunal. Respondent points out that *Statzer* was decided after the conduct at issue in this case. Respondent challenges Professor Morgan's testimony by pointing out his failure to address the *Terry* case, and that the Teacher's Manual to a textbook co-authored by Professor Morgan notes that the tactic in *Thoreen* provokes good class discussions, that the court may have overreacted, and that the trick might have contributed to finding the truth. R's Brief at 10. Respondent argues that the dissenting opinions in *Metzger*, *Thoreen* and *Friedman*, and the opinion in *Terry*, which is most similar to the present case, indicate that the law was not settled that Respondent's conduct was impermissible. R's Brief at 9-12.

In reply, Complainant argues that the notes in the Teacher's Manual are tips, written exclusively for teachers, to assist them to engage students in discussion. C's Reply Brief at 6. Complainant distinguishes *Terry* on the basis that it was a criminal case, and that the altered document was used for the purpose of showing that the document was capable of alteration, whereas GX 2195 was not used for that purpose. Complainant asserts that Respondent cannot persuasively rely on dissenting opinions or a treatise which suggests conduct that explicitly violates PTO's Rules. Complainant asserts that Respondent's wine hypothetical is not determinative of whether an attorney can attempt to trick a witness during cross-examination. Complainant concludes that the relevant case law in *Metzger*, *Thoreen*, *Friedman* and *Statzer* makes clear that misrepresentations are not authorized in litigation.

## 2. The Parties' Arguments Regarding Respondent's Conduct After the Deposition

OED asserts that attorneys have an obligation to be truthful to opposing counsel during litigation, and that it is dishonest to continue a misrepresentation to opposing counsel, citing *Attorney Grievance Comm'n of Maryland v. Goodman*, 850 A.2d 1157, 1166 (Md. 2004); *In re Griffith*, 800 N.E.2d 259, 264 (Mass. 2003) and *State ex rel. Okla. Bar Ass'n v. Miskovsky*, 832 P.2d 814, 817 (Okla. 1992). C's Brief at 43. OED claims that Respondent continued his original dishonesty in the email correspondence with Mr. Walters, wherein Respondent's answers to Mr. Walter's inquiries about GX 2195 were "equivocal at best" and "dishonest double-speak," pleading ignorance when he knew that GX 2195 does not correspond to an actual experiment. C's Brief at 43-44 (citing Jt. Ex. 1, p. 27; Jt. Ex. 4, p. 14; C's Ex. 4, p. 2). OED argues that although Respondent had several opportunities to be honest with Mr. Walters during the deposition and afterward in the emails, Respondent continued his deception until Mr. Walters threatened to call the APJ. In particular, Respondent made a false statement that "[w]e never made any representation that the document in question 2195 was an actual Genentech lab notebook" when he intended the cover page of GX 2195 "to say so for him," OED avers. C's Brief at 43.

In addition, OED asserts that Respondent lied to the Board, in that he misrepresented to the Board several times that Dr. Taylor relied on the data in CX 1146 in making an opinion that 520C9 binds to HER2 where he had no basis for the claim, as Respondent's evidence does not demonstrate it. C's Brief at 36-37; C's Reply Brief, at 9-10. In particular, Respondent, explaining the reason he used GX 2195 to test Dr. Taylor's bias, stated that "Taylor has stated under oath that identical data, presented in an identical way, proves that 520C9, but not 7.16.4 binds HER2." Jt. Ex. 15, pp. 7-8.

Responding to OED's arguments, Respondent asserts that they are impermissible post-hearing allegations. Respondent points out that allegations regarding conduct after the deposition were only referenced in the Complaint with respect to Rule 10.23(b)(5). R's Brief at 26-27 and nn. 25, 26. The Complaint does not allege that Dr. Taylor never saw the data in GX 2195 prior to the deposition, which could support any finding of misrepresentation to the Board. R's Brief n. 26.

Further, Respondent asserts that he was not dishonest with Chiron's counsel, but told him that he created GX 2195. OED's argument that Respondent delayed in telling him "would imply that an attorney may not conceal strategic maneuvers, even temporarily, if it will inconvenience or confuse opposing counsel in any way." R's Brief at 31. Respondent notes that Chiron's counsel knew that GX 2195 was not authentic, as he objected to it. R's Brief n. 30.

Respondent asserts further that the allegation that he misrepresented to the Board that Dr. Taylor relied previously on the data in GX 2195 is inaccurate, as filings in the '408 Interference and Dr. Taylor's statements indicate she had relied on Genentech's testing of the antibody 520C9. R's Brief at 31; Tr. 266-267. Respondent testified at the hearing that "of the information

she [Dr. Taylor] was relying on, most heavily she relied on Dr. Fendly's report of Nancy Chiang's test that is encapsulated in 1146." Tr. 193. At the hearing, Respondent referred to Dr. Taylor's testimony that "the Genentech company . . . got 520C9 . . . and also showed that it bound to [HER2]." Tr. 187-188; Jt. Ex. 18, pp. 72-73.

In reply, OED points out that Respondent did not show Dr. Taylor CX 1146, and Dr. Taylor's testimony upon which Respondent relies does not refer to CX 1146. OED avers that Dr. Taylor and Chiron "much more likely" relied on the analysis in the report and the admission against Genentech's interest of Genentech scientist Dr. Brian Fendly therein, rather than on the raw data of CX 1146. C's Reply Brief at 10-11.

### 3. Discussion

#### a. Reference to "false evidence" in the Complaint

The Complaint alleges that Respondent violated 37 C.F.R. § 10.23(b)(4) "by engaging in conduct involving dishonesty, or misrepresentation arising from creating, introducing and using false evidence during the '048 interference." Complaint ¶ 19(a). The elements of a violation of Rule 10.23(b)(4) are that a practitioner engaged in conduct which involved dishonesty, fraud, deceit, or misrepresentation.

The Complaint also alleges that Respondent violated 37 C.F.R. § 10.23(b)(5) "by engaging in conduct that is prejudicial to the administration of justice arising from his creating, introducing and using false evidence . . ." and violated 37 C.F.R. § 10.23(b)(6) by "engaging in conduct that adversely reflect [sic] on his fitness to practice before the Office arising from his creating, introducing and using false evidence . . ." Complaint ¶¶ 19(b), 19(c). Rule 10.23(b)(5) provides that a practitioner shall not "[e]ngage in conduct that is prejudicial to the administration of justice" and Rule 10.23(b)(6) provides that a practitioner shall not "[e]ngage in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office."

The existence of "false evidence" is not an element of a violation of Rules 10.23(b)(4), (b)(5), or (b)(6). The words "false evidence" within these paragraphs of the Complaint are merely a reference to GX 2195, which is described sufficiently in the preceding detailed allegations in the Complaint: that in the PTO interference proceeding styled *Genentech v. Chiron*, Interference No. 105,048, Respondent cross-examined Dr. Taylor, that during the cross-examination he introduced into evidence Exhibit 2195 and asked Dr. Taylor questions about it, and that Respondent admitted that he fabricated Exhibit 2195. Complaint ¶¶ 1, 4, 5, 10, 15.

In support of the argument that once the allegation is in the Complaint that it must be proven to find a violation, Respondent cites to *Stirone v. United States*, *supra*, which holds that a court cannot allow a criminal defendant to be tried on charges that are not made in the

indictment, and that charges therein may not be broadened except by the grand jury, and *United States v. Randall*, *supra*, which holds that if the government specifies in the indictment a predicate offense on which it is relying as an essential element, a conviction that rests on proof of another predicate offense cannot stand, even where the government is not required to charge the predicate offense. However, these criminal standards do not apply to this proceeding.<sup>9</sup> As the Ninth Circuit has stated, “[a] lawyer disciplinary proceeding is not a criminal proceeding” and therefore “normal protections afforded a criminal defendant do not apply.” *Rosenthal v. Justices of the Supreme Court of California*, 910 F.2d 561, 564 (9<sup>th</sup> Cir. 1990).

In agency administrative proceedings:

A respondent to an agency action is entitled to know the basis of the complaint against it but has been accorded due process if the record shows that it understood the issues and was afforded a full opportunity to meet the charges. Pleadings in administrative proceedings are not judged by the standards applied to an indictment at common law but are treated more like civil proceedings where the concern is with notice and a complaint may be deemed amended to conform to evidence adduced without objection.

*Citizens State Bank of Marshfield v. FDIC*, 751 F.2d 209, 213 (8<sup>th</sup> Cir. 1984)(citations omitted).

The Rules applicable to this proceeding provide that --

In case of a variance between the evidence and the allegations in a complaint . . . the administrative law judge may order or authorize amendment of the complaint . . . to conform it to the evidence. Any party who would otherwise be prejudiced by the amendment will be given reasonable opportunity to meet the allegations in the complaint . . . as amended, and the administrative law judge shall make findings on any issue presented by the complaint . . . as amended.

37 C.F.R. § 10.145.

In an attorney disciplinary proceeding, *In re Ruffalo*, 390 U.S. 544, 550-551 (1968), the Supreme Court held that the “charge must be known before proceedings commence,” and they “become a trap when, after they are underway, the charges are amended on the basis of testimony of the accused” where he cannot expunge the testimony, and where serious prejudice may have occurred from being lulled into a false sense of security by the absence of notice of the charge in the complaint. As pointed out by Respondent, an agency may not make findings nor order sanctions on violations not charged in the complaint, without a meaningful opportunity to litigate

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<sup>9</sup> In the context of procedural due process, attorney disciplinary proceedings are considered quasi-criminal. *In the Disciplinary Matter involving Triem*, 929 P.2d 634 (Alaska 1996), discussing *Ruffalo*, *infra*.

the issues at hearing. *In re Sanchez*, 1984 WL 48105 \*8 (CFTC, Jan. 31, 1984); *Nader v. Interstate Commerce Comm'n. supra*; *Moatz v. Colitz*, 68 U.S.P.Q.2d 1079, 1102-1103 (Com'r Pat. & Trademarks, Jan. 2, 2003); *NLRB v. Johnson*, 322 F.2d 216, 219-220 (6<sup>th</sup> Cir. 1963)(An agency may not change theories midstream without giving respondents reasonable notice of the changes); *Rodale Press, Inc. v. FTC*, 407 F.2d at 1256-1257 (where agency wishes to change theories, remedy is to provide the respondent an opportunity to present argument under the new theory of violation).

However, a violation was upheld by the Supreme Court where the recommendation for discipline was based on reasoning different from that charged, but the attorney was put on sufficient notice of the charges and had sufficient opportunity to respond to them. *Zauderer v. Office of Disciplinary Council of the Supreme Court of Ohio*, 471 U.S. 626, 654 (1985). Where the theory of violation proved at the trial varies from that indicated in the complaint, an attorney may be sanctioned under that theory where he is on notice of the nature of the charges and is not lulled into a false sense of security and thereby trapped by his own testimony. *In re Slattery*, 767 A.2d 203, 212 (D.C. App. 2001)(where allegations indicated theory of theft by trick but also suggested, and evidence showed, theft by conversion, attorney was properly sanctioned for criminal act of theft which reflects adversely on attorney's honesty, trustworthiness or fitness to practice, as he was aware of nature of charges and on notice that theft is a violation of ethics rules and not lulled into false sense of security and trapped.). Where a particular theory or disciplinary rule is not cited in an attorney disciplinary complaint, but the facts cited therein give the respondent sufficient notice of the improper conduct and potential violation of the rule, and the respondent does not object to the evidence of such conduct at the hearing, the remedy is to deem the complaint amended to conform to proof. *In re Vincenti*, 704 A.2d 927, 941 (NJ 1998).

In the present case, Respondent contends that allegations with the words "false evidence" in Paragraph 19 of the Complaint were the charges it defended against, but that in OED's Post-Hearing Brief, OED does not include those words in referring to the allegations of violation of Rules 10.23(a)(4), (a)(5) and (a)(6). OED has not changed theories, as it still maintains in its post-hearing briefs that GX 2195 constitutes false evidence. Respondent does not claim that any evidence or testimony supporting a new charge or new theory was presented or revealed at the hearing. If OED's post-hearing briefs can be taken to present an alternate theory of liability that omits reference to "false evidence," Respondent has been provided full opportunity to present evidence and argument thereon, and thus has had a full opportunity to meet the charges as stated in the Complaint and as stated in OED's Post-Hearing Brief. Respondent does not suggest any testimony, evidence or argument that he would have presented had OED omitted the reference to false evidence in the Complaint, nor does Respondent indicate that testimony or evidence that he did present was prejudicial to a liability theory which omits reference to false evidence. Respondent has not been lulled into a false sense of security and trapped, as in *Ruffalo*.

Any amendment of the Complaint to reflect any alternate theory of liability would be merely a substitution of the words "false evidence" with "GX 2195." Such an amendment would be unnecessary, however, where "false evidence" is merely a reference to GX 2195 as described



in the preceding detailed allegations in the Complaint and not a finding of fact or conclusion of law necessary for a finding of violation.

In sum, Respondent's argument that Count 1 fails in its entirety because of the reference to "false evidence" in Paragraph 19(a) of the Complaint – and in Paragraphs 19(b) and 19(c) of the Complaint – is without merit.

b. Whether Respondent violated Rule 10.23(b)(4) during the deposition

The Complaint describes GX 2195 and quotes questions and answers from the second Taylor deposition. Complaint ¶¶ 4-11. The Complaint alleges that Respondent admitted that he fabricated GX 2195 from altering the cover page and data sheet of CX 1146, "to look like it reflects the behavior of Genentech's 7.16.4 antibody." Complaint ¶¶ 15-17. The Complaint alleges further that Respondent did not at any time prior or during the second Taylor deposition inform the Board, Chiron or Dr. Taylor that GX 2195 was a fabrication and not reflective of authentic data involving the 7.14.6 antibody, nor did he refer to Exhibit 2195 as a demonstrative aid. Complaint ¶ 18. The Complaint concludes that Respondent "engag[ed] in conduct involving dishonesty, or misrepresentation arising from his creating, introducing and using false evidence during the '048 interference." Complaint ¶ 19(a).

The words "dishonesty" and "misrepresentation" are not defined in the Rules, so their common dictionary definitions are useful as guidance. "Dishonest" is defined as "characterized by lack of truth, honesty, probity, or trustworthiness or by an inclination to mislead, lie, cheat or defraud." *Webster's Third New International Dictionary* at 650 (unabridged). "Misrepresentation" is defined as "[t]he act of making a false or misleading assertion about something, usu[ally] with the intent to deceive," and the dictionary notes that "[t]he word denotes not just written or spoken words but also any conduct that amounts to a false assertion," as "concealment or even non-disclosure may have the effect of a misrepresentation." *Black's Law Dictionary* at 1022 (8<sup>th</sup> ed. 2004)(quoting *Restatement (Second) of Contracts* ¶ 159 cmt a (1979)). See also, *Webster's Third New International Dictionary* at 1445 ("representation by words or other means that under the existing circumstances amounts to an assertion not in accordance with the facts."). Concealment of a material fact, if there is an intent to mislead, may violate attorney disciplinary rules prohibiting conduct involving dishonesty, fraud, deceit or misrepresentation. *Attorney Grievance Comm'n v. Floyd*, 929 A.2d 61, 69-71 (Md. 2007).

There is no question that Respondent, through his written words and the other indications which he marked on GX 2195, and through his conduct, words and non-disclosure during the deposition, made a misleading assertion with the intent to deceive Dr. Taylor into believing that GX 2195 represented information which came from Genentech and/or related to Genentech's antibody. E.g., Tr. 217. Mr. Kelber admitted that he created GX 2195 "to give it a flavor of authenticity" to look like a Genentech document. Jt. Ex. 4, p. 18. Mr. Kelber showed GX 2195 to Dr. Taylor and asked her "Is that evidence that is definitive as to the binding of 7.16.4

[Genentech's antibody] to HER2?," and in response she asked a question about whether the ECD shown in the graph is the external domain of the human HER2, to which Respondent stated "Doctor, I assume so but my testimony – any statements are not testimony to you. It is what it is." With those acts and words, Respondent suggested that GX 2195 represented Genentech data. Respondent did not indicate to Dr. Taylor, Chiron's counsel or the Board before or during the deposition that GX 2195 was not genuine Genentech data. Thus, Respondent's conduct in creating GX 2195, presenting it to Dr. Taylor and examining her on it was a misrepresentation as defined above.

The question is whether there is an exception to Rule 10.23(b)(4) when the misrepresentation occurs through use of a fabricated document during a deposition or cross-examination to test an expert witness for bias. There is no such exception set out in the Rules, in analogous state attorney ethics rules, or in case law interpreting those rules. There is no case or bar association opinion on a fact pattern known to the expert witnesses or parties in this case, or otherwise found, which is substantially the same as the case at hand, involving a fabricated exhibit. Tr. 71-72, 448-449; R's Ex. FFF, pp. 33, 61, 68. The cases which provide guidance on the case at hand -- *Metzger, Thoreen, Friedman, and Statzer* – held that the conduct in question was improper.

Respondent and his expert in legal ethics, Mr. Stephen Braga, asserted that the law is not settled, highlighting the dissenting opinions in *Friedman* and *Metzger*, and the fact that Professor Hazard wrote that the dissent had the better argument in *Metzger*, considering the importance of the truth-finding function. R's Ex. FFF, p. 35. Distinguishing *Metzger*, Mr. Braga asserted that the duty to safeguard the integrity of the fact-finding function is triggered at the trial, whereas the conduct in the present case was not before a tribunal. R's Ex. FFF, p. 37. Furthermore, Mr. Braga stated that he believed that Rule 10.23(b)(4) does not apply to litigation misconduct. R's Ex. FFF, pp. 30, 62, 99. Mr. Braga characterized the deposition as a "preliminary deposition" taken during discovery, and therefore a "much, much easier" ethical issue than trial testimony before a tribunal such as in *Metzger*, albeit he indicated that he was aware that a deposition in interference proceedings is evidence and that there is no live testimony to be presented to the Board. R's Ex. FFF, pp. 14, 36, 37, 39, 46, 48, 61, 64. He opined that Respondent's conduct did not violate any disciplinary rules.

However, attorneys have been held in violation of disciplinary rules prohibiting conduct involving dishonesty, fraud, deceit, or misrepresentation where the misrepresentation was made to witnesses or clients who were not in a courtroom. *Statzer*, 800 N.E.2d at 1122 (attorney violated rule prohibiting conduct involving dishonesty or misrepresentation where she by labeling and referring to audio cassette tapes placed near witness during deposition, attorney implied she had recorded conversations that could impeach the witness); *Prince Georges County Bar Ass'n v. Blanchard*, 345 A.2d 60 (Md. App. 1975)(attorney violated the rule where he kept for himself a portion of a survey fee charged to clients without disclosing to them that he received a portion); *In re Disciplinary Proceedings against Hetzel*, 346 N.W.2d 782, 784 (Wisc. 1984)(attorney violated the rule for advising a witness in a letter that the state was not pressing a

case); *Attorney Grievance Comm'n of Maryland v. Smith*, 2008 Md. LEXIS 318 (Md. App., June 13, 2008)(attorney held in violation of the rule for misrepresenting his identity to a witness (impersonating a police officer) on a phone message); *see also*, *Office of Disciplinary Counsel v. Price*, 732 A.2d 599 (Pa. 1999)(attorney sanctioned for misrepresentation where he completed for his client and submitted to the public welfare office medical evaluation forms required to be completed by medical provider and signed his name prefixed by "Dr." and suffixed by "J.D."). Respondent's argument that the law was not well settled on this issue at the time of the second Taylor deposition is undermined by the decisions, *Blanchard* and *Hetzel*, issued many years prior to that time. Moreover, as Professor Morgan stated, "the tribunal gets its information through witnesses and documents and, therefore an effort to . . . be dishonest toward a witness is in effect an effort to be dishonest toward a tribunal." Tr. 411. Respondent's conduct is thus not excluded from the scope of Rule 10.23(b)(4) on the basis that it occurred in a deposition or that neither the opposing counsel nor the tribunal was misled.

*Terry, supra*, does not suggest a contrary conclusion. In that case, a witness testified that a certain computer record, a transactional journal, could not be altered. The attorney had a transactional journal fabricated, and showed it to the witness, referring to it as a transactional journal, and asked the witness to compare the number on it with a handwritten ticket which apparently corresponded to the journal, to impeach his credibility. When he answered, without questioning whether it was a genuine transaction journal, the attorney told the witness that it was a computer-generated counterfeit. The reviewing court held that it was an abuse of discretion for the trial court to prevent impeachment of the witness with the fabricated document. *Terry*, 718 So.2d 1115 at 1118, 1124. The attorney in fact identified the exhibit as counterfeit during the cross-examination, immediately after questioning the witness about the exhibit, and the courts did not address the issue of whether the attorney engaged in conduct involving dishonesty or misrepresentation.

The next question is whether Respondent's conduct should be excluded from the scope of Rule 10.23(b)(4) on the basis of an attorney's duty to represent his client zealously. Mr. Braga testified that "it is vitally important to cross-examine an expert as thoroughly as one can," and that "with respect to experts, one always starts off with a presumption that there is some element of bias in the equation because the experts are all being paid for their time." R's Ex. FFF (Braga Deposition, July 10, 1007), pp. 20, 22. He explained that Rule 10.23 is derived from Ethical Canon 1 of the American Bar Association's Model Code of Professional Responsibility, entitled "A Lawyer Should Assist in Maintaining the Integrity and Competence of the Legal Profession," which, he opined, is very broad and "too hard to define," but that Canon 7, entitled "A Lawyer Should Represent a Client Zealously Within the Bounds of the Law," is specific guidance for litigation, and therefore, he opined, the tribunal should look to the disciplinary rules under Canon 7. R's Ex. FFF, pp. 28-32. Where there are doubts as to the bounds of the law, the balance tips in favor of the client, Mr. Braga testified, citing to Ethical Consideration 7-3 under Canon 7.<sup>10</sup>

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<sup>10</sup> Ethical Consideration 7-3 states that, "While serving as advocate, a lawyer should resolve in favor of his client doubts as to the bounds of the law."

R's Ex. FFF, pp. 40-41. Furthermore, he testified, where the exhibit was never offered or relied upon as evidence on the merits of the case, it does not undermine the integrity of the fact-finding process. *Id.*, p. 48. Mr. Braga testified that testing bias is distinct from attacking credibility, that getting a witness to prove bias with her own testimony is much more effective for probing and proving bias than other techniques, that typically wide latitude is allowed on the topic of bias, and that the attorney has the duty to zealously represent his client, and not to "tiptoe though it in the nicest way possible." *Id.*, pp. 43-46.

The Hazard treatise cited by Respondent does not address the facts at issue, and Respondent's inferences drawn from the treatise are inapt. Tactics which do not involve misrepresentation may be permissible unless proscribed by prior case law, but misrepresentation is proscribed by rule. Rule 10.23(b)(4) forbids misrepresentation, so there is no assumption that a particular type of misrepresentation is permitted until the Board rules that it is impermissible. The Kestler publication cited by Respondent indicates that use of fabricated information may be used in cross-examination as bait to trap the lying witness, but use of fabricated information may not necessarily constitute misrepresentation where precautions are taken such as use of fabricated information within a hypothetical question. Respondent's conduct cannot be compared to posing a hypothetical question to a witness, because a hypothetical, even one with no basis in fact, is not a misrepresentation as it is not presented as factual. Kestler presumably refers to cross-examination in court before the fact-finder, in which objections, motions to strike and rulings thereon would discourage an attorney from making misrepresentations in violation of ethical rules.

Professor Morgan opined that "all of [the relevant cases] consistently say you can't engage in dishonest conduct. You can't in the course of cross-examination or examination attempt to fool the witness in the manner that [Respondent] did in this case." Tr. 337. He explained, comparing the present case to the *Statzer* case:

When you deceive somebody and make them think that something is true you get them nervous. You get them upset. You get them wondering what the heck is going to be sprung on you next. . . . [W]hen you submit something to a scientist that she believes she's never seen before that is arguably different or is different that she's seen and that her lawyer has not shown her, you create that kind of intimidation, that kind of threat or concern that rather than getting you better testimony [you] may get . . . less specific . . . less reliable evidence than you might otherwise get.

Tr. 351-352. This type of confusion or intimidation is distinct from that involved in rigorous cross-examination in which a witness may be confused and intimidated by the mere questioning of counsel. The difference is in the long-standing rules of litigation and the normal expectations of compliance with those rules. Witnesses anticipate rigorous cross-examination, tricky and confusing questions and confrontational behavior on the part of the cross examiner. Witnesses do not anticipate, however, a fabricated document to be presented to them in a deposition or

cross-examination. Witnesses, particularly expert witnesses, are generally aware that documents produced in litigation must be authentic and that there are severe sanctions for presenting forged or fake documents, and therefore they assume that documents presented in litigation are in fact genuine. In examination of expert witnesses where scientific data is closely scrutinized and evaluated, reliance on a system of honesty in presenting genuine data is of utmost importance. In cross-examination, the witness is under the stress of having virtually no time to evaluate and analyze the document and to consider the question before having to answer it, in addition to the general stress of cross-examination. The presentation of fabricated scientific data assumed by an expert witness to be genuine thus causes confusion and impairment of judgment above and beyond the confusion expected in a rigorous cross-examination, to the point of damaging the reliability and probative value of even an honest and unbiased witness' testimony, and obstructing the truth-finding function.

The damage from misrepresentation with a fabricated exhibit is illustrated with Respondent's example presenting wine from different bottles to a wine expert qualified to distinguish wines based on qualities and characteristics of the wine. If the labels of wines were switched and the expert, not knowing or suspecting the labels to be switched, was asked to taste and identify the wine, his ability to identify the wine likely would be undermined by confusion resulting from the misrepresentation of the wine by its label, his assumption that the bottle is properly labeled and the strong suggestion of the type of wine by the label, particularly if the expert were subjected to stress analogous to an expert witness being cross examined. If the labels were simply removed, or if the witness were told that the labels were affixed arbitrarily, no such misrepresentation and confusion is involved. *See*, Tr. 421-424, 453-455.

The damage could be mitigated if the attorney gives opposing counsel advance notice of the fabrication (or switched labels), and the expert is then told about it immediately after the probing questions, so that further examination by the opposing counsel could address the reliability of the testimony based on the misrepresentation and thereby safeguard the integrity of the truth-finding function of the proceeding. Tr. 455-457. Indeed, in *Terry*, after questioning the witness about the document, the attorney immediately revealed to the witness that the document was fabricated. 718 So.2d at 1124. However, in the present case, Respondent did not take any such action to mitigate the damage. Respondent's failure to do so underscored the misrepresentation.

This damage applies to depositions in interferences as well as in cross-examination before a tribunal. As Professor Morgan testified regarding the *Statzer* case, "action in a deposition is an extension of action before a tribunal and is subject to the same high standards of professional conduct as exist if the case is being heard by a judge directly." Tr. 350.

Moreover, arguably a deposition in an interference proceeding is subject to an even higher standard of professional conduct. A deposition in interference proceedings constitutes the cross-examination testimony of a witness, analogous to that presented in court before a judge. Such a crucial role in the proceeding, combined with the lack of the judge's presence, renders

honesty, trustworthiness, reliability and compliance with procedural rules, guidance and accepted practices of more importance during a deposition in an interference than during cross-examination in a courtroom or during a deposition in other types of proceedings. As the court stated in *Statzer*, “[b]ecause there is ordinarily no presiding authority, it is even more incumbent upon attorneys to conduct themselves in a professional and civil manner during a deposition,” and “[a]ny deposition that is to be used as evidence . . . [is] to be conducted as if before a tribunal.” 800 N.E.2d at 1122 (citations omitted). A heightened standard for honesty, trustworthiness and reliability during depositions in interferences is reflected in Section 46 of the Standing Order, which includes detailed guidelines for attorney conduct during the deposition, including instructions not to challenge objections, not to object or comment to suggest answers to a witness, not to confer off the record, and not to discuss documents with the witness privately. Jt. Ex. 16, pp. 32-36.

It is concluded therefore that Respondent engaged in conduct involving misrepresentation in violation of Rule 10.23(b)(4) in his presentation and use of GX 2195 during the second Taylor deposition.

c. Whether Respondent violated Rule 10.23(b)(4) after the deposition

The Complaint includes among the background factual allegations stated therein details regarding the emails exchanged by Chiron’s counsel and Respondent after the second Taylor deposition. Complaint ¶¶ 12-14. The Complaint then alleges that Respondent’s conduct violated “Rule 10.23(b)(4) by engaging in conduct involving dishonesty, or misrepresentation arising from his creating, using and introducing false evidence during the ‘048 interference.” Complaint ¶ 19(a). The following paragraph alleges a violation of Rule 10.23(b)(5) based on “conduct . . . arising from his creating, using and introducing false evidence, and not immediately informing opposing counsel how the evidence was created.” Complaint ¶ 19(b). The fact that Paragraph 19(b) specifically refers to conduct after the deposition and that such direct reference is absent from Paragraph 19(a), does not mean that an allegation of violation under Rule 10.23(b)(4) arising from conduct occurring after the deposition is excluded from Paragraph 19(a).

Pleadings are to be liberally construed. *Conley v. Gibson*, 355 U.S. 41, 47-48 (1957). The Complaint provided sufficient notice of the specific conduct after the deposition and all of the regulatory provisions alleged to have been violated. The language of Paragraph 19(a) “conduct . . . arising from his creating, using and introducing false evidence” (emphasis added) encompasses Respondent’s conduct after the deposition. The parties had full opportunity to present evidence on the alleged conduct after the deposition, Respondent had full opportunity to present argument on whether his conduct after the deposition constitutes a violation of Rule 10.23(b)(4), and Respondent does not suggest that any testimony or evidence that was presented prejudiced his defense against allegations regarding Rule 10.23(b)(4). See, *Phelps v. Kansas Supreme Court*, 662 F.2d 649, 650-51 (10<sup>th</sup> Cir. 1981)(violation of a disciplinary rule not charged in complaint properly found where conduct was part of one continued and integrated pattern of

misconduct in a litigation, attorney had full knowledge that those actions were basis for disciplinary proceedings, and he had full opportunity to present his defense); *cf.*, *In re Ruffalo*, *supra*.

Turning to the merits of whether Respondent may be held liable for violating Rule 10.23(b)(4) based on conduct involving dishonesty or misrepresentation in the email exchange with Chiron's counsel, the first question is whether Respondent's statements in his emails constitute "misrepresentation" or "dishonesty." Respondent's October 5<sup>th</sup> email stated, in pertinent part, "We never made any representation that the document in question, 2195, was an actual Genentech laboratory notebook, or corresponded to any notebook. . . . As far as I am aware, the exhibit does not correspond to any original notebook anywhere." C's Ex. 4. His October 7<sup>th</sup> email stated, "As previously noted, it is not a Genentech document. As far as I know, it does not correspond to an actual experiment. That is not to say that it does not, I am simply unaware of any." *Id.*

OED's position is that the statement "we never made any representation that . . . 2195, was an actual Genentech laboratory notebook . . ." is dishonest or a misrepresentation where the appearance of GX 2195 "say[s] so for him." C's Brief at 43. While GX 2195 was designed to look like it came from a Genentech notebook, it in fact did not represent that it corresponded to any actual Genentech notebook, as the numbers on GX 2195 did not correspond to an actual Genentech notebook. Tr. 272-273. Moreover, a reasonable interpretation of Respondent's statement would be that he never explicitly made any oral or written affirmative assertion that GX 2195 corresponded to any actual Genentech notebook, which is technically true.

Respondent's words "As far as I am aware," "As far as I know" and [t]hat is not to say that it does not [correspond to an actual experiment], I am simply unaware of any" imply that GX 2195 could *possibly* "correspond to" an actual Genentech experiment or notebook, which would be a serendipitous discovery to say the least. Moreover, these non-committal "wiggle" words appear to have been used by Respondent in an attempt to initially avoid unambiguously stating that he created the document. As such, Respondent's emails can be characterized as evasive and equivocal, containing partial truths, delaying disclosure that he created GX 2195.

A violation of engaging in conduct involving misrepresentation, dishonesty, fraud or deceit can be based on non-disclosure or concealment of material facts together with an *intent to mislead*. *Attorney Grievance Comm'n v. Floyd*, 929 A.2d at 69-71. However, there is no indication from any other evidence in the record that Respondent really intended to mislead Chiron's counsel into believing that GX 2195 represented a genuine experiment. As discussed above, the record supports a finding that Respondent created GX 2195 to look authentic enough for Dr. Taylor, but not authentic enough to lead Chiron's counsel to believe that GX 2195 was from an actual Genentech notebook, particularly where Respondent did not attempt to authenticate it in the deposition. Tr. 218-221, 267-274; Jt. Ex. 2, pp. 21-22; Jt. Ex. 13, pp. 197, 199. Mr. Walters' emails to Respondent suggest that Mr. Walters was not fooled, that he knew that GX 2195 was not genuine data, by his references to "what appears to be a Genentech

laboratory notebook,” that GX 2195 “was apparently designed to look like ‘an actual Genentech document,’” and inquiries “[w]ho created the document?” C’s Ex. 4. Respondent’s words in his emails could be taken as an overly-cautious acknowledgment that by some extremely slim chance GX 2195 could “correspond to,” or be *similar* to, an actual experiment that Respondent never saw, considering lawyers’ frequent need for disclaimers in the legal context. Yet even Respondent deemed it highly unlikely, as he acknowledged that “when you take two antibodies and you expose them to the same potential antigen you do not get point for point identical results.” Jt. Ex. 13, p. 199. Considering the unusual nature and presentation of GX 2195, and thus the likelihood that Chiron’s counsel would question Respondent about it, and considering that Respondent admitted in an e-mail sent just days later that “counsel created the document,” it is not clear that Respondent actually consciously intended to mislead Chiron’s counsel in the emails about GX 2195 or its origin. Rather, it appears that Respondent merely intended to delay affirmatively and explicitly acknowledging the origins of the document as had already been correctly surmised by Chiron’s counsel from its appearance.

In addition, to find a violation of engaging in conduct involving dishonesty, fraud, deceit or misrepresentation by evasiveness or non-disclosure, the attorney must have a duty to disclose the information, such as a fiduciary duty, submissions to a court, responses to discovery requests, or statements under oath. “Fraud may consist of omission or concealment of a material fact if it is accompanied by intent to deceive under circumstances which create the opportunity and the duty to speak.” *State ex re. Nebraska State Bar Ass’n v. Douglas*, 416 N.W.2d 515, 530 (Neb. 1987), *cert. denied*, 488 U.S. 802 (1988)(State Attorney General, who had duty to the public to make full disclosure of information sought in interview, answered with equivocal statements, half-truths which created false impression on material fact, constituting fraud by concealment) (quoting *Tan v. Boyke*, 508 N.E.2d 390 (Ill. App. 1987); *The Mississippi Bar v. Land*, 653 So.2d 899, 909 (Miss. 1999)(to find a violation, court must find that attorney had a duty to disclose the information and that he purposely failed to disclose it or misrepresented the information; attorney held in violation for misleading answers to interrogatories highly material to case); *Plaintiff’s Baycol Steering Committee v. Bayer Corp.*, 419 F.3d 794, 806 (8<sup>th</sup> Cir. 2005)(attorney engaged in dishonest conduct by attempting to cover up fact that he filed a declaration and motion to intervene without knowledge, consent or signature of proposed intervenor/declarant, representing that his signature was “on file” when it was not, only disclosing facts to court and opposing counsel when the latter requested the signature); *In re Slattery*, A.2d 203, 214 (D.C. App. 2001)(attorney found in violation for failure to disclose to account owner organization withdrawal of funds from its account, where he had fiduciary duty, and deceitfully suppressing facts when asked about it in a deposition).

OED has not shown that Respondent had a legal duty to *immediately* disclose information about GX 2195 to opposing counsel when asked about it by email. The email was not a formal legal request such as a discovery request, court order, or request for information pursuant to law. The general professional responsibility rules for attorneys do not set forth any ethical duty to disclose the origin of a document upon informal inquiry by opposing counsel. DR 7-102(A)(3) of the Model Code of Professional Responsibility provides that a lawyer shall not “[c]onceal or



knowingly fail to disclose that which he is required *by law* to disclose” (emphasis added). Rule 3.4(c) and (d) of the Model Rules of Professional Conduct prohibits a lawyer from “unlawfully obstruct[ing] another party’s access to evidence or unlawfully alter[ing], destroy[ing] or conceal[ing] a document or other material having potentially evidentiary value” (emphasis added), and from “fail[ing] to make reasonably diligent effort to comply with a *legally proper discovery request* by an opposing party” (emphasis added). Rule 4.1 of the Model Rules of Professional Conduct prohibits failure to disclose a material fact when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, and commentary to that Rule states that “A lawyer is required to be truthful when dealing with others on a client’s behalf, but generally has no affirmative duty to inform an opposing party of relevant facts.” Courts have held, however, that an attorney has a duty to disclose to opposing counsel significant facts that would affect settlement negotiations. *Virzi v. Grand Trunk Warehouse and Cold Storage Co.*, 571 F. Supp. 507 (E.D. Mich. 1983)(attorney owes duty of candor and fairness requiring disclosure of client’s death to opposing counsel, prior to negotiating a final settlement agreement); *Nebraska State Bar Ass’n v. Addison*, 412 N.W. 2d 85 (Neb. 1987)(attorney failed to disclose existence of \$1 million umbrella policy which would have been available as a source of recovery).

Rule 10.23 specifies that conduct which constitutes a violation of Rule 10.23(a) and (b), includes “[k]nowingly giving false or misleading information . . . to: [a] client in connection with any . . . business before the [PTO]” or to “[t]he [PTO] Office or any employee of the [PTO] Office.” Notably, the Rule does not include giving false or misleading information to an opposing party or its counsel, which appears to reflect the lack of fiduciary duty and lower level of obligation an attorney has to opposing counsel compared with obligations to the client and tribunal, as indicated in the Model Code and Model Rules. OED has not pointed to any legal requirement for an attorney to disclose information about an exhibit upon email inquiry from opposing counsel.

The cases cited by OED concern situations in which the attorney had a legal duty to disclose information, *viz.*, information required on pleadings, answers to interrogatories, and responses to court inquiries. In *Attorney Grievance Comm’n of Maryland v. Goodman*, 850 A.2d 1157, an attorney misrepresented on a complaint that another attorney was representing his client, rather than listing his own name. In *re Griffith*, 800 N.E.2d 259, an attorney’s answer to interrogatories submitted on behalf of his client misrepresented that his client had no knowledge of a certain fact, and the court noted that material omissions in affirmative discovery requests are a form of misrepresentation which constitutes an ethical violation. In *State ex rel. Okla. Bar Ass’n v. Miskovsky*, 832 P.2d 814, the attorney misrepresented the status of a client’s funds to the court as well as opposing counsel. In all of these cases, the attorney misrepresented information either to a tribunal or under oath which he was required by law to disclose. OED has not pointed to relevant case law, nor has any been otherwise found, which would support a finding that Respondent’s failure to respond to Chiron’s counsel’s emails with immediate disclosure of the true origins of GX 2195, and/or his brief use of evasive and equivocal responses thereto, would rise to the level of constituting dishonesty or misrepresentation in violation of Rule 10.23(a)(4).

Cases in which an attorney was sanctioned for misrepresentation or dishonesty only to opposing counsel involve affirmative misrepresentation or deceit rather than evasive, equivocal responses. *In re Conduct of Bennett*, 14 P.3d 66 (Ore. 2000)(attorney misled opposing counsel into paying additional funds to which he was not entitled); *Monroe v. The State Bar of California*, 358 P.2d 529, 533 (Cal. 1961)(attorney suspended for misrepresenting to opposing counsel that certain funds would be deposited in escrow when they were not deposited); *In re Tassio*, 174 A.2d 166 (N.Y. 1992)(attorney had client's affidavit notarized, and when client recanted testimony, attorney pre-dated the notarization and delivered it to district attorney); *Committee on Prof. Ethics & Conduct of Iowa State Bar Ass'n v. O'Donohoe*, 426 N.W.2d 166 (Iowa 1988)(attorney backdated deed for client, deliberate misstatement of facts, misleading opposing counsel and public); *Hallinan v. State Bar of California*, 200 P.2d 787 (Cal. 1948)(attorney led opposing counsel to believe that the client signed documents where the attorney simulated the client's signature, albeit under power of attorney); *Allen v. State Bar of California*, 226 P.2d 569 (Cal. 1951)(attorney misled opposing counsel as to signatures on documents, intentionally deceiving opposing counsel).

It is concluded that OED has not established that Respondent violated Rule 10.23(b)(4) on the basis of his emails to Chiron's counsel.

d. OED's allegations regarding lying to the Board

The Complaint does not include any allegations that Respondent lied, misrepresented or was dishonest to the Board. OED did not move to amend its Complaint to add any such allegations. The facts cited in the complaint do not give any notice of conduct involving dishonesty, misrepresentation, fraud or deceit to the Board. There is no other indication in the record that any such allegations were known by Respondent before the hearing commenced. Furthermore, without any such notice, Respondent had no meaningful opportunity to litigate such allegations at the hearing, and may be prejudiced in having allowed any testimony relevant to such allegations without notice that it may be used in support of such new allegations. Therefore, any allegations regarding lying, misrepresentation, dishonesty, fraud or deceit to the Board are not relevant to liability in this proceeding. See, *In re Ruffalo*, *supra*.

Assuming *arguendo* such allegations were relevant to liability in this proceeding, OED has not established by clear and convincing evidence that Respondent lied, misrepresented or was dishonest to the Board. Respondent's statement that "Taylor has stated under oath that identical data, presented in an identical way, proves that 520C9, but not 7.16.4 binds HER2," suggests reference to a graph identical to GX 2195, although it does not specifically refer to CX 1145 or CX 1146. *Jt. Ex. 15*, pp. 7-8. Dr. Taylor stated in a deposition dated June 13, 2003, "I believe that the Genentech company . . . got 520C9 . . . and also showed that it bound to [HER2]." *Jt. Ex. 18*, pp. 72-73.

As discussed above, the evidence shows that Dr. Taylor reviewed the Fendly report (*Jt.*

Ex. 10), which included a graph (Jt. Ex. 10 Bates G-CRNP 0105 00029) similar to CX 1146 (Jt. Ex. 11). Jt. Ex. 18, pp. 72-73; R's Ex. Q, p. 3; R's Ex. R, p. 19; R's Ex. S, p. 13; R's Ex. T, p. 7; R's Ex. U, pp. 7-8; R's Ex. V, pp. 11-12; R's Ex. W, p. 14; R's Ex. X, p. 11. It is not unreasonable to assume that a scientist reviewing the report would also review a graph therein summarizing data. This evidence is sufficient to form a basis for Respondent to believe that Dr. Taylor reviewed the graph in the Fendly Report.

#### **E. Arguments, Discussion, Findings and Conclusions as to Rule 10.23(b)(5)**

The Complaint (¶ 19(b)) alleges that Respondent violated 37 C.F.R. § 10.23(b)(5) "by engaging in conduct that is prejudicial to the administration of justice arising from his creating, introducing and using false evidence during the '048 interference, and not immediately informing the opposing counsel how the evidence was created."

Rule 10.23(b)(5) provides that a practitioner shall not "[e]ngage in conduct that is prejudicial to the administration of justice."

##### **1. The Parties' Arguments**

OED points out that "conduct prejudicial to the administration of justice" means that the act "hampered the efficient and proper operation of the courts or of ancillary systems upon which the courts rely," citing *Iowa Supreme Ct. Bd. of Prof'l Ethics & Conduct v. Steffes*, 588 N.W. 2d 121, 123 (Iowa 1999). The Board found that Respondent prejudiced the administration of justice by his actions during and after the deposition. Jt. Ex. 1 at 27. OED argues that Respondent's failure to inform the Board of his intent to use a fabricated exhibit undermined its ability to control the proceeding and he should have obtained the Board's consent before introducing GX 2195, citing Jt. Ex. 1 at 27 and *Thoreen*, 653 F.2d at 1341. As the Board found, Respondent's conduct in questioning Dr. Taylor about GX 2195 violated the presumption in interference proceedings that parties "act in good faith based upon the facts and evidence as they understand it." Jt. Ex. 1 at 28. Respondent's failure to reveal that GX 2195 was fabricated during the deposition deprived Mr. Walters of an opportunity to rehabilitate Dr. Taylor at the deposition, and was thus "patently unfair." C's Brief at 46. Furthermore, Chiron alleges it spent "two weeks, many hours and thousands of dollars in employee hours" searching the evidence of record to find the truth about GX 2195. *Id.* (citing C's Ex. 4, p. 1, C's Ex. 2, p. 7). The Board found that if Respondent told the truth about GX 2195 or directly answered Chiron's requests, it would not have gone to that time and expense. Jt. Ex. 1 at 27. The Board stated that allowing manufactured evidence whenever there is an alleged bias during an interference would negatively impact the deposition process and that the witness' testimony would become tainted, potentially being based in whole or in part on the manufactured evidence. *Id.* at 28.

Respondent asserts that OED is relying on new theories in its Post-Hearing Brief that were not included in the Complaint, contrasting the language of the Complaint Paragraph 19(b)

with the allegations in OED's Post-Hearing Brief. R's Brief at 27-28. Respondent notes that OED's allegation that his failure to inform the Board of his intent to use a fabricated exhibit undermined the Board's ability to control the proceeding is based solely on the Board's decision on inappropriate conduct, which in turn was based on *Gerritsen v. Shirai*, 979 F.2d 1524 (Fed. Cir. 1992). Respondent distinguishes that case, pointing out that it involves a regulation requiring a motion, whereas there was no rule requiring Respondent to inform the Board as to his intended deposition tactics. R's Brief at 32-33. Respondent argues that he was not obligated to afford Chiron's counsel an opportunity to rehabilitate Dr. Taylor's credibility, as there is always one party which has the last opportunity to propound questions, and moreover, the Board did not refer to rehabilitation in its order on the motion for sanctions. *Id.* at 33. Respondent asserts that statements in Chiron's filings in the '408 Interference are hearsay and should not be relied upon, that any form of litigation is expensive, and that there is no evidence that his conduct increased the cost of interference proceedings for Chiron. R's Brief at 33-34.

In its Reply, OED asserts that where there were no rules, statutes or case law to authorize the conduct of presenting a fabricated document, Respondent should have, as the Board indicated, given it the opportunity to consider whether the ruse was an appropriate method of testing Dr. Taylor's credibility and to issue any appropriate orders to ensure the Board or opposing counsel were not mislead. C's Reply Brief at 12 (citing Jt. Ex. 1 at 27-28). OED points out that redirect examination following cross-examination is an important part of the fact-finding process, as admitted by Respondent's expert witness, Mr. Braga. *Id.* (citing R's Ex. FFF at 107-108). OED points out Chiron's assertions as to its time spent responding to the fabricated document (citing C's Ex. 4 at 1; C's Ex. 28 at 7). Respondent did not challenge before the Board Chiron's statement, the Director points out, and, given what GX 2195 appears to depict, "any diligent attorney" would "marshal its resources and scour the record" to find out more about the exhibit. *Id.*

## 2. Discussion, Findings and Conclusion

Paragraph 19(b) of the Complaint is a broad allegation which encompasses OED's arguments regarding liability under Rule 10.23(b)(5) as set forth in its Post-Hearing Brief. "[C]onduct . . . arising from his . . . using" GX 2195 "and not immediately informing the opposing counsel how the evidence was created" is a brief summary of facts which are alleged to be "prejudicial to the administration of justice" and thus an alleged violation of Rule 10.23(b)(5). Therefore, Respondent's argument that OED raises new theories not included with the Complaint has no merit.

The question presented is whether Respondent's use of GX 2195 during the second Taylor deposition and his failure to disclose the origin of it before, during or after the deposition, until the third email inquiry from Chiron's counsel, "hampered the efficient and proper operation of the courts or of ancillary systems upon which the courts rely." *Iowa Supreme Ct. Bd. of Prof'l Ethics & Conduct v. Steffes*, 588 N.W. 2d at 123.

There is no rule governing interference proceedings which sets forth any requirements for demonstrative aids or fabricated documents. However, the lack of a rule limiting or prohibiting certain specific conduct is not an implied authority to engage in such conduct, even if pursuant to an attorney's duty to zealously represent his client, where the conduct violates a broad prohibition set forth by rule. The fact that there is no rule applying specifically to demonstrative aids does not authorize use of a demonstrative aid in a way that violates the rule prohibiting conduct which is prejudicial to the administration of justice.

Respondent did not reveal the origin of GX 2195 before or during the deposition because he was concerned that it would "give the other side the opportunity to ask questions and dispel the testimony," particularly where "Dr. Taylor is a very adept witness" who would have "gone back and said that's not what I meant." Jt. Ex. 13, pp. 197-198. He testified that "Dr. Taylor would have had an immediate opportunity to expand, reverse, characterize her testimony. Counsel would have had an opportunity to redirect in that same deposition." Tr. 222-223. He did not reveal the origin of GX 2195 *after* the deposition because –

[T]here would have been ample opportunity to either file a correction to the testimony or more probably file a declaration before or with replies which would [have] . . . addressed that, the nature of 2195 preemptively. I wanted to present at the period of replies this hopefully striking evidence of Dr. Taylor's bias . . . so that that would be the nature of Dr. Taylor's testimony going into final hearing.

Tr. 224-225. In other words, Respondent's intent was to present evidence of bias and avoid giving Chiron any opportunity to rebut the claim and rehabilitate Dr. Taylor. When the Board asked why he did not reveal the origin of GX 2195 just after the deposition, he stated that he did not get the transcript until several days later, and he was evaluating whether to use the deposition at all. Jt. Ex. 13, p. 198. It may be inferred that he was considering not submitting the deposition to the Board, and thus would avoid having to explain the creation of GX 2195. He indicated that he would have explained it in his reply brief if he did choose to submit the deposition to the Board. Tr. 22; Jt. Ex. 13, pp. 198-199.

Mr. Braga testified that in his opinion, Respondent could close the deposition without disclosing that GX 2195 was a demonstrative "in order to complete his effective bias impeachment of Dr. Taylor." R's Ex. FFF, p. 119. He testified further that in his opinion Respondent "could withhold disclosing the actual facts surrounding GX-2195 until the deposition transcript was finalized so as to complete his effort to impeach Dr. Taylor's bias." R's Ex. FFF, p. 120.

Professor Morgan, on the other hand, indicated that denying Chiron a fair opportunity to rehabilitate Dr. Taylor is not consistent with the trial process. Tr. 354-355. He also opined that Respondent's use of GX 2195 in the deposition and his delay in revealing the origin of GX 2195 is inconsistent with PTO's rules, 37 C.F.R. § 1.601, requiring just, speedy, and inexpensive determination of an interference. Tr. 357. His opinion is consistent with that of the Board,

which stated that Respondent's creation and use of GX 2195 in the deposition "undermine[d] the deposition process and interfere[d] with the just, speedy and inexpensive administration of the interference proceeding" and "undermine[d] the Board's ability to control the proceeding" as it was "unable to consider whether or not the ruse was an appropriate method of testing Dr. Taylor's credibility" or to enter any orders necessary to ensure the document did not mislead the Board or opposing counsel, which could result in a settlement based thereon. *Jt. Ex. 1*, pp. 4, 27-28. In addition, the Board indicated that his failure to timely admit to such conduct "detracts from the just, speedy and inexpensive determination of the interference." *Id.*, p. 27.

Respondent attempted to prevent redirect examination or submission of a further affidavit of Dr. Taylor by his failure to obtain advance permission from the Board, failure to reveal to the witness and/or Chiron's counsel at or immediately after the deposition the fact that GX 2195 was not based on a genuine experiment, and his evasive responses to the October 3 and October 5 emails from Chiron's counsel. These efforts resulted in confusion to Dr. Taylor and Chiron's counsel, which may have rendered them unprepared to rebut the testimony and thus may have resulted in testimony which may not represent a full elicitation of relevant facts, which is prejudicial to the administration of justice.

Furthermore, such conduct was prejudicial to the administration of justice on the basis of the waste of time and judicial resources in the interference proceeding. An unidentified and unauthenticated document which appears to address a substantive issue in the case certainly motivates any diligent lawyer to investigate its source. Chiron stated that "[d]iscovering Genentech's fraud and bringing it to the Board's attention through this briefing has taken thousands of dollars worth of attorney time . . . ." C's Ex. 28, p. 7. Chiron's counsel may or may not have spent many hours to conduct such investigation, as the circumstances put him on notice that GX 2195 was not a genuine Genentech document. However, significant time was required for Chiron to prepare the notice to the Board of the conduct, the motion to suppress and motion for sanctions. *Jt. Ex. 19*. Furthermore, significant time was required for the APJs to prepare for and conduct the parts of the conference calls addressing GX 2195 and to review and prepare rulings on the motions. *Jt. Exs. 1, 4, 8, 19, 20*.

The expenditure of such time and resources was wasted on an issue which could easily have been resolved without such expenditure had Respondent not used GX 2195, or had Respondent timely revealed the nature of GX 2195. Therefore, it is found that Respondent engaged in conduct prejudicial to the administration of justice in violation of Rule 10.23(b)(5). *See, e.g. Bender v. Dudas*, 490 F.3d 1361, 1368 (Fed. Cir. 2007), *cert. denied*, 2008 U.S. LEXIS 3813 (April 28, 2008)(respondent's evasive answers to PTO's Request for Information, which hindered PTO's investigation, constitutes violation of Rule 10.23(b)(5)); *In re Shannon*, 876 P.2d 548, 563 (Ariz 1994)(attorney conduct resulting in motion to compel and 5 month delay was waste of resources and conduct prejudicial to administration of justice); *In re Abbott*, 925 A.2d 482 (Del. 2007), *cert. denied*, 2007 U.S. LEXIS 11270 (2007) (waste of judicial resources by disruptive conduct is prejudicial to administration of justice); *In re Stuart*, 22 A.3d 131 (NY 2005)(where judge inquired as to whereabouts of witness and respondent responded on the

record that he did not know, when he had met with witness a few days prior, and thus case had to be retried, respondent held to have engaged in conduct prejudicial to administration of justice).

#### **F. Arguments, Discussion, Findings and Conclusions as to Rule 10.23(b)(6)**

Rule 10.23(b)(6) provides that a practitioner shall not “[e]ngage in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office.” The Complaint alleges (§ 19(c)) that Respondent violated 37 C.F.R. § 10.23(b)(6) by “engaging in conduct that adversely reflect [sic] on his fitness to practice before the Office arising from his creating, introducing and using false evidence during the ‘048 interference, leading the tribunal to find that he committed inappropriate conduct.”

OED argues that creating false evidence, dishonesty, deceit, fraud or misrepresentation during a proceeding adversely reflects on fitness to practice. C’s Brief at 47. OED asserts that Respondent’s deceptive conduct in misleading Dr. Taylor and being evasive rather than telling the truth to Mr. Walters adversely reflected on his fitness to practice. *Id.* at 47-48.

Respondent asserts that the allegation of violation of Rule 10.23(b)(6) rests on the same conduct underlying alleged violations of Rules 10.23(b)(4) and (b)(5), but that the regulation sets out a violation for “*other* conduct that adversely reflects on the practitioner’s fitness to practice before the Office.” 37 C.F.R. § 10.23(b)(6) (emphasis added). Respondent argues that the word “other” precludes the same conduct found to have violated other provisions of Section 10.23(b) from also constituting a violation of Section 10.23(b)(6), citing *Moatz v. Colitz*, 68 U.S.P.Q.2d 1079, 1102-1103 (Com’r Pat & Trademarks, Jan. 2, 2003). R’s Brief at 34 n. 34.

In its Reply, OED asserts that Respondent did not address the merits of this alleged violation in his brief, and thus he “concedes that if his conduct violated §§ 10.23(b)(4) and/or 10.23(b)(5), then he also violated § 10.23(b)(6).” C’s Reply at 14.

Respondent’s point is well taken. The PTO’s appellate tribunal has held that “to be ‘other’ conduct within the scope [of] Section 10.23(b)(6), conduct must not be prohibited by Section 10.23(b)(1)-(5).” *Moatz v. Colitz*, 68 U.S.P.Q.2d at 1102-1103. OED’s position stated in its Post-Hearing Brief and Reply Brief therefore clearly does not support a finding that Respondent violated Rule 10.23(b)(6). The allegation in the Complaint that Respondent engaged “in conduct . . . arising from creating, introducing and using false evidence, leading the tribunal to find that he committed inappropriate conduct,” refers to the same conduct alleged in support of violations of Rules 10.23(b)(4) and (b)(5). OED has not pointed to any conduct other than that prohibited by Rules 10.23(b)(4) and (b)(5) in support of the allegation of violation of Rule 10.23(b)(6). There are no allegations in the Complaint of conduct which does not involve dishonesty or misrepresentation” or is not “prejudicial to the administration of justice” but which

adversely reflects on Respondent's fitness to practice before the PTO.<sup>11</sup> The fact that the conduct led the Board to find Respondent to have engaged in inappropriate conduct does not bring the allegations beyond the scope of dishonesty, misrepresentation or conduct prejudicial to the administration of justice.

Accordingly, Respondent cannot be found liable for violating Rule 10.23(b)(6).

## COUNT II

### A. Factual Background Relevant to Count 2

On behalf of his client, Kaken Pharmaceutical Company, Ltd. ("Kaken"), a Japanese company, Respondent sought, and obtained from the PTO on August 16, 1994, reissuance of Kaken's Patent No. 34,698 directed to a method of producing salinomycin, an antibiotic used in poultry.<sup>12</sup> Tr. 228-29. Subsequently, on December 23, 1994, Respondent, as counsel for Kaken, filed an administrative complaint with the U.S. International Trade Commission ("ITC") against Hoechst Aktiengesellschaft ("Hoechst"), a German company, and others, alleging violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.<sup>13</sup> See, *Certain Salinomycin Biomass and Preparations Containing Same* ("CSBPCS"), ITC Inv. No. 337-TA-370, 60 Fed. Reg. 7069 (Feb. 6, 1995), 1995 WL 41880 (ITC Feb. 6, 1995). That complaint requested that the ITC institute an investigation and thereafter issue orders of permanent exclusion and cease and desist prohibiting the importation into and the sale within the United States of salinomycin biomass and preparations containing same on the basis that such actions infringe upon Kaken's patent. *Id.* On January 31, 1995, the ITC issued an Order instituting an investigation and provisionally accepting the motion for temporary relief, referring it to an ITC Administrative Law Judge ("ALJ"). *Id.* After lengthy hearing, on November 6, 1995, the ITC ALJ issued a 303 page opinion ("ITC ID"), finding *inter alia*, that although Hoechst's fermentation process would infringe Kaken's reissue patent, the patent itself was invalid and unenforceable because of

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<sup>11</sup> This does not indicate untactful drafting of the Complaint; an allegation of violation of Rule 10.23(b)(6) is appropriate for pleading in the alternative to provide a basis for violation in the event evidence does not sustain OED's burden of proof on other paragraphs of Rule 10.23(b).

<sup>12</sup> As provided for by 35 U.S.C. § 251, a patent owner can seek to have its patent reissued to correct an error that occurred "without any deceptive intention." For example, the claims of the patent may be too narrow and, therefore, fail to provide the patentee with all of the protection to which he or she is entitled or too broad and invalid. Narrowing such claims through a reissue application can serve to preserve validity. Reissuance does not extend the term of the patent.

<sup>13</sup> That provision declares certain methods of competition in the import trade unlawful including the importation into and/or sale in the United States of articles which would "infringe a valid and enforceable United States patent." 19 U.S.C. § 1337.



inequitable conduct in its procurement based on the intentional concealment of the best mode of the bacteria SLS-K-7-68 strain, the failure to disclose material prior art in a manner that would enable the PTO to consider it, and the filing of false or misleading declarations in the patent reissue proceedings. *CSBPCS*, ITC Inv. No. 337-TA-370, 1995 WL 1049822 (ITC Nov. 6, 1995). Jt. Ex. 6; Tr. 226-27. Both Kaken and Hoechst appealed the ITC ID.

Thereafter, on or about January 19, 1996, Hoechst filed a Motion for Monetary Sanctions against Kaken and its counsel, which was opposed by Kaken and Respondent, as well as the ITC's Office of Unfair Import Investigations ("OUII"). See, *CSBPCS*, ITC Inv. No. 337-TA-370, 1996 WL 964819 (ITC Mar. 7, 1996). The ITC's OUII asserted that the motion for sanctions was procedurally flawed and Kaken's complaint was "objectively justified." *CSBPCS*, ITC Inv. No. 337-TA-370, 1997 WL 329651 (ITC May 14, 1997); R's Ex. KK.

On February 9, 1996, the Commission declined to review the ITC ID, so that ruling became the Commission's final determination in the case. Tr. 227-28; Jt. Ex. 6; 61 Fed. Reg. 6024 (Feb. 15, 1996), 1996 WL 1056117 (ITC Feb. 9, 1996); 1996 WL 1056309 (June 30, 1996) (Notice and Public Version of ITC ID). See also, 19 C.F.R. § 210.42 (an ITC ID issued by an ALJ "shall become" the determination of the Commission 30 days after the date of service unless the Commission orders review). However, the Commission remanded the sanctions motion back to the ALJ for issuance of a recommended determination. *CSBPCS*, USITC Inv. No. 337-TA-370, 1996 WL 964819 (ITC Mar. 7, 1996).

Subsequently, Kaken appealed the ITC decision to the Court of Appeals for the Federal Circuit, which affirmed it on March 31, 1997. *Kaken Pharm. Co. v. United States ITC*, 111 F.3d 143 (unpublished table decision), 1997 WL 152065 (Fed. Cir. 1997)(full decision); Tr. 228, 230.

In the appellate decision, the Federal Circuit Court stated in pertinent part that --

The ITC found that the '698 patent was unenforceable for inequitable conduct, based on the intentional concealment of the best mode SLS-K-7-68 strain, the failure to disclose material prior art in a manner that would enable the PTO to consider it, and the filing of false or misleading declarations in the reissue proceedings.

With respect to the finding that Kaken concealed the best mode, . . . [s]ubstantial evidence supports the administrative law judge's finding that Kaken intentionally concealed the existence of the SLS-K-7-68 strain throughout the patent application process. . . . and the record supports the administrative law judge's conclusion that the inventors and others at Kaken were aware that the examples in the U.S. application identified the wrong strain.

Moreover, during the reissue proceedings, the examiner objected to the specification under 35 U.S.C. § 112 and noted that "the strains of *Streptomyces albus* used within the examples of the specification have not been properly

deposited." In response to that objection, Kaken's attorney [Respondent Steven Kelber] stated that the "referenced microorganism," the 80614 strain, was deposited and "continues to be available to members of the public without restriction." During his deposition, the attorney admitted that at the time he prepared the response to the PTO, he was aware that the deposited 80614 strain was not the strain used in Example 3. At the hearing before the administrative law judge, the attorney changed his testimony and stated that he became aware of the strain discrepancy only in 1994, after the response to the PTO was filed (although still before the issuance of the '698 patent).

On the basis of all the evidence, the administrative law judge permissibly found that the attorney "knew in 1983 [sic] that Example 3 was performed using the concealed SLS-K-7-68 strain." As the judge further noted, even if the attorney did not learn of the strain discrepancy until 1994, as he testified at the hearing, he still should have brought his prior misrepresentation to the attention of the PTO once he recognized the error. We therefore uphold the decision of the ITC holding the '698 patent unenforceable because of inequitable conduct resulting from the concealment of the SLS-K-7-68 strain from the PTO and misrepresentations concerning the strain used in the specification examples.

The administrative law judge concluded that the '698 patent was unenforceable because "Kaken and Kaken's patent attorney knowingly withheld material information from the PTO and made material misrepresentations to the PTO" relating to the best mode issue, and we uphold that determination. . . .

*Kaken*, 1997 WL 152065 at \*3-4 (emphasis added). No further appeal of the ITC decision appears to have been taken.

On May 14, 1997, the ITC ALJ issued a "Recommended Determination Concerning the Respondent's Motion for Sanctions" ("ALJ RD") recommending that significant monetary sanctions be imposed upon Kaken and its counsel (specifically Steven Kelber and his firm at that time), jointly and severally, for their actions in regard to the reissued patent and the *CSBPCS* litigation. *CSBPCS*, ITC Inv. No. 337-TA-370, 1997 WL 329651 (ITC, May 14, 1997). All parties, as well as the ITC OUII, then filed comments with the International Trade Commission on the sanctions determination in response to which the Commission granted additional briefing and scheduled oral argument. *CSBPCS*, ITC Inv. No. 337-TA-370, 1997 WL 696257 (ITC, Oct. 24, 1997).

On November 5, 1997, the parties in the ITC litigation filed a joint motion for termination of sanctions proceedings based upon Hoechst's withdrawal of its motion for sanctions and a motion to vacate the ALJ RD on sanctions. *CSBPCS*, ITC Inv. No. 337-TA-370, 1998 WL 105247 (ITC Feb. 18, 1998); R's Ex. JJ. In connection therewith the parties indicated to the Commission that they had entered into a "worldwide settlement agreement" and all issues

between them had been resolved. *Id.* By Order dated February 18, 1998, the Commission ruled on the Motions, stating in pertinent part -

Having considered the relevant motions and the responses thereto and the comments filed on the RD, we have determined to grant the parties' joint motion. *The Commission notes, however, that it reserves its authority, in an appropriate case, to pursue sanctions under rule 210.4(d)(1)(ii) without regard to whether there has been a private settlement agreement.* Accordingly, it is HEREBY ORDERED that --

1. The joint motion to terminate the sanctions proceeding *and vacate the RD is granted*; . . .

*Id.* (emphasis added).

Four years later, on or about November 2, 2001, the OED sent Respondent Steven Kelber a letter (2001 Letter) in which it stated in full:

The Office of Enrollment and Discipline has become aware of the decision of the U.S. International Trade Commission in the Matter of Certain Salinomycin Biomass and Preparations Containing the Same, No. 337-TA-370, and the decision in *Kaken Pharmaceutical Company, Inc. v. U.S.I.T.C.*, 111 F.3d 143, 1997 WL 152065 (Fed. Cir. 1997). The decisions, *inter alia*, pertain to your conduct in regard to the prosecution of a certain patent application in 1993 and 1994. In the later decision, the court said:

As the [administrative law] judge further noted, even if the attorney did not learn of the strain discrepancy until 1994, as he testified at the hearing, he still should have brought his prior misrepresentation to the attention of the PTO once he recognized the error. We therefore uphold the decision of the ITC holding the '698 patent unenforceable because of inequitable conduct resulting from the concealment of the SLS-K-7-68 strain from the PTO and misrepresentations concerning the strain used in the specification.

*Id.*, 1997 WL 152065 \*4.

As Director of Enrollment and Discipline, I am informing you that formal action is not being taken with respect to such matter. If action is taken, it must be taken within five years from the date when a claim first accrued. *Johnson v. SEC*, 87 F.3d 484 (D.C. Cir. 1996); *3M Company v. Browner*, 17 F.3d 1453 (D.C. Cir. 1994). It has been more than five years since the occurrence of the events of 1993 and 1994. Accordingly, no formal action is being taken.

Nevertheless, as Director, I believe that you should be aware that the decision can and will be considered in dealing with any complaint or evidence coming to the attention of the Office of Enrollment and Discipline of any violation by you of the Disciplinary Rules of the United States Patent and Trademark Office. See 37 C.F.R. §§ 10.22-10.24, 10.31-10.40, 10.47-10.57, 10.62-10.68, 10.77, 10.78, 10.84, 10.85, 10.87-10.89, 10.92, 10.93, 10.101-10.103, 10.111, and 10.112. For example, if a disciplinary proceeding is initiated based upon a separate event involving a violation of a Disciplinary Rule, 37 CFR 10.132, they may be considered in determining the extent of discipline, if any, to be imposed. 37 CFR § 10.154(b).

Jt. Ex. 7 (emphasis added); Tr. 230-32.

Approximately four years after it issued such letter, on October 25, 2005, the OED wrote to Respondent regarding the matters that are the subject of Count 1 of the instant Complaint, involving the allegation that Respondent fabricated Exhibit GX 2195. Tr. 233-34; C's Ex. 40. OED asked for a response to the Board's opinion and possible disciplinary rule violations connected to the use of GX 2195. C's Ex. 40. On December 12, 2005, through counsel, Respondent submitted a reply to the OED's October 25, 2005 letter, consisting of a three page signed and dated cover letter, a 26 page unsigned, undated document entitled "Statement of Respondent Steven B. Kelber's Position," ("2005 Statement") and a Declaration of Stephen L. Braga, an attorney with the firm of Baker Botts LLP, with his professional opinion on the "litigation ethics" of Mr. Kelber's actions in regard to the *Genentech* matter. Tr. 240-42; Jt. Ex. 5; R's Ex. MM.

Page 23 of the 2005 Statement submitted to the PTO contains the following sentence –

Mr. Kelber respectfully submits that in nearly thirty years of practice, and in more than 150 interferences before the Patent and Trademark Office, including preparation and prosecution of thousands of patent applications, **his fitness to practice before the Office has never been called into question.**

Jt. Ex. 5 (emphasis added); Tr. 246.

On March 31, 2006, OED issued a second letter to Respondent, asking for another response, this time regarding the circumstances surrounding the *Kaken* decision and the 2001 Letter. R's Ex. I. On May 5, 2006, Respondent submitted a second statement to the Board in response to OED's request ("2006 Statement"), explaining his actions while representing Kaken and his statement regarding his fitness to practice in the 2005 Statement. R's Ex. I. Respondent did not discuss the Kaken matter with counsel when preparing the 2005 Statement. Tr. 247-48. In the 2006 Statement, Respondent's counsel stated that "Mr. Kelber has asked us to acknowledge on his behalf that the letter in question [2001 Letter], and the events to which it

refers, escaped his memory during the preparation of his initial submission and should, for the sake of completeness, have been discussed therein. Nevertheless, Mr. Kelber believes that these events did not . . . call into question his 'fitness to practice' before the Office." R's Ex. I.

Count 2 of the Complaint alleges that Respondent engaged in misconduct, in violation of 37 C.F.R. §§ 10.23(b)(4), (b)(6), and (c)(2)(ii), by his inclusion of the assertion in the 2005 Statement that "his fitness to practice . . . has never been called into question" ("Assertion"), while knowing that the statement was false.

#### **B. Disciplinary Rules at Issue in Count 2**

Disciplinary Rules 10.23(b)(4), (b)(6), and (c)(2)(ii) provide as follows:

(b) A practitioner shall not:

\* \* \*

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

\* \* \*

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

(c) Conduct which constitutes a violation of paragraphs (a) and (b) of this section includes, but is not limited to:

\* \* \*

(2) Knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information, to:

\* \* \*

(ii) The Office or any employee of the Office.

37 C.F.R. §§ 10.23(b)(4), (b)(6), and (c)(2)(ii).

#### **C. The Order Denying Respondent's Motion to Dismiss Count 2**

After the Complaint in this matter was filed, Respondent filed along with his Answer a Motion to Dismiss Count 2 of the Complaint as a Matter of Law, and OED filed an Opposition to the Motion. By Order dated May 22, 2007, the Motion to Dismiss was denied.

The May 22, 2007 Order Denying Respondent's Motion to Dismiss Count 2 ("Order") included a lengthy discussion addressing Respondent's arguments. It was concluded therein that "fitness to practice" being "called into question" is not as a matter of law limited to formal

charges, full and fair opportunity to contest the charge, and finding of having engaged in conduct adversely reflecting on his fitness to practice. Therefore, Respondent's Assertion could be found to be untrue even where Respondent was not formally charged. Order at 14. The Order noted that to "call into question" and "fitness to practice" have been used by the courts in the context of an attorney when considering whether certain acts reflected upon an attorney's disposition to act with the requisite level of integrity, professionalism or competence. Order at 13. It was concluded in the Order that the ITC's vacatur of the ALJ's RD on sanctions did not extend to the ICT ID and findings therein as to Respondent having made misrepresentations to the PTO and otherwise engaging in inequitable conduct such as to render the patent legally invalid and unenforceable, which findings were upheld by the Federal Circuit. The doctrines of *res judicata* and collateral estoppel would attach and bar relitigation of the issues decided therein by the parties to that action and those in privity with them. The Order noted that Respondent could have requested intervention before the ITC and/or the Federal Circuit if he felt that his interests were not adequately represented by Kaken. Order at 16. The Order noted further that OUII's position that sanctions were not warranted does not affect the validity of the ITC ID or Federal Circuit's findings regarding Respondent making misrepresentations. *Id.*

The Order reserved for hearing the issue raised by Respondent of whether the Assertion was "immaterial" to the matters at issue in the 2005 exchange of correspondence between Respondent and the PTO, and issues concerning Respondent's intent and proffering of the 2005 Statement and Respondent's counsel's inclusion of the Assertion on Respondent's behalf.

#### **D. Arguments, Discussion, Findings and Conclusions on Count 2**

##### **1. The Parties Arguments**

OED argues that "fitness to practice" is a term of art which has been understood to include an ability to be candid and truthful. C's Brief at 53. OED asserts that either not being truthful, or a misrepresentation with failure to supplement the record with the truth, "calls into question" an attorney's "fitness to practice," citing *Shochet v. Arkansas Board of Law Examiners*, 979 S.W.2d 888, 894 (Ark. 1998), *In re Herndon*, 609 A.2d 682, 686 (D.C. 1992), and *In re Mikus*, 131 P.2d 653, 655 (N.M. 2006). *Id.* OED's position is that Respondent was not truthful when he made the Assertion where his fitness to practice had been called into question on two occasions: when the ITC and Federal Circuit found that Respondent committed inequitable conduct while prosecuting the '698 reissue patent application, and when OED issued the 2001 Letter. The Assertion was dishonest or a misrepresentation in violation of Rule 10.23(b)(4) and was false or misleading in violation of Rule 10.23(c)(2)(ii), and this conduct "also leads to a violation of § 10.23(b)(6)." C's Reply at 18.

OED argues further that materiality is not an essential element of the offense, as none of the provisions Respondent allegedly violated refers to the word "material." OED asserts that when a statute does not expressly provide for materiality as an element of the offense, "then it

should not be said that materiality is an element.” C’s Brief at 57. OED asserts that PTO’s interpretation of its own disciplinary rules is entitled to deference, given controlling weight, unless inconsistent with the regulations. *Id.* OED argues that when the rules require “materiality” as an element, the regulations explicitly include it. OED points to the Model Rules of Professional Conduct, in which commentary to the term “fraud” states that “it is not necessary that anyone has suffered damages or relied on the misrepresentation or failure to inform.” C’s Brief at 58 (citing comment to Model Rule 1.0).

OED asserts that, in any event, Respondent’s misrepresentation to OED was material because it was directed toward influencing the relief requested in the Complaint, trying to hide from the OED investigator the decisions related to the inequitable conduct finding by not mentioning them or the 2001 Letter to his attorney or to OED. C’s Brief at 58. OED assert that it expects and should be able to expect practitioners to “answer its questions in an honest and forthright manner,” otherwise it would hinder its ability to conduct an investigation, which would then require practitioners to swear to and provide certified documents supporting all statements submitted. C’s Brief at 59 (citing *Klein v. Peterson*, 866 F.2d 412, 417 (Fed. Cir. 1989).

Respondent’s position is that OED did not meet its burden to show by clear and convincing evidence that Respondent knowingly made a false statement, and that OED failed to show that the Assertion was “material,” which is an essential element of the claim. R’s Brief at 35. Respondent asserts that materiality may be an element of an offense even without inclusion of the term in statutory language, pointing to the principle that to be actionable as a false statement, an inaccurate statement must be material to the recipient, citing, *inter alia*, *United States v. Gaudin* 515 U.S. 506, 509 (1995) and *United States v. Rigas*, 490 F.3d 208, 231 (2<sup>nd</sup> Cir. 2007). Respondent also argues that OED’s interpretation of the regulations is not entitled to deference where it is merely a litigation convenience, a position expressed in a brief filed by an agency. Respondent points out that the regulations are taken from the Model Code of Professional Responsibility or are examples of conduct that would violate the Disciplinary Rules, so PTO’s interpretation is less likely to be entitled to deference. Respondent asserts that the Assertion was not false and not material to OED’s investigation, because it was advocacy by counsel on Respondent’s behalf characterizing his professional practice record, and not amenable to objective characterization. R’s Brief at 38. Respondent argues in a footnote that because OED bears that burden of proof, Respondent is entitled to the benefit of any ambiguity in the Assertion. R’s Brief n. 38. Respondent distinguishes the cases cited by OED on the bases that in *Shochet, supra*, the bar applicant made an untruthful statement capable of objective verification; in *Mikus, supra*, the applicant failed to supplement his bar application after being investigated for possessing narcotics, and that in *Herndon, supra*, the attorney was not charged with conduct that called into question his fitness to practice. R’s Brief at 39-40 and n. 40. Respondent submits that it is “simply absurd to ask the court to find that every instance of lawyer conduct that is not up to the highest standards of the profession result in the practitioner being unfit to practice.” R’s Brief at 40.

In reply, OED maintains that materiality is not a required element of Count 2, citing the principle of statutory construction that where Congress includes particular language in one section of a statute but omits it from another, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion. C's Reply at 18-19. OED states that the word "material" does not appear in any of the regulatory provisions charged in Count 2, but in contrast, neighboring provisions do include it, citing 37 C.F.R. § 10.22(a) ("A practitioner is subject to discipline if the practitioner has made a materially false statement . . .") and 37 C.F.R. § 10.24(d) (" . . . concealment of material facts . . ."). OED cites to *Office of Disciplinary Counsel v. Diangelus*, 907 A.2d 452 (Pa. 2006), wherein the court found the attorney to have violated a disciplinary rule analogous to Rule 10.23(b)(4), and then noted that materiality must be proven as an additional element of a charge of knowingly making a false statement of material fact or law to a third person. OED asserts that in *Neder v. United States*, 527 U.S. 1, 21-23, 25 (1999), the tax statute at issue therein included the term "materiality" but the criminal fraud statutes also at issue did not, yet materiality was held to be an element of the fraud statutes based on the well settled meaning of "fraud" requiring a misrepresentation or concealment of a material fact. OED asserts that the well settled meaning of "false" or "misrepresentation" does not contain a materiality requirement. C's Reply Brief at 22. OED distinguishes *Gaudin, supra*, on the basis that it involved a criminal statute which included the word "material" and the parties agreed that it was an element of the offense. OED cites to *In the Matter of Kalal*, 643 N.W.2d 466, 477 (Wis. 2002), wherein an attorney was disciplined for misstating two facts which were not central to his oral argument to a panel of appellate justices, the concurring opinion noting that "[f]alse statements of facts, material or not, are not okay." C's Reply at 26.

OED maintains that its interpretation of PTO's regulations is entitled to deference, citing *Bender v. Dudas*, 490 F.3d 1361, 1367-68 (Fed. Cir. 2007), and asserting that OED's interpretation is consistent with its statutory authority to issue disciplinary rules, is in accordance with principles of statutory construction, and is supported by relevant case law. C's Reply at 23-24. OED argues that the fact that its valid interpretation arises in response to the materiality issue raised by Respondent does not transform it into a litigation convenience. *Id.* at 24. OED urges that advocacy is not a defense to dishonesty, citing to several cases in support. OED asserts that courts frequently impose discipline on attorneys who are dishonest, regardless of the circumstances in which the acts arise and even where there is no resulting harm, citing to *In re Schneider*, 553 A.2d 206 (D.C. 1989), *In re Uchendu*, 812 A.2d 933 (D.C. 2002), and *In re Robertson*, 618 A.2d 720 (D.C. 1993). C's Reply at 28-29.

## 2. Discussion, Findings and Conclusions

The ITC ID found that there was clear and convincing evidence that Respondent and his client Kaken "knowingly withheld material information from the PTO and made material misrepresentations to the PTO" during the prosecution of the '698 reissue patent. *Jt. Ex. 6 p. 42; Tr. 226-229*. The Federal Circuit upheld that determination. 1997 WL 152065 \*3-4.



Misrepresenting material information to the PTO is a violation of Rules 10.23(b)(4) and 10.23(c)(2)(ii). It has been held that “any violation of the Code of Professional Responsibility necessarily reflects adversely on the fitness of an attorney to practice law.” *Committee of Professional Ethics & Conduct v. Durham*, 279 N.W.2d 280, 285 (Iowa 1979). A formal disciplinary action is a proceeding to determine whether a practitioner should be suspended or excluded from practice, and thus a disciplinary authority’s consideration of whether to initiate such a formal action is an inquiry as to whether certain conduct reflects adversely on fitness to practice law. Respondent was notified in the 2001 Letter that the findings in the ITC ID could form the basis of a formal disciplinary action but that such action was time-barred, and that in any future disciplinary matter they would be considered.

Yet, in response to the OED’s inquiry with regard to the use of GX 2195, Mr. Kelber through counsel submitted a letter which included the 2005 Statement stating that “his fitness to practice . . . has never been called into question.” Jt. Ex. 5.

Mr. Kelber testified that he kept the 2001 Letter in a personal file. Tr. 233. He testified that his counsel prepared the response to OED’s October 25, 2005 inquiry letter on his behalf, including the 2005 Statement, but that he reviewed the response and 2005 Statement for completeness and accuracy, discussed with counsel portions that he had questions about, and approved it before it was submitted to OED. Tr. 240-245. He testified that he spent “a lot of time reviewing” the 2005 Statement” and would have seen and reviewed the Assertion, and that it was “not a surprise” to him. Tr. 247. He testified that he did not inform his counsel about the ITC ID, the Kaken matter, or the 2001 Letter as an oversight on his part, “because it wasn’t part of what the letter inquired into.” Tr. 247-248.

Regardless of such oversight in telling his counsel, the Assertion was reviewed and approved by Respondent. His fitness to practice had been inquired into by OED when it was considering whether or not to initiate a disciplinary action, as reflected in the 2001 Letter. His fitness to practice had in fact been questioned by OED, albeit it did not follow through with a complaint due to the statute of limitations. Contrary to this fact, the Assertion affirmatively states that his fitness to practice had never been called into question. The Assertion was not a response to any question, but was a voluntary statement which Respondent could have deleted or amended to state the truth. The Assertion is not ambiguous or merely subjective advocacy by Respondent’s counsel, but is a misrepresentation of fact.

As to the question of materiality, it is not necessary in this decision to determine whether a violation of Rule 10.23(b)(4) or 10.23(c)(2)(ii) requires a showing that the information that was false, misleading or misrepresented was “material,” because the Assertion was material to the decision of OED as to whether or not to initiate disciplinary action against Respondent. A false statement is material if it has “a natural tendency to influence, or [is] capable of influencing, the decision of the decisionmaking body to which it was addressed.” *Neder v. United States*, 527 U.S. 1, 16 (1999)(quoting *United States v. Gaudin*, 515 U.S. 506, 509 (1995)(quoting *Kungys v. United States*, 465 U.S. 759, 770 (1988)). Respondent’s past conduct referenced in the ITC ID

was considered with respect to whether to bring a formal disciplinary action against Respondent, and was to be considered by OED in any future disciplinary action, as stated in the 2001 Letter. The conduct referenced in the ITC ID was thus relevant and material to OED's decision as to whether to bring a disciplinary action, *i.e.*, as to whether the conduct reflects adversely on his fitness to practice law. The Assertion, denying that his fitness to practice had ever previously been called into question, addressed this very point and therefore had a natural tendency to influence OED's decision of whether or not to initiate disciplinary action. It is not necessary to find that the Assertion in fact influenced OED's decision, or that it was capable of influencing its decision to initiate the action, as "materiality" only requires that the statement had a "natural tendency" to influence the decision. The "natural tendency to influence" does not depend on the probabilities of investigation and resulting disclosure, as it "has never been the test of materiality that the misrepresentation or concealment would more likely than not have produced an erroneous decision or would more likely than not have triggered an investigation." *Kungys*, 465 U.S. at 770-771.

The next question is whether clear and convincing evidence shows that Respondent made the misleading statement or misrepresentation *knowingly*. The 2006 Statement states that the 2001 Letter and events referenced therein "escaped his memory" during the preparation of the 2005 Statement. R's Ex. I. Respondent did not provide any testimony relating to his memory of the ITC ID or the 2001 Letter when he reviewed the 2005 Statement. An attorney's knowledge may be inferred from the facts and circumstances of the case. *Idaho State Bar v. Dodge*, 108 P.2d 362, 367 (Idaho 2005). In attorney disciplinary cases, the term "knowingly" has been defined to include "conduct that is so carelessly and recklessly negligent as to lead only to the conclusion that it was done knowingly." *State of Nebraska ex rel. Nebraska State Bar Ass'n v. Zakrzewsky*, 560 N.W.2d 150 (Neb. 1997).

The statement that the 2001 Letter "escaped his memory" is simply not credible considering the facts and circumstances of this case. A letter from OED regarding potential disciplinary action or increased sanction in any future disciplinary action is hardly an item to escape a practitioner's memory when he receives another letter four years later from OED inquiring into another possible allegation of misconduct, and particularly when voluntarily asserting that his fitness to practice has never been called into question. *See, In the Matter of Kalal*, 643 N.W.2d at 477 (attorney's excuse, that he forgot that sanctions were imposed in two of his cases 2 ½ years earlier when he denied that he had been sanctioned for filing late briefs, held not credible and resulted in sanction for knowingly making a false statement).

Respondent notes that by its own terms Rule 10.23(c)(2)(ii) is an example of conduct which constitutes a violation of Rules 10.23(a) and (b). R's Brief n. 37. It need not be decided here whether the violations of Rules 10.23(b) and 10.23(c)(2)(ii) alleged in Count 2 constitute one violation of Rule 10.23(b)(4) based on Rule 10.23(c)(2)(ii), or two independent violations, as the assessment of a sanction is based on the conduct rather than whether or not it constitutes violations of two independent regulatory provisions.

As concluded above, if a violation of any provision in Rule 10.23(b)(1) through (b)(5) has been found, then the practitioner cannot also be in violation of Rule 10.23(b)(6) for the same conduct. *Moatz v. Colitz*, 68 U.S.P.Q.2d 1079, 1102-03 (Com'r Pat & Trademarks, Jan. 2, 2003). Therefore, a finding that Respondent violated Rule 10.23(b)(4) for the allegations in Count 2 rules out any violation of Rule 10.23(b)(6).

It is concluded that Respondent violated 37 C.F.R. §§10.23(b)(4) and 10.23(c)(2)(ii) as alleged in Count 2 of the Complaint.

## **PENALTY**

### **A. Disciplinary Rule Applicable to Penalty Determination**

The PTO Disciplinary Rules provide that –

In determining any penalty, the following should normally be considered:

- (1) The public interest;
- (2) The seriousness of the violation of the Disciplinary Rule;
- (3) The deterrent effects deemed necessary;
- (4) The integrity of the legal profession; and
- (5) Any extenuating circumstances.

37 C.F.R. § 10.154(b).

### **B. Arguments, Discussion, Findings and Conclusions**

#### **1. The Parties' Arguments**

In the Complaint, OED requested that Respondent be excluded from practice before the PTO. However, in its Post Hearing Brief (at 61), OED requests that Respondent be suspended for three years as a sanction for the violations alleged in Counts 1 and 2.

OED asserts that the evidence shows that “Respondent has made misrepresentations to everyone he has communicated with regarding the ‘048 interference;” that “Respondent has shown a consistent failure to tell the truth;” and that his “pattern of conduct shows that the public would be ill advised to seek his services.” OED points out case decisions holding that “fabrication of evidence is a very serious charge” and that “misrepresentations during a disciplinary investigation may be more serious than misappropriation.” C’s Brief at 62-63 (quotations omitted). Further, OED asserts that Respondent has “shown a complete lack of

respect for the integrity of the legal profession,” and has failed to show any remorse for his conduct, and thus “there is no evidence that he will stop his habit of making misrepresentations with respect to patent matters.” *Id.* at 63. OED asserts that in addition, aggravating factors are lack of candor when Respondent communicated with the OED investigator and selfish motive by “highly calculated attempts to prevent the OED Director from requesting a harsh penalty.” *Id.* at 64-65. OED asserts that courts typically disbar attorneys or at least impose a three year suspension for intentional misrepresentations.

Respondent asserts that if he is found in violation, suspension would not be an appropriate sanction, but instead suggests that a suspended or private reprimand would be more than sufficient to meet the interests of justice. R’s Brief at 48-49. Respondent claims that the three year suspension proposed by OED would effectively end his legal career. Tr. 252-253; R’s Brief at 48. Respondent argues in mitigation that he was “acting in good faith to prevent an expert witness suffering from an actual bias and a lack of credibility from presenting evidence that could be misleading to the Board, and to zealously represent his client in an adversarial proceeding.” R’s Brief at 41. Further, that his use of GX 2195 was intended to enhance the search for truth in the interference, and not to subvert the fact-finding process. R’s Brief at 48. Respondent points out the lack of any rule or precedent on point “disapproving the use of demonstrative hypotheticals such as Respondent’s” and the lack of harm from the conduct alleged in Count 1. R’s Brief at 42. He also notes that no harm occurred from the conduct alleged in Count 2 because the OED Director was aware of the ITC proceedings and the 2001 Letter. Respondent additionally urges that no further punishment is necessary as a deterrent, in light of the personal and professional stigma he has endured since the Board’s published opinion (Jt. Ex. 1), and his loss of substantial business. R’s Brief at 42. Having been instructed by the Board on the means by which Respondent properly could have used the demonstrative, *i.e.*, by obtaining advance permission from the Board (Jt. Ex. 1 pp. 27-28), Respondent says he will not again engage in the conduct at issue. Moreover, Respondent argues that the integrity of the legal profession does not require suspension where his conduct was of first impression to the Board, and his performance of duties to his client and duty to expose the inherent bias in Dr. Taylor was not conduct unbecoming of the legal profession. R’s Brief at 43. Respondent cites to several decisions and settlement agreements in other PTO proceedings, distinguishing them from OED’s proposed sanction in this proceeding. In a footnote, Respondent argues that the OED’s assertion of “lack of candor” cannot serve as both a substantive offense and a factor aggravating that offense. R’s Brief n. 46.

Respondent also requests in a footnote in his Post Hearing Brief that the letters written by Respondent’s clients, opposing counsel and fellow practitioners in support of Respondent be considered with respect to the assessment of a sanction, although a previous ruling held that they were inadmissible for lack of foundation and authentication. R’s Brief n. 43. Respondent argues that evidence not admissible at trial may be considered at sentencing, citing, *inter alia*, *United States v. Williams*, 337 U.S. 241, 246-47 (1949) and 18 U.S.C. § 3661 (“No limitation shall be placed on the information concerning the background, character and conduct of the person convicted of an offense which a court of the United States may receive and consider for purposes

of imposing an appropriate sentence.”). R’s Brief n. 43.

In reply, OED asserts that there is no objective evidence that Dr. Taylor relied on CX 1146 and therefore, Respondent’s use of GX 2195 was not capable of showing bias. C’s Reply at 30. OED asserts that the record shows Respondent acted in bad faith, in that he was evasive when Mr. Walters questioned him about GX 2195, and that his word cannot be believed as to his intentions regarding GX 2195. *Id.* at 31. OED argues that suspension is necessary to deter future misconduct, as Respondent was not deterred from further misrepresentation after the ITC and Federal Circuit issued opinions finding that he made misrepresentations to the PTO. OED further asserts that sanctions were imposed on attorneys in *Metzger*, *Thoreen*, *Friedman* and *Statzer* even if the situation was one of an unexpressed first impression. OED points out that sanctions are determined on a case-by-case basis, and that no two disciplinary cases relate to the same set of operative facts. Cases which are resolved by settlement are dependent on what the parties are able to negotiate, perhaps considering the time and expense saved from not having to litigate the case. OED urges that Respondent failed to prove that GX 2195 was a demonstrative or hypothetical exhibit by clear and convincing evidence. C’s Reply at 40-41. As to the letters Respondent proffers for consideration of the penalty, and reasserting its objection to their admissibility, OED asserts that they avoid discussing the charges in the Complaint. C’s Reply at 34.

## 2. Discussion, Findings and Conclusions

In attorney discipline cases, the purpose of attorney discipline is to maintain the integrity of the profession, protect the public and the courts, and deter other attorneys from engaging in similar misconduct. *In re Reback*, 513 A.2d 226, 231 (D.C. 1986). “We start from the premise that protection of the public and bar, not punishment, is the primary purpose of attorney discipline and that we must accordingly consider relevant mitigating and aggravating circumstances.” *Coombs v. State Bar of California*, 779 P.2d 298, 306 (Cal. 1989). “[T]he principal reason for discipline is to preserve the confidence of the public in the integrity and trustworthiness of lawyers in general.” *In re Slaterry*, 767 A.2d 203, 216 (D.C. 2001). Given that these principles reflect the factors for consideration of a sanction under 37 C.F.R. § 10.154(b), they apply also to disciplinary proceedings for patent practitioners.

OED’s proposal of a three year suspension is premised on its perception that Respondent fabricated a document as substantive evidence in the case. A three year suspension is consistent with multiple serious disciplinary violations. *See, e.g., In re Slaughter*, 929 A.2d 433 (D.C. 2007)(attorney suspended for three years for forging name on contingency fee agreement misrepresenting to his law firm that it had been retained by a state in litigation, and for ongoing forgeries, misrepresentations and acts of dishonesty to his firm over three years); *In re Wysolmerski*, 702 A.2d 73 (Vt. 1997)(three year suspension for acting without client’s consent in settling cases, misrepresenting to opposing counsel authority to settle cases, lying to clients about case status, failing to maintain contact with clients and inform them of legal obligations, failure to file lawsuit, failure to forward settlement offers and court papers to clients). As concluded

herein, Respondent did not fabricate the document to introduce it into evidence upon the substantive issues in the case. Rather, the evidence shows that he intended to use it as a demonstrative aid to expose bias of a witness by having her react to it during the course of a deposition. Therefore, the arguments of OED and case law cited as to fabrication of substantive evidence being a very serious charge is simply not applicable here.

Courts have sanctioned attorneys for engaging in conduct far more egregious than that engaged in by Respondent with a much less severe punishment than the three year suspension as proposed by OED here. *See e.g., Castillo v. St. Paul Fire and Marine Insurance Co.*, 828 F. Supp. 594 (D.C. Ill. 1992)(attorney suspended for one year for conduct during deposition, including objecting to many questions on meritless grounds and directing his client not to answer them during deposition, including questions pre-approved by the court, willful disobedience of court order not to interfere in the questioning, and threatening opposing counsel upon attempt to telephone the judge). In addition, sanctions for concealing information when the attorney had a duty to disclose the information have been far less severe than that proposed by OED. *See e.g., The Mississippi Bar v. Land*, 653 So.2d 899 (Miss. 1994)(attorney suspended for one year for giving misleading answers to interrogatories, deliberately concealing facts and evidence highly material to case, intended to prevent, through deception, counsel and client from pursuing claim and court from learning facts of case).

Even where attorneys have made a misrepresentations using documents and submitted them to tribunals for reliance upon, courts have assessed sanctions far less severe than that proposed by OED in this case. *See e.g., In re Zotaley*, 546 N.W.2d 16 (Minn. 1996)(attorney suspended six months for taking generic insurance endorsement form from unrelated file and representing it to arbitrator and other counsel as if it was part of client's insurance policy, and failing to take remedial action when informed arbitrator relied on it, considering serious, persistent and protracted nature of the conduct); *In re Jagiela*, 517 N.W.2d 333 (Minn. 1994)(attorney suspended for six months for backdating agreement and giving it to opposing counsel and bankruptcy court and failing to correct the false date in deposition concerning the agreement); *In re Reback*, 513 A.2d. 226 (D.C. App. 1986)(attorney suspended for six months where after client's case was dismissed based on neglect, attorneys filed a new complaint signing client's name and notarizing it, and not informing client, which was dishonest to client, counsel and the court).

In fact, case law shows that where a misrepresentation was made to a tribunal but such misrepresentation did not affect decision making on substantive issues in the case, the suspension imposed was minimal, even where several misrepresentations were made. *See e.g., In re Rosen*, 481 A.2d 451 (D.C. 1984)(thirty day suspension for three instances of making knowing misrepresentations to tribunal to gain more time, considering past instance of misrepresentation to tribunal); *In re Uchendu*, 812 A.2d 933 (D.C. 2002)(attorney suspended for 30 days for signing clients' names, sometimes without attorney's initials, and notarizing them, where he had clients' authorization to sign on their behalf, and no prejudice resulted to client or court's decision making, but seriously interfered with administration of justice).

Where an attorney made misrepresentations but not to a tribunal, and not for personal gain, a minimal suspension was imposed. *In re Schneider*, 553 A.2d 206 (D.C. 1987)(attorney suspended for thirty days for submitting false travel expense reports to his law firm by altering eight credit card receipts to overstate amounts represented, in an attempt to recoup money he advanced for other legitimate client-related travel expenses, and not for personal gain); *In re Romansky*, 938 A.2d 733 (D.C. 2007)(attorney suspended for thirty days for negligently charging to client premium to which firm was not entitled); *In re Zeiger*, 692 A.2d 1351 (D.C. 1997)(per curiam)(attorney suspended for 60 days for altering client's medical records to obliterate references to alcohol use and submitting them to insurer, where primary motive was to benefit client in settlement with insurance company). Even where the alteration was for personal gain, a sanction of only a three months' suspension was imposed. See, *In re Lawrence*, 884 So.2d 561 (La. 2004)(attorney suspended three months for false or dishonest statement, padding time sheets to law firm although the client was not billed for it, where it compromised integrity of firm's billing system, caused delay to client, involved a pattern of misconduct of over 11 months, and attorney had substantial experience and no remorse). If the misrepresentation results in harm, the sanction is more severe, but still not nearly as severe as that sought by OED here. *In re Robertson*, 618 A.2d 720 (D.C. 1993)(attorney suspended for six months for misrepresenting newspaper reporter as an attorney, resulting in a deliberate breach of courthouse security).

With this backdrop, Respondent's violations are considered with respect to the factors enumerated in the Rules.

As to the factors of the public interest and integrity of the legal profession, the misconduct at issue involved the alteration of a document, which is "a lawyer's stock and trade, in order to mislead a third party," for which courts assess a wide range of sanctions, from a 30 days' suspension to disbarment. *In re Zeiger*, 692 A.2d at 1356. The misrepresentation occurred in the course of legal proceedings but was not for the personal gain of Respondent but rather, appears to be an overzealous attempt to expose bias of a witness. The failure to inform the witness or Chiron of the fabrication of the document and Respondent's equivocal and evasive responses to Mr. Walter's first email inquiries prolonged the misrepresentation and interfered with the administration of justice, but did not interfere with any decisions as to settlement or as to substantive issues in the case. The misconduct at issue in Count II involved misrepresentation to the OED in a situation in which the likelihood that OED would place significant weight on the misrepresentation was relatively low. OED's description of a "complete lack of respect for the integrity of the legal profession" would seem to compare Respondent's conduct with that of the attorney in *In re Wysolmerski*, 702 A.2d 73, which is simply inapt.

However, a lack of truthfulness cannot be condoned; doing so would serve to damage the public perception of patent practitioners. It has been held that when an attorney has engaged in a course of conduct involving dishonesty, fraud, deceit or misrepresentation, the attorney will be actually suspended from the practice of law for an appropriate period of time, rather than merely being assessed a reprimand or suspended execution of a suspension. *Disciplinary Counsel v. Bowman*, 554 N.E.2d 480, 486 (Ohio 2006). In the circumstances of this case, a short suspension

is deemed necessary to "preserve the confidence of the public in the integrity and trustworthiness of lawyers in general." *In re Slattery*, 767 A.2d at 216.

In each instance of violation of the Disciplinary Rules, the seriousness of the violation is relatively minor. The evidence does not show that Respondent intended to deceive or defraud Chiron, its counsel or the tribunal. No reliance on misrepresentations by the tribunal or OED has been shown. Respondent's misrepresentation to OED that his fitness to practice has not been called into question is a broad, voluntary statement of which Respondent apparently had an overly generous interpretation, but which is not a deliberate lie. OED's characterization of a "selfish motive" and "highly calculated attempts" is not an appropriate description.

Any lack of remorse on the part of Respondent is not significant and is not considered herein where he had some justification for his arguments; this case presented fairly challenging issues as to liability. However, there is little doubt that Respondent would not again attempt to fabricate a document without obtaining advance permission from the Board in the future, and would not again attempt to misrepresent to OED in any future investigation, given the reactions to such conduct from Chiron's counsel, the Board, and OED. Therefore, there is no argument for suspending Respondent for a significant length of time to ensure that he does not forget the events relative to this case. However, deterrence to other patent practitioners who might engage in similar misconduct is satisfied by imposing on Respondent a short suspension.

Respondent testified that he has practiced law for nearly thirty years, been involved in over 150 interferences, has taught interference practice since 1995, and has been consulted by members of the Board. Tr. 248-249, 307, 318. The fact that a practitioner has an excellent reputation and is a leader in the patent law community is no reason to reduce the sanction to a private reprimand. "If a former President of the [patent] bar association is not sanctioned in a meaningful way, the public (including other members of the bar association) are not likely to believe the PTO is serious in carrying out a program to maintain high ethics among those it registers." *Weiffenbach v. Logan II*, Proceeding No. D91-11, 27 U.S.P.Q.2d (BNA) 1870, 1993 Com'r Pat. LEXIS 2 \* 20 (Comm'r, Jan. 19, 1993). Weighing against any reduction in sanction is the inequitable conduct on the part of Respondent in the *Kaken* proceeding as found by the ITC many years ago.

The letters written by Respondent's clients, opposing counsel and fellow practitioners in support of Respondent not only lack of foundation and authentication, but to the extent that they address or provide an opinion on the propriety of Respondent's conduct at issue in this proceeding, they are superfluous, as several experts in ethics and patent practice have testified at the hearing as to Respondent's conduct. They are not considered in this decision.

Because Respondent's conduct is not limited to an isolated instance of misrepresentation, but represents stretching and exceeding the limits of trustworthiness, honesty and candor in several contexts over several years, a suspension of sixty days is deemed appropriate in light of the factors of 37 C.F.R. § 10.154(b).



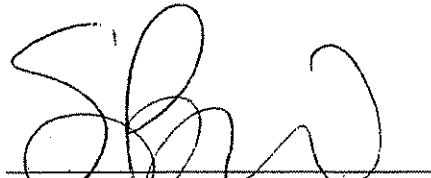
## ORDER

After careful and deliberate consideration of the above facts and conclusions as well as the factors identified in 37 C.F.R. § 10.154(b), it is concluded that an appropriate sanction for the violations alleged in the Complaint is a suspension of sixty (60) days.

**THEREFORE, IT IS HEREBY ORDERED** that Respondent **Steven B. Kelber**, PTO Registration No. 30,028, is hereby **suspended for a period of sixty (60) days from practice** before the Patent and Trademark Office.

The Respondent's attention is directed to 37 C.F.R. § 10.158 regarding responsibilities in the case of suspension or exclusion from practice.

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

  
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Susan L. Biro  
Chief Administrative Law Judge


Date: September 23, 2008  
Washington, D.C.

Pursuant to 37 C.F.R. § 10.155, any appeal by the Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.154, must be filed in duplicate with the Director, Office of Enrollment and Discipline, U.S. Patent and Trademark Office, P.O. Box 16116, Arlington, Va. 22215, within 30 days of the date of this Decision. Such appeal must include exceptions to the Administrative Law Judge's Decision. Failure to file such an appeal in accordance with § 10.155, above, will be deemed to be both an acceptance by the Respondent of the Initial Decision and a waiver by the Respondent of the right to further administrative and judicial review.

In the Matter of Steven B. Kelber, Proceeding No. 2006-13

CERTIFICATE OF SERVICE

I certify that the foregoing **Initial Decision**, dated September 23, 2008, was sent this day in the following manner to the addressees listed below.

  
Maria Whiting-Beale  
Staff Assistant

Dated: September 23, 2008

Copy by Regular Mail to:

Sidney O. Johnson, Jr., Esquire  
Benjamin D.M. Woods, Esquire  
Associate Solicitors  
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