

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

In the Matter of)	
)	
Jeffrey K. Seto,)	Proceeding No. D2009-38
)	
Respondent)	

Final Order

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

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

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

Jurisdiction

1. At all times relevant hereto, Respondent of Salem, Virginia, has been an agent registered to practice before the Office (Registration No. 43,419) and is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 et seq.
2. The USPTO Director has jurisdiction over this matter and the authority to approve the proposed settlement agreement pursuant to the provisions of 35 U.S.C. § 2(b)(2)(D) and 37 C.F.R. §§ 11.20 and 11.26.

Stipulated Facts

A. Background

3. Respondent of Salem, Virginia, is an agent registered to practice patent law before the Office (Registration Number 43,419) and is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 et seq.
4. Respondent has been a registered patent agent since August 15, 2000.

5. Respondent is not an attorney.

6. The USPTO re-hired Respondent as a patent examiner, and his employment commenced on June 9, 2008.¹

7. At the time he was re-hired, Respondent was a registered patent agent in “active” status representing at least fifteen clients before the Office.

B. Failure to Inform the Office of Enrollment and Discipline of Re-Hiring

8. When re-hired, Respondent received a document entitled, “Statement of Employee Relative to Interests, Activities and Obligations” that expressly informed Respondent: “Registered patent attorneys and agents must inform the Office of Enrollment and Discipline on the entry on duty day, in writing, that they are employed by the United States Patent and Trademark Office.”

9. Respondent, however, did not so inform the Office of Enrollment and Discipline.

C. Failure to Timely Withdraw from Representation

10. USPTO employees are prohibited from prosecuting or aiding in any manner in the prosecution of any patent application before the Office, see 37 C.F.R. § 11.10(d), and patent regulations required Respondent, as a USPTO employee, to withdraw from representing his clients on or before the date that his USPTO employment commenced, see 37 C.F.R. § 10.40(b)(2).

11. When re-hired and his employment commenced, Respondent signed and dated a form entitled, “Statement of Employee Relative to Interests, Activities and Obligations” wherein Respondent expressly represented: “With respect to all pending applications for patents or trademark registrations in which I have appeared as attorney or agent (1) I have submitted a request to withdraw, or (2) I am in the process of submitting a request to withdraw as attorney or agent.”

12. In the form, Respondent also expressly represented: “I fully understand that it is my continuing responsibility to keep informed and to comply with the policies of the United States Patent and Trademark Office pertaining to conflict of interest and private business activities, and to keep pending and abandoned applications for patents in secrecy and give no information concerning the same except as authorized by law or regulation.”

13. On an ad hoc basis, Respondent informed some clients that he had been hired by the USPTO and was unable to continue working for them. Respondent provided those clients with the name of another registered practitioner who could assist them, to-wit: [], who is Respondent’s father.

¹ Respondent had previously been employed by the USPTO as a patent examiner from May 16, 1994, to May 18, 1998.

14. Respondent did not timely inform all his clients of his obligation to withdraw from representing them and did not timely withdraw from representing all of them before the Office.

D. Respondent's Misrepresentation about Withdrawing from Representation of Clients

15. When re-hired and his employment commenced, Respondent represented to the USPTO in writing that he had submitted requests to withdraw or was in the process of submitting them.

16. In fact, Respondent had not submitted requests to withdraw nor was he in the process of doing so.

E. Representation of Clients While Employed at USPTO

17. After being re-hired, Respondent knew that he was not permitted to represent other persons before the Office while employed as a patent examiner; nevertheless, Respondent personally continued to prosecute matters by preparing, signing, and filing documents in the Office. Respondent:

- a. prepared, signed, and filed in the Office on September 22, 2008, an amendment in U.S. Application No. [] utility patent application on behalf of his client, [];
- b. prepared, signed, and filed in the Office on July 10, 2008, U.S. Application No. [] on behalf of his client, [];
- c. prepared, signed, and filed in the Office on October 14, 2008, U.S. Application No. [] on behalf of his client, [];
- d. prepared, signed, and filed in the Office on October 16, 2008, an amendment in U.S. Application No. [] on behalf of his client, []; and
- e. prepared, signed, and filed in the Office on October 20, 2008, a petition to revive an abandoned patent application in U.S. Application No. [] on behalf of his client, [].

F. Aiding Another Practitioner While Employed at USPTO

18. Respondent knew that he was not permitted to aid another practitioner in representing persons before the Office while employed as a patent examiner; nevertheless, he directly assisted [] in representing at least thirteen (13) clients before the Office by independently preparing patent documents that were then delivered to [], who signed and filed them in the Office.

19. []. []. []. []. []. []. []. []. []. []. []. [], and [] were the clients for whom Respondent independently prepared patent documents that were delivered to [], who signed and filed them in the Office.

G. Unauthorized Practice of Trademark Law

20. Registration as a patent practitioner does not itself entitle an individual to practice before the Office in trademark matters. See 37 C.F.R. § 11.14(a).

21. Save for an exception not applicable in this disciplinary proceeding, individuals who are not attorneys are not recognized to practice before the Office in trademark matters. See 37 C.F.R. § 11.14(b).

22. Any person who practices law in the Commonwealth of Virginia without being authorized or licensed shall be guilty of a Class 1 misdemeanor. See § 54.1-3904 of the Code of Virginia. A conviction for a Class 1 misdemeanor is punishable by confinement in jail for not more than 12 months and a fine of not more than \$2,500, either or both. See § 18.2-11 of the Code of Virginia.

23. Respondent practiced law in Virginia without being authorized or licensed to do in so far as:

- a. on several occasions Respondent advised [] on trademark law;
- b. on at least five occasions, Respondent assisted in the preparation of trademark applications, which were subsequently signed and filed in the USPTO by []; and
- c. on at least two occasions, in response to Office actions, Respondent assisted in the preparation of amendments to trademark applications, which were subsequently signed and filed in the USPTO by [].

24. [] paid Respondent for assisting in preparing the trademark applications and related submissions.

25. Respondent's role in preparing trademark documents that were subsequently signed and filed in the USPTO by [] also violated the USPTO's proscription on USPTO employees aiding practitioners in representing persons before the Office.

H. Neglect of Client Matters

26. Prior to being re-hired, on at least thirteen occasions, Respondent did not keep certain of his clients adequately informed of Office actions about their respective applications. Those clients included [], [], [], [], [], [], [], [], [], [], [], [], and [].

27. Prior to being re-hired, certain applications being prosecuted by Respondent became abandoned due to Respondent's failure to respond to Office actions. Those applications included U.S. Application Nos. []; []; []; []; []; []; []; []; []; []; []; and [].

28. Respondent did not take corrective action to the above-referenced thirteen (13) applications that became abandoned based on Respondent's failure to respond to Office actions.

I. Checks Drawn on Insufficient Funds

29. The USPTO charges patent application fees as well as related patent processing, issuance, and maintenance fees. See generally 37 C.F.R. §§ 1.16 through 1.28.

30. Patent application processing fees may be paid with a check, cashier's check, money order, or credit card. See 37 C.F.R. § 1.23. They may also be paid by electronic funds transfer from U.S. bank accounts or by an authorization to charge a deposit account if a deposit account has been established with the USPTO. See 37 C.F.R. § 1.23.

31. Patent fees and charges payable to the USPTO are required to be paid in advance; that is, at the time of requesting any action by the USPTO for which a fee or charge is payable. See 37 C.F.R. § 1.22.

32. Respondent knew or reasonably should have known that the USPTO charges patent fees and that those fees are to be paid in advance.

33. Prior to being re-hired, Respondent submitted four checks totaling one thousand, one hundred and eighty dollars (\$1,180.00) to the USPTO that were returned for being drawn on insufficient funds.

Legal Conclusions

34. Based on the information contained in paragraphs 10 through 40, above, Respondent acknowledges that his conduct violated:

- a. 37 C.F.R. § 10.23(a) for engaging in disreputable or gross misconduct by (i) prosecuting patent applications and aiding another practitioner in the prosecution of patent and trademark applications before the Office while employed by the Office and (ii) practicing trademark law in the Commonwealth of Virginia while not a licensed attorney;
- b. 37 C.F.R. § 10.23(b)(4) for engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation by (i) submitting checks to the USPTO that were drawn on insufficient funds and (ii) misrepresenting to the USPTO that he had submitted a request to withdraw, or was in the process of submitting a request to withdraw, in pending matters;
- c. 37 C.F.R. § 10.23(b)(5) for engaging in conduct that is prejudicial to the ex parte patent prosecution process before the Office by (i) prosecuting patent applications and aiding another practitioner in the prosecution of patent and trademark applications before the Office while employed by the Office and (ii) practicing trademark law in the Commonwealth of Virginia while not a licensed attorney;

- d. 37 C.F.R. § 10.23(b)(6) for engaging in conduct that adversely reflects on the practitioner's fitness to practice before the Office by (i) prosecuting patent applications and aiding another practitioner in the prosecution of patent and trademark applications before the Office while employed by the Office; (ii) practicing trademark law in the Commonwealth of Virginia while not a licensed attorney; and (iii) by submitting checks to the USPTO that were drawn on insufficient funds;
- e. 37 C.F.R. § 10.40 for failing to withdraw and/or failing to withdraw in a timely manner from representing clients before the Office upon being re-hired by the USPTO as patent examiner; and
- f. 37 C.F.R. § 10.77(c) for neglecting matters entrusted to him by not timely informing clients of Office communications and allowing patent applications to become abandoned.

Sanctions

35. Respondent agreed, and it is ORDERED that:

- a. Respondent is suspended for a period of sixty (60) months from the practice of patent, trademark, and non-patent law before the USPTO commencing on the date this Final Order;
- b. Respondent is granted limited recognition to practice before the Office beginning on the date this Final Order is signed and expiring thirty (30) days after the date this Final Order is signed for the sole purpose of facilitating Respondent's compliance with the provisions of 37 C.F.R. § 11.58(b);
- c. Respondent comply with 37 C.F.R. § 11.58;
- d. with respect to Respondent's ability to aid another practitioner in the other practitioner's practice of law before the Office as described in 37 C.F.R. § 11.58(e), Respondent shall not aid [] in any way in the practice of law before the Office during Respondent's period of limited recognition nor Respondent's period of suspension;
- e. the USPTO promptly dissociate Respondent's name from all USPTO customer numbers and public key infrastructure ("PKI") certificates;
- f. Respondent not use any USPTO customer number or PKI certificate unless and until he is reinstated to practice before the USPTO;
- g. Respondent may not obtain a USPTO customer number or a PKI certificate unless and until he is reinstated to practice before the USPTO;

- h. Respondent shall remain suspended from the practice of patent, trademark, and non-patent law before the USPTO until the OED Director grants a petition requesting Respondent's reinstatement based upon Respondent showing proof to the satisfaction of the OED Director, as required under 37 C.F.R. § 11.60(c), that: (1) Respondent has the good moral character and reputation, competency, and learning in law required under 37 C.F.R. § 11.7 for admission, (2) the resumption of Respondent's practice before the Office will not be detrimental to the administration of justice or subversive to the public interest; (3) Respondent has complied with the provisions of the Final Order for the full period of suspension; and (4) Respondent has complied with the provisions of 37 C.F.R. § 11.58 for the full period of suspension;
- i. at any time after forty-eight (48) months from the date the Final Order is signed, Respondent may file a petition for reinstatement under 37 C.F.R. § 11.60 requesting reinstatement effective prior to the expiration of the 60-month period of suspension set forth in subparagraph a., above;
- j. the OED Director shall stay any remaining period of suspension if the OED Director grants a petition requesting Respondent's immediate reinstatement and reinstates Respondent;
- k. (1) "remaining period of suspension" means Respondent's initial sixty (60) month suspension minus the period of time from the date the Final Order is signed until Respondent is reinstated;

and

(2) in the event that the Respondent is not reinstated after sixty (60) months from the date the Final Order is signed, there is no "remaining period of suspension";

- l. (1) if the OED Director is of the opinion that Respondent, during the 60-month period commencing on the date the Final Order is signed, failed to comply with any provision of the Final Order or any Disciplinary Rule of the USPTO Code of Professional Responsibility, the OED Director shall:

(A) (i) if Respondent has not yet been reinstated: issue to Respondent an Order to Show Cause why the USPTO Director or his designate should not enter an order amending the Final Order such that Respondent is no longer eligible to file a request for reinstatement after 48 months from the date the Final Order is signed but must wait 60 months from the date the Final Order is signed to file a request for reinstatement, or

(ii) if Respondent has been reinstated and the OED Director has stayed the remaining period of suspension: issue to Respondent an Order to Show Cause why the USPTO Director or his designate should not enter

an order lifting the stay of all or part of the remaining period of suspension and immediately suspend Respondent for all or part of the remaining period of suspension;

(B) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director pursuant to 37 C.F.R. § 11.11(a); and

(C) grant Respondent fifteen (15) days to respond to the Order to Show Cause;

and

(2) in the event after the 15-day period for response and consideration of the response, if any, received from Respondent, the OED Director continues to be of the opinion that Respondent, during the 60-month period commencing on the date the Final Order is signed, failed to comply with any provision of the Final Order or any Disciplinary Rule of the USPTO Code of Professional Responsibility, the OED Director shall:

(A) deliver to the USPTO Director or his designate: (i) the Order to Show Cause, (ii) Respondent's response to the Order to Show Cause, if any, and (iii) evidence causing the OED Director to be of the opinion that Respondent, within 60 months from the date the Final Order is signed, failed to comply with any provision of the Final Order or any Disciplinary Rule of the USPTO Code of Professional Responsibility, and

(B) (i) if Respondent has not been reinstated: request that the USPTO Director or his designate enter an order amending the Final Order such that Respondent is no longer eligible to file a request for reinstatement at any time after 48 months from the date the Final Order, or

(ii) if Respondent has been reinstated and the OED Director has stayed the remaining period of suspension: request that the USPTO Director or his designate enter an order lifting the stay of all or part of the remaining period of suspension and immediately suspend Respondent for all or part of the remaining period of suspension;

m. if Respondent is suspended pursuant to the provisions of subparagraph l, above:

(1) Respondent shall comply with 37 C.F.R. § 11.58;

(2) with respect to Respondent's ability to aid another practitioner in the other practitioner's practice of law before the Office as described in 37 C.F.R. § 11.58(e), Respondent shall not aid [] in any way in []'s

practice of law before the Office while Respondent is suspended from the practice of patent, trademark, and non-patent law before the USPTO;

(3) the OED Director shall disseminate information in accordance with 37 C.F.R. § 11.59;

(4) the USPTO shall promptly dissociate Respondent's name from all USPTO customer numbers and PKI certificates;

(5) Respondent shall not to use any USPTO customer number or PKI certificate unless and until he is reinstated to practice before the USPTO;

and

(6) Respondent may not obtain a USPTO customer number or a PKI certificate unless and until he is reinstated to practice before the USPTO;

- n. in the event that the USPTO Director or his designate enters an order
 - (a) amending the Final Order such that Respondent must wait until the expiration of up to the entire period of suspension to seek reinstatement or
 - (b) lifting the stay of all or part of the remaining period of suspension and immediately suspending Respondent for all or part of the remaining period of suspension, and Respondent seeks a review of the USPTO Director's action, any such review shall not operate to postpone or otherwise hold in abeyance the Director's order;
- o. if Respondent is not suspended pursuant to the provisions of subparagraph l., above, for acts and/or omissions occurring during the 60-month period commencing on the date the Final Order is signed, then Respondent is not required to serve the remaining period of suspension or any residual portion thereof;
- p. the OED Director publish the Final Order at the Office of Enrollment and Discipline's Reading Room electronically located at:
<http://des.uspto.gov/Foia/OEDReadingRoom.jsp> except that the application numbers and the names of persons other than Respondent be redacted;
- q. the OED Director publish the following Notice of Suspension in the *Official Gazette*:

Notice of Suspension

Jeffrey K. Seto of Salem, Virginia registered patent agent (Registration No. 43,419). Mr. Seto has been suspended for sixty (60) months by the United States Patent and Trademark Office ("USPTO" or "Office") for violating 37 C.F.R. §§ 10.23(a) (engaging in disreputable or gross misconduct), 10.23(b)(4)

(engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation), 10.23(b)(5) (engaging in conduct that is prejudicial to the ex parte patent prosecution process before the Office), 10.23(b)(6) (engaging in conduct that adversely reflects on the practitioner's fitness to practice before the Office), 10.40 (failing to withdraw and/or withdraw in a timely manner from representing client), and 10.77(c) (neglecting matters entrusted to a practitioner). Under the terms of the settlement agreement, Mr. Seto is eligible to request reinstatement after serving forty-eight (48) months of his 60-month suspension subject to certain conditions and, if reinstated, Mr. Seto will be permitted to practice before the Office unless the stay of any remaining portion of his suspension is subsequently lifted.

In June 2008, the USPTO re-hired Mr. Seto as a patent examiner. Mr. Seto, however, did not withdraw from representing numerous clients who had matters pending before the Office and, instead, continued to represent some of his former clients before the Office in the prosecution of patent and trademark application while employed by the Office. Hence, Mr. Seto violated 37 C.F.R. §§ 10.23(a), 10.23(b)(5) and 10.23(b)(6) by (i) prosecuting patent applications and aiding another practitioner in the prosecution of patent and trademark applications before the Office while employed by the Office and (ii) practicing trademark law in the Commonwealth of Virginia while not a licensed attorney. He also violated 37 C.F.R. §§ 10.40 by failing to withdraw and/or failing to withdraw in a timely manner from representing clients before the Office upon being re-hired by the USPTO as patent examiner and 10.23(b)(4) by misrepresenting to the USPTO that he had submitted a request to withdraw, or was in the process of submitting a request to withdraw, in pending matters. Mr. Seto also violated 37 C.F.R. §§ 10.23(b)(4) and 10.23(b)(6) by submitting four checks totaling one thousand, one hundred and eighty dollars (\$1,180.00) to the USPTO that were returned for being drawn on insufficient funds and 37 C.F.R. § 10.77(c) by not timely informing clients of Office communications and allowing patent applications to become abandoned.

This action is taken pursuant to a settlement agreement between Mr. Seto and the USPTO pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.26 and 11.59. Disciplinary decisions regarding practitioners are posted at the Office of Enrollment and Discipline's Reading Room electronically located at: <http://des.uspto.gov/Foia/OEDReadingRoom.jsp>.

- r. pursuant to 37 C.F.R. § 11.59, the OED Director give notice of the public discipline and the reasons for the discipline to disciplinary enforcement agencies in the state(s) where Respondent is admitted to practice, to courts where Respondent is known to be admitted, and to the public;
- s. nothing in the Proposed Settlement Agreement or the Final Order shall prevent the Office from seeking discipline against Respondent in accordance with the provisions of 37 C.F.R. §§ 11.34 through 11.57 for the misconduct upon which an Order to Show Cause is issued by the OED Director under subparagraph l., above;
- t. the OED Director file a motion to dismiss the pending disciplinary proceeding within fourteen (14) days of the date of the Final Order;
- u. the record of this disciplinary proceeding, including the Final Order, be considered (1) when addressing any further complaint or evidence of the same or similar misconduct brought to the attention of the Office, and/or (2) in any future disciplinary proceeding (a) as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or (b) to rebut any statement or representation by or on Respondent's behalf; and
- v. the OED Director and Respondent bear their own costs incurred to date and in carrying out the terms of this agreement.

AUG - 2 2010

Date



William R. Covey
Deputy General Counsel for General Law

on behalf of

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

cc:

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