

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

In the Matter of

**EZRA SUTTON,
Respondent**

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Proceeding No. D2009-24

FINAL ORDER

Harry I. Moatz, Director of Enrollment and Discipline (OED Director), and Ezra Sutton (Respondent) have submitted a proposed settlement agreement in this matter that meets the requirements of 37 C.F.R. § 11.26.

In order to resolve the case without the necessity of a hearing, the OED Director and Respondent have agreed to certain stipulated facts, legal conclusions, and sanctions, all of which are set forth below. It was further agreed between the OED Director and Respondent that their proposed settlement agreement resolves any and all disciplinary action by the United States Patent and Trademark Office ("USPTO") arising from the allegations set forth in the Complaint.

Pursuant to that agreement, this Final Order sets forth the following stipulated facts and agreed-upon legal conclusions and disciplinary sanctions.

JURISDICTION

1. At all times relevant hereto, Respondent of Woodbridge, New Jersey, was registered as an attorney and authorized to prosecute patent applications before the United States Patent and Trademark Office (USPTO). Respondent's USPTO registration number is 25,770. Respondent is also admitted to practice before the Supreme Court of New Jersey. As an attorney registered to practice patent law before the USPTO, Respondent is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 et seq.

STIPULATED FACTS

2. OED began an investigation (Initial Investigation), which lead in part to this complaint, after it received information from the USPTO Office of Finance that Respondent had issued twenty-three checks that were dishonored for insufficient funds or uncollected funds hold. Each of the dishonored checks was submitted in payment of required fees in a patent application, design patent application, trademark application, or trademark registration. Each of the dishonored checks is addressed individually below.
3. On March 19, 2007, OED sent Respondent a Request for Statement of Respondent's Position (First Request) requesting more information about the circumstances resulting in the dishonored checks.

4. On or about May 29, 2007, OED received Respondent's Response to the First Request (First Response), in which Respondent alleged that he had been having bookkeeper problems from on or about January 2006 to February 2007, which led to the dishonored checks. According to Respondent his longtime bookkeeper took a medical leave of absence for several months, but quit at the time she was scheduled to return to work. Respondent also alleges that the bookkeeper he hired as her replacement turned out to be incompetent.
5. On July 26, 2007, OED sent Respondent a follow-up Request for Statement of Respondent's Position (Second Request), asking for more information about Respondent's financial records and the circumstances resulting in the dishonored checks. In the Second Request, OED asked Respondent, *inter alia*, to specifically provide documentation reflecting that Respondent was preserving the identity of his clients' funds although the funds were being deposited into one operating account of the entire firm and to provide his firm's financial records regarding the clients affected by Respondent's failure to pay USPTO fees.
6. On September 26, 2007, Respondent filed a response (Second Response) to OED's Second Request seeking clarification of the information requested. In the Second Response, Respondent stated through his attorney that Respondent's "normal practice is to obtain the USPTO fee from the client and with a short period of time pay the fee from his business account. The fee may be deposited in his business account before and after payment of the fee to the USPTO, depending on how soon the fee is paid and deposits are made" (emphasis added).
7. On October 12, 2007, OED sent Respondent another follow-up Request for Statement of Respondent's Position (Third Request), clarifying the type(s) of documentation sought in the Second Request.
8. On or about November 26, 2007, OED received Respondent's Response (Third Response) to its Second and Third Requests. The Third Response included a client ledger list from Quickbooks® of invoices and payments associated with most, but not all, of the dishonored checks. Respondent's Third Response also failed to present OED with documentary evidence showing that he maintained his clients' funds separate from his firm's funds or maintained his individual client's funds separate from one another.
9. Respondent's Third Response stated that "there are no trust accounts since these clients paid for services already performed and paid the government filing fee expense to the firm as permitted by New Jersey bar rules." In the Third Response, Respondent's attorney alleged that this statement was made in reliance on the opinion of a legal ethics professor regarding an interpretation of a New Jersey ethics rule substantially identical to 37 C.F.R. § 10.112(a), which opines that government filing fees would be regarded as an expense or cost and, thus, Respondent's actions would not be considered commingling under New Jersey ethical rules. The professor's opinion, however, provides no interpretation of whether Respondent's conduct violates the USPTO's regulation on such matters, which is applicable here.

10. As described in the following paragraphs, Respondent deposited (1) earned fees, (2) unearned fees, and (3) funds his clients gave him to pay USPTO fees into a single account, *i.e.*, his firm's Wachovia Commercial Checking Account, Account No. [omitted] ("Sutton Operating Account"), rather than into one or more separate accounts for each client's funds.
11. After OED concluded its investigation associated with the above-described dishonored checks, OED initiated a second investigation (Second Investigation) pursuant to 37 C.F.R. § 11.22 based on information it received from one of Respondent's clients. More specifically, on July 23, 2009, OED received a grievance and supporting documentation from Victoria Jamieson regarding alleged disciplinary violations by Respondent. In response to inquiries from OED, Ms. Jamieson provided further information and documentation on August 21, 2009. OED also received additional information from Ms. Jamieson through a telephone conversation on September 29, 2009. This information indicates that someone in Respondent's office presented Ms. Jamieson with a copy of an Office action with the mailing date redacted from the cover sheet (PTOL-90A) of the Office action in a manner such that the actual due date of a response to the Office action could not be ascertained by reading the document. After the filing of a complaint in this action, Respondent presented OED with an affidavit by an employee in his office asserting that she redacted the mailing date from the cover page of the Office action in question. Respondent acknowledges that no response to the Office action in question was filed with the USPTO, but represents that Ms. Jamieson's patent application ultimately became abandoned because Ms. Jamieson did not instruct Respondent to file a response to this Office action.
12. On August 7, 2009, OED sent Respondent a Request for Statement of Respondent's Position (Fourth Request) seeking information about Ms. Jamieson's allegations.
13. On September 22, 2009, OED received from Respondent a Fourth Response (Fourth Response). Respondent's Fourth Response will be discussed in the paragraphs below.

Trademark Application U.S. Serial No. 76/564,392 ('392 Application)

14. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/564,392 (the '392 application).
15. On January 30, 2006, Respondent filed with the USPTO a Statement of Use in the '392 application, along with a check for \$200.00 drawn on his Sutton Operating Account, check #11951, to the USPTO to pay the fees associated with filing the statement.
16. When the USPTO processed check #11951, it was dishonored for insufficient funds.
17. On March 15, 2006, Respondent paid the \$200.00 due in the '392 application, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #11951.

Trademark Application U.S. Serial No. 76/664,697 ('697 Application)

18. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/664,697 (the '697 application).
19. Jay Franco & Sons Inc. (Franco) hired Respondent to file the trademark application that would eventually become the '697 application.
20. On August 16, 2006, Respondent filed the '697 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$375.00, check #12905, to cover the trademark application filing fee.
21. On or about August 23, 2006, the USPTO processed check #12905, but the check was dishonored for insufficient funds.
22. On September 14, 2006, the USPTO sent Respondent a Notice of Incomplete Trademark Application, which stated that the '697 application was "being returned because the payment check was dishonored for insufficient funds."
23. On September 20, 2006, Respondent filed a new trademark application, Trademark Application 76/666,377 and paid the \$375.00 filing fee. The new application was examined and the mark was subsequently registered (Registration No. 3,373,461).
24. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #12905.

Trademark Application U.S. Serial No. 76/664,696 ('696 Application)

25. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/664,696 (the '696 application).
26. Shalom Int'l, Inc. (Shalom) hired Respondent to file the trademark application that would eventually become the '696 application.
27. On August 17, 2006, Respondent filed the '696 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$375.00, check #12906, to cover the trademark application filing fee.
28. On or about August 24, 2006, the USPTO processed check #12906, but the check was dishonored for insufficient funds.
29. On September 14, 2006, the USPTO sent Respondent a Notice of Incomplete Trademark Application, which stated that the '696 application was "being returned because the payment check was dishonored for insufficient funds."

30. On December 6, 2006, Respondent filed a new trademark application, Trademark Application U.S. Serial No. 76/666,376 and paid the \$375.00 filing fee, seeking registration of the same trademark covered by the '696 application. Respondent asserts that before filing the new application, he conducted a search of pending trademark applications and did not find an intervening application between the filing dates of the '696 application and the new trademark application. Respondent also asserts that Shalom ultimately instructed Respondent not to pursue seeking registration of the mark, and the dishonored check was not a factor in Shalom's decision.
31. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #12906.

Trademark Application U.S. Serial No. 76/637,525 ('525 Application)

32. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/637,525 (the '525 application).
33. On December 7, 2006, Respondent filed with the USPTO a Statement of Use in the '525 application, along with a check for \$100.00 drawn on his Sutton Operating Account, check #13459, to the USPTO to pay the fees associated with filing the statement.
34. On December 14, 2006, the USPTO processed check #13459, it was dishonored for "uncollected funds hold."
35. On February 6, 2007, the USPTO sent Respondent a Notice of Abandonment, which stated that the '525 application had gone abandoned because "[t]he check submitted for the statement of use filing fee was returned to the Office unpaid and thus the filing fee requirement has not been satisfied."
36. On February 14, 2007, Respondent filed with the USPTO a Petition for Revival in the '525 application, along with a check for \$100.00 drawn on his Sutton Operating Account to cover the petition filing fee.
37. On February 14, 2007, Respondent also paid the \$100.00 due in the '525 application, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13459.

Trademark Application U.S. Serial No. 76/670,125 ('125 Application)

38. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/670,125 (the '125 application).
39. The '125 application is an intent-to-use (ITU) application, meaning that the application seeks to register a trademark for future use in commerce rather than for current, actual use in commerce.

40. Because there is no actual use in commerce, the priority date of an ITU application is its filing date. *See* 15 U.S.C. § 1057(c).
41. If a third party seeks federal registration to use the same mark as that sought in an ITU application, the ITU applicant will prevail only if the ITU applicant has an earlier priority date than the third party's priority date, *i.e.*, the date the third party actually used the mark in commerce or filed an ITU application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).
42. On July 17, 2006, Respondent sent his client, Betesh Group Holdings Corporation (Betesh), an invoice for \$875.00 for, *inter alia*, "services in connection with the preparation and expected filing of the ['125] application" (emphasis added).
43. The July 17, 2006 invoice included a \$375.00 charge to cover the "Government filing fee for 1 class @ \$375 per [international trademark] class."
44. Between on or about July 29, 2006 and September 28, 2006, Respondent deposited into the Sutton Operating Account the monies he received from Betesh between July 17, 2006 and September 28, 2006 to pay the fees associated with filing a trademark application in two international trademark classes.
45. On December 8, 2006, Respondent filed with the USPTO the trademark application that would eventually become the '125 application, along with a check for \$750.00 drawn on his Sutton Operating Account, check #13461, to cover the fee for seeking registration in two international trademark classes.
46. On December 14, 2006, the USPTO processed check #13461, but it was dishonored for "uncollected funds hold."
47. On January 3, 2007, the USPTO sent Respondent a Notice of Incomplete Trademark Application, informing him that the '125 application was being returned "because it [did] not meet the minimum requirements for receiving a filing date . . . because the payment check was returned for insufficient funds."
48. On January 19, 2007, Respondent filed a new trademark application and the required filing fee on behalf of Betesh, Trademark Application U.S. Serial No. 76/671,591, seeking registration of the same trademark covered by the '125 application. Respondent asserts that before filing the new application, he conducted a search of pending trademark applications and did not find an intervening application between the filing dates of the '125 application and the new trademark application. Respondent also asserts that Betesh ultimately instructed Respondent not to pursue seeking registration of the mark, and that the dishonored check was not a factor in Betesh's decision.
49. As a consequence of these events, the priority date of Betesh's mark is January 19, 2007 rather than the December 8, 2006, date it would have otherwise been accorded but for

Respondent's filing of a dishonored check in the '125 application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).

50. Respondent retained and commingled the funds he received from Betesh between on or about July 21, 2006, and September 28, 2006.
51. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13461.

Trademark Application U.S. Serial No. 76/652,796 ('796 Application)

52. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/652,796 (the '796 application).
53. On December 20, 2006, Respondent filed with the USPTO a Statement of Use in the '796 application, along with a check for \$100.00 drawn on his Sutton Operating Account, check #13395, to pay the fees associated with filing the statement.
54. When the USPTO processed check #13395, it was dishonored for "uncollected funds hold."
55. On January 31, 2007, Respondent paid the \$100.00 due in the '796 application, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13395.

Trademark Application U.S. Serial No. 76/649,742 ('742 Application)

56. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/649,742 (the '742 application).
57. On December 12, 2006, the USPTO sent Respondent a Notice of Abandonment in the '742 application, which stated that the application was abandoned for failure to respond to an USPTO action within the statutory period for response.
58. On December 22, 2006, Respondent filed with the USPTO a Petition for Revival in the '742 application, along with a check for \$100.00 drawn on his Sutton Operating Account, check #13394, to cover the petition filing fee.
59. On January 4, 2007, the USPTO processed check #13394, but it was dishonored for insufficient funds.
60. On February 21, 2007, Respondent paid the \$100.00 due in the '742 application, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13394.

Trademark Application U.S. Serial No. 76/661,231 ('231 Application)

61. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/661,231 (the '231 application).
62. New Era Design, L.L.C. (New Era), hired Respondent to file the trademark application that would eventually become the '231 application.
63. On December 21, 2005, Respondent sent New Era a letter stating that Respondent had prepared a trademark application for New Era that would seek registration for New Era's trademark in four international trademark classes.
64. The December 21, 2005 letter included an invoice from Respondent to New Era that included a \$1,500.00 charge for "Government filing fee for three (4) [*sic*] classes of goods (\$375 per class)." ($\$375.00 \times 3 = \$1,125.00$; $375.00 \times 4 = \$1,500.00$.) The invoice stated that it was for, *inter alia*, "services in connection with the preparation and expected filing of a U.S. trademark application" (emphasis added).
65. On or about February 15, 2006, Respondent deposited the \$335.00 he received from New Era into his Sutton Operating Account.
66. On or about March 13, 2006, Respondent deposited the \$4,465.00 he received from New Era into his Sutton Operating Account.
67. The February 15th and March 13th deposits in the Sutton Operating Account included New Era's payment of the \$1,500.00 charge for "Government filing fee for three (4) [*sic*] classes of goods (\$375 per class)" listed in the December 21st invoice.
68. On June 8, 2006, Respondent filed the '231 application with the USPTO, along with a check drawn on his Sutton Operating Account for "\$1,125.00," *i.e.*, enough to pay for registration in only three international classes. The '231 application, however, listed that New Era was seeking registration for its mark in five international trademark classes.
69. On November 11, 2006, the USPTO sent Respondent an Office action, stating that insufficient fees had been paid in the '231 application because "the application identifies goods and/or services that are classified in at least five international classes, however applicant paid the fee for only three class(es)."
70. On February 15, 2007, Respondent filed in the '231 application a check for \$375.00 drawn on his Sutton Operating Account, check #14183, along with an Amendment and Response that amended the application to include only four international classes, and stated that "[s]ince Applicant paid for 3 classes upon the original filing and there are now 4 classes in the application after amendments to the identification of goods, enclosed is a check for \$375 [to] cover the additional fourth class."
71. On or about March 20, 2007, the USPTO processed check #14183, but the check was dishonored for "uncollected funds hold."

72. On March 20, 2007, the USPTO sent Respondent an Office action, which stated that “the check submitted as payment of the fee for adding an additional class to the application [*i.e.*, check #14183] was returned to the Office unpaid.”
73. On March 27, 2007, Respondent paid the \$375.00 due in the '231 application, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14183.

Trademark Application U.S. Serial No. 76/673,003 ('003 Application)

74. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/673,003 (the '003 application).
75. The '003 application is an intent-to-use (ITU) application, meaning that the application seeks to register a trademark for future use in commerce rather than for current, actual use in commerce.
76. Because there is no actual use in commerce, the priority date of an ITU application is its filing date. *See* 15 U.S.C. § 1057(c).
77. If a third party seeks federal registration to use the same mark as that sought in an ITU application, the ITU applicant will prevail only if the ITU applicant has an earlier priority date than the third party's priority date, *i.e.*, the date the third party actually used the mark in commerce or filed an ITU application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).
78. Dri Mark Products, Inc. (Dri Mark) hired Respondent to file the trademark application that would eventually become the '003 application.
79. On February 7, 2007, Respondent charged Dri Mark \$875.00 for, *inter alia*, “services in connection with the preparation and expected filing of the ['003] application” (emphasis added).
80. The February 7, 2007 invoice also included the \$375.00 necessary to cover the “Government Filing Fee.”
81. On or about February 21, 2007, Respondent deposited the \$875.00 he received from Dri Mark, including the \$375.00 for the “Government Filing Fee,” into the Sutton Operating Account.
82. On February 22, 2007, Respondent filed the '003 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$375.00, check #14222, to cover the filing fee for the '003 application.
83. On or about February 28, 2007, the USPTO processed check #14222, but the check was dishonored for “uncollected funds hold.”

84. On March 14, 2007, Respondent filed a new trademark application (Trademark Application U.S. Serial No. 76/674,054) and the required filing fee on behalf of Dri Mark, seeking registration of the same trademark covered by the '003 application. Respondent asserts that before filing the new application, he conducted a search of pending trademark applications and did not find an intervening application between the filing dates of the '003 application and the new trademark application. Respondent also asserts that Dri Mark ultimately instructed Respondent not to pursue seeking registration of the mark, and that the dishonored check was not a factor in Dri Mark's decision.
85. On August 2, 2007, Respondent filed a Notice of Express Abandonment in the '003 application.
86. As a consequence of these events, the priority date of Dri Mark's mark is March 14, 2007 rather than the February 22, 2007 date it would have otherwise been accorded but for Respondent's filing of a dishonored check in the '003 application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).
87. Respondent retained and commingled the funds he received from Dri Mark on or about February 21, 2007.
88. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14222.

Trademark Application U.S. Serial No. 76/673,005 ('005 Application)

89. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/673,005 (the '005 application).
90. The '005 application is an ITU application.
91. Dri Mark hired Respondent to file the trademark application that would eventually become the '005 application.
92. On February 7, 2007, Respondent sent Dri Mark an invoice for \$875.00 for, *inter alia*, "services in connection with the preparation and expected filing of the ['005] application" (emphasis added).
93. The February 7, 2007 invoice also included the \$375.00 necessary to cover the "Government Filing Fee."
94. On or about February 21, 2007, Respondent deposited the \$875.00 he received from Dri Mark, including the \$375.00 for the "Government Filing Fee," into the Sutton Operating Account.

95. On February 22, 2007, Respondent filed the '005 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$375.00, check #14224, to cover the filing fee for the '005 application.
96. On or about February 28, 2007, the USPTO processed check #14224, but the check was dishonored for "uncollected funds hold."
97. On March 14, 2007, Respondent filed a new trademark application (Trademark Application U.S. Serial No. 76/674,052) and the required filing fee on behalf of Dri Mark, seeking registration of the same trademark covered by the '005 application. Respondent asserts that before filing the new application, he conducted a search of pending trademark applications and did not find an intervening application between the filing dates of the '005 application and the new trademark application. Respondent also asserts that Dri Mark ultimately instructed Respondent not to pursue seeking registration of the mark, and that the dishonored check was not a factor in Dri Mark's decision.
98. On August 2, 2007, Respondent filed a Notice of Express Abandonment in the '005 application.
99. As a consequence of these events, the priority date of Dri Mark's mark is March 14, 2007 rather than the February 22, 2007 date it would have otherwise been accorded but for Respondent's filing of a dishonored check in the '005 application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).
100. Respondent retained and commingled the funds he received from Dri Mark on or about February 21, 2007.
101. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14224.

Trademark Application U.S. Serial No. 76/673,001 ('001 Application)

102. iGO Water Co., Inc. (iGO), hired Respondent to file the trademark application that would eventually become the '001 application.
103. The '001 application is an ITU application.
104. On February 22, 2007, Respondent filed the '001 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$375.00, check #14234, to cover the filing fee for the '001 application.
105. On or about February 28, 2007, the USPTO processed check #14234, but the check was dishonored for "uncollected funds hold."
106. On March 14, 2007, Respondent filed a new trademark application (Trademark Application U.S. Serial No. 76/674,051) and the required filing fee on behalf of iGO,

seeking registration of the trademark covered by the '001 application. Respondent asserts that before filing the new application, he conducted a search of pending trademark applications and did not find an intervening application between the filing dates of the '001 application and the new trademark application. The mark was registered as Registration No. 3,602,924.

107. As a consequence of these events, the priority date of iGO's mark is March 14, 2007 rather than the February 22, 2007 date it would have otherwise been accorded but for Respondent's filing of a dishonored check in the '001 application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).
108. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14234.

Trademark Application U.S. Serial No. 76/673,004 ('004 Application)

109. Respondent is the attorney of record in Trademark Application U.S. Serial No. 76/673,004 (the '004 application).
110. The '004 application is an ITU application.
111. Dri Mark hired Respondent to file the trademark application that would eventually become the '004 application.
112. On February 7, 2007, Respondent charged Dri Mark \$875.00 for, *inter alia*, "services in connection with the preparation and expected filing of the ['004] application" (emphasis added).
113. The February 7, 2007 invoice included \$375.00 necessary to cover the "Government Filing Fee."
114. On or about February 14, 2007, Respondent deposited the \$875.00 he received from Dri Mark, including the \$375.00 for the "Government Filing Fee," into the Sutton Operating Account.
115. On February 22, 2007, Respondent filed the '004 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$375.00, check #14223, to cover the filing fee for the '004 application.
116. On or about February 28, 2007, the USPTO processed check #14223, but the check was dishonored for "uncollected funds hold."
117. On March 14, 2007, Respondent filed a new trademark application (Trademark Application U.S. Serial No. 76/674,053) and the required filing fee on behalf of Dri Mark, seeking registration of the same trademark covered by the '004 application. Respondent before filing the new application, he conducted a search of pending

trademark applications and did not find an intervening application between the filing dates of the '004 application and the new trademark application. Respondent also asserts that Dri Mark ultimately instructed Respondent not to pursue seeking registration of the mark, and that the dishonored check was not a factor in applicant's decision.

118. On August 2, 2007, Respondent filed a Notice of Express Abandonment in the '004 application.
119. Consequently, the priority date of Dri Mark's mark is March 14, 2007 rather than the February 22, 2007 date it would have otherwise been accorded but for Respondent's filing of a dishonored check in the '004 application. *See* 15 U.S.C. § 1057(c); *see also* 37 C.F.R. § 2.21(a)(5).
120. Respondent retained and commingled the funds he received from Dri Mark on or about February 14, 2007.
121. On December 9, 2010, Respondent paid the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14223.

Trademark Registration No. 2,382,537 ('537 Registration)

122. Trademark Reg. No. 2,382,537 (the '537 registration) was placed on the USPTO's principal trademark register on September 5, 2000.
123. In order to maintain registration on the USPTO's principal register, the registration owner must submit a Section 8 affidavit on the six year anniversary of registration. 15 U.S.C. § 1058. More specifically, the owner of a registered mark must submit: a specimen showing current use in commerce of the registered mark on or in connection with the goods and/or services in the registration, a verified statement that the specimen was used in commerce during the relevant period, and a required fee. 15 U.S.C. § 1058(b). A registration owner may make the Section 8 submissions at any time in the year preceding the six-year anniversary. 15 U.S.C. § 1058(b). The owner may also make the submissions up to six months after the six-year anniversary by paying a late submission surcharge. 15 U.S.C. § 1058(c).
124. If proper Section 8 submissions are not timely made by the end of a six-month grace period, then the trademark registration is permanently cancelled.
125. Trademark registration owners may also file a Section 15 affidavit on the six-year anniversary to establish "incontestability of [the] right to use [a] mark." 15 U.S.C. § 1065. More specifically, the owner of the mark may submit an affidavit showing that the trademark was used in commerce for five consecutive years. *Id.* If "incontestable status" is conferred, ownership rights to use the mark in connection with specified goods or services may not be challenged unless the mark becomes "generic." *Id.* Section 15 submissions are typically filed along with Section 8 submissions.

126. Although Section 15 submissions are not mandatory, many registration owners seek the “incontestable status” that a Section 15 submission confers.
127. Mile High New York Corp. (Mile High), owner of the '537 registration, hired Respondent to file the Section 8 and Section 15 submissions in the '537 registration.
128. On or about August 31, 2006, Respondent charged Mile High, \$825.00, *inter alia*, “preparation of a Declaration under Sections 8 and 15 . . . and expected filing of the Declaration in the United States Patent and Trademark Office, along with necessary specimens and government filing fee” (emphasis added), presumably including the \$300.00 necessary to cover the filing fees for the Section 8 affidavit fee (\$100.00) and the Section 15 filing fee (\$200.00).
129. On or about September 5, 2006, Respondent deposited the \$825.00 he received from Mile High, including the \$300.00 for the government filing fee, into his Sutton Operating Account.
130. On December 15, 2006, Respondent filed with the USPTO a combined Section 8 and Section 15 affidavit in the '537 registration, along with a check for \$300.00 drawn on his Sutton Operating Account, check #13383, to the USPTO to pay the Section 8 and Section 15 filing fees.
131. On January 4, 2007, the USPTO processed check #13383, but it was dishonored for insufficient funds.
132. Respondent retained and commingled the funds he received from Mile High on or about September 5, 2006.
133. On March 15, 2007, Respondent paid the \$450.00 due in the '537 registration (\$300.00 plus the \$150.00 grace period fee), as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13383.

Trademark Registration No. 2,384,860 ('860 Registration)

134. Trademark Reg. No. 2,384,860 (the '860 registration) was placed on the USPTO's principal trademark register on September 12, 2000.
135. Viva Time Corp. (Viva Time), owner of the '860 registration, hired Respondent to file the Section 8 and Section 15 submissions in the '860 registration.
136. On December 22, 2006, Respondent filed with the USPTO a combined Section 8 and Section 15 affidavit in the '860 registration, along with a check for \$300.00 drawn on his Sutton Operating Account, check #13386, to the USPTO to pay the Section 8 and Section 15 filing fees.

137. On January 4, 2007, the USPTO processed check #13386, but it was dishonored for insufficient funds.
138. On March 15, 2007, Respondent paid the \$300.00 due in the '860 registration, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13386.

Trademark Registration No. 2,418,149 ('149 Registration)

139. Trademark Reg. No. 2,418,149 (the '149 registration) was placed on the USPTO's principal trademark register on January 2, 2001.
140. On December 26, 2006, Respondent filed with the USPTO a combined Section 8 and Section 15 affidavit in the '149 registration, along with a check for \$300.00 drawn on his Sutton Operating Account, check #13359, to the USPTO to pay the Section 8 and Section 15 filing fees.
141. When the USPTO processed check #13359, it was dishonored for "uncollected funds hold."
142. On January 31, 2007, Respondent paid the \$300.00 due in the '149 registration, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13359.

Trademark Registration No. 2,418,148 ('148 Registration)

143. Trademark Reg. No. 2,418,148 (the '148 registration) was placed on the USPTO's principal trademark register on January 2, 2001.
144. On December 26, 2006, Respondent filed with the USPTO a combined Section 8 and Section 15 affidavit in the '148 registration, along with a check for \$300.00 drawn on his Sutton Operating Account, check #13360, to the USPTO to pay the Section 8 and Section 15 filing fees.
145. When the USPTO processed check #13360, it was dishonored for "uncollected funds hold."
146. On March 15, 2007, Respondent paid the \$300.00 due in the '148 registration, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13360.

Trademark Registration No. 2,472,081 ('081 Registration)

147. Trademark Reg. No. 2,472,081 (the '081 registration) was placed on the USPTO's principal trademark register on July 24, 2001.
148. The Section 8 and 15 submissions were due in the '081 registration between July 24, 2006 and July 24, 2007. If not made by July 24, 2007, the submissions and a surcharge

were due between July 25, 2007 and December 25, 2007. If not properly made by December 25, 2007, the '081 registration would expire on December 26, 2007.

149. Ideal World Marketing Inc. (Ideal World), owner of the '081 registration, hired Respondent to file the Section 8 and Section 15 submissions in the '081 registration.
150. On October 25, 2006, Respondent filed with the USPTO a combined Section 8 and Section 15 affidavit in the '081 registration, along with a check for \$300.00 drawn on his Sutton Operating Account, check #13389, to the USPTO to pay the Section 8 and Section 15 filing fees.
151. On January 4, 2007, the USPTO processed check #13389, but it was dishonored for insufficient funds.
152. On March 7, 2007, Respondent paid the \$300.00 due in the '081 registration, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13389.

Design Patent Application U.S. Serial No. 29/232,276 ('276 Application)

153. Respondent is the attorney of record in Design Patent Application U.S. Serial No. 29/232,276 (the '276 application).
154. An issue fee must be paid in all allowed patent applications within three months of a written notice of allowance. *See* 35 U.S.C. § 151. If the issue fee is not timely paid, "the application shall be regarded as abandoned." 35 U.S.C. § 151. However, the USPTO may accept the late payment of an issue fee and treat the corresponding patent application as though no abandonment had ever occurred if "the delay in payment is shown to have been unavoidable." *Id.*
155. On November 20, 2006, the USPTO sent Respondent a Notice of Allowance and Issue Fee(s) Due stating that an issue fee of \$400 was due on "02/20/2007" and that the fee "MUST BE PAID WITHIN THREE MONTHS," *i.e.*, on February 20, 2007 (emphasis original).
156. On or about November 27, 2006, Respondent sent his client, E. Josef Inc. (Josef), an invoice for \$845.00 for, *inter alia*, "services in connection with payment of the base issue fee for the ['276] application," including the \$400.00 necessary to cover the "Government Issue fee."
157. The November 27, 2006 invoice also included charges for work to be completed in the future, *e.g.*, "expected receipt and proofreading of the patent for possible printing errors" (emphasis added).
158. On or about January 4, 2007, Respondent deposited the \$845.00 he received from Josef, including the \$400.00 for the "Government Issue fee," into the Sutton Operating Account.

159. By placing the Government Issue fee into his Operating Account, Respondent commingled the funds he received from Josef on or about January 4, 2007.
160. On February 22, 2007, Respondent filed with the USPTO an Issue Fee Transmittal Form in the '276 application that included a certificate of mailing dated February 20, 2007, along with a check for \$400.00 drawn on his Sutton Operating Account, check #14206, to the USPTO to pay the issue fee.
161. On February 23, 2007, the USPTO processed check #14206. However, on February 28, 2007, Respondent's bank notified the USPTO that check #14206 had been dishonored for "uncollected funds hold."
162. Because the issue fee was not properly paid by February 20, 2007, the '276 application became abandoned by operation of law. *See* 35 U.S.C. § 151.
163. The USPTO acknowledges that it did not send a Notice of Abandonment in the '276 application to Respondent. The USPTO also has no record of sending its own notice to Respondent regarding check #14206 being dishonored by his bank.
164. On April 17, 2007, through inadvertence, the USPTO issued the '276 application as U.S. Design Patent No. D540,570 although the issue fee had not actually been paid on time.
165. Applications abandoned for failure to pay the issue fee can be revived only if the delay in payment is shown to the satisfaction of the Director of the USPTO to have been unavoidable. *See* 35 U.S.C. § 151. Such a showing is made in the form of a petition to revive an abandoned patent application under 37 C.F.R. § 1.137(a), and must be submitted along with the delayed issue fee payment and the fees required for filing a petition under 37 C.F.R. § 1.137(a).
166. According to Respondent, on or about April 25, 2007, he became aware on his own that check #14206 had been dishonored, and received no indication from the USPTO prior to that date that the issue fee in the '276 application had not been timely paid or that check #14206 had been dishonored.
167. On April 26, 2007, Respondent sent a replacement check and paid the \$425.00 due in the '276 application (\$400.00 plus a \$25.00 late payment fee), as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14206. However, the April 26, 2007 filing was not accompanied by a petition to revive the '276 application for unavoidable delay under 37 C.F.R. § 1.137(a) or the fees required for filing such a petition.
168. The USPTO cashed the replacement check and retained those monies even though the payment was submitted more than two months after the due date for timely payment of the issue fee and was not accompanied by a petition to revive for unavoidable delay under 37 C.F.R. § 1.137(a) or the fees required for filing such a petition.

169. Respondent retained and commingled the funds he received from Josef on or about January 4, 2007.

Design Patent Application U.S. Serial No. 29/232,275 ('275 Application)

170. Respondent is the attorney of record in Design Patent Application U.S. Serial No. 29/232,275 (the '275 application).
171. On or about November 27, 2006, Respondent sent Josef an invoice for \$845.00 for, *inter alia*, "services in connection with payment of the base issue fee for the ['275] application," including the \$400.00 necessary to cover the "Government Issue fee."
172. The November 27, 2006 invoice also included charges for work to be completed in the future, *e.g.*, "expected receipt and complete proofreading of the patent for possible printing errors" (emphasis added).
173. On or about January 4, 2007, Respondent deposited the \$845.00 he received from Josef, including the \$400.00 for the "Government Issue fee," into the Sutton Operating Account.
174. On February 22, 2007, Respondent filed with the USPTO an Issue Fee Transmittal Form in the '275 application, along with a check for \$400.00 drawn on his Sutton Operating Account, check #14207, to the USPTO to pay the issue fee.
175. On February 28, 2007, the USPTO processed check #14207, but it was dishonored for "uncollected funds hold."
176. Respondent retained and commingled the funds he received from Josef on or about January 4, 2007.
177. On April 25, 2007, Respondent paid the \$425.00 due in the '275 application (\$400.00 plus a \$25.00 late payment fee), as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14207.

Design Patent Application U.S. Serial No. 29/232,274 ('274 Application)

178. Respondent is the attorney of record in Design Patent Application U.S. Serial No. 29/232,274 (the '274 application).
179. On or about November 27, 2006, Respondent sent Josef an invoice for \$845.00 for, *inter alia*, "services in connection with payment of the base issue fee for the ['274] application," including the \$400.00 necessary to cover the "Government Issue fee."

180. The November 27, 2006 invoice also included charges for work to be completed in the future, *e.g.*, “expected receipt and complete proofreading of the patent for possible printing errors” (emphasis added).
181. On or about January 4, 2007, Respondent deposited the \$845.00 he received from Josef, including the \$400.00 for the “Government Issue fee,” into the Sutton Operating Account.
182. On February 22, 2007, Respondent filed with the USPTO an Issue Fee Transmittal Form in the ’274 application, along with a check for \$400.00 drawn on his Sutton Operating Account, check #14208, to the USPTO to pay the issue fee.
183. On February 28, 2007, the USPTO processed check #14208, but it was dishonored for “uncollected funds hold.”
184. Respondent retained and commingled the funds he received from Josef on or about January 4, 2007.
185. On April 27, 2007, Respondent paid the \$425.00 due in the ’274 application (\$400.00 plus a \$25.00 late payment fee), as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14208.

Design Patent Application U.S. Serial No. 29/232,247 ('247 Application)

186. Respondent is the attorney of record in Design Patent Application U.S. Serial No. 29/232,247 (the ’247 application).
187. On or about November 27, 2006, Respondent sent Josef an invoice for \$845.00 for, *inter alia*, “services in connection with payment of the base issue fee for the [’247] application,” including the \$400.00 necessary to cover the “Government Issue fee.”
188. The November 27, 2006 invoice also included charges for work to be completed in the future, *e.g.*, “expected receipt and proofreading of the patent for possible printing errors” (emphasis added).
189. On or about January 4, 2007, Respondent deposited the \$845.00 he received from Josef, including the \$400.00 for the “Government Issue fee,” into the Sutton Operating Account.
190. On February 22, 2007, Respondent filed with the USPTO an Issue Fee Transmittal Form in the ’247 application, along with a check for \$400.00 drawn on his Sutton Operating Account, check #14209, to the USPTO to pay the issue fee.
191. On February 27, 2007, the USPTO processed check #14209, but it was dishonored for “uncollected funds hold.”

192. Respondent retained and commingled the funds he received from Josef on or about January 4, 2007.
193. On April 27, 2007, Respondent paid the \$425.00 due in the '247 application (\$400.00 plus a \$25.00 late payment fee), as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14209.

Nonprovisional Patent Application U.S. Serial No. 11/506,111 ('111 Application)

194. Respondent is the attorney of record in Patent Application U.S. Serial No. 11/506,111 (the '111 application).
195. Franco hired Respondent to file the patent application that would eventually become the '111 application.
196. On August 17, 2006, Respondent filed the '111 application with the USPTO, along with a check drawn on his Sutton Operating Account for \$665.00, check #12908, to cover the statutory basic filing fee, the additional claim fees for a small entity, the application search fee, the application examination fee, and the assignment recordation fee.
197. On or about August 24, 2006, the USPTO processed check #12908, but the check was dishonored for insufficient funds.
198. On September 9, 2006, the USPTO sent Respondent a Notice To File Missing Parts of Nonprovisional Application, which stated that a \$65 late filing fee surcharge as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #12908 were now due in the '111 application in addition to the \$665.00 in fees that were previously due.
199. On September 13, 2006, Respondent filed a check for \$715 with the USPTO to pay the statutory basic filing fee, the additional claim fees for a small entity, the application search fee, the application examination fee, the assignment recordation fee, and the \$50.00 fee required by 37 C.F.R. § 1.21(m). This amount was insufficient, however, to cover the outstanding \$65.00 late filing fee surcharge then due in the '111 application.
200. On November 20, 2006, the USPTO sent Respondent a Notice of Incomplete Reply, seeking the outstanding \$65.00.
201. On December 6, 2006, Respondent filed with the USPTO a check for \$65.00 drawn on his Sutton Operating Account, check # 13429, to pay a late filing fee surcharge.
202. On December 20, 2006, the USPTO processed check #13429, but it was dishonored for insufficient funds.
203. On April 30, 2007, Respondent paid the \$65.00 due in the '111 application, as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #13429.

Fraudulent Paperwork and Neglect

204. In 2007, Ms. Jamieson hired Respondent to prepare and file in the USPTO a patent application related to a foldable shampoo chair.
205. On March 22, 2007, Respondent filed with the USPTO a patent application on Ms. Jamieson's invention, U.S. Serial No. 11/726,626, entitled, "Reclining Foldable Shampoo Chair for a Bath" (Ms. Jamieson's application). The paperwork filed with Ms. Jamieson's application provides Respondent's name and address for all future correspondence related to the application.
206. The USPTO sent Respondent a non-final Office action dated December 24, 2008 (December 24th Office action), setting forth an initial rejection of Ms. Jamieson's patent claims on various statutory grounds.
207. Consistent with USPTO practice, the December 24th Office action included a mailing cover page (PTOL-90A) with a field labeled "Mail Date." *See* Manual of Patent Examining Procedure (MPEP) § 707 generally; *see also* MPEP §§ 707.11, 707.12 specifically. In the mail date field of the December 24th Office action, the mailing date is expressly listed as "12/24/2008." The mailing cover page also states that "[t]he time period for reply, if any, is set in the attached communication."
208. Consistent with USPTO practice, the December 24th Office action also included an "Office Action Summary" at page 2 with a section labeled "Period for Reply." In that field, the period for reply is listed as three months from the mailing date:

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE IN 3 MONTHS OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.

(Emphasis original).

209. Thus, a timely reply to the December 24th Office action was due by March 24, 2009. As indicated, a late reply could also have been filed up to June 24, 2009, if accompanied by a request for a three-month extension of time under 37 C.F.R. § 1.136(a) and the appropriate fees.
210. Consistent with USPTO practice, the Office Action Summary also cautioned that "[f]ailure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 USC § 133)" (emphasis original).

211. Thus, by statute, Ms. Jamieson's application would go abandoned on June 25, 2009, unless the USPTO received a response to the December 24th Office action by June 24, 2009, along with a three-month extension of time and the appropriate fees.
212. Consistent with USPTO procedure, the Office Action Summary does not list either the mailing date of the Office action or any specific due date(s). *See* MPEP § 707 at 700-114.
213. In March 2009, Ms. Jamieson telephoned Respondent, and inquired whether he had received any information or response from the USPTO regarding her application.
214. Respondent asserts that, during their March 2009 telephone conversation, he informed Ms. Jamieson that he would check on the status of her application.
215. On or about May 16, 2009, Ms. Jamieson again telephoned Respondent to inquire about the status of her application, and Respondent finally informed her about the December 24th Office action.
216. At the time of the May 16th telephone conversation between Ms. Jamieson and Respondent, about five weeks remained during which a response to the December 24th Office action could have been filed in Ms. Jamieson's application, provided the response was accompanied by a request for a two-month extension of time and payment of the associated fees. According to Respondent, however, Ms. Jamieson never instructed him to file a response to the Office action.
217. On or about June 24, 2009, Ms. Jamieson received correspondence from Respondent dated June 18, 2009 that included what purported to be a copy of the December 24th Office action (Purported Copy).
218. The mailing cover sheet of the Purported Copy differs from the mailing cover sheet sent by the USPTO to Respondent. Specifically, the mailing sheet cover (PTOL-90A) sent by the USPTO to Respondent includes a field labeled, "Mail Date" under which the date "12/24/2008" is printed. In contrast, on the mailing cover sheet of the Purported Copy provided by Respondent to Ms. Jamieson there is nothing printed under the field labeled, "Mail Date." The field is blank.
219. According to a sworn declaration by an employee of Respondent, she intentionally altered the Purported Copy by eradicating both instances of the text, "12/24/2008," from under the field labeled, "Mail Date.," and did so without Respondent's knowledge.
220. The copy of the December 24th Office action provided by Respondent to OED along with his Third Response matches the copy of the December 24th Office action in the USPTO's official records, *i.e.*, includes the mailing date on the mailing cover sheet.
221. In his Third Response to OED, Respondent alleged to OED that he did not know why the cover sheet Ms. Jamieson sent to OED does not include a mail date.

222. On or about June 24, 2009, Ms. Jamieson telephoned Respondent to inquire about the time period for response to the December 24th Office action because she could not discern a due date based on her review of the Purported Copy.
223. By operation of law, Ms. Jamieson's application went abandoned at 12:00 a.m. on June 25, 2009. *See* 35 U.S.C. § 133.
224. On or about June 25, 2009, Ms. Jamieson contacted the USPTO to inquire about the status of her application and learned that her application had gone abandoned because the USPTO had not received a response to the December 24th Office action by the end of the six-month statutory period for reply.
225. In his Third Response to OED, Respondent alleged that he discussed the December 24th Office action with Ms. Jamieson in their May 16th telephone conversation, but that they both decided that he should telephone the patent examiner assigned to Ms. Jamieson's application to see if they could overcome the rejections against Ms. Jamieson's patent claims by telephone because Ms. Jamieson could not afford to pay the attorney fees associated with preparing and filing a written response:

I further explained that we can study the 3 patents in detail to prepare arguments to respond to the rejections, and that we can also amend the claims. I also advised her that it was complex, that it would take 3 to 4 hours, and that the charge would be \$900, to do all this work.

Ms. Jamieson then responded that she does not have any money, and that she could not pay \$900 to do this. I told her that the case will go abandoned if a response is not prepared and filed. I then suggested to her that I could call the Examiner to discuss the case, and I could ask the Examiner if we combined the claims, would she allow any claims. Ms. Jamieson agreed to this suggestion, because she had no funds to prepare and file a response. We did not discuss the date the Office action had been mailed, or sending her a copy, since we were discussing the substance of the Office action, and what needed to be done to respond to avoid abandonment.

226. In his Third Response to OED, Respondent further alleged that, consistent with his May 16th telephone conversation with Ms. Jamieson, he contacted the patent examiner assigned to her application to discuss the December 24th Office action and, thereafter, informed Ms. Jamieson that the patent examiner "did not see any allowable subject matter" in her application:

The next time Ms. Jamieson called (which may have been after my letter to her), I explained to her that I had discussed the application with the Examiner, and that I told the Examiner the inventor did not have funds for preparing and filing a written response. I advised Ms. Jamieson that I

asked the Examiner if she could do us a favor, and review the claims and the prior art, and let me know if we combined the dependent claims with the independent claims, whether there were any claims that could be allowed, or any subject matter that could be allowed, since the Examiner was using 3 patents to reject the claims. I advised Ms. Jamieson that the Examiner had called me back a few days later, and said that she had reviewed the case again, but the Examiner did not see any allowable subject matter.

- 227. Under USPTO practice, if an applicant or applicant's representative contacts a patent examiner by telephone to discuss the rejections in a pending application, the result of that conversation is required to be recorded in the form of an "Interview Summary" form, which is entered in the application's official file. 37 C.F.R. § 1.133; MPEP § 713.04.
- 228. There is no Interview Summary in Ms. Jamieson's application file, and while the examiner assigned to Ms. Jamieson's application, Karen Younkins, acknowledges that an interview with Respondent did occur after Ms. Jamieson's application went abandoned, she has no recollection of having had a conversation with Respondent prior to July 14, 2009.
- 229. Respondent did not telephone Examiner Younkins, regarding the December 24th Office action prior to the abandonment of Ms. Jamieson's application.
- 230. On or about July 14, 2009 – *i.e.*, after Ms. Jamieson's application was already abandoned – Examiner Younkins telephoned Respondent to inquire as to the status of the case.
- 231. In the week(s) following July 14, 2009, Examiner Younkins received a telephone call from Respondent. In that conversation, Respondent asked Examiner Younkins if she believed there was any patentable subject matter in Ms. Jamieson's application or any amendments that could be made to place the application in condition for allowance, and Examiner Younkins informed Respondent that there was none.
- 232. Respondent did not inform Ms. Jamieson about his July 14, 2009 conversation with Examiner Younkins.
- 233. On July 17, 2009, the USPTO mailed Respondent a Notice of Abandonment in Ms. Jamieson's application, informing him that Ms. Jamieson's application had been abandoned for failure to timely file a proper reply to the December 24th Office action.

REMEDIAL ACTION BY RESPONDENT

- 234. Supervision of checks and office management: Respondent has opened a Deposit Account with the USPTO, in which a minimum of \$1000 will be maintained at all times. With respect to fees paid by check, the following or similar paragraph will be included in all correspondence to the USPTO in which a fee payment is required:

Please charge any additional amounts that may be due in connection with this filing to Deposit Account 504246. Please credit any excess fees to such deposit account.

235. Supervision of all subordinates: During the period of suspension, Respondent will monitor activities of all subordinates in his office and, if a deficiency is noted, correct the deficiency immediately and to closely monitor the subordinate for 60 days to ensure that the deficiency is or has been corrected.

LEGAL CONCLUSIONS

236. Based on the information contained in the Stipulated Facts, Respondent acknowledges that he violated 37 C.F.R. § 10.23(b)(6) (engaging in conduct that adversely reflects on his fitness to practice before the Office) by submitting checks to the USPTO that were drawn on insufficient funds, including by failing to timely pay the issue in a patent application, and that he violated 37 C.F.R. § 10.112 (failing to preserve the identity of client funds and property) by depositing client funds provided for the payment of USPTO fees in his business account before payment of the fees to the USPTO. Respondent also acknowledges that he violated 37 C.F.R. § 10.77(b) (handling a legal matter without preparation adequate in the circumstances) by failing to adequately supervise a subordinate who was tasked with drafting documents to be filed in the USPTO, and by failing to timely pay the issue fee in a patent application.

SANCTIONS

237. Respondent agreed, and it is ORDERED that:
- a. Respondent be, and hereby is, suspended for a period of thirty-six (36) months from the practice of patent, trademark, and non-patent law before the USPTO commencing on the date the Final Order is signed and (ii) the suspension be immediately stayed as of the date the Final Order is signed and that the stay remain in effect until further order of the USPTO Director or his designee;
 - b. Respondent is permitted to practice patent, trademark, and non-patent law before the USPTO unless the stay of the suspension is lifted and Respondent is suspended by order of the USPTO Director or his designee as set forth in subparagraph i, below;
 - c. Within thirty (30) days from the date the Final Order is signed, Respondent shall, at his own expense, hire a Qualified Third Party to conduct an Independent Audit of all files on which the employee of Respondent referenced in paragraphs 11 and 219, above, worked to ensure that the clients' rights have not been adversely affected in any way, including but not necessarily limited to, adverse consequences arising from the submission of altered or fraudulent documents to the USPTO;
 - d. Within seven (7) months from the date the Final Order is signed, Respondent shall ensure that the Qualified Third Party referenced in the preceding subparagraph files with the OED Director a written Report

Summarizing the Independent Audit conducted and the results obtained therein;

- e. Within eight (8) months from the date the Final Order is signed, Respondent: (i) take all reasonable steps to remedy all adverse consequences identified in the Report Summarizing the Independent Audit referenced in the preceding two subparagraphs and (ii) inform the OED Director in writing of what steps were taken to remedy such adverse consequences and provide corroborating documentation thereof;
- f. Respondent prepare a letter to the owner/assignee of U.S. Design Patent No. D540,570 (issuing from Design Patent Application U.S. Serial No. 29/232,276), which advises the owner assignee of the following facts:
 - 1) An issue fee must be paid in all allowed patent applications within three months of a written notice of allowance. *See* 35 U.S.C. § 151. If the issue fee is not timely paid, "the application shall be regarded as abandoned." 35 U.S.C. § 151. However, the USPTO may accept the late payment of an issue fee and treat the corresponding patent application as though no abandonment had ever occurred if "the delay in payment is shown to have been unavoidable." *Id.* Such a showing is made in the form of a petition to revive an abandoned patent application under 37 C.F.R. § 1.137(a), and must be submitted along with the delayed issue fee payment and the fees required for filing a petition under 37 C.F.R. § 1.137(a).
 - 2) On November 20, 2006, the USPTO sent Respondent a Notice of Allowance and Issue Fee(s) Due stating that an issue fee of \$400 was due on "02/20/2007" and that the fee "MUST BE PAID WITHIN THREE MONTHS," *i.e.*, on February 20, 2007 (emphasis original).
 - 3) On February 22, 2007, Respondent filed with the USPTO an Issue Fee Transmittal Form in the '276 application, along with a check for \$400.00 drawn on his Sutton Operating Account, check #14206, to the USPTO to pay the issue fee. The Transmittal Form included a certificate of mailing dated February 20, 2007. The Transmittal Form and the check were received in the USPTO on February 22, 2007 and the issue fee was verified on the same date.
 - 4) On February 23, 2007, the USPTO processed check #14206. However, on February 28, 2007, Respondent's bank notified the USPTO that check #14206 had been dishonored for "uncollected funds hold."

- 5) Because the issue fee was not properly paid by February 20, 2007, the '276 application became abandoned by operation of law. *See* 35 U.S.C. § 151.
 - 6) On April 17, 2007, through inadvertence, the USPTO issued the '276 application as U.S. Design Patent No. D540,570 although the issue fee had not actually been paid on time.
 - 7) On April 26, 2007, Respondent sent a replacement check and paid the \$425.00 due in the '276 application (\$400.00 plus a \$25.00 late payment fee), as well as the \$50.00 fee required by 37 C.F.R. § 1.21(m) for processing dishonored check #14206. However, the April 26, 2007 filing was not accompanied by a petition to revive the '276 application for unavoidable delay under 37 C.F.R. § 1.137(a) or the fees required for filing such a petition.
 - 8) The USPTO cashed the replacement check and retained those monies even though the payment was submitted more than two months after the due date for timely payment of the issue fee and was not accompanied by a petition to revive for unavoidable delay under 37 C.F.R. § 1.137(a) or the fees required for filing such a petition.
- g. Respondent's counsel, Cameron Weiffenbach, send the letter identified in the preceding subparagraph by certified, first class U.S. mail to the owner/assignee of U.S. Design Patent No. D540,570 and prepare and send a copy of the letter and verification of its receipt by the owner/assignee of U.S. Design Patent No. D540,570 to the OED Director within thirty (30) days from the date the Final Order is signed.
- h. In the event that the OED Director is of the opinion that Respondent, during the thirty-six (36) 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:
- 1) issue to Respondent an Order to Show Cause why the USPTO Director or his designee should not order that the stay of the suspension be lifted and Respondent be immediately suspended for up to thirty-six (36) months for the violation set forth above;
 - 2) 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

- 3) grant Respondent fifteen (15) days to respond to the Order to Show Cause;
and
- i. 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 thirty-six (36) 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:
 - 1) deliver to the USPTO Director or his designee: (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 failed to comply with any provision of the Final Order or any Disciplinary Rule of the USPTO Code of Professional Responsibility during the thirty-six (36) month period commencing on the date the Final Order is signed, and
 - 2) request that the USPTO Director or his designee immediately lift the stay of the suspension and suspend Respondent for up to thirty-six (36) months for the violations set forth in paragraph 236 above;
- j. 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>;
- k. The OED Director publish the following Notice of Stayed Suspension in the *Official Gazette*:

Notice of Stayed Suspension

Ezra Sutton of Woodbridge, New Jersey, registered patent attorney (Registration Number 25,770). The United States Patent and Trademark Office ("USPTO") has suspended Mr. Sutton for thirty-six (36) months, with the entirety of the suspension stayed, and placed him on a thirty-six (36) month probation for violating 37 C.F.R. § 10.23(b)(6) (engaging in conduct that adversely reflects on his fitness to practice before the Office), as well as 37 C.F.R. § 10.77(b) (handling a legal matter without preparation adequate in the circumstances). More specifically, Mr. Sutton violated 37 C.F.R. § 10.23(b)(6) by submitting 23 checks, totaling \$7,705.00, to the USPTO that were drawn on insufficient funds. Additionally, Mr. Sutton violated 37 C.F.R. § 10.77(b) by not adequately supervising an employee who altered a USPTO

document that was sent to a client by removing its mailing date, and by not timely paying the issue fee in a patent application. Mr. Sutton has changed his supervisory controls and has begun to conduct an audit on all files on which the employee in question worked to ensure that no other client matters have been compromised. Mr. Sutton has also counseled a client whose patent rights may have been adversely affected by his failure to timely pay the issue fee in a patent application. Mr. Sutton is permitted to practice before the USPTO during his probation unless the stay of the suspension is lifted.

This action is the result of a settlement agreement between Mr. Sutton and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.20, 11.26, and 11.59. Disciplinary decisions involving practitioners are posted at the Office of Enrollment and Discipline's Reading Room located at: <http://des.uspto.gov/Foia/OEDReadingRoom.jsp>.

- l. 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;
- m. Pursuant to 37 C.F.R. § 11.20(a)(4), Respondent provide, within thirty (30) days of the date of the Final Order, a copy of the Final Order to all state bars to which he has been admitted to practice law and to the individual identified in paragraph 204, above, and to file, within forty-five (45) days of the date of the Final Order, an affidavit with the OED Director stating that he complied with the requirements of this subparagraph;
- n. In the event that the USPTO Director or his designee lifts the stay of the suspension and suspends Respondent pursuant to the provisions of subparagraph i, and Respondent seeks a review of the USPTO Director's decision to lift the stay and impose a suspension, any such review shall not operate to postpone or otherwise hold in abeyance the immediate suspension of Respondent;
- o. If the stay of the suspension is lifted and Respondent is suspended pursuant to the provisions of subparagraph i:
 - 1) Respondent shall comply with 37 C.F.R. § 11.58;
 - 2) the OED Director shall disseminate information in accordance with 37 C.F.R. § 11.59;

- 3) the USPTO shall promptly dissociate Respondent's name from all USPTO customer numbers and public key infrastructure ("PKI") certificates;
 - 4) Respondent shall not use any USPTO customer number or PKI certificate unless and until he is reinstated to practice before the USPTO; and
 - 5) Respondent may not obtain a USPTO customer number or a PKI certificate unless and until he is reinstated to practice before the USPTO;
- p. If the stay is not lifted and Respondent is not suspended pursuant to the provisions of subparagraph i, then Respondent is not required to serve the thirty-six (36) month suspension set forth in subparagraph a above;
- q. With respect to the suspension identified in subparagraph a above, 37 C.F.R. §§ 11.58 and 11.60 do not apply unless the stay of the suspension is lifted and Respondent is suspended pursuant to the provisions of subparagraph i;
- r. Nothing in the Proposed Settlement Agreement or the Final Order shall prevent the USPTO from seeking discipline against Respondent in accordance with the provisions of 37 C.F.R. §§ 11.34 through 11.57 for the misconduct that caused the stay of the suspension to be lifted and Respondent to be suspended pursuant to the provisions of subparagraph i;
- s. 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 USPTO, 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
- t. The OED Director and Respondent bear their own costs incurred to date and in carrying out the terms of this agreement.

[signature page follows]

JAN 10 2011

Date



WILLIAM R. COVEY

Deputy General Counsel for General Law
United States Patent and Trademark Office

on behalf of

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

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JAN 10 2011

Date



WILLIAM R. COVEY
Deputy General Counsel for General Law
United States Patent and Trademark Office

on behalf of

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