

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

In the Matter of )  
 )  
Douglas E. Mackenzie, ) Proceeding No. D2010-27  
 )  
Respondent )

**FINAL ORDER**

The Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Douglas E. Mackenzie (“Respondent”) have submitted a Proposed Settlement Agreement to the Under Secretary of Commerce for Intellectual Property and USPTO Director 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 resolve voluntarily a disciplinary complaint against Respondent.

The Proposed Settlement Agreement, which satisfies the requirements of 37 C.F.R. § 11.26, resolves the disciplinary action by the USPTO 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**

At all times relevant hereto, Respondent of Auberry, California, has been a registered patent practitioner who is subject to the Disciplinary Rules of the USPTO Code of Professional Responsibility set forth at 37 C.F.R. § 10.20 *et seq.* Respondent’s registration number is 38,955.

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 32, and 37 C.F.R. §§ 11.20 and 11.26.

**Stipulated Facts**

**A. Background**

1. Respondent of Auberry, California, is a practitioner registered to practice patent law before the Office (Registration Number 38,955) and is subject to the USPTO Disciplinary Rules set forth at 37 C.F.R. § 10.20 *et seq.*

2. Respondent was admitted to the Minnesota State Bar (Lawyer License No. 0155573) on May 11, 1984, but he was administratively suspended from the Minnesota State Bar for the non-payment of attorney licensing fees.

3. Respondent was admitted to the State Bar of California (Bar Number 212953) on May 31, 2001.

4. Respondent was authorized to practice before the United States District Court for the Northern District of California.

#### **B. Administrative Suspensions – Failure to Pay Child and Family Support Obligations**

5. Respondent was ordered by the Santa Clara County Court to pay his former spouse \$150,000.00 in child and family support obligations.

6. Respondent was suspended from the State Bar of California from August 16, 2008, through September 10, 2008, for noncompliance with the child and family support obligations ordered by the Santa Clara County Court.

7. On October 5, 2009, Respondent was again suspended for noncompliance with the child and family support obligations ordered by the Santa Clara County Court. He remains suspended by State Bar of California.

8. Based on his ineligibility to practice law in California, Respondent was removed from the roll of attorneys authorized to practice before the United States District Court for the Northern District of California.

#### **C. Failure to Withdraw from Employment in USPTO in Trademark Matters**

9. While Respondent was an active member of the State Bar of California, he filed a number of trademark applications and was the attorney of record in those trademark matters.

10. Respondent failed to notify the USPTO's Office of Enrollment and Discipline ("OED") in a timely fashion of his suspension from the State Bar of California. See 37 C.F.R. § 10.23(c)(14). Respondent also failed to notify OED that he was no longer an attorney "who is a member in good standing of the highest court of any State, including an individual who is in good standing of the highest court of one State," as defined in 37 C.F.R. § 11.1 and as required under 37 C.F.R. § 11.14 to represent clients in trademark matters before the Office.

11. Respondent also failed to change his status from registered patent attorney to registered patent agent until notified by OED of his obligation to do so under 37 C.F.R. § 10.23(c)(14).

12. Respondent failed to notify his clients of his suspension from the State Bar of California and failed to withdraw as the attorney of record in his pending trademark matters, until notified by OED of his obligation to do so.

#### **D. Representation of Ms. C.**

13. Beginning as early as 1998, Respondent began a relationship with Invention Submission Company ("ISC"), an invention development company that hired Respondent to prepare and prosecute patent applications on behalf of applicants that ISC solicited through various forms of advertising and then referred to Respondent.

14. Among the persons referred to Respondent by ISC was Ms. C.

15. Ms. C. paid \$9,000 to ISC, and ISC hired Respondent to prepare and file patent application SN XX/XXX,XXX ("the '032 application") on her behalf.

16. Upon information and belief, ISC allegedly placed a portion of the funds paid by Ms. C. into an account to pay for patent law services and sent Ms. C.'s patent application materials to Respondent.

17. Respondent did not obtain the consent of Ms. C. after full disclosure to accept compensation from ISC for patent legal services he intended to provide to her.

18. Respondent did not divulge his business relationship with ISC to Ms. C. nor the conflict of interest it presented in representing her interests, and Respondent did not obtain Ms. C.'s consent after full disclosure to represent her in light of Respondent's business relationship with ISC.

19. December 30, 2005, Ms. C. filed a civil action in the Northern District of Ohio, Civil Action No. 05-3000 for the negligent handling of '032 application, and she named a number of defendants including ISC and Respondent.

20. ISC retained and paid an attorney to represent a number of defendants including ISC and Respondent.

21. Notwithstanding the litigation filed against him by Ms. C., Respondent did not promptly withdraw from representing her before the Office and, instead, continued to prosecute the '032 application. Specifically, on June 15, 2006, Respondent filed an Amendment After Final Rejection in the '032 application which failed to place the '032 application in condition for allowance. Thereafter, on September 15, 2006, the '032 application became abandoned by operation of law for failure to file a timely response to the March 15, 2006 Office Action, and the Office mailed a Notice of Abandonment dated April 12, 2007.

22. Respondent waited until February 28, 2008, to file a Request for Withdrawal as Attorney or Agent in the '032 application.

#### **Legal Conclusion**

23. Based on the foregoing stipulated facts, Respondent acknowledges that his conduct violated the following Disciplinary Rules of the USPTO Code of Professional Responsibility:

- a. 37 C.F.R. §10.23(b)(6) (engaging in conduct that adversely reflects on his fitness to practice law) by violating 37 C.F.R. § 10.23(c)(14) by knowingly failing to notify the Director in writing of his change in his professional licensure status that would preclude continued registration as a patent attorney under 37 C.F.R. § 11.6;
- b. 37 C.F.R. § 10.31(d) by continuing to hold himself out as authorized to represent clients in trademark matters before the Office while not licensed to practice law by the State Bar of California;
- c. 37 C.F.R. § 10.40(b)(4) by not timely withdrawing from representing a client after the client brought suit against Respondent;
- d. 37 C.F.R. § 10.62(a), in connection with the referral from an invention development company, by accepting employment without the consent of the client after full disclosure, where the exercise of the practitioner's professional judgment on behalf of the client will be or reasonably may be affected by the practitioner's own financial, business, property, or personal interests;
- e. 37 C.F.R. § 10.66(a), in connection with the referral from an invention development company, by not declining proffered employment where the exercise of the practitioner's independent professional judgment on behalf of a client will be or is likely to be adversely affected by the acceptance of the proffered employment, or if it would be likely to involve the practitioner in representing differing interests;
- f. 37 C.F.R. § 10.66(b), in connection with the referral from an invention development company, by representing multiple clients where it is obvious that the practitioner cannot adequately represent the interest of each; and/or by representing multiple clients, where it is obvious that the practitioner can adequately represent the interest of each, without first obtaining the consent of each client to the representation after full disclosure of the possible effect of such representation on the exercise of the practitioner's independent professional judgment on behalf of each; and
- g. 37 C.F.R. § 10.68(a)(1), in connection with the referral from an invention development company, by accepting compensation from one other than the practitioner's client for the practitioner's legal services to or for the client without the consent of the client after full disclosure.

#### Sanctions

24. Respondent agreed, and it is ORDERED that:

- a. Respondent be, and hereby is, publicly reprimanded;
- b. Respondent shall serve a sixty-month (60-month) probationary period commencing on the date the Final Order is signed;

- c. Respondent shall be permitted to practice patent law before the USPTO during his probationary period unless he is suspended by order of the USPTO Director;
- d. Respondent, within 30 days from the date the Final Order is signed, shall notify Ms. C of his public reprimand and probation by providing her a copy of this Final Order;
- e. Respondent, within 45 days from the date the Final Order is signed, shall provide the OED Director an affidavit attesting to Respondent's compliance with the preceding subparagraph and the documentation evidencing his compliance (e.g., a copy of the correspondence to Ms. C.);
- f. (1) in the event that the OED Director is of the opinion that Respondent, during the probationary period, 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) issue to Respondent an Order to Show Cause why the USPTO Director should not order that Respondent be immediately suspended for up to sixty (60) months for the violations set forth in paragraph 23, above;

(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 probationary period, 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 designee: (i) the Order to Show Cause, (ii) Respondent's response to the Order to Show Cause, if any, and (iii) evidence and argument 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 probationary period, and

(B) request that the USPTO Director immediately suspend Respondent for up to sixty (60) months for the violations set forth in paragraph 23, above;

g. If Respondent is suspended:

(1) the USPTO shall promptly dissociate Respondent's name from all USPTO customer numbers and Public Key Infrastructure ("PKI") certificates;

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

and

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

h. The OED Director shall publish the Final Order at the Office of Enrollment and Discipline's Reading Room electronically located at: <http://des.uspto.gov/Foia/OEDReadingRoom.jsp>;

i. The OED Director shall publish a notice in the *Official Gazette* materially consistent with the following:

**Notice of Public Reprimand and Probation**

Douglas E. Mackenzie of Auberry, California, registered patent agent (Registration Number 38,955). The United States Patent and Trademark Office ("USPTO" or "Office") has publicly reprimanded Mr. Mackenzie and placed him on probation for sixty (60) months. Mr. Mackenzie is permitted to practice before the Office during his probation unless he is subsequently suspended by order of the USPTO Director.

Mr. Mackenzie violated 37 C.F.R. §10.23(b)(6) (engaging in conduct that adversely reflects on his fitness to practice law) by violating 37 C.F.R. § 10.23(c)(14) by knowingly failing to notify the Director in writing of his change in his professional licensure status that would preclude continued registration as a patent attorney under 37 C.F.R. § 11.6; violated 37 C.F.R. § 10.31(d) by continuing to hold himself out as authorized to represent clients in trademark matters before the Office while not licensed to practice law by the State Bar of California; violated 37 C.F.R. § 10.40(b)(4) by not timely withdrawing from representing a client after the client brought suit against Respondent; violated 37 C.F.R. § 10.62(a), in connection with the referral from an invention development company, by accepting employment without the consent of the client after full disclosure, where the exercise of the practitioner's professional

judgment on behalf of the client will be or reasonably may be affected by the practitioner's own financial, business, property, or personal interests; violated 37 C.F.R. § 10.66(a), in connection with the referral from an invention development company, by not declining proffered employment where the exercise of the practitioner's independent professional judgment on behalf of a client will be or is likely to be adversely affected by the acceptance of the proffered employment, or if it would be likely to involve the practitioner in representing differing interests; violated 37 C.F.R. § 10.66(b), in connection with the referral from an invention development company, by representing multiple clients where it is obvious that the practitioner cannot adequately represent the interest of each; and/or by representing multiple clients, where it is obvious that the practitioner can adequately represent the interest of each, without first obtaining the consent of each client to the representation after full disclosure of the possible effect of such representation on the exercise of the practitioner's independent professional judgment on behalf of each; and violated 37 C.F.R. § 10.68(a)(1), in connection with the referral from an invention development company, by accepting compensation from one other than the practitioner's client for the practitioner's legal services to or for the client without the consent of the client after full disclosure.

This action is the result of a settlement agreement between Mr. Mackenzie 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>.

- j. The OED Director shall give notice of the public discipline and the reasons for the discipline pursuant to 37 C.F.R. § 11.59;
- k. In the event that the USPTO Director suspends Respondent and Respondent seeks a review of the USPTO Director's decision, any such review shall not operate to postpone or otherwise hold in abeyance the immediate suspension of Respondent pursuant to the Final Order;
- l. 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 that caused his immediate suspension;
- m. Nothing in the proposed Settlement Agreement or the Final Order shall prevent the Office from considering the proposed Settlement Agreement or the Final Order (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

- n. The OED Director and Respondent bear their own costs incurred to date and in carrying out the terms of this agreement.

OCT 12 2011

Date



A. WADE NORMAN  
Acting 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



cc:

Director of the Office of Enrollment and Discipline  
U.S. Patent and Trademark Office

Douglas E. Mackenzie  
P.O. Box 7  
Auberry, California 93602

### Notice of Public Reprimand and Probation

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[signature page follows]

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Date



A. WADE NORMAN

Acting 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