

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

In the Matter of	)	
	)	
Leonard Tachner,	)	
	)	
Respondent	)	Proceeding No. D2012-30
_____	)	

**FINAL ORDER**

The Deputy General Counsel for Enrollment and Discipline and Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Leonard Tachner (“Respondent”) have submitted a Proposed Settlement Agreement (“Agreement”) to the Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

The Agreement, which resolves all disciplinary action by the USPTO arising from the stipulated facts set forth below, is hereby approved. This Final Order sets forth the parties’ stipulated facts, legal conclusions, and sanctions.

**Jurisdiction**

1. At all times relevant hereto, Respondent of Irvine, California, has been a registered patent attorney (Registration No. 26,344) and subject to the USPTO Code of Professional Responsibility and Disciplinary Rules set forth at 37 C.F.R. § 10.20 *et seq.*
2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19 and 11.26.

**Stipulated Facts**

A. Background

3. The USPTO registered Respondent as a patent agent on February 7, 1972, and as a patent attorney on March 1, 1974.
4. Respondent’s registration number is 26,344.
5. At all relevant times, Respondent was a solo practitioner who employed only an office manager and a clerical assistant to work on a full-time basis at his law firm.

6. In matters pertaining to this Agreement, Respondent's docketing system up until 2005 consisted of handwritten docket entries in a docket book and entries from the docket book onto a "white board." The white board was updated monthly and included three months of data. The entries on the white board consisted of only three columns: the attorney docket number, the type of action, and the due date. The docket book included the aforesaid three columns as well as a column for action taken in response and a column for response date. As papers came in from the USPTO, a handwritten line entry of the attorney docket number, type of action, and due date for the action was made. When action was taken, the action taken in response and the response due were handwritten in the line entry after the due date. If a required action was not taken by the due date, the action remained on the white board for a few months. Thereafter, if the action was still not taken, it was removed from the white board without the action ever being taken. In 2005, Respondent abandoned the use of the white board and the two-person staff began to keep the docket book data in a listing using Microsoft Word. The Word listing became the sole docketing system for Respondent's firm; no back up calendar existed. The Word listing does not use a table. Instead, all data for each application/patent is entered on a single line as a data string consisting of attorney docket number, type of action, due date, and if action was taken, the action and response date. The entire Word listing is printed monthly. Respondent did not have a back-up docketing system. Nor did Respondent perform a regularly scheduled inventory of his files to verify the integrity of the docket report or Word listing.

7. Papers received from the USPTO were reviewed by the office manager, matched with a file, and sent to the clerical assistant who entered the dates in the docketing system. When actions were due in cases based on the docket sheet, the files were put on Respondent's desk. Respondent relied solely on this "manual" docketing system to inform him of any upcoming due dates. Respondent did not have an automated tickler system. Respondent investigated such systems, but chose not to purchase one.

8. When a patent issued, it was the practice of Respondent's clerical assistant to enter all of the maintenance fee due dates in the contents portion of the file jacket by handwriting the dates thereon. The due dates were also entered in the Word listing. Respondent's office manager testified that, at some point, the firm implemented a system where reminder letters were sent to clients in advance of upcoming due dates. With respect to payment of maintenance fees, Respondent's office manager testified that once a firm client indicated that it was going to take responsibility for payment of the maintenance fees, the firm did not take any further action regarding that patent. If a client gave the firm an instruction not to pay the maintenance fees or advised that the client would pay the fees, the file was endorsed with the notation "client to pay annuities" or "client will pay" or "client pays" or "Client will pay fees."

B. Representation of Crank Brothers in U.S. Patent No. 6,205,885

9. The application for U.S. Patent No. 6,205,885 ("the '885 patent") was prepared and prosecuted to allowance by the inventors, Carl Winefordner and Frank Hermansen. Respondent asserts that he played no part in the preparation or prosecution of the application on which the '885 patent was issued.

10. The '885 patent issued on March 27, 2001. Shortly thereafter, Mr. Winefordner and Mr. Hermansen delivered a copy of the patent to Respondent.

11. On or before May 17, 2004, a file jacket containing a copy of the '885 patent was created by Respondent's office and assigned Attorney Docket No. SLIP-21.

12. A post card receipt shows that a change of address was received at the USPTO for SLIP-21 on May 17, 2004. Since the Notice of Patent Expiration, infra at ¶ 25, was mailed to Respondent's office address in Irvine, California, it is presumed that the change of correspondence address filed in the Office was an instruction to change the correspondence address from Mr. Winefordner and Mr. Hermansen to Respondent's office address, so that all future correspondence from the Office regarding the '885 patent would be sent to Respondent.

13. Payment of the first maintenance fee for the '885 patent was due September 28, 2004. Respondent did not have a written engagement letter or written agreement with Mr. Winefordner, Mr. Hermansen, or California Crank Brothers, Inc. ("Crank Brothers") that Respondent was responsible for payment of maintenance fees for the '855 patent.<sup>1</sup> However, Respondent had previously made maintenance fee payments on Crank Brothers patents handled by his office prior to 2004.

14. Respondent's office manager testified that sometime between May and September of 2004, one or both of the inventors of the '885 patent informed her that they would pay the maintenance fees for the '885 patent themselves. Both Mr. Winefordner and Mr. Hermansen filed declarations indicating that they did not give this instruction to Respondent's office manager.

15. Based on her understanding of the instructions from Mr. Winefordner or Mr. Hermansen, Respondent's office manager testified that she entered the notation "client to pay annuities" on the file jacket of the '885 patent.

16. The maintenance fees on the '885 patent were not paid and the patent expired on March 28, 2005.

17. A Notice of Patent Expiration for the '885 patent was mailed on April 27, 2005 to Respondent at his business address in Irvine, California. Respondent's office staff did not place the Notice in the SLIP-21 file. No one in Respondent's office notified Mr. Winefordner or Mr. Hermansen of the Notice of Patent Expiration or took any action in response to the Notice of Patent Expiration.

---

<sup>1</sup> On September 8, 2006, Mr. Winefordner and Mr. Hermansen assigned the '885 patent to California Crank Brothers, Inc. The assignment was recorded in the USPTO on September 9, 2006. The name California Crank Brothers, Inc. was later changed to Crankbrothers, Inc. No name change was recorded in the USPTO.

18. On Thursday, September 27, 2007, at a trade show, Mr. Winefordner learned from a vendor that the maintenance fee for the '885 patent had not been paid and that the patent had expired.

19. On October 3, 2007, Mr. Winefordner informed Respondent's office manager that the '885 patent had expired due to failure to pay the maintenance fee. Respondent's office manager emailed Mr. Winefordner and stated: "I will file a petition for SLIP-21, but I won't have any feedback today because they are three hours ahead." Respondent claimed that he never received the April 27, 2005 Notice of Patent Expiration and, instead, first learned from his office manager on October 3, 2007, that the '885 patent had expired because the maintenance fee had not been paid.

20. On October 18, 2007, Respondent filed a Petition for Acceptance of Delayed Payment of Maintenance Fee ("Petition") in the '885 patent, asserting confusion between his office and the patentees (Mr. Winefordner and Mr. Hermansen) as to who was responsible to pay the maintenance fee. Mr. Winefordner declared that neither he nor anyone else at Crank Brothers received a copy of the Petition from Respondent.

21. The Petition included declarations from Respondent and his office manager. The office manager's declaration included a copy of the file jacket for SLIP-21 showing the notation "client to pay annuities" and a copy of a docket sheet for September 2004 noting that the maintenance fee for SLIP-21 was due on September 27, 2004, but with an entry that "client said they will pay."

22. On March 27, 2008, Respondent's office manager sent Mr. Winefordner an email stating, in pertinent part: "SLIP-21, I have checked with the USPTO but they haven't made a decision yet." Mr. Winefordner replied asking what he or Mr. Hermansen could do to expedite a decision on the petition and expressing his worry that "our patent is not active." Respondent was not copied on the email and there is no evidence that Respondent was aware of the email or its contents.

23. On April 9, 2008, the Petition was dismissed because Respondent had not established that the delay in payment of the maintenance fee was unavoidable. A copy of the decision was mailed to Respondent at his Irvine, California, business address. Any request for reconsideration to the decision was due June 9, 2009. However, Respondent's docket sheet for the period from April 30, 2008 to June 13, 2008 did not show an entry for SLIP-21 of the April 9<sup>th</sup> decision or a due date to respond to the decision.

24. Respondent claims that he did not become aware of the April 9, 2008 decision until Friday, July 11, 2008. He asserts that the decision was brought to his attention by Mr. Winefordner and Mr. Hermansen at a meeting with Respondent.

25. Respondent claims that, on Monday, July 14, 2008, he obtained a copy of the decision and read it for the first time.

26. On July 31, 2008, Respondent filed a request for reconsideration of the April 9<sup>th</sup> decision. The request included declarations from Mr. Winefordner and Mr. Hermansen and a second declaration from Respondent's office manager.

27. In the request for reconsideration, Respondent again asserted that there was confusion as to who would pay the maintenance fees. Respondent stated in the request that his office manager had "made a profound clerical error based on her misunderstanding of the instructions from the client."

28. The request for reconsideration included a declaration by Mr. Winefordner stating that "Frank Hermansen and I have a long history with the Law Offices of [Respondent]. In all cases involving patents for us, [Respondent's] office has paid for our maintenance fees ...." Mr. Winefordner further declared: "I am 100% sure that I gave [Respondent's] secretary, [Respondent's office manager], instructions to pay the maintenance fees on our '885 patent and I am without any doubt sure that I never told her that I or we would pay it ourselves. I specifically told [Respondent's office manager] this in person while Frank [Hermansen] and I visited the law office."

29. The request for reconsideration also included a declaration by Mr. Hermansen, who declared: "I recall that [Mr. Winefordner and I] paid the ['885] patent issue fee directly and then met with [Respondent's] secretary, [Respondent's office manager], to request that the Law Office of [Respondent] take over responsibility for this patent including payment of future maintenance fees."

30. On October 15, 2008, the request for reconsideration was granted and the Office reinstated the '885 patent. Respondent acknowledges that he received a copy of this order.

31. On April 14, 2009, pursuant to a request from the Crank Brothers, Respondent was discharged as patent counsel and instructed to transfer all of the SLIP matters to new counsel, Haynes and Boone, LLP.

32. On June 3, 2009, the Director of the USPTO Office of Petitions issued a "corrected" decision and reversed the October 15, 2008 decision, finding that Respondent had not established unavoidable delay. The decision stated that the "facts as set forth in the [office manager's] declaration do not show that any error in docketing was made ..." and that "[w]hat the facts of the record show is that there was confusion between the client and the attorney over who would pay the maintenance fee." The decision further stated that "[i]t is impossible to say which version of the facts is accurate, [the office manager's] or Winefordner's and Hermansen's," and concluded that Respondent did not carry the burden to establish unavoidable delay. The Office found that, based on their declarations, it was reasonable for Mr. Winefordner and Mr. Hermansen to rely on Respondent to track and pay maintenance fees. The June 3<sup>rd</sup> decision was mailed to Respondent at his business address. Respondent asserts that he was not aware of this "corrected" decision until informed of it on or about February 17, 2010 by Crank Brothers' new counsel. The next day, the Office refunded the maintenance fees paid on the '885 patent to Respondent's USPTO deposit account.

33. On or about December 15, 2009, Mr. Winefordner became aware, through other patent counsel, that the '885 patent was expired. This fact was verified by the new counsel for Crank Brothers, Thomas Chen.

34. On or about February 17, 2010, Mr. Chen telephoned Respondent to inquire about the status of the '885 patent. According to Mr. Chen, Respondent "told me that he believed [the '885 patent] was still in force since the last correspondence he received from the USPTO was a Decision dated October 15, 2008 which granted a Petition for Acceptance of Delayed Payment of Maintenance Fees for [the '885 patent]." Further, according to Mr. Chen, Respondent "stated that he had not received any correspondence from the USPTO which indicated that [the '885 patent] had expired and that none of the maintenance fees he paid for [the '885 patent] had been credited to his Deposit Account with the USPTO."

35. On July 7, 2010, Mr. Chen sent an email to Respondent and asked him if he had copies of any maintenance fee correspondence with the PTO or Crank Brothers. Respondent replied: "Tom, I don't remember any special treatment of the Crank Brothers files, but as a general rule we don't keep separate files for maintenance fees."

36. On July 21, 2010, the new attorneys on behalf of Crank Brothers filed a Supplemental Petition for Reconsideration and Acceptance of Delayed Payment in '885. In support of that petition, they asserted that the copies of the file jackets for SLIP-2, SLIP-2/cip, SLIP-3, SLIP-5/cip, SLIP-6 and SLIP-20,<sup>2</sup> attached to the office manager's declaration submitted to the Office with the Petition filed October 18, 2007, were fabricated because the file wrappers received by new counsel for Crank Brothers when the files were transferred did not include the entries "client to pay annuities." In addition, the copy of the SLIP-21 file jacket presented in the July 21<sup>st</sup> petition shows that the notation "client to pay annuities" is crossed out and a notation "pd 10-18-07" entered and further, for the fee due September 27, 2008, the file jacket contained the notation "pd 11-6-08 w/sur" (*i.e.*, the fee was paid on November 6, 2008 with a surcharge). In his declaration, Mr. Chen stated: "The original file jacket covers for Crank Brothers' U.S. patent matters that were transferred to Haynes and Boone by Tachner do not include any erasures, white-outs, or coverups, and the only changes to such file covers that were made by Haynes and Boone are the addition of a tracking label in the upper left corner and an attorney docket number in the upper right corner."

37. The attorneys for Crank Brothers who filed the July 21<sup>st</sup> petition asserted that, in view of what they observed in the record of the '885 patent, "the only explanation for the discrepancy between [the copies of the file jackets submitted with Respondent's office manager's declaration and those submitted with the July 21<sup>st</sup> petition] is that [Respondent] or his staff made photocopies of the respective file covers, entered the handwritten notations on the photocopies, made photocopies of the hand-altered photocopies and submitted them under oath as being true copies of the file covers." Neither Mr. Chen nor the attorneys who filed the petition

---

<sup>2</sup> SLIP-2, SLIP-2/cip, SLIP-3, SLIP-5/cip, SLIP-6 and SLIP 20 are U.S. Patent Nos. 5,676,529; 6,027,319; 5,857,509; 6,059,245; 6,851,189; and 7,225,703, respectively; all were issued to Mr. Winefordner and Mr. Hermansen and prosecuted by Respondent.

interviewed Respondent, his office manager, or his clerical assistant to verify this representation to the USPTO.

38. Respondent's office manager and clerical assistant both testified that the office manager had used a technique to update SLIP file jackets without damaging the file. When a patent was issued, the clerical assistant entered all of the due dates by hand on the patent file jacket. It was Respondent's office manager's belief, based on conversations she had with Mr. Winefordner or Mr. Hermansen, that they had assumed responsibility for payment of the maintenance fees. So the notation, "client to pay annuities" or "client will pay" or "client pays," was endorsed on the SLIP files. The entries were made by placing removable transparent tape on the file jacket and writing the entries in ink on the transparent tape. The tape was used where further client instructions could change the status. The endorsement could be later made permanent or updated by removing the tape and endorsing the status in permanent ink on the file jacket. When the Crank Brothers files were transferred to Mr. Chen's firm, the files were updated by removing the tape and writing by hand in permanent ink the status of the files when they were transferred to Haynes and Boone.

39. On February 8, 2011, the Office granted the Petition filed by Crank Brothers' new attorneys and the '885 patent was reinstated.

#### C. Representation of Physical Optics Corporation

40. In or about February 2002, Respondent was hired by Physical Optics Corp. ("POC") to prepare and prosecute U.S. as well as foreign patent applications. Respondent was also responsible for paying maintenance fees on POC's patents. Respondent did not have an engagement letter with POC or any of its owners.

41. POC was a client from February 2002 to October 2007. The volume of work brought in by POC during this period, combined with Respondent's regular clients, placed undue stress and an overwhelming burden on Respondent and his staff. Respondent, however, did not hire new employees to enable his law office to handle this increase in workload.

42. In or about November 2005, Luminit was formed by POC to commercialize intellectual property developed by POC. Respondent did not have an engagement letter with Luminit. Respondent regarded POC as his client, and not Luminit.

43. In or about May 2007, Engin Arik of Luminit was involved in licensing negotiations with a Japanese company for sale and licensing of certain POC technology.

44. It is alleged by POC that Mr. Arik made a number of telephone calls to Respondent's office during July and early August of 2007 to confirm that there were no problems with the POC foreign and domestic patents subject to negotiations. It is further alleged that during each call, Mr. Arik spoke to Respondent's office manager, who replied that Respondent was not in the office and was unavailable.

45. On or about Friday, August 17, 2007, Respondent was next to his office manager's office when Mr. Arik called. Respondent spoke directly to Mr. Arik. Respondent learned for the first time that Mr. Arik had been trying to talk to him for weeks. Respondent apologized for the failure of his staff to inform him of the calls. In response to Mr. Arik's query regarding any problems with the POC patents, Respondent asked his office manager about the POC patent portfolio and she told Respondent that there were no problems. Respondent relayed this information to Mr. Arik. Respondent did not independently investigate the status of any POC patent. Respondent should have known about the status of the patents and applications that the client had entrusted to him.

46. On Sunday, August 19, 2007, Mr. Arik was informed by a representative of the Japanese company that, after a due diligence search, it had discovered that "well over 40 patents" listed in Luminit's schedule for licensing "were already withdrawn, abandoned or rejected."

47. On or about September 13, 2007, POC or Luminit requested that certain POC files be transferred to the law firm of Welsh & Katz. Files were transferred to Welsh & Katz on September 17 and 19, 2007.

48. On September 17, 2007, POC requested that the remaining files be transferred to the Shepard Mullin law firm. Files were transferred on October 4 and 11, 2007.

49. On August 7, 2008, POC and Luminit filed a malpractice action against Respondent alleging that Respondent's failure to pay renewal and maintenance fees, and respond to notices and actions resulted in abandonment of a number of applications and expiration of several patents. The malpractice suit alleged negligence, breach of fiduciary duty, constructive fraud, and fraud against Respondent.

50. Respondent asserts that he was not aware of the status of the patents and applications until he read the complaint in the malpractice suit. Respondent did not investigate the allegations in POC's complaint.

51. On August 13, 2009, Respondent and his wife filed for bankruptcy.

52. In light of Respondent's bankruptcy filing, the malpractice suit was dismissed on November 12, 2009. In its place, POC and Luminit filed a Complaint to Determine Debts to be Non-Dischargeable ("Bankruptcy Complaint") in Respondent's bankruptcy proceeding on November 20, 2009.

53. The Bankruptcy Complaint contained substantially the same allegations against Respondent as set forth in the dismissed malpractice action, namely: negligence, breach of fiduciary duty, constructive fraud, and fraud.

54. Respondent and POC/Luminit settled the Bankruptcy Complaint, and it was dismissed on July 27, 2010.



D. Representation of Atomic Aquatics

55. Respondent represented inventors Douglas Toth and Dean Garraffa in patent matters before the Office for about fifteen years. Messrs. Toth and Garraffa are principals in Atomic Aquatics, Inc.

56. Respondent's office manager testified that it was her recollection that she was instructed by Mr. Toth in 2005 that Atomic Aquatics would be responsible for paying the maintenance fees on their respective patents: U.S. Patent Nos. 5,678,541 ("Atomic 1"); 5,803,073 ("Atomic 2"); 6,463,640 ("Atomic 10"); and 6,761,163 ("Atomic 14").<sup>3</sup>

57. A Notice of Patent Expiration for the Atomic 1 patent, dated November 23, 2005, was sent to Respondent's former business address in Newport Beach, California. Regardless of where the Office sent the notice, Respondent's office had previously docketed the Atomic 1 patent for payment of the maintenance fee on April 21, 2005 and also docketed it for payment with a surcharge on October 21, 2005. Respondent took no action to pay the maintenance fee.

58. There is no record that a Notice of Patent Expiration was sent by the USPTO to Respondent for the Atomic 2 patent. Regardless of whether the Office issued a notice, Respondent's office had previously docketed the Atomic 2 patent for payment of the maintenance fee on March 8, 2006. Respondent took no action to pay the maintenance fee.

59. A Notice of Patent Expiration for the Atomic 10 patent, dated November 15, 2006, was sent to Respondent's business address in Irvine, California. Mr. Garraffa and Mr. Toth declare that they never received a copy of the Notice from Respondent. Respondent took no action in response to this Notice of Patent Expiration.

60. A Notice of Patent Expiration for the Atomic 14 patent, dated August 11, 2008, was sent to Respondent's business address in Irvine, California. Mr. Garraffa and Mr. Toth declare that they never received a copy of the Notice from Respondent. Respondent took no action in response to this Notice of Patent Expiration.

61. Respondent's office manager testified that she inserted the notation "client will pay fees" on each of the patent file jackets. This information was also included on the firm docket sheet. Reminder letters were neither sent to Mr. Toth nor Mr. Garraffa about upcoming maintenance fee due dates, nor did Respondent's firm take any further actions regarding these patents. Atomic 1, Atomic 2, Atomic 10, and Atomic 14 expired for non-payment of maintenance fees.

62. On October 25, 2010, Mr. Toth requested that Respondent provide a detailed inventory of all the patents issued to Mr. Toth and Mr. Garraffa.

---

<sup>3</sup> All of the patents were assigned to Huish Divers, LLC in assignments dated September 13, 2011. All assignments were recorded in the USPTO on November 7, 2011.

63. On November 22, 2010, Respondent's office manager showed Respondent a table of patent-related matters for Mr. Toth and Mr. Garraffa that she had prepared. He noticed that "a number of entries for Atomic Aquatics issued U.S. Patents ... had become abandoned for failure to pay maintenance fees between 2005 and 2008." Respondent stated in a declaration that Respondent's office manager "believed that these abandonments were known to [Mr. Toth and Mr. Garraffa] and were the result of their lack of adequate funds or because the corresponding products have become obsolete."

64. On Wednesday, November 24, 2010, the table was sent to Mr. Garraffa. Later in the day, Respondent's office manager emailed Respondent stating that Mr. Garraffa wanted to see him as soon as he returned from Thanksgiving weekend.

65. On Monday, November 29, 2010, Respondent met with Mr. Garraffa who explained that he was shocked to learn about the expiration of several patents. Respondent indicated that he would investigate and report back to him as soon as possible.

66. Respondent in a declaration stated that when he confronted his office manager, she admitted that "she had lost control of her tasks, particularly over a several year period between 2005 and 2008 when she just couldn't keep up with the demands of the job and perform all of her duties in a timely manner." In an email from Respondent to Mr. Garraffa on November 29, 2010, Respondent stated that "preliminary indications are that my secretary of over 30 years had some kind of meltdown" and that "I'm not yet sure of the full scope of what has occurred, but it looks like over the 2005 - 2007 time frame she stopped doing things that I had come to rely on her to do without fail."

67. On December 22, 2010, Respondent filed a Petition to Accept Unavoidably Delayed Payment of Maintenance Fee in Atomic 1 and Atomic 2. On January 3, 2011, Respondent filed similar petitions in Atomic 10 and Atomic 14.

68. In each petition, Respondent asserted that Respondent's office manager failed in her office duties starting in 2005 and that "[o]nly [in the] past few weeks has her strange and unexpected behavior come to light." Respondent further stated: "it is only now understood that she was overworked and stressed beyond her limit." Respondent recognized with the Atomic cases that his office manager needed psychological counseling. He obtained the services of Samuel Albert, MD, a practicing psychiatrist, who had counseled the office manager years earlier in an unrelated matter, to evaluate her. Dr. Albert concluded that Respondent's office manager "was overworked beyond her limits." The evidence points to 2002 through 2007, the period Respondent had POC as a client, as the period that Respondent's office manager was working well beyond her capabilities, causing undue stress. Respondent represents that he did not appreciate the stress his office manager was experiencing during this period.

69. On January 11, 2011, in response to a previous request for copies of the petitions filed in the Office, Respondent emailed Mr. Garraffa, with a copy to Mr. Toth, stating:

[the office manager] says that the petitions for Atomic- 1 and -2 were mailed to you Saturday, but I've asked her to e-mail them now also. The petitions for 1, 2,

10 and 14 are essentially identical except for the docket numbers and patent numbers referred to. Please let me know if you need anything further in this regard.

Mr. Garraffa and Mr. Toth stated in declarations to the Office that they were not provided with copies of the petitions filed in the USPTO.

70. The Office dismissed the petitions in Atomic 10 and Atomic 14 on February 10, 2011, and dismissed the petitions in Atomic 1 and 2 on February 22, 2011 and February 15, 2011, respectively.

71. In the decisions, the Office found that the petitions failed to prove that the maintenance fees would have been paid absent the office manager's "medical condition."

72. The decisions indicated that Respondent failed to adequately supervise his office manager. Specifically, the decisions stated:

... a reasonable and prudent employer, treating the supervision of an employee as the employer's most important business, would not simply assume an employee's past quality of work would not suffer as the employer continuously increased the employee's workload. Instead, such an employer would take steps to ensure the employee could adequately handle the new workload without a drop in quality. The record fails to indicate [Respondent] took any steps to ensure [that his office manager] could adequately handle the new workload without a drop in quality.

If an employer has created a work environment in which employees feel 100% comfortable bringing workload issues to the employer's attention, the employer might be reasonable in expecting an employee to inform the employer if he employee's workload begins to impact the quality of the employee's work. However, the record fails to prove [that Respondent] created such a work environment.

73. The decisions referred to Respondent's statements made in his declaration dated July 31, 2008, regarding his office manager's performance of her assigned duties in the petition filed in the Crank Brother's '885 patent. The decisions stated that Respondent's statements demonstrate Respondent "had reasons to doubt the reliability of [his office manager's] work well before November 2010." Respondent did not send copies of the decisions to his clients, Mr. Garraffa and Mr. Toth.

74. Respondent filed requests for reconsideration in Atomic 10 and Atomic 14 on April 12, 2011, and in Atomic 1 and Atomic 2 on April 26, 2011 and April 22, 2011, respectively. Respondent did not advise his clients that he had filed requests for reconsideration.

75. In all of the requests for reconsideration, Respondent included a copy of the file jacket for the respective application. The notations in Atomic 10 and 14 file jackets are similar to the notations in SLIP-2, SLIP-2/cip, SLIP-3, SLIP-5/cip, SLIP-6 and SLIP 20. *See supra* ¶'s

15, 21, 36, & 38, *i.e.*, they contain a listing of the due dates for payment of the maintenance fees, with a notation that the client will pay the fees. On the Atomic 1 and Atomic 2 file jackets, the first maintenance fee due date is endorsed with the notation that it was paid by Respondent, while the second and third maintenance fee dates have the notation: "client will pay fees."

76. Each of the requests for reconsideration included a declaration from Respondent's office manager indicating that beginning in 2005, she "felt hopelessly overwhelmed with the tasks" she was assigned to do and that it was her recollection that because of priorities given to other matters, she continually put off sending a notice to the client regarding the fee, and that eventually she would run out of time. However, at the time "it would occur to [her] that this client had wanted to pay its own maintenance fees and [she] would simply make such an entry in the corresponding docket sheet."

77. On May 5, 2011, Mr. Garraffa sent himself an email which is a transcript of a telephone conversation Mr. Garraffa had with Respondent, wherein Respondent stated he had filed additional information with the PTO, at its request.

78. On May 6, 2011, Respondent emailed Mr. Garraffa referring to the conversation on May 5<sup>th</sup> and stated:

...between mid-April and this last Monday we responded to requests for additional information from the USPTO in regard to the pending petitions. They were primarily interested in having more direct statements that [my office manager's] illness was the cause of the problems. They specifically asked for another statement from her physician which would attribute her actions to her condition. We also submitted additional declarations from us to further describe the circumstances. I don't know whether this newly submitted material will satisfy the USPTO, but we know that the petitions are still being considered.

79. On August 31, 2011, Mr. Garraffa copied Mr. Toth on an email that included a transcription of a conversation Mr. Garraffa had with Respondent, during which Mr. Garraffa reported to Respondent that the Office had made a decision in Atomic 1. Respondent was not aware of any decision on the request for reconsideration, only the decision dated February 22, 2011.

80. On September 19, 2011, Everett D. Robinson, a registered practitioner, was requested to investigate the status of the Atomic 1, Atomic 2, Atomic 10, and Atomic 14 patents on behalf of Atomic Aquatics.

81. On or about September 28, 2011, all of the Atomic Aquatic files were transferred to the law firm of Austin Rapp & Hardman in Salt Lake City, Utah.

82. On October 6, 2011, the Office issued a Request for Information to Respondent. To respond to the Request, it required Respondent to "provide a rebuttal to all the assertions set forth in the petition filed July 21, 2010 in [the '885 patent]."

83. Respondent has represented that he was instructed by Austin Rapp & Hardman not to respond to the Request for Information.

84. On December 19, 2011, Mr. Robinson filed supplemental petitions for reinstatement of Atomic 1, Atomic 2, Atomic 10, and Atomic 14. Those petitions are still pending; therefore, all of the patents remain expired.

E. Pattern of Neglect of Management of Law Firm

85. Respondent admits that he neglected patent matters entrusted to him, in part, by engaging in a pattern and practice of neglecting the management of his law firm. Respondent admits that he neglected matters entrusted to him by:

- a. inadequately staffing his law firm in light of the amount of patent work for which Respondent was responsible;
- b. relying on an unsound docketing system for recording, responding to, and otherwise keeping track of important Office correspondence mailed to him, such as notices of patent expirations;
- c. relying on an unsound calendaring system for keeping track of important Office deadlines, including deadlines for paying maintenance fees;
- d. failing to recognize the insufficiency of the staffing of his law office and the ineffectiveness of his docketing and calendaring systems;
- e. not forwarding important Office correspondence to clients;
- f. not training and/or monitoring adequately the employee(s) he placed in charge of maintaining his docketing system and keeping track of important Office correspondence so as to ensure that his employee(s) informed him of all such correspondence on a timely basis; and
- g. not reviewing adequately his calendaring system to ensure that he would not miss important Office deadlines.

86. Respondent acknowledges that he is fully responsible for the acts and omissions of his law office staff.

**Legal Conclusions**

95. Respondent acknowledges that, based on the stipulated facts, he violated the following provisions of the USPTO Code of Professional Responsibility:

- a. 37 C.F.R. § 10.77(c) (proscribing neglect of entrusted legal matters) by allowing patents to expire for not timely paying maintenance fees;

- b. 37 C.F.R. § 10.77(c) by not adequately supervising his law firm employees to whom he had delegated certain duties and responsibilities concerning patent matters entrusted to Respondent;
- c. 37 C.F.R. §§ 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(8) (proscribing failing to inform a client of important Office correspondence) by not informing clients of important Office correspondence; and
- d. 37 C.F.R. § 10.23(b)(6) (proscribing engaging in any other conduct that adversely reflects on a practitioner's fitness to practice before the Office).

#### **Mitigating Factor**

96. Respondent has no prior disciplinary history before the Office during the 40 years he has been a registered patent practitioner.

#### **Agreed Upon Sanction**

97. Respondent agrees, and it is ORDERED that:
- a. Respondent shall be, and hereby is, suspended from practice before the Office in patent, trademark, and other non-patent matters for five years commencing on the date this Final Order is signed;
  - b. Respondent shall be granted limited recognition to practice before the Office commencing on the date this Final Order is signed and expiring thirty (30) days after the date this Final Order is signed, with such limited recognition being granted for the sole purpose of facilitating Respondent's compliance with the provisions of 37 C.F.R. § 11.58(b);
  - c. Respondent shall comply with 37 C.F.R. § 11.58;
  - d. The OED Director shall comply with 37 C.F.R. § 11.59;
  - e. The USPTO shall promptly dissociate Respondent's name from all USPTO Customer Numbers and Public Key Infrastructure ("PKI") certificates;
  - f. Respondent shall not apply for or obtain a USPTO Customer Number unless and until he is reinstated to practice before the USPTO;
  - g. Respondent may file a petition for reinstatement pursuant to 37 C.F.R. § 11.60 requesting reinstatement at any time after forty-eight (48) months from the date this Final Order is signed;

- 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 reinstating Respondent pursuant to 37 C.F.R. § 11.60(c);
- i. The OED Director shall electronically publish this Final Order at the Office of Enrollment and Discipline's electronic FOIA Reading Room, which is publicly accessible at <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- j. The OED Director shall publish the following notice in the *Official Gazette*:

**Notice of Suspension**

This notice concerns Leonard Tachner of Irvine, California, a registered patent attorney (Registration No. 26,344). The Acting Director of the United States Patent and Trademark Office ("USPTO" or "Office") has suspended Mr. Tachner from practice before the Office in patent, trademark, and non-patent matters for five years for violating 37 C.F.R. §§ 10.23(a) and (b) via 37 C.F.R. §§ 10.23(c)(8); 37 C.F.R. § 10.23(b)(6); and 37 C.F.R. § 10.77(c). Mr. Tachner has the right to seek reinstatement after serving four years of his five-year suspension.

Mr. Tachner engaged in a pattern and practice of neglecting the management of his law office that persisted for years. He failed to recognize, despite clear indications, that his office personnel could not handle the workload. As a result, Mr. Tachner neglected patent matters by allowing patents to expire for not timely paying maintenance fees. He failed to inform clients of important Office correspondence and gave misleading information to them about the status of their patents. Mr. Tachner also failed to conduct an inquiry reasonable under the circumstances prior to signing and filing certain submissions with the Office.

All those who practice before the Office have the obligation to properly train and supervise their employees and are responsible for the acts and omissions of their employees. Hence, registered practitioners and others who practice before the Office may be disciplined when their employees have violated provisions of the USPTO Code of Professional Responsibility because of a lack of adequate training or supervision. Likewise, practitioners must maintain adequate docketing and calendaring systems and ensure compliance with Office deadlines.

In agreeing to the above described sanction, the OED Director took into account that Mr. Tachner has had no prior disciplinary history

before the Office during the 40 years he has been a registered patent practitioner.

This action is the result of a settlement agreement between Mr. Tachner and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.26, and 11.59. Disciplinary decisions involving practitioners are posted for public reading at the Office of Enrollment and Discipline Reading Room, available at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>.

k. Nothing in the Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order:

(1) when addressing any further complaint or evidence of the same or similar misconduct concerning Respondent brought to the attention of the Office;

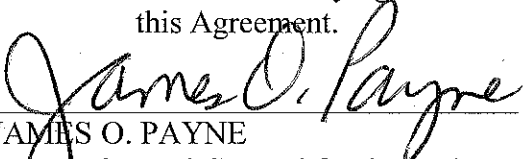
(2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or (ii) to rebut any statement or representation by or on Respondent's behalf; and/or

(3) in connection with any request for reconsideration submitted by Respondent pursuant to 37 C.F.R. § 11.60;

l. The OED Director and Respondent shall file a joint motion dismissing the USPTO disciplinary proceeding pending against Respondent;

m. The OED Director shall close Office of Enrollment and Discipline File No. G2107 and issue a letter to Respondent informing him that the investigation has been closed in light of the Final Order approving this Agreement; and

n. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this Agreement and any Final Order approving this Agreement.

  
JAMES O. PAYNE  
Deputy General Counsel for General Law  
United States Patent and Trademark Office

APR 12 2013  
Date

on behalf of

Teresa Stanek Rea  
Acting Under Secretary of Commerce for Intellectual Property and  
Acting Director of the United States Patent and Trademark Office



cc:

Director of the Office of Enrollment and Discipline  
United States Patent and Trademark Office

Cameron K. Weiffenbach  
Miles & Stockbridge P.C.  
1751 Pinnacle Drive, Suite 500  
McLean, VA 22102-3833  
Counsel for Respondent, Leonard Tachner

Leonard Tachner  
Leonard Tachner PLC  
17961 Sky Park Circle, Suite 38-E  
Irvine, CA 92614