

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

In the Matter of:

Robert H. Sheasby

Respondent.

Proceeding No. D2013-13

December 31, 2013

**INITIAL DECISION ON DEFAULT JUDGMENT**

The above-entitled matter is before this Court on a *Motion for Entry of Default Judgment and Imposition of Sanction* (“Default Motion”), filed on September 26, 2013, by the Director of the Office of Enrollment and Discipline (“OED Director”) for the U.S. Patent and Trademark Office (“USPTO”). Robert H. Sheasby (“Respondent”) has failed to file a timely answer to the OED Director’s *Complaint and Notice of Proceedings Under 35 U.S.C. § 32* (“Complaint”), and has not responded to two show cause orders. This Court is authorized to hear this proceeding and to issue this *Initial Decision* pursuant to 37 C.F.R. §§ 11.19 and 11.39.<sup>1</sup>

USPTO regulations provide that such a failure to respond constitutes an admission of all allegations and “may result in entry of default judgment.” 37 C.F.R. § 11.36(e). As Respondent has not filed any response, the *Default Motion* may be granted.

**PROCEDURAL HISTORY**

On August 20, 2013, the OED Director filed the *Complaint* and served it on Respondent by mailing a copy via U.S. certified mail to the last addresses for Respondent known to the OED Director. A return receipt was requested for each of the copies, and the U.S. Postal Service confirmed that two of the three mailed copies were delivered on August 23, 2013 and August 30, 2013, respectively.

The Court issued a *Notice of Hearing and Order* on August 21, 2013 ordering Respondent to file an answer to the *Complaint* by September 19, 2013. On September 17, 2013, counsel for the OED Director attempted to telephone Respondent but received only an automated response indicating that Respondent’s telephone was not in service. That same day, counsel for the OED Director mailed a letter to Respondent reminding him of the September 19, 2013 deadline.

On September 26, 2013, the OED Director filed the *Default Motion*, asserting that Respondent had failed to respond to the *Complaint*. On September 26, 2013, this Court issued

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<sup>1</sup> Pursuant to an Interagency Agreement in effect beginning March 27, 2013, Administrative Law Judges of the U.S. Department of Housing and Urban Development are authorized to hear cases for the U.S. Patent and Trademark Office.

an *Order to Show Cause* ordering Respondent to explain, on or before October 25, 2013, why the OED Director's *Default Motion* should not be granted. On October 22, 2013, the Court issued a second *Order to Show Cause* giving Respondent until November 8, 2013 to respond to the *Default Motion*.<sup>2</sup> To date, Respondent has not filed any answer to the *Complaint* and has not responded to either *Order to Show Cause*.

## DEFAULT

Part 11.36 of Title 37 of the Code of Federal Regulations states that “[f]ailure to timely file an answer will constitute an admission of the allegations in the complaint and may result in a default judgment.” 37 C.F.R. § 11.36(e). Respondent has failed to timely submit an answer after being properly served with the *Complaint*. Accordingly, Respondent is deemed to have admitted each of the factual allegations recounted below.

## FINDINGS OF FACT

1. Respondent has never been authorized to practice before the USPTO in patent matters.
2. At all times relevant, Respondent knew that he was not authorized to practice before the USPTO in patent matters.
3. In October 1993, Respondent was admitted to practice law in the State of Oregon (Oregon State Bar number 934910).
4. Beginning in 2008, Respondent formed a law partnership with a registered patent attorney, Thomas M. Spear, Jr., who performed the patent services for the partnership.
5. At one point during the partnership, Mr. Spear informed Respondent of the requirements for registration to practice before the USPTO in patent matters.
6. In or around the spring of 2010, the partnership between Respondent and Mr. Spear was dissolved.
7. According to the Oregon Business Registry, Respondent acquired “Sheasby Law” as an assumed business name on August 27, 2010, and cancelled it on December 7, 2010.
8. According to the Oregon Business Registry, Respondent incorporated “Sheasby Law P.C.” as a domestic professional corporation on May 31, 2012. “Sheasby Law P.C.” holds an “active” status as of the date of the filing of the *Complaint*.
9. At all relevant times, Respondent maintained a website for his solo practice, namely: <http://bendpatent.com>.<sup>3</sup>

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<sup>2</sup> The second show cause order was issued because of the hiatus caused by the federal government shutdown from October 1, 2016 through October 16, 2013.

<sup>3</sup> This website has now been taken down, but is still available for viewing using the “Wayback Machine” at <http://archive.org/web/web.php>.

10. At all relevant times, Respondent's website for his solo practice stated:

[Mr. Sheasby] handles all types of Intellectual Property work – including the procurement, exploitation, and protection of patents.... Mr. Sheasby enjoys working with small companies and individual inventors who cannot afford the Intellectual Property legal services offered by big city law firms.

11. At all relevant times, Respondent's website for his solo practice identified "Chris Villani" as a "contract patent agent."

12. Mr. Villani became a registered patent attorney on October 25, 1994.

13. Respondent hired Mr. Villani to perform patent legal services for Respondent's clients on an *ad hoc* contract basis shortly after Respondent's partnership with Mr. Spear dissolved.

14. Mr. Villani provided patent legal services to Respondent and/or to Respondent's clients on a sporadic basis from spring of 2010 until May 2011. However, none of the patent legal services provided by Mr. Villani included the preparation, or filing of any patent applications on behalf of Respondent's clients. Mr. Villani also did not review or approve of any patent work prepared for Respondent's clients.

15. Since May of 2011, Mr. Villani has performed no work for Respondent or for Respondent's clients. In or around May of 2011, Mr. Villani specifically instructed Respondent to delete Mr. Villani's name and status as "contract patent agent" from Respondent's website.

#### Respondent's Representation of Karl Findling

16. Karl Findling is the owner of Oregon Pack Works, which is a company located in Redmond, Oregon, that designs, manufactures, and sells pack systems for hunters.

17. In May and June 2011, Respondent held himself out to Mr. Findling as a person qualified to prepare or prosecute patent applications and Respondent consulted with and/or gave advice to Mr. Findling in contemplation of filing a patent application on Mr. Findling's invention: an accessible front pack system.

18. Mr. Findling paid Respondent for patent legal services in connection with his accessible front pack system.

19. In May and June 2011, Respondent prepared a provisional patent application for Mr. Findling's invention. Respondent's preparation of the provisional patent application for Mr. Findling's invention was not supervised by any registered patent practitioner. The provisional patent application that Respondent prepared for Mr. Findling's invention was not reviewed by any registered patent practitioner

20. None of the patent services in connection with Mr. Findling's provisional patent application for an accessible front pack system were prepared by a registered patent practitioner.
21. Respondent neglected to take reasonable and appropriate action to cause Mr. Findling's provisional patent application to be filed, and it was not filed.
22. After Respondent prepared a provisional patent application for Mr. Findling's invention, Respondent neglected to respond adequately to Mr. Findling's attempts to communicate with Respondent about the status of the patent application.
23. On August 23, 2012, not having heard from Respondent for some time, Mr. Findling contacted and consulted with Celia H. Leber, a registered patent attorney in Bend, Oregon, regarding the filing status of his provisional patent application.

Respondent's Representation of Michael Custard

24. Michael Custard is the owner and operator of Summit Aircraft.
25. Summit Aircraft is a small business located in Bend, Oregon, that builds experimental aircraft and manufactures specialized aircraft products.
26. On June 30, 2012, Mr. Custard sent Respondent an e-mail stating that he had developed a new bracket for mounting skis on an aircraft, for which he was seeking patent protection.
27. Mr. Custard's e-mail stated, "I am showing this new bracket design at a major air/trade show in about 3 weeks. Is there time to file something to protect this design?"
28. Respondent arranged a meeting with Mr. Custard, and the two met on July 10, 2012, and discussed Respondent preparing a provisional patent application for Mr. Custard's invention.
29. During the meeting, Respondent told Mr. Custard that he was not a patent attorney but that Respondent would work with someone who was a registered patent practitioner to get the provisional application filed.
30. During the meeting, Respondent consulted with and/or gave advice to Mr. Custard in contemplation of filing a patent application on Mr. Custard's invention.
31. On July 10, 2012, after the meeting, Respondent sent an "Invention Disclosure Statement" form to Mr. Custard via e-mail with a request that Mr. Custard complete and return it to Respondent. Mr. Custard did as requested.
32. The Invention Disclosure Statement form that Respondent sent to Mr. Custard identified Chris Villani as a contract patent agent for Respondent's law firm.

33. At the time Respondent provided the Invention Disclosure Statement form to Mr. Custard, Mr. Villani was no longer an *ad hoc* contract patent agent for Respondent's law firm, and Respondent knew of this fact.
34. Respondent neglected to take reasonable and appropriate action to cause Mr. Custard's application to be filed.
35. Before the July 23, 2012, air/trade show, Mr. Custard repeatedly tried to reach Respondent, but he was unsuccessful in doing so.
36. On July 23, 2012, Respondent finally contacted Mr. Custard and informed Mr. Custard that he had not yet prepared the provisional patent application.
37. In the July 23, 2012 e-mail from Respondent to Mr. Custard, Respondent provided incorrect patent legal advice by telling Mr. Custard that "you will get a filing date of today if you mail [the] provisional patent application USPS Certified Mail."
38. Respondent's representation to Mr. Custard that he could "get a filing date of today if you mail provisional patent application USPS Certified Mail" was incorrect.
39. On or soon after July 23, 2012, Mr. Custard terminated his relationship with Respondent and contacted and hired Celia H. Leber to represent him.
40. On April 16, 2013, the Oregon State Bar suspended Respondent for nonpayment of its mandatory Professional Liability Fund fee. The Oregon State Bar also suspended Respondent on June 6, 2013 for noncompliance with its mandatory continuing legal education requirements.
41. As of August 20, 2013, the date of the filing of the Complaint, Respondent remained suspended from the practice of law in Oregon.

### **CONCLUSIONS OF LAW**

1. Regulation 37 C.F.R. § 10.23(a) states that a practitioner shall not "engage in disreputable or gross misconduct."
2. Respondent violated 37 C.F.R. § 10.23(a) because holding oneself out to as being authorized to practice before the Office in patent matters when one is not so authorized is considered disreputable or gross misconduct.
3. Respondent also violated 37 C.F.R. § 10.23(a) by engaging in acts or omissions that violated 35 U.S.C. § 33.
4. Respondent also violated 37 C.F.R. § 10.23(a) by engaging in unauthorized practice before the USPTO in patent matters by providing patent legal advice.

5. Respondent also violated 37 C.F.R. § 10.23(a) by engaging in unauthorized practice before the USPTO in patent matters by preparing a provisional patent application without being supervised by a registered patent practitioner and without having a registered patent practitioner review the application.
6. Respondent also violated 37 C.F.R. § 10.23(a) by accepting compensation for engaging in unauthorized practice before the USPTO in patent matters.
7. Regulation 37 C.F.R. § 10.23(b)(4) states that a practitioner may not “engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.”
8. Respondent violated 37 C.F.R. § 10.23(b)(4) by holding himself out as being authorized to practice before the USPTO in patent matters when he was not so authorized.
9. Respondent also violated 37 C.F.R. § 10.23(b)(4) by engaging in acts and omissions that violated 35 U.S.C. § 33 by holding out Christopher Villani as a registered patent agent with whom Respondent was affiliated at a time when Respondent was not affiliated with Mr. Villani.
10. Respondent also violated 37 C.F.R. § 10.23(b)(4) by engaging in unauthorized practice before the USPTO in patent matters by providing patent legal advice.
11. Respondent also violated 37 C.F.R. § 10.23(b)(4) by engaging in unauthorized practice before the USPTO in patent matters by preparing a provisional patent application without being supervised by a registered patent practitioner and without having a registered patent practitioner review the application.
12. Regulation 37 C.F.R. §§ 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(2)(i) states that a practitioner may not “proscribe knowingly false or misleading information or knowingly participate in a material way in giving false or misleading information to a client in connection with any immediate, prospective, or pending business before the Office.”
13. Respondent violated 37 C.F.R. §§ 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(2)(i) by holding himself out as being authorized to practice before the USPTO in patent matters when he was not so authorized.
14. Respondent violated 37 C.F.R. §§ 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(2)(i) by engaging in acts and omissions that violated 35 U.S.C. § 33 by holding out Mr. Villani as a registered patent agent with whom Respondent was affiliated at a time when Respondent was not affiliated with Mr. Villani.
15. Regulation 37 C.F.R. § 10.31(a) states that a practitioner may not “proscribe, with respect to any prospective business before the Office, deceive or mislead any prospective applicant or other person having immediate or prospective business before the Office by word, circular, letter, or advertising, with intent to defraud in any manner.”

16. Respondent violated 37 C.F.R. § 10.31(a) by holding himself out as being authorized to practice before the USPTO in patent matters when he was not so authorized.
17. Respondent also violated 37 C.F.R. § 10.31(a) by engaging in acts and omissions that violated 35 U.S.C. § 33 by holding out Mr. Villani as a registered patent agent with whom Respondent was affiliated at a time when Respondent was not affiliated with Mr. Villani.
18. Regulation 37 C.F.R. § 10.77(a) states that a practitioner may not “proscribe handling a matter that the practitioner is not competent to handle without associating with another practitioner who is competent.”
19. Respondent violated 37 C.F.R. § 10.77(a) by failing to take reasonable and appropriate action to cause his clients’ patent applications to be filed, including not seeking out the assistance and/or association of a registered patent practitioner who is authorized to represent others before the USPTO in patent matters.
20. Respondent also violated 37 C.F.R. § 10.77(a) by providing patent legal advice when he was not competent to do so and without seeking out the assistance and/or association of a registered patent practitioner who is authorized to represent others before the USPTO in patent matters.
21. Respondent also violated 37 C.F.R. § 10.77(a) by providing patent legal advice when he was not competent to do so, including providing incorrect advice to his client.
22. Respondent also violated 37 C.F.R. § 10.77(a) by preparing a provisional patent application without being supervised by a registered patent practitioner and without having a registered patent practitioner review the application.
23. Regulation 37 C.F.R. § 10.23(b)(6) states that a practitioner may not “proscribe or engage in any other conduct that adversely reflects on a practitioner’s fitness to practice before the Office.”
24. Respondent violated 37 C.F.R. § 10.23(b)(6) by engaging in the acts and omissions set forth in the *Complaint* that do not otherwise constitute violations of Counts 1, 2, 3, 4, or 5.

## SANCTIONS

The OED Director requests that the Court sanction Respondent by excluding him from practice before the USPTO in patent, trademark, or other non-patent cases or matters. The Court must consider four factors, if applicable, before issuing such a sanction. 37 C.F.R. § 11.54(b).

1. Did the practitioner violate a duty owed to a client, to the public, to the legal system, or the profession?

Yes. Respondent violated duties owed to his clients, Messrs. Findling and Custard. Respondent failed to inform his clients that his representation of them before the PTO was not authorized, or that he was no longer affiliated with registered patent agents. Thus, Respondent's clients were unaware that the patent legal services were performed—or to be performed—by an unauthorized patent agent. Finally, Respondent neglected matters his clients entrusted to him, and failed to respond to his clients' reasonable requests for information.

Respondent also violated a duty owed to the public by falsely holding himself out to be a person authorized to practice before the PTO in patent matters. On his website, Respondent continued to misrepresent to the public that he was affiliated with a licensed patent agent even though that relationship had been previously terminated. Accordingly, this factor supports a maximum sanction.

2. Did the practitioner act intentionally, knowingly, or negligently?

Yes.<sup>4</sup> Respondent acted knowingly and negligently in his unauthorized representation of Messrs. Findling and Custard. Knowingly “means actual knowledge of the fact in question. A person's knowledge may be inferred from circumstances.” 37 C.F.R. § 11.1. Respondent knowingly engaged in the unauthorized practice of patent services, because he was aware that registration to practice before the PTO was required in patent matters. The patent services Respondent provided were neither supervised nor reviewed by a registered practitioner. Respondent also knowingly misrepresented Mr. Villani's affiliation with Respondent's practice to his client, Mr. Custard. Accordingly, this factor supports the maximum sanction.

3. What amount of actual or potential injury was caused by the practitioner's misconduct?

The OED Director claims Respondent's actions caused potential injury to his clients' intellectual property rights. A potential injury is a harm that is “reasonably foreseeable at the time of the lawyer's misconduct.” American Bar Association Standards for Imposing Lawyer Sanctions (2005). Respondent's failure to adequately respond to Messrs. Findling and Custard's requests for information concerning their provisional patents caused the filing of said patent applications to be delayed. Such delay potentially, adversely affected the intellectual property rights of Respondent's clients. As Respondent's acts caused his clients potential injury, the maximum sanction is warranted.

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<sup>4</sup> Respondent has failed to appear in these proceedings and has, therefore, waived the opportunity to contest the OED Director's assertions as to this state of mind, which is deemed admitted by default. Circumstantially, Respondent's acts and omissions leading to the violations of the USPTO Code of Professional Responsibility alleged in the Complaint appeared willful.



4. Are there any aggravating or mitigating factors?

Yes, an aggravating factor exists in this case. The Court often looks to the American Bar Association Standards for Imposing Lawyer Sanctions (“ABA Standards”) when assessing attorney disciplinary sanctions. See *In re Chae*, D2013-01 (USPTO Oct. 21, 2013). Respondent’s false representations as to his authorization to practice before the PTO were in violation of federal criminal law. Under the ABA Standards, such illegal conduct constitutes an aggravating factor.<sup>5</sup>

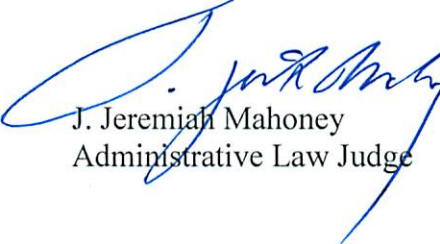
With regards to mitigating factors, the burden is on Respondent to raise any affirmative defenses or mitigating circumstances and specify their nexus to the misconduct, and any reason they may provide a defense or mitigation. 13 C.F.R. § 11.36(c) and 11.49. In defaulting, Respondent has failed to do so, and the OED Director has stated that he is unaware of the existence of any mitigating factors. Accordingly, the existence of an aggravating factor and the lack of mitigating factors support a maximum sanction.

**ORDER**

On the basis of Respondent’s deemed admissions, and after an analysis of all four enumerated factors, this Court concludes that Respondent’s misconduct warrants the penalty of exclusion. Accordingly, the *Default Motion* is **GRANTED**.

**IT IS HEREBY ORDERED** that Respondent Robert H. Sheasby be **EXCLUDED** from practice before the U.S. Patent and Trademark Office in all matters.

So **ORDERED**.

  
J. Jeremiah Mahoney  
Administrative Law Judge

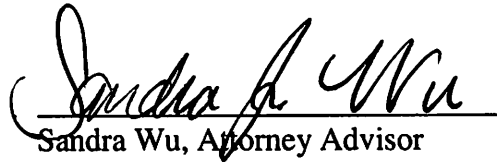
**Notice of Appeal Rights.** Pursuant to 37 C.F.R. § 11.55, any appeal by the Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 11.54, must be filed with the U.S. Patent and Trademark Office at the address provided in 37 C.F.R. § 1.1(a)(3)(ii) within 30 days after the date of this Initial Decision. Such appeal must include exceptions to the Administrative Law Judge's Decision and supporting reasons therefor. Failure to file such an appeal in accordance with 37 C.F.R. § 11.55 will be deemed both an acceptance by Respondent of the Initial Decision and that party's waiver of rights to further administrative and judicial review.

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<sup>5</sup> 35 U.S.C. § 33. Unauthorized representation as practitioner. Whoever, not being recognized to practice before the Patent and Trademark Office, holds himself out or permits himself to be held out as so recognized, or as being qualified to prepare or prosecute applications for patent, shall be fined not more than \$1,000 for each offense.

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **INITIAL DECISION ON DEFAULT JUDGMENT**, issued by J. Jeremiah Mahoney, Administrative Law Judge, in D2013-13, were sent to the following parties on this 31st day of December, 2013, in the manner indicated:

  
Sandra Wu, Attorney Advisor

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