

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

In the Matter of)
)
Steven J. Hultquist,)
)
Respondent) Proceeding No. D2014-23
)
)
_____)

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 Steven J. Hultquist (“Respondent”), through his counsel, Richard A. Simpson and Ashley E. Eiler, have submitted a Proposed Settlement Agreement (“Agreement”) to the Under Secretary of Commerce for Intellectual Property and 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 conclusion, and agreed upon sanction.

Jurisdiction

1. At all relevant times, Respondent of Chapel Hill, North Carolina, has been registered to practice in patent matters before the Office (Registration No. 28,021) and is subject to the disciplinary rules of the USPTO Code of Professional Responsibility.¹
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

3. Respondent became registered as a patent agent on May 28, 1976, and as a patent attorney on June 10, 1980 (Registration No. 28,021).
4. Respondent is a member in good standing of the bars of North Carolina, New York, California, and Connecticut.

¹ The events at issue in this Complaint occurred before May 3, 2013. Therefore, the USPTO Code of Professional Responsibility is applicable. *See* 37 C.F.R. §§ 10.20 through 10.112. Effective May 3, 2013, the USPTO Rules of Professional Conduct apply to persons who practice before the Office. *See* 37 C.F.R. §§ 11.101 through 11.901.

5. On February 9, 2007, Respondent agreed to represent a client in the drafting and filing of a U.S. nonprovisional application and/or Patent Cooperation Treaty ("PCT") international application claiming priority to a prior provisional application filed by the client with the Office on January 16, 2007.

6. Respondent knew that the client's nonprovisional patent application claiming priority to the provisional application had to be filed not later than 12 months after the date on which the provisional application was filed, or on January 16, 2008. Respondent also knew that the client expected Respondent to claim priority to the prior provisional application.

7. Respondent represents that: (a) on January 16, 2008, he reviewed his firm's calendar system and understood that January 16, 2008 had been calendared as the deadline for the patent application to be filed on behalf of his client; (b) he reviewed documents on his computer server related to the client's patent application that had been previously prepared by a registered practitioner affiliated with Respondent's firm; and (c) following his review, Respondent mistakenly concluded that the provisional application previously filed by his client was directed to a prior version of the client's invention.

8. Respondent further represents that: (a) based on this mistaken conclusion, he saw no basis or value for the nonprovisional application to claim priority to the client's prior provisional application; and (b) on January 16, 2008, he requested that a firm paralegal prepare the nonprovisional application and PCT application, remove any claims to priority from the text of the application, and prepare for filing after January 16, 2008.

9. On January 18, 2008, Respondent filed the nonprovisional application and/or Patent Cooperation Treaty ("PCT") international application.

10. At no time did Respondent consult with his client in advance of editing and filing the nonprovisional application and PCT application. Because Respondent did not file the nonprovisional application by January 16, 2008, his client did not have priority to the provisional application nor the benefit of the provisional application's January 16, 2007 filing date.

11. At no time after the filing of the nonprovisional application did Respondent explain to his client the adverse legal consequences to his intellectual property rights stemming from not having priority to the provisional application or the benefit of the provisional application's January 16, 2007 filing date.

12. Respondent represents that he proceeded with the filing of the nonprovisional application and PCT application that did not claim priority to the provisional application in good faith, that he believed he had his client's authority to act within his best interest, and that this action was complying with that obligation. Respondent and his former client have since settled a civil lawsuit related to the matter.

13. On October 31, 2012, the Office mailed an Office Action in the nonprovisional application that, among other things, rejected all claims.

14. Respondent now fully understands and appreciates his behavior deviated from the ethical standards and disciplinary rules of the USPTO Code of Professional Responsibility.

15. Respondent has expressed remorse and is cooperating at present towards resolution of this matter.

16. Respondent has no prior disciplinary history before OED.

Joint Legal Conclusions

17. Based on the foregoing stipulated facts, Respondent acknowledges that his conduct violated 37 C.F.R. §§ 10.84(a)(1), (a)(2), and (a)(3) of the USPTO Code of Professional Responsibility, respectively for intentionally failing to seek the lawful objectives of his client, failing to carry out a contract of employment, and causing prejudice or damage to the client by not filing a nonprovisional application and a PCT application within one year of the priority date of the provisional application after being instructed to do so by the client, and not discussing such action with the client before taking it.

Agreed Upon Sanction

18. Respondent agrees, and it is hereby ORDERED that:

- a. Respondent is hereby publically reprimanded;
- b. The OED Director shall electronically publish the Final Order at OED's electronic FOIA Reading Room, which is publicly accessible at:
<http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- c. The OED Director shall publish the following notice in the *Official Gazette*:

Notice of Public Reprimand

This notice regards Steven J. Hultquist of Chapel Hill, North Carolina, a registered patent attorney (Registration Number 28,021). The United States Patent and Trademark Office ("USPTO" or "Office") has publically reprimanded Mr. Hultquist for violating 37 C.F.R. §§ 10.84(a)(1), (a)(2), and (a)(3) of the USPTO Code of Professional Responsibility.


Mr. Hultquist failed to communicate with his client before intentionally filing a nonprovisional patent application and a PCT application without claiming priority to the provisional application and outside the 12 month deadline for filing. The client expected Mr. Hultquist to claim priority to the provisional application. The Office ultimately issued a rejection of all claims in the nonprovisional application.

The practitioner in a practitioner-client relationship owes the clients fiduciary duties including the duty to communicate with the clients in order to keep them reasonably informed about the status of their cases so that they can make informed decisions about the direction of the representation. The duty to communicate reasonably includes a duty of care to ascertain if the actions the practitioner intends to take on behalf of the clients accurately reflect the clients' desires. A failure to communicate will result in a practitioner's violation of the USPTO Code of Professional Responsibility or the USPTO Rules of Professional Conduct.

This action is the result of a settlement agreement between Mr. Hultquist and the OED Director pursuant to the provisions of 35 U.S.C. § 2(b)(2)(D) 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://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>.

and

- d. Nothing in 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; and/or (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.



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

DEC 9 2014

Date

on behalf of

Michelle K. Lee
Deputy Under Secretary of Commerce for Intellectual Property and
Deputy Director of the United States Patent and Trademark Office

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

Richard A. Simpson

Wiley Rein LLP
1176 K Street NW
Washington, DC 20006