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

In the Matter of	)	
	)	
David B. Newman,	)	
	)	Proceeding No. D2015-14
Respondent	)	
	)	

FINAL ORDER[1]

The Director of the Office of Enrollment and Discipline ("OED Director") for the United States Patent and Trademark Office ("USPTO" or "Office") and David B. Newman ("Respondent") 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 sanctions.

Jurisdiction

1. At all times relevant hereto, Respondent of New York, New York, has been an attorney who is engaged in practice before the Office in trademark matters and he is subject to the disciplinary jurisdiction of the USPTO under 37 C.F.R. § 11.19; the USPTO Code of Professional Responsibility, *see* 37 C.F.R. §§ 10.20 through 10.112; and the USPTO Rules of Professional Conduct, *see* 37 C.F.R. §§ 11.101 through 11.901.

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 of New York, New York, is an attorney licensed to practice law in New York, Registration No. 1324185.

4. Respondent is also licensed to practice law in Florida, Bar No. 75377.

5. As an attorney active and in good standing with the highest court of any State, Respondent may represent others before the Office in trademark and other non-patent matters.

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[1] This Final Order corrects the Final Order issued in this matter on November 5, 2015. That Order incorrectly referred to Respondent as a registered practitioner and contained other clerical errors. This Order is issued to correct the earlier Order. In all other respects the original Final Order is unchanged.

6. Respondent is a partner at Day Pitney, LLP ("Day Pitney").

7. Respondent practices in trademark matters before the USPTO.

8. In or about February 2013, Respondent's long-time clients Client 3 and Client 4, principals of their company, Client 5, requested that Respondent provide trademark legal services to Client 3's daughter, Client 2, and Client 2's friend and business partner, Client 1.

9. Respondent was instructed to bill Client 5, a third party, for the trademark legal services provided to Client 1 and Client 2.

10. Respondent asked Jeremy Blackowicz, an associate at Day Pitney and a member of Day Pitney's Intellectual Property group, to contact Client 3 and Client 4 regarding their request for trademark legal services.

11. On or about February 6, 2013, Mr. Blackowicz contacted Client 4 and met with Client 4, Client 2, and Client 1 via telephone conference. On or about February 7, 2013, Mr. Blackowicz informed Respondent, via email, "We will be doing a trademark for clothing and jewelry for [Client 2 and Client 1]."

12. Client 1 and Client 2 sought to register their mark for their joint business venture.

13. Respondent accepted the joint representation of Client 1 and Client 2.

14. At the same time that Respondent represented Client 1 and Client 2 he continued to represent his long-time clients, Client 3, Client 4, and Client 5.

15. Mr. Blackowicz, on behalf of Respondent, conducted an inadequate conflicts of interest check for the trademark matter as he only included Client 5 on the new matter memorandum vetting any conflicts and did not also include the new clients, Client 1 and Client 2. Respondent did not review the new matter memorandum or correct it to include Client 1 and Client 2 as clients either before or after the new matter memorandum was approved.

16. Respondent did not make any disclosures to Client 1 regarding the possible effects of Respondent and Day Pitney representing Client 1 and Client 2 jointly, such as the risks and benefits of joint representation, and did not obtain informed consent from Client 1 to the joint representation. Respondent did not instruct Mr. Blackowicz to make any disclosures to Client 1 regarding the joint representation.

17. Respondent did not make any disclosures to Client 1, or obtain informed consent from Client 1, concerning a third party paying Client 1's legal fees for the trademark legal services provided to Client 1. Respondent did not instruct Mr. Blackowicz to do so.

18. Respondent did not make any disclosures to Client 1 regarding the possible effects of Respondent and Day Pitney representing Client 1 and Client 2 while also representing

Respondent's long-time clients, Client 3, Client 4, and Client 5. Respondent did not obtain consent after full disclosure from Client 1 to engage in Client 1's representation under the circumstances. Respondent did not instruct Mr. Blackowicz to discuss with Client 1 the potential risks of the firm's concurrent representation of Client 1, Client 2, Client 3, Client 4, and Client 5.

19. Mr. Blackowicz prepared, filed, and prosecuted Client 1 and Client 2's trademark application.

20. Respondent billed Client 5 for the trademark legal services provided on the trademark matter, including services provided to Client 1.

21. Mr. Blackowicz copied Respondent on emails sent to Client 1 and Client 2 related to their trademark application, including an email informing Client 1 and Client 2 that he had filed their trademark application listing them as co-owners of the mark.

22. Mr. Blackowicz also copied the third party payor(s), Client 3 and Client 4, on confidential email communications with Client 1 and Client 2 regarding Client 1 and Client 2's trademark application.

23. Respondent did not make any disclosures to Client 1 regarding third parties participating in confidential communications regarding Client 1's legal matter, nor did he obtain Client 1's informed consent to include third parties in communications regarding Client 1's legal matter. Respondent did not instruct Mr. Blackowicz to so advise Client 1.

24. Respondent did not obtain informed consent from Client 1 concerning a third party paying Client 1's legal fees. And Respondent did not instruct Mr. Blackowicz to obtain informed consent.

25. During the prosecution of the trademark application on behalf of Client 1 and Client 2, Respondent learned from Mr. Blackowicz of a dispute between Client 1 and Client 2 regarding their business venture.

26. Beginning on or around December 30, 2013, and continuing into January 2014, Respondent engaged in email communications and met via phone conference with Mr. Blackowicz, Client 3, and Client 2 regarding the trademark application, which was co-owned by Client 1 and Client 2.

27. During a January 3, 2014 conference call with Respondent, Mr. Blackowicz, Client 3, and Client 2, the participants decided that Mr. Blackowicz would file an Express Abandonment of the trademark application, which was co-owned by Client 1 and Client 2.

28. During the January 3, 2014 conference call, the participants also decided that, after Mr. Blackowicz expressly abandoned the trademark application, he would then immediately file two new trademark applications for the same mark, naming Client 6 as the owner. At the time, Client 6 was Client 3's company.

29. Respondent did not include Client 1, co-owner of the mark and the trademark application, in the January 3, 2014 conference call. Respondent did not instruct Mr. Blackowicz to include Client 1 on the call.

30. Respondent did not counsel Client 1 as to the filing of the Express Abandonment of the trademark application that she co-owned and did not obtain Client 1's consent to expressly abandon Client 1's trademark application. Respondent also did not inform Client 1 that Mr. Blackowicz planned to file two new trademark applications on behalf of Client 6 for the same mark she had sought to register. Respondent did not instruct Mr. Blackowicz to counsel Client 1, to obtain Client 1's consent to an express abandonment, and to advise Client 1 that he planned to file two new trademark applications on behalf of Client 3's company, Client 6.

31. At the direction of Client 2 and Client 3, Mr. Blackowicz filed the Express Abandonment of Client 1's trademark application and immediately thereafter filed two new trademark applications for the same mark on behalf of Client 3's company, Client 6. Mr. Blackowicz took these actions with Respondent's knowledge and consent.

32. As a partner at Day Pitney, Respondent failed to intervene when he knew that Mr. Blackowicz was going to take action adverse to Client 1's interests, *i.e.* expressly abandoning the trademark application for which she was co-owner, at a time when the consequences of that action could be avoided.

33. By January 2014, Respondent and Mr. Blackowicz had a conflict of interest in representing Client 1, Client 3, and Client 3's company, Client 6. Client 1 was not advised of this conflict, nor did she waive the conflict.

34. Respondent represents the following:

> Respondent now understands that the filing of the trademark application on behalf of Client 1 made her a client of Day Pitney, which required him and the firm to treat Client 1 as a co-client. Respondent regrets that he did not appreciate the issue at the time, and wishes he had treated Client 1 as a co-client in all respects. Instead, Respondent believed that Client 5 was the firm's client and, to the extent he focused on the identity of the joint applicants, that Client 1 and Client 2 were affiliated with Client 5. Respondent believed the co-applicants for the trademark application would not jointly sign the Statement of Use or Extension of Time to continue the trademark application, and therefore the trademark application would eventually expire of its own accord. Respondent now recognizes that failing to intervene when Client 2 and Client 3 instructed Mr. Blackowicz to expressly abandon the trademark application was a mistake, and as the senior lawyer on the call and the Client Responsible Partner ("CRP") and a partner at the firm, he could have prevented Day Pitney from executing Client 2 and Client 3's instructions. Respondent regrets his mistake and wishes he recognized the conflict at the time. Respondent did not know at the time that Client 1 was interested in pursuing the trademark application in Client 1's individual capacity.

As a consequence of the investigation, Respondent has undertaken a program of continuing education to ensure that he and his firm do not make similar mistakes again. Respondent has practiced commercial litigation with large and small firms for more than 37 years. He has never been the subject of professional discipline, and believes he has a reputation as an honest and ethical lawyer. Respondent has also engaged in a number of professional, civic, and charitable activities. Respondent contends that the violations set forth herein were all the result of an isolated instance of negligence in failing to recognize that Client 1 became a client when the firm filed the trademark application jointly with Client 1 as one of the applicants. Respondent had no intention to violate the rules of professional responsibility and assuredly would have acted differently had he recognized that Client 1 would become or had become a client. He did not act out of a dishonest or selfish motive, and he has expressed remorse for his mistake, and he and his firm made the prompt efforts to remedy any harm upon learning of the conflict.

Joint Legal Conclusions[2]

35. Respondent admits that, based on the above stipulated facts, he violated the following provisions of the USPTO Code of Professional Responsibility:

a. 37 C.F.R. § 10.62(a) (failure to obtain consent after full disclosure from a client to accept employment if 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);

b. 37 C.F.R. § 10.66(a)-(c) (failure to decline proffered employment if the exercise of the practitioner's independent professional judgment on behalf of a client will be or is likely to be adversely affected or would involve the practitioner in representing differing interests, and failure to obtain consent after full disclosure of the possible effect of such representation on the exercise of the practitioner's independent professional judgment on behalf of each); (continuing employment of multiple clients when the practitioner's independent professional judgment on behalf of the client is likely to be adversely affected by representation of both clients or when continuing representation would be likely to involve the practitioner in representing differing interests, and failure to obtain consent after full disclosure of the possible effect of such representation on the exercise of the practitioner's professional judgment on behalf of each); (failure to obtain consent after full disclosure regarding representation of multiple clients where the practitioner did not explain the possible effect of such representation on the exercise of the practitioner's independent professional judgment on behalf of each client);

[2] Effective May 3, 2013, the USPTO Rules of Professional Conduct apply to practitioners who practice before the Office. The conduct set forth herein and in the Amended Complaint occurred prior to and after May 3, 2013. Therefore, both the USPTO Code of Professional Responsibility and USPTO Rules of Professional Conduct apply.

c. 37 C.F.R. § 10.77(c) (Neglecting a legal matter entrusted to the practitioner);

d. 37 C.F.R. § 10.68(a)(1)-(2) and (b) (without obtaining consent after full disclosure from the client, accepting compensation from one other than the practitioner's client for the practitioner's legal services); (without obtaining consent after full disclosure, accepting from one other than the practitioner's client anything of value related to the practitioner's representation or employment by the client); (allowing a person who pays the practitioner to render legal services for another to direct the practitioner's professional judgment in rendering such legal services).

36. Respondent admits that based on the above stipulated facts, he violated the following provisions of the USPTO Rules of Professional Conduct:

a. 37 C.F.R. § 11.501(b) and (c)(2) (as a practitioner having direct supervisory authority over another practitioner, failing to make reasonable efforts to ensure that the other practitioner conforms to the USPTO Rules of Professional Conduct); (as a partner or one with other comparable managerial authority in a law firm, or having direct supervisory authority over another practitioner in the firm, failing to avoid or mitigate known conduct at a time when its consequences can be avoided or mitigated or take reasonable remedial action);

b. 37 C.F.R. § 11.504(c) (permitting a person who recommends, employs, or pays the practitioner to render legal services for another to direct or regulate the practitioner's professional judgment in rendering such legal services).

Additional Considerations

37. Respondent certifies that, on May 19, 2015, and June 29, 2015, he voluntarily attended and successfully completed two Continuing Legal Education ("CLE") classes on conflicts of interest.

38. Respondent had not been previously disciplined in over 37 years of practice.

Agreed Upon Sanction

39. Respondent agrees and it is hereby ORDERED that:

a. Respondent is hereby suspended from practice before the Office in trademark and other non-patent matters for thirty days, which shall commence 14 days after the Final Order is signed;

b. Respondent shall not engage in the practice of trademark or other non-patent law as defined by 37 C.F.R. § 11.5(b)(1) and 11.5(b)(2) during his thirty-day suspension;

c. Respondent shall serve an 18-month probation commencing on the date the Final Order is signed;

d. Within one year of the date the Final Order is signed, Respondent (1) shall take the Multi-State Professional Responsibility Examination ("MPRE"), (2) attain a score of 85 or better, and (3) provide a declaration to the OED Director verifying his compliance with this subparagraph;

e. Respondent shall attend the Continuing Legal Education seminar(s) PLI, Ethics & Conflicts of Interest in Law Practice 2015 and/or PLI, Staying Out of Trouble, what Every Attorney Must Know About Ethics 2014 (NY Ethics Rules), which includes topics such as conflicts of interest and conflicts management;

f. Respondent shall cooperate with the OED Director in any requests for information or testimony in any disciplinary matter before the USPTO;

g. Respondent shall comply with 37 C.F.R. § 11.58(a) except to the extent it requires compliance with the subparts of 37 C.F.R. §§ 11.58 and 11.60 that are expressly waived by this Final Order pursuant to 37 C.F.R. § 11.3(a)[3];

h. Respondent shall comply with 37 C.F.R. § 11.58(b)(1)(ii) with the exception of notifying clients and the following provisions are waived pursuant to 37 C.F.R. § 11.3(a): 37 C.F.R. §§ 11.58(b)(1)(i), 11.58(b)(1)(iii)-(vi), and 11.58(b)(1)(vii)-solely pertaining to (b)(1)(iii);

i. Respondent shall comply with 37 C.F.R. § 11.58(b)(2)(v) and the remaining provisions are waived pursuant to 37 C.F.R. § 11.3(a): 37 C.F.R. § 11.58(b)(2)(i)-(iv) and (vi);

j. Respondent shall comply with 37 C.F.R. § 11.58(b)(3);

k. Respondent shall comply with 37 C.F.R. § 11.58(b)(4);

l. Respondent shall comply with 37 C.F.R. § 11.58(b)(5);

m. The terms of 37 C.F.R. § 11.58(b)(6) are waived pursuant to 37 C.F.R. § 11.3(a);

n. Respondent shall not be granted limited recognition for thirty (30) days under 37 C.F.R. § 11.58(c);

o. Respondent shall comply with 37 C.F.R. § 11.58(d);

[3] The General Counsel exercises authority under 37 C.F.R. § 11.3(a) pursuant to a delegation of authority from the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office dated October 4, 2006.

p. Respondent shall comply with 37 C.F.R. § 11.58(e)-(f);

q. Respondent shall remain suspended from practice before the Office in trademark and other non-patent matters until the OED Director grants Respondent's petition for reinstatement pursuant to 37 C.F.R. § 11.60, except where certain provisions of § 11.60 are waived by the terms of this Final Order pursuant to 37 C.F.R. § 11.3(a);

r. Respondent shall comply with 37 C.F.R. § 11.60(a);

s. Respondent shall comply with 37 C.F.R. § 11.60(b) except where certain provisions of 37 C.F.R. § 11.58 are waived by the terms of this Final Order pursuant to 37 C.F.R. § 11.3(a);

t. Respondent shall comply with 37 C.F.R. § 11.60(c) by filing a petition for reinstatement accompanied by the fee required by § 1.21(a)(10), with the exception that the provisions of § 11.60(c)(1)-(3) are waived pursuant to 37 C.F.R. § 11.3(a), and Respondent must file a petition for reinstatement with the OED Director that attests to his compliance with the relevant provisions of § 11.58 including a sworn declaration that he has complied with § 11.58(a) affirming that he has not engaged in the practice of trademark law or other non-patent matters before the Office during his thirty (30) day suspension;

u. Respondent shall comply with 37 C.F.R. § 11.60(d)(1) with the exception of where the terms therein are waived by this Final Order pursuant to 37 C.F.R. § 11.3(a);

v. The provisions of § 11.60(d)(2)(i)-(iii) are waived pursuant to 37 C.F.R. § 11.3(a);

w. Respondent shall comply with 37 C.F.R. § 11.60(d)(3) as it applies to the fees set forth in § 1.21(a)(10);

x. The provisions of 37 C.F.R. § 11.60(e)-(f) apply;

y. The provision of 37 C.F.R. § 11.60(g) is waived pursuant to 37 C.F.R. § 11.3(a);

z. (1) if the OED Director is of the opinion that Respondent, during Respondent's probationary period, failed to comply with any provision of the Agreement, Final Order, or any provision of the USPTO Rules of Professional Conduct or 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 enter an order immediately suspending Respondent for up to an additional 18 months for the violations set forth in the Joint Legal Conclusions above;

(B) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the USPTO Office of Enrollment and Discipline;

(C) grant Respondent fifteen (15) days to respond to the Order to Show Cause; and

(2) in the event that 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 Respondent's probationary period, failed to comply with any provision of the Agreement, Final Order, or any provision of the USPTO Rules of Professional Conduct or Code of Professional Responsibility, the OED Director shall:

(A) deliver to the USPTO Director: (i) the Order to Show Cause; (ii) Respondent's response to the Order to Show Cause, if any; and (iii) argument and evidence causing the OED Director to be of the opinion that Respondent, during Respondent's probationary period, failed to comply with any provision of the Agreement, Final Order, or any provision of the USPTO Rules of Professional Conduct or the USPTO Code of Professional Responsibility; and

(B) request that the USPTO Director enter an order immediately suspending Respondent for up to an additional 18 months for the violations set forth in the Joint Legal Conclusions above;

aa. Nothing herein shall prevent the OED Director from seeking discipline for the misconduct leading to Respondent's additional suspension pursuant to the preceding paragraph;

bb. In the event the USPTO Director suspends Respondent pursuant to paragraph z, above, and Respondent seeks a review of the suspension, any such review of the suspension shall not operate to postpone or otherwise hold in abeyance the suspension;

cc. If Respondent successfully completes the period of probation, Respondent shall provide a declaration to the OED Director that he has complied with all the terms of his probation and request that the OED Director confirm in writing Respondent's compliance with the conditions of probation;

dd. The OED Director 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;

ee. The OED Director publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Suspension and Probation

This notice regards David B. Newman of New York, New York who has practiced before the United States Patent and Trademark Office ("USPTO" or "Office") in trademark matters. The USPTO has suspended Mr. Newman from practice before the Office in trademark and non-patent matters for thirty days and placed him on 18 months' probation.

Mr. Newman is also required to take and pass the Multi-state Professional Responsibility Exam ("MPRE") and meet certain requirements relating to reinstatement.

Mr. Newman violated multiple USPTO disciplinary rules governing conflicts of interests and failure to properly supervise a subordinate attorney. As a result of these violations Mr. Newman breached his professional duties owed to a client.

Mr. Newman has expressed contrition and understands how his actions violated the USPTO disciplinary rules. In mitigation, Mr. Newman has agreed to take three (3) CLE classes concerning conflicts of interest and other ethical responsibilities.

This action is the result of a settlement agreement between Mr. Newman 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, 11.20, and 11.26.

Disciplinary decisions involving practitioners are posted for public reading at the OED Reading Room, available at: http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp.

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

gg. The OED Director shall file a motion with the administrative law judge requesting the dismissal of the pending disciplinary proceedings within fourteen (14) days of the date of the Final Order;

hh. Respondent also understands that he is waiving all rights to seek reconsideration of the Final Order under 37 C.F.R. § 11.56, to have the Final Order reviewed under 37 C.F.R. § 11.57, and otherwise to appeal or challenge the Final Order in any manner;

and

ii. Each party bear their own costs in complying with the terms of this Proposed Settlement Agreement and the Final Order.

11/12/15

SARAH HARRIS
General Counsel
United States Patent and Trademark Office

Date

on behalf of

Michelle K. Lee
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
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