

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

In the Matter of:

**Russell W. Warnock,**

Respondent.

Proceeding No. D2016-08

April 22, 2016

**INITIAL DECISION ON DEFAULT JUDGMENT**

On March 21, 2016, the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) filed a *Motion for Entry of Default Judgment and Imposition of Disciplinary Sanction* (Default Motion) in this above-captioned matter.<sup>1</sup>

**PROCEDURAL HISTORY**

On January 13, 2016, the OED Director filed a *Complaint and Notice of Proceedings under 35 U.S.C. § 32* (Complaint) against Russell W. Warnock (Respondent). The *Complaint* seeks the exclusion or suspension of Respondent for committing violations of the USPTO Code of Professional Responsibility (37 C.F.R. §§ 10.20. *et seq.*) and the USPTO Rules of Professional Conduct (37 C.F.R. §§ 11.100 *et seq.*).<sup>2</sup> The essence of the *Complaint* is that Respondent engaged in a pattern and practice of allowing both patent and trademark applications to go abandoned for, among other things, failing to respond to an Office Action or a Notice to File Missing Parts in patent applications, and failing to respond to an Office Action or file a Statement of Use in trademark applications.

A copy of the *Complaint* was sent via U.S. first-class certified mail, return receipt requested, to the address Respondent provided to the OED pursuant to 37 C.F.R. § 11.11. The OED Director also emailed a copy at the email address Respondent used to communicate with counsel for the OED Director. The mailed copy of the *Complaint* was delivered on January 19, 2016, and signed for by “C. Parks.”

By *Notice of Hearing and Order*, issued January 13, 2016, Respondent was required to file an answer to the *Complaint* on or before February 12, 2016. Respondent did not file a timely answer.

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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.

<sup>2</sup> Effective May 3, 2013, the USPTO Rules of Professional Conduct (37 C.F.R. Part 11, subpart D) replaced the Code of Professional Responsibility. However Respondent’s alleged misconduct both prior to and after May 3, 2013. As such, both the USPTO Code of Professional Responsibility and USPTO Rules of Professional Conduct are applicable in this case.

On February 18, 2016, counsel for the OED Director sent Respondent a certified letter inviting Respondent to meet and confer prior to the OED Director moving for default judgment against Respondent. A copy of the letter was also e-mailed to Respondent. The certified copy of the letter was delivered on February 22, 2016, and signed for by "C. Parks." Per the letter, Respondent's response was due March 4, 2016. Having not received a response to counsel's request to meet and confer, or an answer to the *Complaint*, the OED Director filed the *Default Motion*.

As of the date of this *Initial Decision*, Respondent has not answered the *Complaint*, or responded to the *Default Motion*, or otherwise made an appearance in this matter.

### **CONSEQUENCES OF FAILURE TO ANSWER COMPLAINT**

Section 11.36 of title 27 of the Code of Federal Regulations (C.F.R.) sets forth the requirement for answering a complaint and the consequences for not doing so. "Failure to timely file an answer will constitute an admission of the allegations in the complaint and may result in entry of default judgment." 37 C.F.R. § 11.36(e). As a result of Respondent's failure to answer the *Complaint*, Respondent is deemed to have admitted the allegations in the *Complaint*, which are set below as the Court's findings of fact.

### **FINDINGS OF FACT**

#### **FINDINGS ABOUT: Respondent's Professional Status:**

1. Respondent has been registered as a patent attorney since March 31, 1988.
2. Respondent's registration number is 32,860.
3. Respondent is admitted to practice law and in good standing with the District of Columbia Bar.
4. Respondent is currently administratively suspended from the practice of law in Colorado.
5. Respondent is currently administratively suspended from the practice of law in North Carolina.
6. On August 15, 2014, Respondent was publicly censured by the North Carolina State Bar for, *inter alia*, inadequate communication and neglect of a client's patent matter. Specifically, the North Carolina Grievance Committee found that Respondent violated its disciplinary rules by failing to keep a client apprised of the status of the client's patent application and misrepresenting its status to the client.

#### **FINDINGS ABOUT: U.S. Patent Application No. 12/615,292 ("the '292 application")**

7. On November 10, 2009, Respondent filed U.S. Patent Application No. 12/615,292 ("the '292 application"), entitled "Exoskeletal Backpack System and Articulating Connector Therfor," on behalf of Lance Hoag, the sole inventor.
8. On November 29, 2012, the Office mailed a Notice of Allowance and Fee(s) Due to Respondent at his address of record.

9. The Notice of Allowance informed Respondent that the claims were allowed but corrected drawings were required to be submitted along with issue fees for the patent to issue.
10. The November 29, 2012 Notice of Allowance set a three-month period for response, which was not extendable.
11. Respondent received the Notice of Allowance, but did not respond.
12. In February 2013, Mr. Hoag asked Respondent for an update on the '292 application. Respondent falsely informed Mr. Hoag that everything was on track, and that they were waiting for a reply from the USPTO.
13. On March 18, 2013, the Office mailed a Notice of Abandonment to Respondent for failure to respond to the Notice of Allowance.
14. Respondent received the March 18, 2013 Notice of Abandonment.
15. Respondent allowed the '292 application to become abandoned without the consent of Mr. Hoag.
16. Mr. Hoag independently learned of the abandonment of his '292 application.
17. Mr. Hoag sent an email to Respondent on October 31, 2013, inquiring about the status of the '292 application and asking why the application was abandoned.
18. On November 25, 2013, Respondent responded by email informing Mr. Hoag of the Notice of Allowance, which the Office had mailed to Respondent on November 29, 2012, approximately one year earlier.
19. Respondent did not inform Mr. Hoag in the email that the '292 application had been abandoned many months earlier.
20. Instead, Respondent stated to Mr. Hoag that he would "take care of restoring [the '292 application] to active status" if Mr. Hoag would pay the issue fee.
21. Mr. Hoag authorized Respondent to respond to the Notice of Allowance and to pay the issue fee.
22. Respondent did not respond to the Notice of Allowance in the '292 application or submit the issue fee in the '292 application.
23. On April 8, 2014, Respondent sent an email to Mr. Hoag apologizing for his failure to follow through with the '292 application. Respondent also offered to reimburse Mr. Hoag for the costs of reviving the '292 application and to help him find a new patent attorney.
24. Mr. Hoag responded to Respondent's email, accepting his offer and asking that Respondent connect him to another practitioner to finish his patent application.

25. Respondent did not submit a revival nor pay the issue fee to the USPTO for the '292 application.
26. As of the date of the *Complaint* was filed, the '292 application remains abandoned.

FINDINGS ABOUT: U.S. Patent Application No. 13/154,374 ("the '374 application")

27. In early 2011, Mr. John Fogle hired Respondent to prepare, file, and prosecute a patent application on his behalf.
28. On June 6, 2011, Respondent filed a U.S. Patent Application No. 13/154,374 ("the '374 application") entitled, "Stalk Reducing Bar and Mower having a Stalk Reducing Bar," on behalf of Mr. Fogle.
29. On June 27, 2011, the Office mailed a Notice to File Corrected Application Papers to Respondent at his address of record requiring the filing of corrected drawings for the '374 application.
30. Respondent received the Notice to File Corrected Application Papers.
31. On September 29, 2011, Respondent filed a response to the notice to File Corrected Application Papers. The response was deemed to be incomplete as Respondent filed drawings which were non-compliant.
32. On October 26, 2011, the Office mailed a Notice of Incomplete Reply to Respondent at his address of record.
33. Respondent received the Notice of Incomplete Reply, but did not respond.
34. On April 27, 2012, the Office mailed a Notice of Abandonment to Respondent for failure to timely or properly reply to the Notice to File Corrected Application Papers.
35. Respondent received the Notice of Abandonment, but did not respond.
36. The '374 application became abandoned without Mr. Fogle's knowledge or consent.
37. Mr. Fogle repeatedly requested information from Respondent about the status of the '374 application.
38. On September 28, 2012, Respondent informed Mr. Fogle that they were waiting on an initial examination of the application.
39. Respondent repeatedly failed to timely respond to Mr. Fogle's requests for information about the '374 application.
40. In a May 29, 2013 email, Respondent informed Mr. Fogle that "[it] [l]ooks like your patent application is in the queue but needs an updated inventor statement."
41. Respondent admitted to the OED that he misinformed Mr. Fogle when he told him that his "patent application is in the queue but needs an updated inventor statement."

42. On November 21, 2013, Mr. Fogle requested that Respondent return the '374 application file to him, including all documents and notes.
43. As of the date of the *Complaint* was filed, Respondent had not returned the '374 application file to Mr. Fogle.

FINDINGS ABOUT: Trademark Application, Serial No. 86/11,113,597 ("the '597 application")

44. In 2013, Ms. Janet McNamara Houck hired Respondent to draft, file, and prosecute, two trademark applications on her behalf.
45. Ms. Houck paid Respondent \$2,000.00 in advance for the performance of the trademark legal services.
46. Respondent filed Ms. Houck's Trademark Application, Serial No. 86/11,113,597 ("the '597 application") for word mark, A QUILTY PLEASURE," on November 8, 2013.
47. On June 3, 2014, the Office emailed a Notice of Allowance in the '597 application to Respondent and informed him that a Statement of Use was required to be filed within six months.
48. Respondent received the Notice of Allowance containing the Statement of Use requirement, but did not respond.
49. Respondent did not inform Ms. Houck about the Notice of Allowance or Statement of Use requirement.
50. Respondent did not reasonably consult with Ms. Houck about the legal consequences of the Notice of Allowance or the Statement of Use requirement, and he did not advise her of her options.
51. Respondent did not respond to the Notice of Allowance, *e.g.*, he did not submit the required Statement of Use or file a request to extend the time to submit the Statement of Use.
52. On January 5, 2015, the Office mailed a Notice of Abandonment in the '597 application to Respondent at his address of record.
53. Respondent received the Notice of Abandonment, but did not respond.
54. Respondent did not inform Ms. Houck about the Notice of Abandonment.
55. Respondent did not reasonably consult with Ms. Houck about the legal consequences of the Notice of Abandonment, and he did not advise her of her options.
56. The '597 application became abandoned without Ms. Houck's knowledge or consent.

FINDINGS ABOUT: Trademark Application Serial No. 86/113,615 (“the ‘615 application”)

57. On November 8, 2013, Respondent filed another trademark application on behalf of Ms. Houck, namely: Trademark Application Serial No. 86/113,615 (“the 615 application”) for word mark, “QUILTY PLEASURES.”
58. On June 3, 2014, the Office emailed a Notice of Allowance in the ‘615 application to Respondent and informed him that a Statement of Use was required to be filed within six months.
59. Respondent received the Notice of Allowance containing the Statement of Use requirement at his address of record, but did not respond.
60. Respondent did not inform Ms. Houck about the Notice of Allowance or the Statement of Use requirement.
61. Respondent did not reasonably consult with Ms. Houck about the legal consequences of the Notice of Allowance or the Statement of Use requirement, and he did not advise her of her options.
62. Respondent did not respond to the Notice of Allowance, *e.g.*, he did not submit the required Statement of Use or file a request to extend the time to submit the Statement of Use.
63. On January 5, 2015, the Office mailed a Notice of Abandonment in the ‘615 application to Respondent at his address of record.
64. Respondent received the Notice of Abandonment, but did not respond.
65. Respondent did not inform Ms. Houck about the Notice of Abandonment.
66. Respondent did not reasonably consult with Ms. Houck about the legal consequences of the Notice of Abandonment, and he did not advise her of her options.
67. The ‘615 application became abandoned without Ms. Houck’s knowledge or consent.
68. Ms. Houck independently learned of the abandonment of her ‘597 and ‘615 trademark applications.
69. Ms. Houck contacted Respondent and informed Respondent that her trademark applications were abandoned and requested an explanation.
70. Respondent told Ms. Houck he would contact the Office and find out why the applications were abandoned.
71. Respondent returned Ms. Houck’s telephone call and told her that the Office could not find any proof that she was using her marks in commerce.
72. In an email dated July 1, 2015, Respondent requested that Ms. Houck provide him with internet links to her Facebook page and blog, which contained mention of her “A QUILTY PLEASURE” and “QUILTY PLEASURES” marks.

73. On July 3, 2015, Ms. Houck sent Respondent an email providing him with links to her Facebook page and her blog.
74. As of the date of the *Complaint* was filed, the '597 and '615 applications remain abandoned.

FINDINGS ABOUT: U.S. Patent Application No. 12/944,206 ("the '206 application")

75. On November 11, 2010, Respondent filed U.S. Patent Application No. 12/944,206 ("the '206 application") entitled "System for Rapid Assessment of Grade Variations and Method for Using a System" on behalf of Michael S. Holgate, the sole investor.
76. On September 17, 2012, the Office mailed a Non-Final Office Action in the '206 application to Respondent at his address of record.
77. Respondent received the September 17, 2012 Non-Final Office Action, but did not respond.
78. Respondent did not inform Mr. Holgate about the Non-Final Office Action.
79. On March 27, 2013, the Office mailed a Notice of Abandonment in the '206 application to Respondent.
80. Respondent received the Notice of Abandonment, but did not respond.
81. Respondent did not inform Mr. Holgate about the Notice of Abandonment.
82. The '206 application became abandoned without Mr. Holgate's knowledge or consent.

FINDINGS ABOUT: U.S. Patent Application No. [REDACTED] ("the [REDACTED] application")

83. On July 30, 2013, Respondent filed U.S. Patent Application No. [REDACTED] ("the [REDACTED] application") entitled "[REDACTED]" on behalf of [REDACTED], the sole inventor.
84. On August 16, 2013, the Office mailed to Respondent at his address of record a Notice to File Corrected Application Papers in the [REDACTED] application which informed Respondent that replacement drawings were required to be filed.
85. Respondent received the Notice to File Corrected Application Papers, but did not respond.
86. Respondent did not inform [REDACTED] about the Notice to File Corrected Application Papers.
87. Respondent did not reasonably consult with [REDACTED] about the legal consequences of the Notice to File Corrected Application Papers, and Respondent did not advise [REDACTED] of his options.
88. On April 17, 2014, the Office mailed a Notice of Abandonment to Respondent at his address of record.

89. Respondent received the Notice of Abandonment.
90. Respondent did not inform [REDACTED] about the Notice of Abandonment.
91. Respondent did not reasonably consult with [REDACTED] about the legal consequences of the Notice of Abandonment, and Respondent did not advise [REDACTED] of his options.
92. The [REDACTED] application became abandoned without [REDACTED] knowledge or consent.

FINDINGS ABOUT: Trademark Application, Serial no. 85/080,018 (“the ‘018 application”), and Trademark application, Serial no. 85/080,020 (“the ‘020 application”)

93. Ms. Sarah Gewanter hired Respondent to draft, file, and prosecute two trademark applications on her behalf.
94. Respondent filed two trademark applications for Ms. Gewanter, Serial no. 85/080,018 (“the ‘018 application”) and Serial no. 85/080,020 (“the ‘020 application”) for word mark, BERARD, on July 8, 2010.
95. On October 21, 2010, the Office mailed an Office Action in the ‘018 application and the ‘020 application to Respondent, which required a response within six months.
96. Respondent received the Office Actions, but did not respond.
97. On May 19, 2011, the Office mailed a Notice of Abandonment in both the ‘018 and the ‘020 application to Respondent.
98. Respondent received both Notices of Abandonment, but did not respond.
99. Respondent did not inform Ms. Gewanter about either Notice of Abandonment.
100. The ‘018 application and the ‘020 application became abandoned without Ms. Gewanter’s knowledge or consent.

FINDINGS ABOUT: U.S. Patent Application 13/106,939 (“the ‘939 application”)

101. Mr. William Gabriel Hargett hired Respondent to draft, file, and prosecute both a patent application and a trademark application on his behalf.
102. On May, 13, 2011, Respondent filed U.S. Patent Application 13/106,939 (“the ‘939 application”), entitled “Container Jacket for Beverage Glass” on behalf of Mr. Hargett, the sole inventor.
103. On October 23, 2012, the Office mailed a Non-Final Office Action in the ‘939 application to Respondent at his office of record, which required a response within three months.
104. Respondent received the Non-Final Office Action, and responded on December 17, 2012.
105. On February 15, 2013, the Office mailed a Final Office Action in the ‘939 application to Respondent at his office of record, which required a response within three months.
106. Respondent received the Final Office Action, but did not respond.



107. On August 23, 2013, the Office mailed a notice of Abandonment in the '939 application to Respondent at his office of record.
108. Respondent received the Notice of Abandonment, but did not respond.
109. Respondent did not inform Mr. Hargett of the Notice of Abandonment.
110. Respondent did not reasonably consult with Mr. Hargett about the legal consequences of the Notice of Abandonment, and Respondent did not advise Mr. Hargett of his options.
111. The '939 application became abandoned without Mr. Hargett's knowledge or consent.

FINDINGS ABOUT: Trademark Application Serial No. 85/837,432 ("the '432 application")

112. Respondent filed Mr. Hargett's Trademark Application Serial No. 85/837,432 ("the '432 application") for word mark, OOWEE, on January 31, 2013.
113. On May 16, 2013, the Office mailed an Office Action in the '432 application to Respondent at his office of record, which required a response within six months.
114. Respondent received the Office Action, but did not respond.
115. As a result of which, the '432 application went abandoned without Mr. Hargett's knowledge or consent.

FINDINGS ABOUT: The OED Investigation

116. On March 2, 2015, OED sent a Request for Information ("RFI") to Respondent in OED file number G2529 (the "First RFI").
117. The First RFI, was mailed to Respondent at the address he had previously provided to OED pursuant to 37 C.F.R. § 11.11(a).
118. The First RFI was delivered to Respondent's address on March 5, 2015, and the Certified Mail Receipt was signed by "C. Parks" at that address.
119. The First RFI requested that Respondent respond within thirty days or by April 1, 2015.
120. On April 13, 2015, Respondent requested additional time to respond to OED's First RFI.
121. OED granted Respondent an extension of time to respond, making the response to the First RFI due by May 13, 2015.
122. In the First RFI, OED provided Respondent with a list of 32 patent applications and requested that he explain why each application went abandoned. If an application was abandoned based on instructions from a client, OED asked Respondent to provide OED with a copy of such instructions.
123. The First RFI also asked Respondent questions regarding trademark applications that had gone abandoned and trademark registrations that had been cancelled.

124. OED requested that Respondent provide supporting documentation, including correspondence, invoices, and payments received, or other documents relating to the client's application(s), for any answers Respondent provided.
125. Respondent responded on May 13, 2015, but did not answer any of OED's inquiries with regard to the list of 32 patent applications that were identified by OED as abandoned.
126. In his response, Respondent answered questions regarding the 133 abandoned trademark applications, but did not include any supporting evidence.
127. On August 20, 2015, OED sent a second RFI ("Second RFI") to Respondent.
128. The Second RFI was delivered to Respondent's address on August 24, 2015, and the Certified Mail Receipt was signed by "C. Parks" at that address.
129. The Second RFI requested that Respondent respond within fifteen days or by September 4, 2015.
130. In the Second RFI, OED asked follow-up questions in response to Respondent's May 13, 2016 response to the First RFI and also requested that Respondent respond to the questions that he had not answered from the First RFI, in particular those pertaining to the list of 32 abandoned patent applications.
131. In the Second RFI, OED requested that Respondent provide documentation to support his answers in the May 13, 2015, response and that Respondent provide supporting documentation for any answers that he would provide in responding to the Second RFI.
132. Respondent's response to the Second RFI was due on September 4, 2015, but Respondent did not respond.
133. On October 14, 2015, OED sent a Lack of Response letter to Respondent, requesting that he respond to OED's Second RFI.
134. The October 14, 2015 Lack of Response letter was delivered to Respondent at his address on October 17, 2015, and the Certified Mail Receipt was signed by a "Cheryl Parks" at that address.
135. As of the date of the *Complaint* was filed, Respondent has neither responded to the Second RFI nor the October 14, 2015, Lack of Response Letter, and has not fully responded to the First RFI.

### **CONCLUSIONS OF LAW**

Based upon the foregoing findings of fact, the Court concludes, for the reasons that follow, Respondent violated the USPTO Code of Professional Responsibility as alleged by misconduct occurring prior May 3, 2013, and he violated and the USPTO Rules of Professional Conduct as alleged by misconduct occurring on and after May 3, 2013.

## Violations under the USPTO Code of Professional Responsibility

1. **37 C.F.R. § 10.23(a) proscribes engaging in disreputable or gross misconduct by failing to perform services that he was retained to perform on behalf of a client.** Respondent allowed the '292 application to become abandoned without Mr. Hoag's knowledge or consent; did not take any steps to revive the application or otherwise protect Mr. Hoag's intellectual property rights in the application after it became abandoned; did not inform Mr. Hoag about the status of the application; and made false or misleading statements to Mr. Hoag about the status of the '292 application, prior to May 3, 2013. In doing so, Respondent violated 37 C.F.R. § 10.23(a). Respondent committed the same violations against Mr. Fogle in pursuing the '374 application; against Mr. Holgate in pursuing the '206 application; against Ms. Gewanter in pursuing the '018 and '020 applications; and against Mr. Hargett in pursuing the '939 patent application.
2. **37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(2)(1) proscribe knowingly giving false or misleading information or knowingly participating 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.** Respondent knowingly gave Mr. Hoag false and misleading information regarding the status of the '292 application, prior to May 3, 2013. Accordingly, Respondent is in violation of 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(2)(1). Respondent committed the same violations against Mr. Fogle in pursuing the '374 application.
3. **37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8) proscribes failing to inform a client of correspondence received from the Office when the correspondence could have a significant effect on a matter pending before the Office, is received by the practitioner on behalf of a client, and is correspondence which a reasonable practitioner would believe under the circumstances that the client should be notified.** By failing to notify Mr. Hoag in a timely manner of the Notice of Allowance and the Notice of Abandonment sent to Respondent by the USPTO, Respondent violated 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8). Respondent committed the same violations against Mr. Fogle by failing to notify him in a timely manner of the Notice to File Application Papers, the Notice of Incomplete Reply and the Notice of Abandonment in pursuing the '374 application; against Mr. Holgate by failing to notify him in a timely manner of the Non-Final Office Action and the Notice of Abandonment in pursuing the '206 application; against Ms. Gewanter by failing to notify her in a timely manner of the Office Action and the Notice of Abandonment in pursuing the '018 and '020 applications; and against Mr. Hargett by failing to notify him in a timely manner of the Non-Final Office Action, the Final Office Action, and Action the Notice of Abandonment in pursuing the '939 patent application.
4. **37 C.F.R. § 10.77(c) proscribes neglecting a legal matter entrusted to the practitioner.** Respondent allowed the '292 application to become abandoned without Mr. Hoag's knowledge or consent and by not taking steps to revise the application or otherwise protect Mr. Hoag's intellectual property rights in the application after it became abandoned, prior to May 3, 2013. In so doing, Respondent neglected the legal matters entrusted to him by Mr. Hoag in violation of 37 C.F.R. § 10.77(c).

Respondent committed the same violations against Mr. Fogle in pursuing the '374 application, against Mr. Holgate in pursuing the '206 application, against Ms. Gewanter in pursuing the '018 and '020 applications, and against Mr. Hargett in pursuing the '939 patent application.

Violations under the USPTO Rules of Professional Conduct

1. **37 C.F.R. § 11.101 proscribes failing to provide competent representation to the client.** On or after May 3, 2013, Respondent failed to take steps to revive the '292 application or otherwise protect Mr. Hoag's intellectual property rights in the application after it became abandoned, and did not follow through on his offer to transfer the '292 application to another patent practitioner. Accordingly, Respondent violated 37 C.F.R. § 11.101. Respondent committed the same violations against Mr. Fogle in failing to take steps to revive the '374 application, against Ms. Houck in failing to take steps to revive the '597 and the '615 applications, against [REDACTED] in failing to take steps to revive the [REDACTED] application, and against Mr. Hargett in failing to take steps to revive the '432 trademark and '939 patent applications.
2. **37 C.F.R. § 11.103 proscribes failing to act with reasonable diligence and promptness in representing a client.** By failing to take steps to revive the '292 application or otherwise protect Mr. Hoag's intellectual property rights in the application after it became abandoned, and not following through on his offer to transfer the '292 application to another patent practitioner, Respondent violated 37 C.F.R. § 11.103. Respondent committed the same violations against Mr. Fogle in failing to take steps to revive the '374 application, against Ms. Houck in failing to take steps to revive the '597 and the '615 applications, against [REDACTED] in failing to take steps to revive the [REDACTED] application, and against Mr. Hargett in failing to take steps to revive the '432 trademark and '939 patent applications and failing to respond to the Office Action in the '432 application.
3. **37 C.F.R. § 11.104(a)(2) and (3) proscribes failing to keep the client reasonably informed about the status of the matter.** On or after May 3, 2013, Respondent did not inform Mr. Hoag of the status of the '292 application. By failing to inform Mr. Hoag of the status of the '292 application, Respondent violated 37 C.F.R. § 11.104(a)(2) and (3). Respondent committed the same violations against Mr. Fogle in pursuing the '374 application, against Ms. Houck in pursuing the '597 and the '615 applications, against [REDACTED] in pursuing the [REDACTED] application, and against Mr. Hargett in pursuing the '432 trademark and '939 patent applications.
4. **37 C.F.R. § 11.804(c) proscribes engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation.** Respondent provided false or misleading information to Mr. Hoag regarding the status of the '292 application. In so doing, Respondent violated 37 C.F.R. § 11.804(c). Respondent committed the same violations against Mr. Fogle in pursuing the '374 application and against Ms. Houck in pursuing the '597 and the '615 applications.

## SANCTIONS

Having found the Respondent violated the USPTO Code of Professional Responsibility, and USPTO Rules of Professional Conduct, the Court must determine an appropriate sanction. Before sanctioning a practitioner, the Court must consider the following four factors:

- (1) whether the practitioner has violated a duty owed to client, to the public, to the legal system, or to the profession;
- (2) whether the practitioner acted intentionally, knowingly, or negligently;
- (3) the amount of the actual or potential injury caused by the practitioner's misconduct; and
- (4) the existence of any aggravating or mitigating factors.

### 37 C.F.R. §11.54(b)

#### 1. Respondent violated his duties to his clients, the trademark bar, and the patent bar.

Respondent entered into engagement agreements with Mr. Hoag, Mr. Fogle, Ms. Hoack, Mr. Holgate, Ms. Gewanter, and Mr. Hargett and accepted their cases. As such, Respondent had a fiduciary duty to his clients to perform the agreed upon services, reasonably inform the clients of correspondence, provide competent representation, and act with reasonable diligence and promptness, which he violated by failing to remit the proper documents to the USPTO, failing to inform the clients of Notices and Actions, and failing to respond to the Notices and Actions in a timely manner.

Respondent also violated his duty to the patent bar by willfully violating its disciplinary rules. Respondent's neglect of the numerous legal matters his clients entrusted to him harms the clients', and possibly the public's, confidence in attorneys and members of the patent bar. Last, Respondent's dishonesty in lying to his clients tarnishes the reputation of the patent bar as a whole.

#### 2. Respondent acted knowingly and intentionally.

Respondent's actions were knowing and intentional. Each of the Notices and Actions reminded Respondent that he had yet to submit documents for patent and trademark applications he filed on behalf of his clients. And yet, he did not act on that information or otherwise respond to the Notices. Respondent also intentionally lied to clients by telling them the applications were on schedule, even though Respondent knew he had already missed the deadline to submit documents.

3. Respondent's misconduct caused actual and potential injury.

Respondent's misconduct caused actual and potential injury to his clients. Respondent was pre-paid by at least one of his clients, Ms. Houck, but failed to properly prosecute her requested trademark applications. In effect, Ms. Houck incurred financial injury as she did not receive the full value of the legal fees she paid for his services. Furthermore, in each of his clients' cases, Respondent's negligence caused trademark or patent applications to become abandoned, potentially harming his clients' intellectual property rights to their work.

4. Aggravating factors exist in this case.

The Court often looks to the American Bar Association's Standards for Imposing Lawyer Sanctions (2005) when determining whether aggravating or mitigating factors exist. See In re Lane, No. D2013-07 (USPTO Mar. 11, 2014), at 19. A review of the record reveals that aggravating factors exist in this case.

Respondent has a prior disciplinary offense. As noted, *supra*, Respondent was previously censured by the Grievance Committee of the North Carolina State Bar on August 15, 2014. In that North Carolina matter, Respondent also failed to cooperate with the disciplinary investigation. The prior disciplinary offense is an aggravating factor.

Respondent accepted at least one client's pre-paid legal fees and he failed to fulfill the agreed upon services, namely to prosecute the client's trademark applications. Further, he agreed to file and prosecute six of his clients' patent and/or trademark applications. Respondent filed these clients' applications, but failed to prosecute the applications, allowing their abandonment. Respondent also attempted to conceal his neglect from at least three clients by providing them false and misleading information regarding the status of their applications. Such misconduct demonstrated a selfish or dishonest motive, which is an aggravating factor.

Respondent has displayed a pattern of misconduct and committed multiple offenses. Respondent's misconduct occurred in 32 patent applications and 133 trademark applications that he filed on behalf of his clients. For each of the applications, he failed to submit proper documentation upon filing the applications and later after the USPTO sent a Notice. Respondent also failed to inform his clients about the Notices when they inquired into the status of their applications. Respondent demonstrated repeated neglect of the clients' legal matters. Accordingly, the Court finds as aggravating factors the multiple violations and pattern of misconduct.

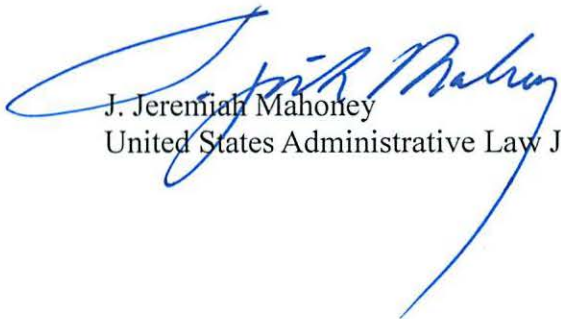
Despite his long experience as a registered Patent Attorney, Respondent completely failed in his duty to assist OED's disciplinary investigation. The evidence establishes as aggravation that Respondent acted in bad faith and obstructed the disciplinary process by intentionally failing to comply with rules and orders applicable to him as a patent attorney.

## CONCLUSION

Respondent has failed to answer the *Complaint* or otherwise appear in this matter, and therefore Respondent is found in **DEFAULT**. On the basis of the facts admitted by his default, the Court finds Respondent, as alleged, has violated the foregoing Rules of Professional Conduct and Professional Responsibility. The OED Director requests that the Respondent be sanctioned by exclusion from practice before the USPTO in patent, trademark, or other non-patent cases or matters. Based upon the unrefuted facts and the foregoing analysis of all four enumerated sanction factors, the Court concludes that Respondent's misconduct warrants the sanction of exclusion.

Accordingly, Respondent shall be **EXCLUDED** from practice before the U.S. Patent and Trademark Office in patent, trademark, and other non-patent matters.

So **ORDERED**,



J. Jeremiah Mahoney  
United States Administrative Law Judge

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**Notice of Required Actions by Respondent:** Respondent is directed to 37 C.F.R. §11.58 regarding responsibilities in cases of suspension or exclusion.

**Notice of Appeal Rights:** Within thirty (30) days of this initial decision, either party may file an appeal to the USPTO Director. 37 C.F.R. § 11.55(a).

**Notice of Right to Petition for Reinstatement:** See 37 C.F.R. § 11.60 concerning petitions for reinstatement.

## 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 D2016-08, were sent to the following parties on this 22<sup>nd</sup> day of April, 2016, in the manner indicated:

  
Cinthia Matos, Docket Clerk

### VIA EMAIL

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