

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

In the Matter of)
)
Karl L. Larson,)
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Respondent)
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Proceeding No. D2016-36

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 Karl L. Larson (“Respondent”) have submitted a Proposed Settlement Agreement of Disciplinary Matter Pursuant to 37 C.F.R. § 11.26 (“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 Arlington, Texas, has been registered to practice before the Office in patent matters (Registration No. 41,141) and is subject to the USPTO Rules of Professional Conduct, 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.

Joint Stipulated Facts

3. Respondent was registered as a patent agent on August 4, 1997, and as a patent attorney on June 12, 2003.
4. Respondent’s registration number is 41,141.
5. Respondent is an attorney admitted to practice law in Maryland, Texas, Virginia, and the District of Columbia.¹

¹ Respondent is only active and in good standing in the State of Texas.

6. Respondent is the sole attorney at Larson IP, PC.
7. Between approximately November 2014 and January 2016, Respondent, by act or omission, failed to deposit approximately \$12,480 in advance fees for legal services and USPTO fees into a client trust account. The funds were received in advance from 12 clients and deposited into Respondent's law firm operating account.
8. Respondent drew funds for personal and business expenses from his law firm's operating account that held client funds.
9. Respondent failed to keep records as required by 37 C.F.R. § 11.115(f).²

Joint Legal Conclusions

10. Respondent acknowledges that, based on the information contained in the Joint Stipulated Facts above, his conduct violated 37 C.F.R. § 11.115 by failing to keep client funds separate from his own funds and failing to keep client trust account records.

Miscellaneous Factors

11. Respondent recognizes the seriousness of his conduct and its effect on the reputation of the legal profession.
12. After being notified by OED of its investigation, Respondent resubmitted payments to the USPTO and opened a client trust account.
13. Respondent has not been previously disciplined by the USPTO.

Agreed Sanction

14. Respondent agrees and it is hereby ORDERED that:
 - a. Respondent is suspended from practice before the USPTO in patent, trademark and other non-patent matters for ninety (90) days commencing on the date a Final Order approving this Agreement is signed;
 - b. Respondent shall remain suspended from the practice of patent, trademark, and other non-patent law before the USPTO until the OED Director grants a petition reinstating Respondent pursuant to 37 C.F.R. § 11.60;

² Respondent did not keep records in compliance with any of the States in which he is licensed to practice and therefore does not meet the exception of 37 C.F.R. § 11.115(f)(4).

- c. Respondent shall comply with 37 C.F.R. § 11.58;
- d. Respondent shall comply with 37 C.F.R. § 11.60 upon any request for reinstatement to practice before the Office;
- e. Respondent shall complete at least ten (10) credit hours of Continuing Legal Education covering trust accounting and law office practice management;
- f. The USPTO shall promptly dissociate Respondent's name from all USPTO Customer Numbers and Public Key Infrastructure ("PKI") certificates;
- g. Respondent shall not apply for or obtain a USPTO Customer Number unless and until he is reinstated to practice before the USPTO;
- h. The OED Director shall electronically publish the Final Order at the OED's electronic FOIA Reading Room, which is publicly accessible through the Office's website at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- i. The OED Director shall publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Suspension


This notice concerns Karl L. Larson of Arlington, Texas, a registered practitioner (Registration Number 41,141). The Director of the U.S. Patent and Trademark Office ("USPTO") has suspended Mr. Larson from the practice of patent, trademark, and other non-patent law before the USPTO for 90 days for violating the USPTO Rules of Professional Conduct. Specifically, Respondent admits that he violated 37 C.F.R. § 11.115 by failing to keep client funds separate from his own funds and failing to keep client trust account records.

This action is the result of a settlement agreement between Mr. Larson 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, 11.26, and 11.59. Disciplinary decisions involving practitioners are posted at OED Reading Room, available at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>.

- j. Nothing in the Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order: (1) when addressing any further complaint or evidence of the same

or similar misconduct concerning Respondent brought to the attention of the Office; (2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed, and/or (ii) to rebut any statement or representation by or on Respondent's behalf; and (3) when considering any request for reconsideration submitted by Respondent pursuant to 37 C.F.R. § 11.60; and

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



SARAH HARRIS
General Counsel for General Law
United States Patent and Trademark Office

9/1/16
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
U.S. Patent and Trademark Office

Karl L. Larson
Practitioner