

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

In the Matter of:

JOSEPH STECEWYCZ,

Respondent.

Proceeding No. D2015-09

December 16, 2015

Appearances:

Elizabeth Ullmer Mendel, Esq.

Tracy L. Kepler, Esq.

Associate Solicitors

United States Patent and Trademark Office

Before: J. Jeremiah **MAHONEY**, Administrative Law Judge

INITIAL DECISION AND ORDER

On February 10, 2015, the Director of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) filed a *Complaint and Notice of Proceedings Under 35 U.S.C. § 32* (“Complaint”) in this matter against Joseph Stecewycz (“Respondent”).¹ The essence of the *Complaint* is that, having received filing fees from his clients to file patent matters and a trademark matter, Respondent repeatedly failed to pay the filing fees to the USPTO and, as a consequence, the clients’ matters were neglected. The *Complaint* further alleges that Respondent did not inform his clients that he failed to pay the fees and that the patents and trademark applications were abandoned. Last, the *Complaint* alleges that the Respondent failed to respond to the OED’s repeated requests for further information involving these cases. The OED Director asks that Respondent be excluded from practice before the USPTO because of his alleged professional misconduct.

On May 4, 2015, Respondent filed his *Answer to Complaint* (“Answer”). Respondent did not avail himself of the opportunity to submit exhibits prior to the hearing, nor did he submit a prehearing statement. The hearing was held on September 8, 2015, at the Department of Housing and Urban Development (HUD) courtroom in the Office of Hearings and Appeals in the District of Columbia, as ordered in the *Notice of New Hearing Date and Scheduling Order* dated June 25, 2015. Respondent was notified well in advance, but he did not attend the hearing or send a representative. By *Post-Hearing Order* on September 8, 2015, both parties were afforded the opportunity to file a post-hearing brief within 30 days following receipt of the

¹ 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.

transcript. The OED Director's *Post-Hearing Brief* was received on October 15, 2015. Respondent has not file a post-hearing brief.

APPLICABLE LAW

The USPTO has the "exclusive authority to establish qualifications for admitting persons to practice before it, and to suspend or exclude them from practicing before it." Kroll v. Finnerty, 242 F.3d 1359, 1364 (Fed. Cir. 2001). The USPTO has duly promulgated regulations governing the conduct of persons authorized to practice before the Office. The USPTO Rules of Professional Conduct (37 C.F.R. §§ 11.100 *et seq.*) apply to persons who practice before the Office and became effective May 3, 2013. For alleged violations of USPTO disciplinary rules occurring prior to May 3, 2013, the USPTO Code of Professional Responsibility (37 C.F.R. § 10.20 *et seq.*) applies. The Director of the USPTO may suspend or exclude a person from practice before the Office if the person is "shown to be incompetent or disreputable, or guilty of gross misconduct," or if the person violates regulations established by the Office.² 35 U.S.C. § 32.

Burden of Proof. The OED Director has the burden of proving alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49. Respondent must prove any affirmative defense by clear and convincing evidence. Id. The clear and convincing standard is applied "to protect particularly important interests . . . where there is a clear liberty interest at stake." Thomas v. Nicholson, 423 F.3d 1279, 1283 (Fed. Cir. 2005). This is an intermediate standard "between a preponderance of the evidence and proof beyond a reasonable doubt." Addington v. Texas, 441 U.S. 418, 424-25 (1979). The standard requires evidence "of such weight that it produces in the mind of the trier of fact a firm belief or conviction, without hesitancy, as to the truth of the allegations sought to be established." Jimenez v. DaimlerChrysler Corp., 269 F.3d 439, 450 (4th Cir. 2001). "Evidence is clear if it is certain, unambiguous, and plain to the understanding, and it is convincing if it is reasonable and persuasive enough to cause the trier of facts to believe it." Foster v. Alliedsignal, Inc., 293 F.3d 1187, 1194 (10th Cir. 2002).

FINDINGS OF FACT

Background

1. Respondent was registered as a patent agent on September 4, 1990.
2. On February 9, 1993, Respondent was registered as a patent attorney after being admitted to the Massachusetts Bar on December 18, 1992.
3. Respondent's registration number with the USPTO is 34,442.

² The USPTO Rules of Professional Conduct apply to persons who practice before the Office and became effective May 3, 2013. Previously, the USPTO Code of Professional Responsibility applied to practitioners. The *Complaint* alleges some violations occurring before the May 3, 2013, effective date of the Rules of Professional Conduct. Therefore, the Code of Professional Responsibility is also applicable.

U.S. Patent Application 12/848,091

4. In July 2010, a third-party patent service company, WiseAssists, contracted with Respondent to file and prosecute a patent application on behalf of George Skopis.
5. The patent was for a golf club invention Mr. Skopis designed called "Trueshaft."
6. WiseAssists put together a drawing for the invention and drafted the patent application.
7. WiseAssists then forwarded the application to Respondent for filing with the USPTO.
8. On July 30, 2010, Respondent filed U.S. Patent application 12/848,091 ("the '091 application") for Mr. Skopis' invention and submitted fees totaling \$462.00 to the Office.
9. On July 30, 2010, Respondent filed a Power of Attorney naming himself as Mr. Skopis' attorney before the USPTO and directing the USPTO to address all correspondence to him with respect to the '091 application.
10. At no time prior to July 30, 2010, did Respondent speak with Mr. Skopis about his patent application.
11. On February 10, 2012, the USPTO sent Respondent an Office Action advising him that Claims 1-8 of the '091 application had been rejected.
12. Respondent received the February 10, 2012, Office Action but did not inform Mr. Skopis of it.
13. On May 10, 2012, Respondent signed and filed an Amendment and Response to the February 10, 2012, Office Action.
14. Respondent did not consult with Mr. Skopis prior to drafting or submitting the May 10, 2012, Amendment and Response.
15. On July 23, 2012, the USPTO issued a Final Office Action in the '091 application. The July 23, 2012, Final Office Action advised Respondent that Claims 1-8 of the '091 application had been rejected. It also noted that a failure to reply would cause the '091 application to become abandoned.
16. Respondent received the July 23, 2012 Final Office Action, but never filed a response to it and never informed Mr. Skopis of it.
17. As a result of Respondent's failure to file a response to the Final Office Action, the USPTO issued a Notice of Abandonment in the '091 application on February 21, 2013.
18. Respondent received the Notice of Abandonment but did not inform Mr. Skopis that the

'091 application had been abandoned.

19. On September 19, 2013, Mr. Skopis contacted the USPTO to inquire about the status of the '091 application. As a result of this communication, Mr. Skopis learned for the first time that the '091 application had been abandoned.
20. Between September 19, 2013, and December 17, 2013, Mr. Skopis contacted Respondent to inquire as to the status of the '091 application.
21. Respondent advised Mr. Skopis that Respondent could file a form to revive the application and that Mr. Skopis would have to pay a \$300.00 fee. Mr. Skopis agreed to this course of action.
22. On December 17, 2013, Respondent filed three documents with the USPTO for the purpose of reviving the '091 application.
23. With the December 17, 2013, filing, Respondent submitted to the USPTO check number 139, drawn on his account number ending in 4484 at Cambridge Savings Bank and made payable to the Commissioner for Patents, in the amount of \$475.00.
24. Respondent's account number ending in 4484 was a personal checking account with a balance, as of December 16, 2013, of \$15.81.
25. On December 27, 2013, the USPTO dismissed Respondent's Petition for Revival in the '091 application. The basis for the USPTO's December 27, 2013 dismissal was, *inter alia*, that Respondent had paid fees for the '091 application at the micro entity status, and as of December 18, 2013, the micro entity discount was no longer available.
26. The December 27, 2013, dismissal also notified Respondent that the '091 application would remain in abandoned status until such time as the appropriate fees had been submitted.
27. Respondent received the written dismissal decision, but Respondent did not notify Mr. Skopis that the Petition for Revival had been dismissed.
28. On December 30, 2013, the USPTO attempted to deposit Respondent's check number 139 in the amount of \$475.00.
29. On December 31, 2013, Cambridge Savings Bank rejected Respondent's check number 139, because the balance in Respondent's account number ending in 4484 at Cambridge Savings Bank was \$417.89.
30. On January 7, 2014, Respondent's check number 139 was resubmitted for payment to Cambridge Savings Bank.
31. On January 7, 2014, Cambridge Savings Bank rejected for a second time Respondent's

check number 139, because the balance in Respondent's account number ending in 4484 was \$123.53.

32. On March 12, 2014, Mr. Skopis contacted the USPTO, and for the first time learned of the dismissal of the Petition for Revival of the '091 application.
33. Mr. Skopis then filed a Request for Continued Examination and a Revocation of the Power of Attorney in the '091 application.
34. Mr. Skopis also filed a letter with the Commissioner of Patents informing the USPTO of Respondent's handling of the '091 application.

U.S. Provisional Patent Application No. 61/509,104

35. On July 12, 2011, Angelo Tortola requested and Respondent agreed to represent him in the preparation and prosecution of a patent application related to Mr. Tortola's compact mobile electronic device charger invention.
36. Mr. Tortola had been working with Respondent since approximately May 5, 1997, when he was introduced to Respondent through his company, Venture Technologies, Inc.'s, association with the Polaroid Corporation, where Respondent was then working as in-house counsel.
37. On July 18, 2011, Respondent prepared, signed, and filed U.S. Provisional Patent Application No. 61/509,104 ("the '104 application") for the compact mobile electronic device charger. Respondent did not include any filing fees with the '104 application.
38. On July 29, 2011, the USPTO issued a Notice to File Missing Parts in the '104 application to Respondent. The Notice advised Respondent that filing fees in the amount of \$110.00, plus a surcharge of \$25.00, must be submitted within two months of the mailing date of the Notice.
39. Respondent received the July 29, 2011, Notice but did not inform Mr. Tortola of it.
40. On August 8, 2011, Respondent sent an invoice for services rendered and filing fees associated with the '104 application to Venture Technologies, Inc.
41. Respondent billed \$650.00 for the legal services rendered and \$110.00 in filing fees. The invoice included a July 18, 2011, entry for "Patent Office Filing Fee for Provisional Patent Application" in the amount of \$110.00.
42. On September 13, 2011, Mr. Tortola sent Respondent \$760.00, which was full payment of Respondent's invoice.
43. On September 16, 2011, Respondent deposited the check from Mr. Tortola into his business checking account ending in 0906 at Workers' Credit Union.

44. On October 3, 2011, Respondent submitted to the USPTO check number 960, drawn on his account number ending in 0906 and made payable to the Commissioner for Patents, in the amount of \$150.00 in the '104 application.
45. On October 3, 2011, the balance in Respondent's account number ending in 0906 at Workers' Credit Union was \$41.47.
46. On October 11, 2011, the USPTO attempted to deposit Respondent's check number 960. The check was returned due to insufficient funds in Respondent's account on October 12, 2011.
47. On October 11, 2011, the balance in Respondent's account number ending in 0906 at Workers' Credit Union was -\$728.46.
48. On October 21, 2011, the USPTO issued a "Notice of Incomplete Reply" in the '104 application, notifying Respondent that his check had been dishonored and that he needed to submit fees totaling \$200.00 for the filing fee, a surcharge, and a dishonored check fee.
49. The Notice also informed Respondent that all fees had to be submitted within two months to avoid abandonment of the '104 application.
50. Respondent received the October 21, 2011 Notice but did not notify Mr. Tortola about it.
51. On December 2, 2011, Respondent signed and filed a Petition for Extension of Time under 37 C.F.R. 1.136(a) with the USPTO in the '104 application. At the same time, Respondent claimed small entity status and remitted his check number 968 in the amount of \$480.00.

U.S. Utility Patent Application No. 13/217,238

52. Sometime before August 24, 2011, Mr. Tortola requested and Respondent agreed to represent him in the preparation and prosecution of a patent application related to Mr. Tortola's apparatus and method for laparoscopic skills training.
53. On August 24, 2011, Respondent prepared, signed, and filed U.S. Utility Patent Application No. 13/217,238 ("the '238 application") for the apparatus and method for laparoscopic skills training, and claiming priority to U.S. Provisional Patent Application No. 61/376,621, which was filed on August 24, 2010.
54. Respondent did not submit an oath or declaration, or the required fees with the filing of the '238 application.
55. On September 8, 2011, the USPTO issued a "Notice to File Missing Parts of Nonprovisional Application" advising Respondent that he had two months to file an oath or declaration, the requisite filing fees of \$330.00 (plus additional statutory fees), and replacement drawings in the '238 application.

56. Respondent received the September 8, 2011, Notice.
57. On October 14, 2011, Respondent sent an invoice for services rendered and filing fees associated with the '238 application to Venture Technologies, Inc. In the invoice, Respondent billed \$450.00 for the legal services rendered and \$595.00 for filing fees.
58. On November 8, 2011, Mr. Tortola sent Respondent a check for \$1,045.00 in payment of Respondent's October 14, 2011, invoice.
59. On December 8, 2011, Respondent submitted new drawings to the USPTO in the '238 application.
60. On December 12, 2011, Respondent submitted to the USPTO check number '969, drawn on his account number ending in 0906 at Workers' Credit Union and made payable to the Commissioner for Patents, in the amount of \$670.00, in the '238 application.
61. On December 27, 2011, the USPTO issued a Notice of Incomplete Reply notifying Respondent that he had two months to submit the missing oath or declaration in the '238 application.
62. On January 3, 2012, Respondent sent Mr. Tortola an email requesting that he execute the declaration for the '238 application. Respondent attached a copy of the Declaration and Power of Attorney for Mr. Tortola to sign and return.
63. On January 5, 2012, Mr. Tortola executed the Declaration and Power of Attorney, and emailed the documents to Respondent.
64. On January 9, 2012, Respondent filed the Declaration and Power of Attorney in the '238 application, along with payment in the amount of \$205.00 for a two-month extension of time.
65. On August 22, 2012, Respondent filed a Rescission of Previous Nonpublication Request in the '238 application.
66. On January 7, 2013, the USPTO issued a Non-final Office Action rejecting two of the claims and objecting to the drawing filed on December 8, 2011, in the '238 application.
67. The Office Action set a shortened statutory period for reply of three months from the mailing date of the Office Action. It also noted that a failure to reply would cause the '238 application to become abandoned.
68. Respondent received the January 7, 2013, Non-final Office Action but did not inform Mr. Tortola.

69. Between January 7, 2013, and August 9, 2013, Respondent took no further action on the '238 application.
70. On August 9, 2013, the USPTO issued a Notice of Abandonment in the '238 application.
71. Respondent received the August 9, 2013 Notice of Abandonment but did not notify Mr. Tortola that the '238 application had become abandoned.
72. Mr. Tortola first learned of the abandonment of the '238 application in November 2013.
73. At or about that time, Mr. Tortola retained the law firm of Snell & Wilmer to represent him on the '238 application.
74. On March 7, 2014, the law firm of Snell & Wilmer filed a Petition to Revive the '238 application.

U.S. Provisional Patent Application No. [REDACTED]

75. On March 8, 2012, Mr. Tortola requested and Respondent agreed to represent him in the preparation and prosecution of a provisional patent application related to his apparatus and method for surgical skills training.
76. On March 8, 2012, Respondent prepared, signed, and filed U.S. Provisional Patent Application No. [REDACTED] ("the [REDACTED] application") for the apparatus and method for surgical skills training.
77. Respondent did not submit the requisite filing fees with the [REDACTED] application.
78. On March 21, 2012, the USPTO issued a "Notice to File Missing Parts of Provisional Application" in the [REDACTED] application to Respondent. The Notice advised Respondent that a filing fee of \$125.00 plus a \$25.00 surcharge was required to be submitted within two months to avoid abandonment of the [REDACTED] application.
79. Respondent received the March 21, 2012, Notice but did not pay the required filing fees and surcharge, or take any further action on the [REDACTED] application.
80. Respondent did not inform Mr. Tortola of the March 21, 2012, Notice.
81. On December 3, 2012, the USPTO issued a Notice of Abandonment in the [REDACTED] application.
82. Respondent received the December 3, 2012, Notice of Abandonment, but did not inform Mr. Tortola that the [REDACTED] application had been abandoned.
83. Mr. Tortola only learned of the abandonment of the [REDACTED] application on June 19, 2014, when the matter was brought to his attention by the OED.

U.S. Trademark Application No. 85/760,504

84. Mr. Tortola requested and Respondent agreed to represent him in the preparation and submission of a trademark application for a word mark, "Charge-Key."
85. On October 22, 2012, Respondent prepared, signed, and filed U.S. Trademark Application No. 85/760,504 ("the '504 application").
86. On February 25, 2013, the USPTO issued an Office Action in the '504 application. The Office Action advised Respondent that the mark submitted had been refused because it was "merely descriptive" under the Trademark Act, Section 2(e)(1), and that he had six months to file a response to avoid abandonment.
87. Respondent received the February 25, 2013, Office Action but did not inform Mr. Tortola of it.
88. Respondent did not take any further action on the '504 application.
89. On September 23, 2013, the USPTO issued a Notice of Abandonment in the '504 application.
90. Respondent received the Notice of Abandonment but did not notify Mr. Tortola that the '504 application had been abandoned.
91. Mr. Tortola became concerned about the '504 application when, on October 24, 2013, he received an email from a colleague who informed him the '504 application had been abandoned.
92. Mr. Tortola then sent several email messages to Respondent, and made several phone calls to Respondent to inquire about the '504 application. Respondent did not reply to Mr. Tortola's emails or phone calls.
93. After not receiving a response from Respondent, Mr. Tortola consulted with another law firm, Teska & Coleman, about the status of his trademark application and their rates.
94. On November 7, 2013, Attorney Teska sent Mr. Tortola a status chart reflecting that the '504 application had been abandoned.
95. On November 11, 2013, Mr. Tortola contacted Respondent via email about the '504 application.
96. On November 12, 2013, Respondent responded to Mr. Tortola's November 11, 2013, email, but did not answer his questions about the status of the '504 application.

The OED Investigation

97. On March 6, 2014, the OED sent Respondent a Request for Information (“RFI”) requesting information about his representation of Mr. Skopis, the circumstances surrounding the return of his check number 139, and asking questions about certain other patent applications that Respondent had submitted without the filing fee and/or surcharge. Among the OED’s specific requests were the following:

14. For each of the application *[sic]* listed in paragraph 9 as well as the ‘091 application, please provide OED with a copy of the following documents:

- a. Your client ledger, if any;
- b. All financial and/or bank records (*e.g.*, client account records, bank deposit slips, bank account statements) that you have concerning any and all money that you have received in legal fees and costs for your work; and
- c. All financial and/or bank records (*e.g.*, client account records, bank deposit slips, bank account statements) that you have concerning any and all money that you have received from or on behalf of the client in the matter.

15. Please provide an explanation of your standard practice for depositing client funds. Please include an identification of the account(s) into which the funds are deposited and the specific purpose of the respective account(s) (*e.g.*, operating account, client trust account, etc.), and a description of how and when the funds are disbursed. For any account in which client funds are deposited, please indicate whether the account also contains non-client funds and, if so, the nature of those non-client funds.

98. On April 23, 2014, Respondent provided only written responses to the OED’s RFI. Respondent did not produce any of the documents requested in the RFI.

99. On June 26, 2014, the OED sent Respondent a second RFI requesting additional information related to Mr. Tortola’s patent and trademark applications.

100. In the second RFI, the OED asked, among other things, that Respondent provide copies of the relevant bank statements to show how he deposited, maintained, and disbursed funds paid to him in advance by Mr. Tortola.

101. Respondent received the second RFI on June 28, 2014, but did not respond.

102. On July 24, 2014, the OED sent Respondent a letter requesting that he respond to the second RFI within 20 days.
103. Respondent received the July 24, 2014, letter on July 28, 2014. Respondent did not respond.
104. On September 5, 2014, the OED sent Respondent a third RFI requesting additional information related to the manner in which Respondent handled his client trust account. Specifically, the OED requested that Respondent produce the following:
- all records regarding his trust account,
 - all relevant bank statements,
 - all transaction records returned by the bank, including canceled checks and records of electronic transactions, and records of deposits separately listing each deposited item and the client or third person for whom the deposit is being made.
105. The OED also requested information relating to Respondent's business bank accounts, and an explanation as to the steps Respondent took to maintain the accuracy of his bank accounts.
106. Respondent did not respond to the third RFI.
107. On September 30, 2014, the OED sent Respondent a letter requesting that he respond to the third RFI.
108. Respondent received the September 30, 2014, letter on October 3, 2014, but did not respond or produce his bank records or ledgers.
109. As of February 10, 2015, the date of the filing of the *Complaint* in this matter, Respondent has not responded to the third RFI or produced any of the requested bank records or ledgers.

DISCUSSION³

The OED alleges that during Respondent's representation of Mr. Skopis and Mr. Tortola, Respondent engaged in misconduct related to four U.S. patent applications and one U.S. trademark application. In addition, the OED Director claims Respondent engaged in further misconduct during the OED's investigation.

I. Respondent failed to reasonably communicate with his clients.

³ The Court has considered all issues and all evidence as contained in the record and presented at the hearing. Those issues not discussed here are not addressed because the Court finds they lack materiality or importance to the decision.

The OED Director alleges Respondent repeatedly failed to reasonably communicate with his clients in violation of the USPTO disciplinary rules. As the violations span a period beginning mid-2010 through late-2013, Respondent is alleged to have violated both the USPTO Code of Professional Responsibility and the USPTO Rules of Professional Conduct.⁴

USPTO disciplinary rules require practitioners to maintain a minimum level of communication with their clients. This includes the practitioner gathering information *from* the client about their goals. The rules require, for instance, that a practitioner reasonably consult with a client about the means by which the client's objectives are to be accomplished. 37 C.F.R. § 11.104(a)(2). More often than not though, the rules require that the practitioner *give information to* the client. One rule requires practitioners to, at the very least, keep their clients reasonably informed. 37 C.F.R. § 11.104(a)(3). Overall, the information gathering and sharing framework helps to make the client part of the decision-making process. The rules also require the practitioner to "promptly inform the client of any decision or circumstances where the client's informed consent is required." 37 C.F.R. § 11.104(a)(1).

The Massachusetts Rules of Professional Conduct, which applies to Respondent as he is a member of the Massachusetts bar, has language in its Rule 1.4(a) that closely tracks that of 37 C.F.R. § 11.104(a)(1)-(3).⁵ An example of a Mass. R. Prof. C. 1.4(a) violation offers guidance concerning a violation of 37 C.F.R. § 11.104(a)(1)-(3). In one case, after a real estate attorney settled a case for his homeowner clients, unbeknownst to the clients he transferred the clients' retainer funds to the firm's operating account and withdrew settlement funds from a trust account. *In re Haese*, 9 N.E.3d 326, 328-29 (MA 2014). The real estate attorney violated Mass. R. Prof. C. 1.4(a) because he did not share information about financial decisions he made with the homeowner clients. The value placed on the practitioner-client relationship is also clear in Mass. R. Prof. C. 1.4(a); Comment 1 to that Rule states: "Reasonable communication between the lawyer and the client is necessary for the client effectively to participate in the representation."

The OED Director alleges Respondent violated 37 C.F.R. § 11.104(a)(1)-(3) by failing to notify Mr. Skopis of the dismissal of the Petition for Revival, and by failing to notify Mr. Tortola of the Notices of Abandonment in connection with the '238 and '504 applications. Respondent also failed to appraise or solicit feedback from his clients concerning any of these USPTO application decisions. In this sense, similar to the real estate attorney who withheld information about financial decisions, Respondent did not share information about the USPTO's processing of their applications. In both cases the information withheld was central to the practitioner-client relationship. In the case of the real estate practitioner, the homeowner clients' interests in the

⁴ The USPTO Code of Professional Responsibility is applicable to events that occurred prior to May 3, 2013. *See* 37 C.F.R. § 10.20 *et seq.* The USPTO Rules of Professional Conduct apply to events that occurred on or after May 3, 2013. *See* 37 C.F.R. §§ 11.101 through 11.901. Respondent's misconduct is predicated on actions that took place under both sets of rules.

⁵ "(a) A lawyer shall:

- (1) promptly inform the client of any decision or circumstance with respect to which the client's informed consent, as defined in Rule 1.0(f), is required by these Rules;
- (2) reasonably consult with the client about the means by which the client's objectives are to be accomplished;
- (3) keep the client reasonably informed about the status of the matter;"

legal matters were already resolved, yet the attorney still violated Mass. R Prof. C. 1.4(a). In this case, the clients' legal matters were still pending. Respondent violated 37 C.F.R. § 11.104(a)(1)-(3), and the fact that their matters were ongoing provides additional reason for finding violations.

Certain regulations also require practitioners to inform their clients when specific events arise. For instance, when certain correspondence is received by the practitioner, he or she is required to inform the client when that correspondence "could have a significant effect" on the client's pending business with the USPTO. 37 C.F.R. § 10.23(c)(8).⁶ Violations of 37 C.F.R. § 10.23(c)(8) occur when a practitioner does not notify his clients of time-sensitive matters concerning their applications before the USPTO. See In re Van Der Wall, No. D04-02 (USPTO May 24, 2004) (finding a violation of § 10.23(c)(8) where practitioner failed to tell client that if a response to a rejection notice was not filed within a period of six months, client's patent application would go abandoned).

Respondent violated 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8) by failing to notify his clients of other important USPTO correspondence, including an Office Action and a Final Office Action. Respondent also violated 37 C.F.R. § 10.77(c) for failing to communicate with his clients. Mr. Skopis said he "never [had] or [would] consent to the abandonment of the application." This is precisely what happened, however, after Respondent did not inform Mr. Skopis of time-sensitive Office Action notices. Because Respondent did not inform clients of time-sensitive information, Respondent violated 37 C.F.R. §§ 10.23(a) and (b) via 10.23(c)(8). Respondent violated 37 C.F.R. § 10.77(c) for this same reason.

II. Respondent failed to act competently representing his clients before the USPTO.

The OED Director alleges Respondent failed to act competently in his representation of Mr. Tortola and Mr. Skopis. Specifically, the OED Director claims Respondent handled a legal matter without adequate preparation and neglected legal matters entrusted to him. Such misconduct, the OED Director alleges, constitutes violations of 37 C.F.R. § 10.77(b) and (c) for conduct occurring prior to May 3, 2013, and 37 C.F.R. § 11.103 for similar misconduct occurring on or after May 3, 2013.

The USPTO requires a practitioner to show a minimum level of effective representation of the client before the Office. In essence, this constitutes being prepared and exhibiting professional responsibility. A practitioner must not handle a legal matter without "preparation adequate in the circumstances." 37 C.F.R. § 10.77(b). Violations of §10.77 (b) may occur when a practitioner files documents with the USPTO but does not take prudent preliminary steps. See e.g., In re Barrison, No. D08-09, at 3 (USPTO Jun. 18, 2009) (default judgment) (finding a violation of §10.77(b) where the practitioner filed documents claiming a client was the assignee of interests in a patent application without first researching whether he could file such documents with the USPTO in those circumstances), see also In re Martinez, No. D09-27, at 2-3 (USPTO May 1, 2009) (finding a violation of §10.77(b) where a practitioner filed a petition to revive even

⁶ 37 C.F.R. § 10.23(c) reads: "Conduct which constitutes a violation of paragraphs (a) and (b) of this section includes, but is not limited to...(8) 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." Thus, a violation of 37 C.F.R. § 10.23(c)(8) constitutes a violation of C.F.R. §§ 10.23(a)-(b).

though he had never properly submitted a Power of Attorney naming himself as representative for the client).

Respondent filed the '091 application and amended application on Mr. Skopis' behalf but did not consult Mr. Skopis beforehand on either occasion. Contacting the client at least once regarding the client's application and its claims before submitting the application would constitute a prudent preliminary step in this context. Therefore, absent that initial contact, the Respondent violated 37 C.F.R. § 10.77(b).

The USPTO disciplinary rules also require that a practitioner must act with reasonable diligence and promptness in representing a client and must not neglect legal matters entrusted to him. See 37 C.F.R. § 10.77(c) and 37 C.F.R. § 11.103. One situation where a practitioner neglects a legal matter occurs when a practitioner does not notify a client of a rejection before a period of expiration. Bender v. Dudas, 490 F.3d 1361, 1367 (Fed. Cir. 2007) (finding that a practitioner's failure to notify his clients of final rejection notices in their applications before the period for responding to the rejection notices had expired constituted negligence under 37 C.F.R. § 10.77(c)).

Respondent consistently failed to respond to important USPTO correspondence. Such correspondence included Notices of Abandonment being issued in the '091 application, the '238 application, the [REDACTED] application, and the '504 application. With regard to the '091 application, Mr. Skopis only discovered the application had been abandoned after he contacted the USPTO directly. He then instructed Respondent to revive the application, which was unsuccessful because Respondent did not ensure the filing fees were paid. Even after Respondent was informed that the Petition for Revival was dismissed and the '091 application would remain abandoned until the appropriate filing fees were paid, Respondent took no further action. Respondent's failure to respond to USPTO correspondence resulted in the abandonment of his clients' applications and constitute neglect of legal matters entrusted to Respondent and a failure to act with reasonable diligence and promptness in representing a client. Accordingly, the Court finds Respondent's misconduct to be in violation of 37 C.F.R. § 10.77(c) and 37 C.F.R. § 11.103.

As noted *supra*, Respondent also failed on many occasions to inform his clients of important USPTO correspondence. Specifically, Respondent failed to inform his clients of Notices of Abandonment for the '091 application and the [REDACTED] application, the February 25, 2012, Office Action in the '504 application, or the January 7, 2013, Non-final Office Action. These were all important notices sent by the USPTO that Respondent should have notified his clients of. Accordingly, the Court finds Respondent also violated 37 C.F.R. § 10.77(c) failing to notify his clients of these notices thereby neglecting the legal matters his clients entrusted him with.

III. Respondent mishandled client funds.

The OED Director also claims the manner in which Respondent handled client funds, managed his client trust fund accounts, and maintained records of accounts while holding client funds constitute misconduct under the USPTO disciplinary rules.

The USPTO Code of Professional Responsibility describes specific actions a practitioner must take when in receipt of client funds. For instance, a practitioner is required to identify and label securities and properties of a client promptly upon receipt and place them in a place of safe keeping as soon as practicable. 37 C.F.R. § 10.112(c)(2). The practitioner is also required to properly and timely remit funds received from a client to pay a fee which the client is required to pay to the Office. 37 C.F.R. § 10.23(c)(3). To ensure client funds and property are appropriately handled while in the practitioner's possession, 37 C.F.R. § 10.112(c)(3) requires practitioners to maintain complete records of all funds, securities, and other properties of a client coming into the possession of the practitioner.

The USPTO Rules of Professional Conduct places similar requirements on practitioners. 37 C.F.R. § 11.115(a) requires practitioners to hold property belonging to a client separate from his own when it is in a practitioner's possession in connection with a representation. When a client prepays legal fees and expenses, such funds must be deposited into that client's trust account and can only be withdrawn as the fees are earned and the expenses are incurred. 37 C.F.R. § 11.115(c). Practitioners are also required to keep certain records to ensure client accounts and funds are being properly maintained. 37 C.F.R. § 11.115(f)(1).

Respondent mishandled client funds during the prosecution of the '104 application. Respondent filed the '104 application without paying the appropriate filing fees. Thereafter, Respondent billed Mr. Tortola for Respondent's legal services as well as the filing fees that were due to the USPTO. Mr. Tortola paid Respondent as requested. Respondent deposited Mr. Tortola's check into a general business account, not a client trust account. Several weeks later, Respondent sent a check to the USPTO to pay the filing fees for the '104 application. However, because the funds in Respondent's business account were insufficient to cover the filing fees, the check was dishonored. Respondent mishandled the funds received from Mr. Tortola by depositing the check into a general business account and using the funds for expenses unrelated to the prosecution of the '104 application. Accordingly, Respondent violated 37 C.F.R. § 10.23(c)(3) and 10.112(c)(2) of the USPTO Code of Professional Responsibility.

Respondent also failed to maintain appropriate records of the funds he received from his clients. The OED Director submitted evidence that payments remitted to Respondent for the legal fees and expenses were deposited into either Respondent's general business account or his personal account. Respondent received \$300.00 from Mr. Skopis in prepaid USPTO fees for a Request for Continued Examination. He deposited that \$300.00 into his personal checking account. However, when the USPTO drew on his check, the Respondent only had \$10.21 in that account.

Mr. Tortola repeatedly paid Respondent both legal fees and fees intended for the USPTO. Respondent deposited those payments into a business checking account ending in 0906 at Workers' Credit Union. This was not a client trust account. The account included charges for personal purchases, including home video rentals and other miscellaneous personal expenses. Respondent did not maintain separate client trust accounts as required by both the USPTO disciplinary rules. Thus, Respondent violated 37 C.F.R. §§ 10.112(c)(3), 11.115(a), (c), and (f)(1).

Last, Respondent's misconduct in handling client funds constitutes misrepresentation pursuant to 37 C.F.R. § 10.23(b)(4). This regulation proscribes conduct involving "dishonesty, fraud, deceit or misrepresentation." USPTO's regulations fail to define "deceit," "dishonesty," or "misrepresentation," so the Court has, in the past, looked to their common dictionary definitions for guidance. See *In re Kelber*, No. 2006-13 at 33 (USPTO Sept. 23, 2008). Accordingly, §10.23(b)(4) has encompassed "conduct evincing a lack of honesty, probity or integrity in principle; [a] lack of fairness and straightforwardness." *In re Lane*, No. D2013-07, at 16 (USPTO Mar. 11, 2014), citing *In re Shorter*, 570 A.2d 760, 767-768 (D.C. 1990). When Respondent sent Mr. Tortola an invoice on August 8, 2011, Respondent included a fee dated July 18, 2011, related to the '104 application with the description "Patent Office Filing Fee for Provisional Patent Application." However as noted *supra*, Respondent did not include the filing fee when he filed the '104 application on July 18, 2011. Dating and describing that fee in such a manner was a misrepresentation because it reasonably led Mr. Tortola to believe that the expense was incurred as dated. In reality, Respondent never paid that fee even after Mr. Tortola remitted payment for the invoice. Instead, Respondent used those funds for expenses not related to the '104 application. Such conduct constitutes dishonesty and is a misrepresentation in violation 37 C.F.R. § 10.23(b)(4).

IV. Respondent failed to reasonably cooperate with the OED.

The OED Director alleges Respondent violated 37 C.F.R. § 11.801(b) by failing to respond to OED's written requests of March 6, 2014, June 26, 2013, and September 5, 2014. The OED also alleges Respondent violated 37 C.F.R. § 11.804(d) by generally failing to cooperate with OED.

The USPTO disciplinary rules require that practitioners comply with requests of the OED. This serves the purpose of assuring that patent and trademark solicitors of the industry are adequately protected. A practitioner must cooperate with OED in an investigation of any matter before it. 37 C.F.R. § 11.801(b). Further, a practitioner who fails to cooperate with the OED is also engaging in conduct prejudicial to the administration of justice in violation of 37 C.F.R. § 11.804(d). *In re Johnson*, No. D2014-12 (USPTO Dec. 31, 2014).

The OED made three requests for information about Respondent's representation of Mr. Skopis, Mr. Tortola, and of other patent applications. Respondent did not produce the documents specifically requested by the OED. In most instances, Respondent did not respond to the RFIs at all. As of the date of the *Complaint*, Respondent still had not produced any of the requested documents. For these reasons, this Court finds that Respondent did not cooperate with the OED in its investigation, violating C.F.R. § 11.801(b). Such conduct is also prejudicial to the administration of justice, in violation of 37 C.F.R. § 11.804(d).

V. Respondent did not engage in "any other" misconduct in violation of USPTO catch-all provisions.

This Court will not hold a practitioner accountable for catch-all USPTO rules where the

Court has already found the practitioner violated a similar, more particular rule. Neither will this Court hold a practitioner accountable where the *Complaint* does not make a sufficiently discernable allegation.

The *Complaint* charges Respondent with “otherwise engaging in acts and omissions described in the complaint that do not otherwise constitute other conduct that adversely reflects on the practitioner’s fitness to practice before the USPTO by otherwise engaging in the acts and omissions as described in the Complaint,” in violation of 37 C.F.R. § 10.23(b)(6). That provision is a “catch all” regulating conduct that does not fall under the subsections immediately preceding it.⁷ As a result, any alleged conduct that violates any provision of § 10.23(b)(1) through (b)(5), cannot also violate § 10.23(b)(6). *In re Lane*, No. D2013-07, at 16 (USPTO Mar. 11, 2014); *In re Kelber*, No. 2006-13 at 59 (USPTO Sept. 23, 2008).

The language of 37 C.F.R. § 10.23(b)(6) is also mirrored in 37 C.F.R. § 11.804(i), Proscribing other conduct that adversely reflects on the practitioner's fitness to practice before the Office. As such, there is no violation here where no new misconduct was alleged.

SANCTIONS

The four factors for determining an appropriate penalty in a USPTO disciplinary hearing are: (1) whether the practitioner has violated a duty owed to a client, to the public, to the legal system, and/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 breached professional duties owed to his client by: failing to remit the filing fees given to him in advance; neglecting his clients’ patent applications and trademark application, resulting in multiple abandonments; failing to notify his client of his failures and their consequences. Respondent also breached his duty to the legal system and profession by failing to provide relevant information requested by the OED during the investigation and prosecution of this matter. His failure to submit the requested documents impeded the progress of the Office in bringing to light the injustices suffered by Respondents’ clients.

2. Respondent knew or should have known the amount of funds available in his account before authorizing debit payments to the USPTO on behalf of his client. Nevertheless, he authorized payment by check despite not having sufficient funds in his account to pay his client’s filing fees to the USPTO. Respondent floated money in his account and mixed his clients’ prepaid USPTO fees with his own finances. Moreover, Respondent never told Mr. Tortola about

⁷ 37 C.F.R. § 10.23(b) reads in its entirety:

(b) A practitioner shall not:

- (1) Violate a Disciplinary Rule.
- (2) Circumvent a Disciplinary Rule through actions of another.
- (3) Engage in illegal conduct involving moral turpitude.
- (4) Engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.
- (5) Engage in conduct that is prejudicial to the administration of justice.
- (6) Engage in any other conduct that adversely reflects on the practitioner’s fitness to practice before the Office.

his failure to attach a payment in one instance and subsequently billed him for it as though it was a USPTO fee not yet due. Respondent thus knowingly tried to hide his error in that instance. Finally, Respondent never informed his clients about several Notices of Abandonment in their applications. Even where he once filed a Petition for Revival for Mr. Skopis, he did not inform Mr. Skopis and took no action when that Petition was dismissed.

3. Respondent's negligence and deception injured his clients by abandoning the very patent and trademark matters Respondent was retained to secure. Respondent's misconduct has cost his clients both time and resources, because they have had to seek other, more competent counsel.

4. 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, at 19. A review of the record reveals that aggravating factors exist in this case.

Respondent demonstrated a pattern of misconduct involving two clients and five separate client matters. His neglect of their client matters was consistent. For several of the matters, he continually failed to respond to important USPTO correspondence and failed to notify his clients that such correspondence had been received. His refusal to respond to the USPTO extended into the OED's investigation, because Respondent consistently refused to provide the OED with requested documents regarding his handling of client funds and trust accounts. In fact, Respondent has also almost completely refused to participate in the instant disciplinary hearing.

Respondent has also refused to acknowledge the wrongful nature of his conduct. On several occasions, Respondent was notified by the USPTO that his clients' applications would remain abandoned unless or until the appropriate filing fees were paid. Rather than ensure that those fees were paid, or simply maintain sufficient funds for the USPTO to draw on the checks written by Respondent, Respondent took no further action and allowed his client's applications to remain abandoned. Even more significant is the evidence the OED Director produced at the hearing, which indicates Respondent continued to send checks to the USPTO that were unsuccessfully drawn upon because Respondent had not maintained sufficient funds. These occurred well after the OED began investigating Respondent for improperly handling client funds and neglecting client matters.

The OED Director also claims additional aggravating factors exist because Respondent has prior disciplinary offenses related to his representation of Randal Turner. Although that matter was heard by this Court it is on appeal before the USPTO Director, who is required to issue a *de novo* opinion. Unless or until that matter is finally adjudicated with a finding that Respondent has committed misconduct in violation of the USPTO disciplinary rules, the Court cannot find those alleged offenses to be an aggravating factor in this matter.

CONCLUSION

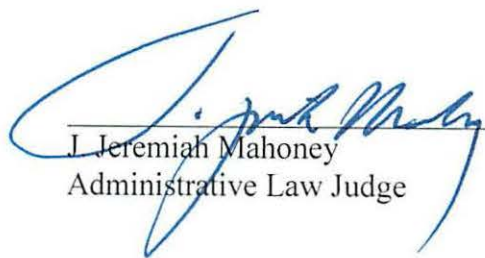
The Court finds Respondent consistently failed to respond to important correspondence from the USPTO, which resulted in his clients' matters becoming abandoned. Respondent also repeatedly failed to notify his clients that the USPTO had sent such correspondence. Respondent's conduct constitutes neglect of his clients' matters in violation of the USPTO disciplinary rules. For some of the applications, Respondent's failure to properly maintain his clients' funds was the ultimate reason the applications were abandoned. Respondent's misconduct also continued into the OED's investigation when Respondent refused to cooperate by responding to requests for documents related to his client trust accounts or lack thereof. The pattern of Respondent's misconduct warrants a stern sanction.

ORDER

Based upon the foregoing findings and discussion, the Court concludes that Respondent committed the professional misconduct alleged in Counts 1 through 6 in the *Complaint*, and that the appropriate sanction for those violations is EXCLUSION from practice before the U.S. Patent and Trademark Office.

It is therefore **ORDERED** that Respondent is excluded from practice before the USPTO in patent, trademark, and other non-patent matters. Respondent is directed to 37 C.F.R. § 11.58 regarding responsibilities in cases of suspension or exclusion, and 37 C.F.R. § 11.60 concerning petitions for reinstatement.

So **ORDERED**,



J. Jeremiah Mahoney
Administrative Law Judge

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).

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **INITIAL DECISION AND ORDER**, issued by J. Jeremiah Mahoney, Administrative Law Judge, in D2015-09, were sent to the following parties on this 16th day of December, 2015, in the manner indicated:


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