

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

In the Matter of:

John H. Faro,

Respondent.

Proceeding No. D2015-27

September 15, 2016

**Appearances:**

Tracy L. Kepler, Esq.  
Robin Crabbe, Esq.  
*Associate Solicitors*  
United States Patent and Trademark Office

John H. Faro, Esq.  
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*Attorneys for Respondent*

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

**INITIAL DECISION AND ORDER**

On May 11, 2015, the Court received a *Complaint and Notice of Proceedings under 35 U.S.C. § 32* (“*Complaint*”) related to this matter. In the *Complaint*, the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “PTO”) requested the suspension of John H. Faro (“Respondent”) from practice before the USPTO in patent, trademark, and other non-patent matters.<sup>1</sup> As the basis for his request, the OED Director claimed Respondent committed multiple violations of the USPTO Code of Professional Responsibility during his representation of EPRT Technologies, Inc. (“EPRT” or “the Client”).<sup>2</sup> Specifically, the OED Director alleged various acts and omissions committed by Respondent during his prosecution of EPRT’s U.S. Patent Application No. 09/656,519 (“the ‘519 Application” or “Application”).

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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 brought by the U.S. Patent and Trademark Office.

<sup>2</sup> The USPTO Rules of Professional Conduct apply to persons who practice before the USPTO and became effective May 3, 2013. The *Complaint* alleges Respondent committed various violations of the USPTO disciplinary rules before the effective date of the Rules of Professional Conduct. The USPTO Code of Professional Responsibility, rather than the Rules of Professional Conduct, therefore applies to this proceeding.

## PROCEDURAL HISTORY

Respondent filed an *Answer* to the *Complaint* on June 9, 2015, and sought leave to file an *Amended Answer and Affirmative Defenses* (“First Amended Answer”) on September 8, 2015. This request was granted on September 15, 2015. Respondent filed a *Motion for Summary Judgment* on October 6, 2015; a *Second Amended Answer* on October 9, 2015; and *Motions in Limine* on October 16 and 19, 2015. The OED Director filed a *Motion to Strike Affirmative Defenses* on October 8, 2015, which was granted on October 21, 2015. In response, Respondent filed an *Objection to the OED Exhibits* on November 24, 2015, and a *Motion for leave to Amend Affirmative Defenses* on December 14, 2015.

On January 21, 2016, the Court denied Respondent’s *Motions in Limine*. On February 5, 2016, the Court issued an *Order* that rejected Respondent’s summary judgment arguments, his objection to the OED Director’s exhibits, and his *Motion for Leave to Amend Affirmative Defenses*. The *Order* did permit Respondent to maintain and assert his statute of limitations affirmative defense.

A hearing in this matter was held May 10-11, 2016, in Miami, Florida. Testimony was taken from EPRT President and CEO Katherine Blake, attorney Meredith Chaiken, and Respondent. The parties filed their respective *Post-Hearing Briefs* on July 6, 2016, and their *Reply Briefs* on July 18, 2016.

## 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 Director of the USPTO may suspend or exclude a person from practice before the USPTO if the person is “shown to be incompetent or disreputable, or guilty of gross misconduct,” or if the person violates regulations established by the USPTO. 35 U.S.C. § 32. The OED Director has the burden of proving alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49. Respondent thereafter must prove any affirmative defense by clear and convincing evidence. Id.

## FINDINGS OF FACT

Based upon the administrative record and the hearing transcript, the following findings are relevant and material to the issues raised by the *Complaint* in this matter.

### Respondent’s Personal Background

1. Respondent has been a patent attorney registered with the USPTO since March 3, 1971. His USPTO registration number is 25,859.
2. Respondent was admitted to the Massachusetts State Bar in 1969, the Delaware State Bar in 1970, and the Ohio State Bar in 1971. He remains an active member of the Massachusetts Bar.

3. Respondent was admitted to the Florida State Bar on January 21, 1986. He is currently an active member of that Bar. His Florida Bar number is 527,459.
4. Respondent was disciplined by the Florida Bar in 1995 and 2011. The former discipline was a 10-day suspension; the latter was a public reprimand. In 2013, he received reciprocal discipline by the USPTO in connection with the 2011 Florida discipline.
5. Since approximately 2000, Respondent has prosecuted 25 published patent applications. Nineteen of the applications were abandoned, seven of which were reinstated after Respondent filed petitions to revive for unintentional abandonment. The '519 Application was one of the seven abandoned and reinstated applications.
6. Of the 25 published patent applications, the PTO has issued eight patents.
7. Respondent has operated a private legal practice since 1986.

#### The '519 Patent Application

8. The '519 Application was originally filed on September 7, 2000 by the Howrey Simon law firm on behalf of EPRT. The Application covered an electrical stimulation device for pain management ("the device").
9. The device was granted patent protection in Australia and New Zealand in 2002 and in the United Kingdom in 2005. The European Patent Office granted the device patent protection in 2007.
10. On March 27, 2002, the USPTO issued a non-final Office Action rejecting many of the Application's claims.
11. On September 20, 2002, the USPTO issued a final Office Action ("First Final Rejection") rejecting Claims 2 through 22 of the '519 Application.
12. After receiving the First Final Rejection, EPRT contacted Respondent and asked him to review the '519 Application file.
13. Respondent e-mailed EPRT co-inventor and executive Mr. David Estes<sup>3</sup> on November 19, 2002, to provide "constructive criticism" of the '519 Application.
14. The November 19, 2002, e-mail stated that "the final rejection is likely to be sustained because of the absence of any allowable claim, and the inability to modify an existing claim to overcome the final rejection."

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<sup>3</sup> Although the e-mail was sent to Mr. Estes' e-mail address, Respondent addressed it to "Keith," presumably EPRT co-founder Mr. Keith Wendell, the product's other inventor.

15. The November 19, 2002, e-mail also included an estimate of “20 to 25 hours of professional time” to perform the necessary services on the ‘519 Application.
16. Mr. Estes noted in a November 20, 2002, e-mail to Ms. Blake that Respondent’s total fee would be approximately \$4,000.
17. Ms. Blake replied to Respondent’s November 19 e-mail on November 20, 2002, thanking him for his time and careful review of documents, indicating she would “be in touch with” Mr. Estes on how to proceed.
18. Mr. Estes e-mailed Respondent on November 22, 2002, authorizing Respondent to attempt to remedy the deficiencies in the ‘519 Application.
19. Respondent replied to Mr. Estes the same day via e-mail, and told Mr. Estes to “forward a retainer in the amount of 50% of the projected fees (\$2,500).”
20. On December 12, 2002, EPRT filed a Power of Attorney and Revocation of Prior Powers appointing Respondent as the attorney for the ‘519 Application. The Power of Attorney was signed by Ms. Blake.
21. Other than the e-mail exchanges and the Power of Attorney, there is no other document memorializing an attorney-client relationship between Respondent and EPRT.
22. Respondent did not associate his PTO Customer Number with the ‘519 Application.
23. Respondent filed a Request for Continued Examination (“RCE”) with PTO on January 10, 2003.
24. On January 30, 2003, PTO issued a non-final Office Action that was responsive to the RCE.
25. Respondent filed a response to the Office Action on March 14, 2003, which was rejected in another non-final Office Action, issued June 4, 2003. Both Office Actions rejected Claims 2-4 and 23-25 of the ‘519 Application.
26. On November 12, 2003, Respondent filed an Amendment, which included an affidavit from Dr. Steven Kaye, whom Respondent identified as EPRT’s clinical consultant.
27. On January 8, 2004, PTO issued a Notice of Non-Responsive Amendment (“January 2004 Notice”) to Respondent.
28. Respondent’s subsequent attempts to respond to the January 2004 Notice were deemed non-compliant by PTO.

29. The PTO patent examiner, Ms. Frances Oropeza, left a voice message with Respondent on February 6, 2004, informing him that a compliant response was due no later than February 9, 2004.
30. Ms. Oropeza called Respondent on February 9, 2004, because she had not received a response to the January 2004 Notice.
31. After discussing the situation with Ms. Oropeza, Respondent informed her that he could not file a response until the next day. He then hung up the phone.
32. Respondent did file a response on February 9, 2004. However, the response was deemed non-compliant.
33. On August 12, 2004, PTO issued a Notice of Abandonment ("First Abandonment") in the '519 Application, citing Respondent's failure to file a compliant response to the January 2004 Notice.
34. The First Abandonment stated that Ms. Oropeza had called and left voice messages with Respondent on July 9, July 19, and July 20, 2004. The third call informed Respondent that the '519 Application would be deemed abandoned if Respondent did not contact Ms. Oropeza by July 23, 2004. Respondent did not return any of the messages.
35. Respondent filed a Petition to revive the '519 Application on October 27, 2004. The Petition stated that the Application was unintentionally abandoned because Respondent had not received the January 2004 Notice.
36. The Petition was granted on January 18, 2005.
37. On April 19, 2005, PTO issued a final Office Action ("Second Final Rejection") rejecting Claims 3,4, and 23-25.
38. On June 20, 2005, Respondent sent Ms. Blake and Mr. Estes an e-mail with the subject "Re: Statis [sic] of Patents". The e-mail stated that "the US examiner has issued an office action (non-final rejection) and I shall set up an interview with her shortly" (emphasis in original).
39. Respondent filed a Notice of Appeal ("First Appeal") on June 30, 2005.
40. On July 27, 2005, Respondent sent Ms. Blake and Mr. Wendell an e-mail with the subject "Patent Status." The e-mail informed them that Respondent had appealed the rejection of the '519 Application.
41. On November 14, 2005, PTO issued a final Office Action ("Third Final Rejection") rejecting Claims 23-35 and objecting to Claims 3 and 4.

42. Under "Allowable Subject Matter," the Third Final Rejection stated that "Claims 3 and 4 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims."
43. The first substantive page of a PTO Office Action defines the "Period for Reply." In the Third Final Rejection, that section informed Respondent, in all capital letters, that a shortened reply period of either 90 days or three months, whichever was longer, would apply. The same section also stated that the application would become abandoned if a reply was not received within the reply period.
44. On November 29, 2005, Respondent sent to Ms. Blake and Mr. Estes an e-mail with the subject "Allowed subject matter." The e-mail stated that the Third Final Rejection had allowed Claims 3 and 4, and that Respondent had "included Claim 23 to which each of these allowed claims make reference." The e-mail also stated that the appeal was going forward because EPRT was "entitled to broader coverage – specifically coverage as to the configuration of the wrap itself."
45. The November 29, 2005, e-mail did not say that Claims 3 and 4 would only be allowable if rewritten, nor did it say that Claims 23-35 had been rejected. The email did not mention that EPRT had three months to file a reply.
46. By virtue of the Power of Attorney, Respondent alone received the Third Final Rejection, and he did not send anyone at EPRT a copy of the Third Final Rejection.
47. Respondent did not rewrite Claims 3 and 4 to qualify for protection as outlined in PTO's Third Final Rejection.
48. On January 14, 2006, Respondent e-mailed Ms. Blake and informed her that PTO had withdrawn two of the system/method claims but "persisted in rejection of electrode claim."
49. Respondent appealed the Third Final Rejection ("Second Appeal") to the Board of Patent Appeals and Interferences ("Board") on February 2, 2006.
50. On May 31, 2006, Respondent sent an e-mail to Ms. Blake, Mr. Estes, and Dr. Cleve Laird, EPRT's FDA compliance coordinator. The e-mail stated that "only Claim 25, directed to the structure of the electrode wrap, remains rejected as unpatentable over the prior art."
51. In the May 31, 2006, e-mail, Respondent expressed cautious optimism that Claim 25 would be accepted, and stated that EPRT had a "better than even chance of prevailing" on that claim.
52. The PTO patent examiner answered the Second Appeal on August 31, 2006. Ms. Oropeza stated that Claims 3 and 4 were rejected because they had not been rewritten

in independent form, as PTO had suggested in the Third Final Rejection. She also reiterated that Claim 25 had been rejected.

53. Between 2006 and 2009, Respondent and various EPRT personnel, including Ms. Blake and Mr. Estes, exchanged several e-mails discussing various patent and trademark matters, including the '519 Application.
54. In January 2008, Respondent moved from his office on 44 West Flagler Street ("44 W. Flagler") to an office on 28 West Flagler Street ("28 W. Flagler"). He properly informed PTO of his new address.
55. Respondent had no physical presence at the 28 W. Flagler office. The office served primarily as a mailing address, but Respondent had access to an available conference room when needed.
56. Documents sent to 28 W. Flagler were set aside for Respondent by an on-site receptionist, who would inform him when mail was received.
57. On June 1, 2009, the Board issued its Decision on Appeal ("Board Decision"), in which it affirmed the Third Final Rejection's conclusions as to Claims 3, 4, and 23-25.
58. The first page of the Board Decision included a footnote announcing the two-month period to file an appeal or initiate a civil case. The Board Decision's final page stated "no time period for taking any subsequent action in connection with this appeal may be extended."
59. The Board Decision was mailed to Respondent's 28 W. Flagler address on June 1, 2009.
60. Respondent did not file any appeal within the two-month window.
61. Respondent did not inform EPRT about the Board Decision within the two-month window.
62. On August 17, 2009, PTO issued a Notice of Abandonment regarding the '519 Application because all claims had been rejected and had not been amended and because no appeal was filed within the two-month window.
63. The Notice of Abandonment was mailed to Respondent's 28 W. Flagler address on August 17, 2009.
64. The Notice of Abandonment stated that a message had been left on Respondent's answering machine on August 6, 2009, but Respondent did not return the call.
65. Respondent did not attempt to revive the '519 Application, and did not inform EPRT that it had been abandoned.

66. In a July 16, 2010, e-mail to Respondent, Ms. Blake requested an update on the '519 Application. Respondent did not reply to the e-mail.
67. Ms. Blake sent Respondent another e-mail on July 29, 2010, also seeking information about the '519 Application's progress.
68. On July 30, 2010, Respondent e-mailed Ms. Blake and stated that he had "attempted to determine the status of the patent applications and have yet to hear back from my inquiries."
69. Because Respondent had not associated his Customer Number with the '519 Application, he could not use PTO's Patent Application Information Retrieval ("PAIR") system to check the status of the Application online.
70. Ms. Blake contacted Respondent by phone in March 2011 to discuss the '519 Application. Respondent unilaterally terminated the call and did not answer the phone when Ms. Blake immediately attempted to call him back.
71. In 2011, Ms. Blake sent Respondent seven increasingly urgent e-mails about the '519 Application.
72. The e-mails were sent on April 1, April 4, April 6, April 22, July 15, July 20, and October 5. The subject line of the e-mails were, in order: "phone calls," "Trying to reach you," "Need to reach you," "Have you received my messages," "US Patent status?" "Status of US patents?" and "check has not been cleared."
73. Each e-mail stated that Ms. Blake had made repeated attempts to reach Respondent by phone or to otherwise get in contact with him. The October 5 e-mail asked Respondent if he had moved.
74. Three of the e-mails noted that Ms. Blake needed to speak with Respondent "asap."
75. The April 22 e-mail stated that Ms. Blake "did not ever receive correspondence stating the patent had been denied as final. It was still under review per our last discussion."
76. Respondent never replied to Ms. Blake's e-mails, text messages, or phone calls.
77. On April 5, 2011, Ms. Blake e-mailed Dr. Laird to see if he had been in contact with Respondent. On April 28, 2011, Ms. Blake asked Dr. Laird to attempt to communicate with Respondent.
78. On April 29, 2011, Dr. Laird informed Ms. Blake that he had successfully contacted Respondent via e-mail.



79. Still unable to reach Respondent, EPRT hired the Farahmand Law Firm to pursue possible legal action against Respondent.
80. On October 21, 2011, attorney Roger Farahmand sent Respondent a letter requesting the status of the '519 Application.
81. Respondent faxed a copy of the Board Decision to Mr. Farahmand on October 28, 2011. He did not include a copy of the Notice of Abandonment.
82. On October 31, 2011, Mr. Farahmand sent Respondent a letter requesting a complete copy of the '519 Application file.
83. Respondent did not send the file to Mr. Farahmand or anyone at EPRT.
84. Respondent did not file a notice of withdrawal as attorney of record in the '519 Application and did not revoke the Power of Attorney filed in 2003.
85. On February 13, 2013, EPRT revoked Respondent's Power of Attorney in favor of Mr. Robert Babayi, a newly retained patent attorney. The Power of Attorney was signed by Ms. Blake.
86. Between November 22, 2002; and February 13, 2013, EPRT paid Respondent between \$35,000 and \$45,000 to prosecute the '519 Application.

#### Respondent's Docketing System

87. Prior to 2011, Respondent did not use an electronic docket management system. Instead, he had a tickler file, a desk calendar, and a day book.
88. Respondent placed any document with an outstanding due date in the tickler file, and noted the date and the necessary action in the calendar and day book.
89. Respondent's then-wife was primarily in charge of maintaining the tickler file and ensuring documents were filed on time.
90. Respondent assessed the status of the cases in his docket twice a year; during the winter holiday season and before going on summer vacation.
91. If Respondent was going to meet with a client, he would check their file beforehand to ensure all deadlines were up to date. He followed the same procedure if a client contacted him requesting an update, even if a meeting was not upcoming.

### EPRT's Malpractice Lawsuits Against Respondent

92. On December 5, 2012, EPRT and Thrisoint PTY, Ltd., ("Thrisoint")<sup>4</sup> sued Respondent in U.S. District Court for the Northern District of Texas for legal malpractice, breach of fiduciary duty, fraud, and breach of contract.
93. The Texas case was ultimately dismissed on jurisdictional grounds.
94. On October 25, 2013, EPRT and Thrisoint filed a substantially identical lawsuit against Respondent in the U.S. District Court for the Southern District of Florida.
95. EPRT was dismissed from the Florida case due to lack of standing, but the case was permitted to continue with Thrisoint as the lone plaintiff.
96. On September 1, 2015, the case was settled and dismissed with prejudice. The court retained jurisdiction for 60 days to enforce the terms of the settlement agreement.
97. The dismissal was predicated on a settlement agreement in which Respondent agreed to pay EPRT \$7,000 and submit a letter stating that he had intentionally abandoned the '519 Application.
98. An admission of intentional abandonment by Respondent would allow EPRT to revive the Application.
99. The settlement agreement prohibited any EPRT representative, including Ms. Blake, from voluntarily participating in the then-pending disciplinary proceedings against Respondent by the Florida Bar and PTO. The agreement did note that participation could be compelled via subpoena.
100. Ms. Blake executed the settlement agreement on August 28, 2015, in Australia. However, the signed agreement was not received by Ms. Chaiken until several weeks later, after the case had been dismissed.
101. Respondent did not accept Ms. Chaiken's phone calls and did not finalize the settlement agreement. In response, Ms. Chaiken filed a motion to compel compliance with the agreement. However, the motion was denied because the federal court's 60-day jurisdiction had already elapsed.
102. EPRT has filed a lawsuit in Florida state court alleging breach of contract in connection with the settlement agreement. That lawsuit remains ongoing.
103. To date, EPRT has spent approximately \$170,000 litigating Respondent's handling of the '519 Application.

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<sup>4</sup> On December 22, 2006, EPRT assigned its rights to the '519 Application to Thrisoint. Ms. Blake is the manager of Thrisoint.

## DEFERRED RULING ON OBJECTION MADE AT HEARING

The OED Director objects to Respondent Exhibit 27. That exhibit is a transcript of Mr. Gregory Mayback's deposition in the Florida malpractice litigation. Mr. Mayback served as an expert witness for EPRT in that proceeding. He was not called as a witness in the current proceeding. Respondent sought to admit Respondent's Exhibit 27 as evidence that Respondent's docketing system and six-month survey schedule did not offend the standard of care in the legal profession. The OED Director contends that the Exhibit should be excluded on procedural grounds because Respondent did not follow the Court's instructions regarding expert witness testimony. Additionally, the OED Director asserts that the Exhibit is inappropriate because the standard of care in a malpractice case is not relevant in an attorney discipline case. The Court conditionally accepted the deposition transcript at the hearing, but ordered the parties to brief the issue in their respective *Post-Hearing Briefs*. Both parties have done so.

The *Notice of Hearing and Scheduling Order* authorized expert witness testimony only if "scientific, technical, or other specialized knowledge will assist the hearing officer to understand the evidence or to determine a fact in issue." The Court previously struck Respondent's attempt to present himself as an expert witness because the scientific and technical aspects of this proceeding were not sufficiently complex to require expert testimony. Comprehending the standard of care in the legal profession, to the degree that the issue is relevant here, is no more daunting an undertaking. Mr. Mayback's deposition testimony is therefore of only minimal value in helping the Court assess the evidence.

Moreover, the transcript cannot properly be considered expert testimony because Mr. Mayback has not been qualified as an expert witness in this proceeding. The party seeking to present expert testimony must disclose the expert's identity to the other party and submit a written expert report. Respondent took neither of those actions with respect to Mr. Mayback.<sup>5</sup> The use of his deposition transcript from the previous proceeding would allow Respondent to sidestep the procedural rules assuring the qualification of the witness as an expert. This puts the OED Director at a significant disadvantage. The malpractice litigation was between EPRT/Thrisoint and Respondent. The OED Director was not a party in that litigation. As a result, his Counsel never had the opportunity to cross-examine Mr. Mayback. This Court has also been deprived of the chance to query Mr. Mayback, or assess his credibility. Respondent states that Mr. Mayback practices in Ft. Lauderdale, Florida. Given his proximity to the hearing location and his familiarity with the issues involved, there is no apparent reason why Respondent chose not to subpoena Mr. Mayback to provide testimony at the hearing.

For the foregoing reasons, the Court finds that Mr. Mayback's deposition transcript was not offered in accordance with accepted procedures and its admission in evidence would be more prejudicial than probative. The OED Director's objection is therefore **SUSTAINED**, and the transcript will not be considered.

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<sup>5</sup> The OED Director initially offered as an exhibit a summary judgment motion from the malpractice case, which included a copy of Mr. Mayback's expert report. However, the OED Director withdrew that exhibit. Respondent did not submit the report to the Court and has not otherwise attempted to comply with the procedures for establishing Mr. Mayback as an expert witness.

## DISCUSSION

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

Although the *Complaint* is presented as only two counts, the OED Director actually alleges a litany of ethical violations against Respondent. Specifically, the OED Director accuses Respondent of (1) neglecting the '519 Application at various points during the application process; (2) failing to inform EPRT of important correspondence; (3) failing to seek EPRT's lawful objectives at various points during the application process; (4) engaging in gross or disreputable conduct; (5) engaging in conduct involving fraud, dishonesty, deceit, or misrepresentation; (6) giving EPRT false or misleading information; (7) making a false statement of law or fact; (8) failing to deliver to EPRT property that it was entitled to receive; and (9) engaging in other conduct that adversely reflects on his fitness to practice.

As a preliminary matter, the Court must determine whether any of these allegations survive Respondent's statute of limitations defense. Respondent contends that any conduct that occurred in 2005 or earlier is governed by the five-year statute of limitations in effect at that time. The applicable statute, 28 U.S.C. § 2462, stated:

Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued...

### 28 U.S.C. § 2462

On September 16, 2011, Congress enacted the Leahy-Smith America Invents Act ("AIA"), which replaced 28 U.S.C. § 2462, for USPTO purposes, with an amended version of 35 U.S.C. § 32. As amended, 35 U.S.C. § 32 now includes the following two-stage limitations period:

A proceeding under this section shall be commenced not later than the earlier of either the date that is 10 years after the date on which the misconduct forming the basis for the proceeding occurred, or 1 year after the date on which the misconduct forming the basis for the proceeding is made known to an officer or employee of the Office.

35 U.S.C. § 32; see also, Leahy-Smith America Invents Act, Pub. Law No. 112-29, § 3(k), 125 Stat. 291 (2011) (emphases added).

The new statute of limitations period applies to any case under 35 U.S.C. § 32 that had not already lapsed by the time of the AIA's enactment. Accordingly, any misconduct that occurred prior to September 16, 2006, — five years before the AIA took effect — falls under 28 U.S.C. § 2462, and thus is no longer actionable. The OED Director contends, however, that even if some of the misconduct pre-dated the AIA, those violations were continuous in nature, thereby

tolling the statutory clock until the violation ended. Those violations would still be actionable if they did not conclude until sometime after September 16, 2006.

With one exception, discussed below, the alleged violations occurred between 2007 and 2011.<sup>6</sup> They thus fall under the AIA's limitations umbrella, not 28 U.S.C. § 2462. Ten years have not elapsed since the alleged misconduct occurred, and the *Complaint* was brought within one year of the OED Director learning of the alleged misconduct. Ms. Blake first informed the OED Director of these events on August 11, 2014. The *Complaint* was filed approximately 10 months later, on May 11, 2015. Accordingly, the allegations from the *Complaint* discussed here are timely.

The OED Director alleges that Respondent violated 37 C.F.R. § 10.23(c)(8) due, in part, to his failure to notify EPRT about the Third Final Rejection, which he received in 2005. This claim thus should have gone stale sometime in 2010. The OED Director asserts that the continuing violation doctrine should apply in this instance to toll the statutory clock. Respondent argues in opposition that the statutory clock begins to run when the violation occurs, even if the impact of the violation extends into the future.

Courts will normally apply the continuing violations doctrine only if (1) there is explicit language in the relevant statute or regulation defining the violation as continuous; or (2) if the nature of the offense charged is such that Congress (or an agency) must have intended that it be treated as a continuous offense. *Toussie v. U.S.*, 397 U.S. 112, 115 (1970). There is a strong preference against applying the doctrine because it directly undermines the very purpose of statutes of limitations. *Toussie*, 397 U.S. 112 at 135 (White, J. dissenting) ("we should undoubtedly approach the task of statutory interpretation with a presumption against a finding that an offense is a continuing one").

The Court does not find explicit language in 37 C.F.R. § 10.23(c)(8), which proscribes as a continuing offense the failure to inform a client of significant correspondence from PTO. However, the nature of the Rule does imply a time element. Unlike, for example, a false statement, this is not a "point in time" violation. The duty to inform one's clients of potentially adverse information remains active until the practitioner informs the client of the correspondence or ceases representation of that client. The Court therefore finds that 37 C.F.R. § 10.23(c)(8) states—and was intended to state—a continuing violation.

The question of whether Respondent ever fully informed EPRT of the contents of the Third Final Rejection is addressed in more detail *infra*. At present, it is sufficient to note that the November 29, 2005, e-mail was deficient. It did not contain a copy of the Third Final Rejection; it omitted some key information and it inaccurately described other information. Some of these errors were rectified somewhat in two 2006 e-mails. The first, on January 14, 2006, stated that PTO had persisted in its rejection of the electrode wrap. A May 31, 2006, e-mail again stated that Claim 25 remained "rejected as unpatentable." EPRT thus knew at that point that the '519 Application had been rejected, and the general grounds upon which PTO based that rejection.

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<sup>6</sup> Respondent's *Post-Hearing Reply Brief* asserts that the OED Director bases the *Complaint* in part on Respondent's failure to associate his Customer Number with the '519 Application when he filed the Power of Attorney in 2002. He thus argues that the charge is time-barred. The *Complaint* made no such charge. Respondent's argument on this point therefore does not warrant additional consideration.

The client was also aware that Respondent had appealed the rejection to the Board in February 2006. As a result, the Court concludes that Respondent at least partially revealed the substance of the Third Final Rejection to EPRT on January 14, 2006. The statutory clock thus began to run on that date.<sup>7</sup> The OED Director was therefore required to file the *Complaint* by January 14, 2016. As already noted, the *Complaint* was filed on May 11, 2015. Thus, discipline for the alleged violation of 37 C.F.R. § 10.23(c)(8) is not time-barred.

I. Alleged Violation of 37 C.F.R. § 10.77(c) – Neglecting the ‘519 Application

The Code of Professional Responsibility states that a practitioner “shall not neglect a legal matter entrusted to the practitioner.” 37 C.F.R. § 10.77(c). *Black’s Law Dictionary* defines “neglect” as “the omission of proper attention to a person or thing, whether inadvertent, negligent, or willful.” BLACK’S LAW DICTIONARY (8th ed. 2004).

The American Bar Association Committee on Ethics and Professional Responsibility opined in 1973 that:

[N]eglect involves indifference and a consistent failure to carry out the obligations that a lawyer has assumed, or a conscious disregard for the responsibilities a lawyer owes a client. The concept of ordinary negligence is different. Neglect usually involves more than a single act or omission. Neglect cannot be found if the acts or omissions complained of were inadvertent or the result of an error of judgment made in good faith.”

AMERICAN BAR ASSOCIATION COMMITTEE ON ETHICS AND PROFESSIONAL RESPONSIBILITY INFORMAL OPINION 1273 (1973).<sup>8</sup>

Neglect occurs when a practitioner ignores or otherwise disregards his obligations to his client. It does not occur instantaneously, however. Instead, neglect generally requires a pattern or course of conduct clearly illustrating the practitioner’s disinterest in performing his duties. See *In re Levin*, 395 N.E.2d 1374, 1375 (Ill. 1979) (inaction, delay, and lack of effort expended on behalf of a client constitutes neglect). A time element is therefore a central aspect of the violation. As a result, a single forgetful moment or honest mistake normally will not violate 37 C.F.R. § 10.77(c).<sup>9</sup>

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<sup>7</sup> Respondent correctly summarizes the “continuing impact” theory. However, the impact of his alleged misconduct is not at issue here. Failure to inform is a continuing violation. The clock thus begins when the violation itself ends, not its impact. The Court finds that the violation ended on January 14, 2006.

<sup>8</sup> Informal Opinion 1273 discusses then-ABA Disciplinary Rule 6-101(A)(3), which is identical in wording to 37 C.F.R. § 10.77(c).

<sup>9</sup> Although neglect and negligence are not interchangeable, there are scenarios where a single negligent act may constitute neglect. For example, in *Attorney Grievance Commission v. Montgomery*, the attorney inadvertently failed to appear for a hearing, resulting in dismissal of his client’s case. 460 A.2d 597 (Md. 1983). The court found that he had neglected the client.

The OED Director contends that Respondent's conduct prior to and immediately after the Board Decision constitutes neglect of the '519 Application. More specifically, the OED Director alleges that Respondent did not monitor the Application's progress through PTO; did not return the patent examiner's phone call; did not inform EPRT of the Board Decision; refused to communicate with Ms. Blake; and took no steps to appeal the Board Decision or otherwise prevent the Application from being abandoned.

Respondent counters that he made regular attempts to track the application after filing the appeal to the Board in February 2006. On October 9, 2008, he told Ms. Blake via e-mail that he had "called the PTO 3 times and have yet to receive a return call re the status of the appeal in the US appln." A July 30, 2010, e-mail stated that he had "attempted to determine the status of the patent applns and have yet to hear back from my inquiries." Respondent also testified that he normally determined the status of applications by calling the patent examiner directly.<sup>10</sup> He also claims to check the status of all his pending cases every six months.

These statements suggest that Respondent's failure to learn the status of the '519 Application was the product of PTO's non-responsiveness. In actuality, Ms. Oropeza had left a voice message for Respondent on August 6, 2009, before the application was abandoned. Respondent testified that he attempted to return her call on multiple occasions, but "never connected with her." He made no more attempts to determine the purpose of the call. Had he done so, he would have learned that the appeal had been denied two months earlier, and that abandonment was imminent.

The personal phone call from Ms. Oropeza should have alerted Respondent that there was movement on the '519 Application. It was PTO's first attempt to contact him on the matter in more than two years. It would take Respondent two more years, until October 2011, to undertake any investigation of the status of the '519 Application. He did so only after receiving the letter from Mr. Farahmand. Under the circumstances, Respondent's complete failure to follow up on Ms. Oropeza's phone call is inexplicable. This failure is even more glaring in light of Respondent's claim that calling patent examiners is his primary means of tracking his applications.<sup>11</sup> Moreover, had Respondent been clearing his docket every six months as he claims, he would have learned of the Board Decision no later than December 2009.<sup>12</sup> Respondent insists he was ignorant of it until October 28, 2011.

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<sup>10</sup> Respondent could have monitored the status of the '519 Application electronically via the PAIR system had he associated the application with his Customer Number. He chose not to do so. Instead, he trusted the physical mail and his own occasional phone calls to ensure he was properly apprised of the progress of the '519 Application. Use of the PAIR system is not required, but it is strongly encouraged by PTO to eliminate scenarios like this one.

<sup>11</sup> This was not the first time Respondent's failure to return Ms. Oropeza's phone calls resulted in the abandonment of the '519 Application. She called him at least four times in 2004 to determine whether he intended to respond to the January 2004 Notice. He did not return any of those calls.

<sup>12</sup> Respondent asserts that he clears his docket before the winter holidays and again before he goes on his annual summer vacation. The Board Decision was issued on June 1, 2009. Assuming Respondent's summer vacation occurs at the traditional time, i.e., July or August, he would have learned of the June 1 Board Decision during his summer docket check. If his search occurred in May, it would not have revealed the Board Decision. However, the winter search six months later would certainly have uncovered that document as well as the Notice of Abandonment, which was issued in August. They would also have shown up in the summer and winter docket checks in 2010, and the summer check in 2011. It strains belief that Respondent conducted these checks but still failed to discover these documents.

Respondent has also offered no explanation why he ignored Ms. Blake's e-mails and calls for more than a year. Between July 16, 2010; and October 5, 2011, Respondent received at least nine e-mails and an untold number of phone calls from Ms. Blake. The e-mails repeatedly emphasized that the matter was urgent, and that Ms. Blake desperately needed an update about the status of the '519 Application. He responded to none of them, and made no attempt to investigate the progress of the Application. The e-mails also repeatedly noted that Respondent had not returned messages left on his answering machine. The one time Ms. Blake did manage to reach Respondent on the phone in 2011, he abruptly ended the call without explanation.

During the hearing, Respondent stated that he was trying a "very complex divorce matter" in state court during that period, and may have simply been too busy to respond to Ms. Blake. He also hinted that his e-mail "may have been hacked but I'm not sure." He then admitted that "I don't have an explanation, quite frankly, other than that."

The Court is not persuaded by Respondent's assertion that he was overwhelmed by a different legal matter. Ms. Blake attempted to communicate with Respondent for more than a year, from July 2010 until October 2011. He cannot plausibly claim that he spent every moment of that period embroiled in his state court case.

Additionally, Respondent's claim of hacking is not credible. He bases the claim on a lone reference from Ms. Blake that he "may have a virus on your aol e-mail account." Respondent cannot recall if or when he was hacked, or for how long. Yet he theorizes that, if the account was compromised during his divorce trial, he may not have bothered to re-secure the account until after the trial ended. Again, this argument overlooks the fact that Ms. Blake attempted to contact him for more than a year by phone and e-mail. It also ignores the fact that Respondent replied within 24 hours to an e-mail sent by Dr. Laird, who Respondent considered a friend. He clearly received Dr. Laird's e-mails. It therefore stands to reason that he received Ms. Blake's e-mails as well. He simply did not respond to them. Moreover, his hacking theory does not explain why he did not return Ms. Blake's phone calls.<sup>13</sup>

Respondent also argues that he was not obligated to communicate with Ms. Blake because she was not EPRT's corporate representative. Rather, he claims, he received orders and instructions from Mr. Estes. There is no merit to Respondent's argument. The evidence is overwhelming that Ms. Blake, as EPRT's President and CEO, acted as the corporate representative. She was the one who responded to his initial assessment of the '519 Application, stating in that e-mail that "I will contact you in a few days." Ms. Blake was also the one who signed the Power of Attorney giving Respondent authority to prosecute the Application.

Respondent's own evidence further betrays his position. Respondent includes approximately 20 e-mails he sent to EPRT between 2002 and 2009 as evidence of his adequate communication with his client during that time period. All but two of those e-mails were

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<sup>13</sup> His explanation is again reminiscent of 2004. Respondent's Petition to revive the abandoned '519 Application stated that he had not received the January 2004 Notice, and thus was unaware that the Application faced abandonment. He did not address the fact that Ms. Oropeza had left multiple voice messages informing him of the impending abandonment.



addressed to Ms. Blake as the primary recipient.<sup>14</sup> At least six of the e-mails were sent to her alone. Other than the two initial e-mails in 2002, there is no evidence that Respondent ever communicated with Mr. Estes alone. When Mr. Estes or Mr. Wendell were included as recipients, they were carbon copied, and the e-mail often began with the salutation “Dear Katherine.” One particular e-mail stands out. In a March 17, 2008, e-mail from Respondent to Ms. Blake and Mr. Wendell, Respondent asked “what is David Estes [sic] role in this arrangement – who do I need to copy on patent matters?” Had Mr. Estes actually been Respondent’s primary contact person, this e-mail would reasonably have been addressed to him, not Ms. Blake and Mr. Wendell. This, and the other evidence in the record, fatally undermines Respondent’s claim that he was not obligated to communicate with Ms. Blake because Mr. Estes was actually EPRT’s corporate representative for the ‘519 Application.<sup>15</sup>

Respondent also contends that he could not have neglected the ‘519 Application because, in 2008, Mr. Estes instructed him not to pursue the ‘519 Application in favor of a subsequent patent application. The best evidence of what Mr. Estes told Respondent would have been Mr. Estes himself. However, Respondent never called upon Mr. Estes to testify. Nor has he produced any other evidence showing Mr. Estes ever ordered him to abandon the ‘519 Application. Of the many e-mails among Respondent, Mr. Estes, and Ms. Blake, none reference the deliberate abandonment of the ‘519 Application. It is true that there was a patent application filed in 2008 that featured a new, improved silver electrode wrap. However, the assertion that the new wrap made the ‘519 Application irrelevant is only attributable to Respondent himself.<sup>16</sup> The argument is therefore unavailing.

Finally, Respondent argues that he could not have informed EPRT about the Board Decision or the Notice of Abandonment because he never received them. Instead, the documents were likely misplaced by the receptionist at his office.

Respondent does not contest that the documents were sent to his office of record, 28 W. Flagler in Miami, Florida. While it is certainly possible that the building’s receptionist misplaced the documents, that does not absolve Respondent of his responsibility to EPRT. Respondent chose to move to a “virtual” office where he did not have any day-to-day physical presence. He therefore chose to entrust his mail to a receptionist rather than seeing to it himself. Any filing errors by the receptionist are foreseeable consequences of his own decision. Respondent could have changed his correspondence address to his home address, while still maintaining his virtual office.<sup>17</sup> He could have associated the ‘519 Application with his

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<sup>14</sup> The two outliers were the initial assessment of the ‘519 Application and an e-mail acknowledging his hiring by EPRT. Both e-mails were sent in 2002 and were sent to Mr. Estes alone.

<sup>15</sup> Respondent’s *Post-Hearing Reply Brief* devotes substantial time to the question of “apparent authority” in an agent/principal context. There is no agent/principal dynamic at play in the instant case. Moreover, apparent authority is viewed from the perspective of a third party. Here there is no third party.

<sup>16</sup> The new patent application, Application Number [REDACTED] (“the [REDACTED] Application”), was filed on August 28, 2008. The [REDACTED] Application specifically stated that “the instant invention is related to [the ‘519 Application],” which it described as “pending.” This description stands in sharp contrast to Respondent’s assertion that the [REDACTED] Application rendered the ‘519 Application obsolete. Moreover, assuming, *arguendo*, that Mr. Estes did order Respondent to abandon the ‘519 Application in 2008, Respondent never affirmatively complied with that order. The Application remained in active status until August 2009, more than a year after the [REDACTED] Application was filed.

<sup>17</sup> Notably, Respondent did instruct EPRT to send several checks to his home address rather than to 28 W. Flagler.

Customer Number so he could monitor its progress electronically via the PAIR system. He could have had his Virginia-based associate routinely check the physical file. He took none of these protective measures. As a result of these omissions, Respondent claims he did not learn about the Board Decision until it was far too late to prevent abandonment. Such an outcome was thus the result of Respondent's own inaction. See Nam D. Dao, Proceeding No. D2015-23 (May 15, 2015). (There, the practitioner failed to file a change of address form with PTO. A critical notice was thus sent to his old office. Having never received the notice, the practitioner did not respond to it, leading to the abandonment of the patent application. The practitioner was thus found to have neglected the application, violating 37 C.F.R. § 10.77(c).)

In sum, 37 C.F.R. § 10.77(c) prohibits a practitioner from disregarding, ignoring, or forgetting about a client matter for an extended amount of time. The OED Director has provided clear and convincing evidence that Respondent failed to monitor the progress of the '519 Application in 2009, ignored the patent examiner's phone call in 2009, ignored Ms. Blake's e-mails and phone calls in 2010 and 2011, and failed to safeguard his lines of communication with PTO at any time. Any one of the alleged missteps here, on their own, perhaps would not constitute neglect. However, the full complement of them, spread as they are over the course of months and years, paints a clear picture of an attorney who has either fallen asleep at the wheel or decided to invest his energies elsewhere. In either case, the evidence confirms that Respondent neglected the '519 Application.

II. Alleged Violation of 37 C.F.R. § 10.23(c)(8) – Failure to Inform EPRT of PTO Correspondence

The OED Director next alleges that Respondent violated 37 C.F.R. §10.23(c)(8), which requires a practitioner to inform a client when the practitioner receives correspondence from PTO if the correspondence could have a significant impact on a pending matter and a reasonable practitioner would believe the client should be notified. In this case, the OED Director contends that Respondent should have notified EPRT about the Third Final Rejection in 2005, and the Board Decision and Notice of Abandonment in 2009.

Respondent maintains that a November 29, 2005, e-mail from himself to Ms. Blake and Mr. Estes informed them of the Third Final Rejection. The e-mail reads, in its entirety [sic throughout]:

Dear Katherine:

The examiner, or more accurately, her new supervisor has issued an office action (after the appeal was taken and brief filed) in which he has allowed Method Claims 3 & 4 (copies attached) – I have also included Claim 23 to which each of these allowed claims make reference. The dependent Claims 3 & 4 are to be read as including all of the limitation of Claim 23 – where a limitation in Claim 23 is further defined (as in Claims 3 & 4), the limitations of Claim 3 & 4 respectively replace the limitation in Claim 23

The appeal is still going forward, because we are entitled to broader coverage – specifically coverage as to the configuration of the wrap itself. Any questions, pls advise – John

Respondent did not attach a copy of the Third Final Rejection Action to the e-mail. He never explicitly said that Claims 23-25 had been rejected. He also stated that Claims 3 and 4 had been “allowed” when in fact they had been objected to but “would be allowable if rewritten in independent form.” Having declined to inform EPRT that the Claims could be rewritten, Respondent also did not mention that he did not intend to rewrite them. Additionally, the e-mail never described the PTO decision as a “final action” and did not mention the three-month deadline to file a response. To the contrary, the e-mail implied that no additional steps were necessary at that time because the “appeal is still going forward.”

Not until January 14, 2006, did Respondent clarify that Claim 25 had been rejected when he stated in an e-mail that PTO had “persisted in rejection of electrode claim.” The May 31, 2006, e-mail included a copy of the Second Appeal and informed Ms. Blake, Mr. Estes, and Dr. Laird that Claims 3, 4, 23, and 24 were rejected on “formal grounds,” but that Claim 25 was rejected as “unpatentable over the prior art.”

The narrow wording of 37 C.F.R. § 10.23(c)(8) prohibits a practitioner from failing to inform a client of important correspondence. The November 29, 2009, e-mail did notify EPRT personnel of the existence of the Third Final Rejection shortly after its issuance. However, Respondent failed to actually provide the Third Final Rejection to EPRT and did not fully or accurately explain the document and its ramifications.<sup>18</sup> As a result, EPRT was left with the erroneous impression that the ‘519 Application rested on firmer ground than it actually did. EPRT was never aware that Claims 3 and 4 needed to be rewritten to survive and thus never had the opportunity to instruct Respondent to do so. Respondent therefore prevented EPRT from making an informed decision about a preferred course of action. Section 10.23(c)(8) does not require a practitioner to simply “notify” a client about important correspondence, it requires him or her to “inform” the client about that correspondence. Respondent did not fully do so with regard to the Third Final Rejection.

The violation is even clearer with regard to the Board Decision and the Notice of Abandonment. As already discussed, Respondent did not provide the Board Decision to EPRT until compelled to do so two years after it had been issued. He did not provide the Notice of Abandonment at any time. The fact that he was unaware of these decisions does not absolve him of his responsibility to EPRT. Both decisions were properly mailed to his address of record, which was his correct address at the time. At best, it was only Respondent’s own negligence that prevented him from receiving them.<sup>19</sup> One failure does not excuse another.

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<sup>18</sup> Respondent argues that there was no need to provide EPRT personnel with a copy of the Third Final Rejection because it was “virtually the same” as the two previous final rejections. This is categorically incorrect. The Third Final Rejection stated, for the first time, that Claims 3 and 4 would be allowable if rewritten. It thus presented EPRT with a possible new avenue to pursue.

<sup>19</sup> The OED Director turns to the “mailbox rule” as evidence that Respondent actually received the Board Decision and the Notice of Abandonment. The mailbox rule creates a rebuttable presumption that properly addressed documents placed into the possession of a mail delivery service reach their destination in a reasonable time. Rosenthal v. Walker, 111 U.S. 185, 193-94 (1884); Rios v. Nicholson, 490 F.3d 928, 930-31 (Fed. Cir. 2007); Lupyan v. Corinthian Colleges, Inc., 761 F.3d 314 (3d Cir. 2014). The *Complaint*’s allegations of dishonest and deliberately misleading conduct rest entirely on application of this rule. It is too fragile a presumption to support such weighty charges. As discussed in greater detail *infra*, the OED Director has not established any reason why Respondent would receive these documents and not act on them, given his then-ongoing relationship with EPRT.

Both the Board Decision and the Notice of Abandonment should have been timely communicated to EPRT. The Board Decision was particularly vital because it carried a non-extendable two-month deadline to appeal the decision. Respondent's failure to inform EPRT of that document meant EPRT had no chance to file the appeal within the deadline. The consequence of that inaction was the abandonment of the '519 Application.

Accordingly, the Court finds that Respondent violated 37 C.F.R. § 10.23(c)(8) by failing to properly inform EPRT of the Third Final Rejection, the Board Decision, and the Notice of Abandonment.

### III. Alleged Violation of 37 C.F.R. § 10.84(a) – Failing to Seek EPRT's Lawful Objectives

The OED Director also contends that Respondent's mishandling of the '519 Application constitutes a failure to seek his client's lawful objectives and a failure to carry out an employment contract, thus violating 37 C.F.R. § 10.84(a)(1), and (a)(2).<sup>20</sup> Respondent counters that he continued to pursue EPRT's objectives until October 2011, when he claims Mr. Farahmand threatened him with a malpractice suit. Additionally, Respondent argues that there were "no available avenues to reverse the [Board] Decision" once it was issued, making any additional work on the Application futile. He also asserts that, in 2008, Mr. Estes specifically told him not to incur additional legal fees pursuing the '519 Application.

No explicit engagement agreement between the parties exists, which makes it difficult to state the precise terms of the employment contract. That said, it is apparent that Respondent was hired to attempt to salvage the '519 Application, if possible. Absent some future shift in EPRT's goals, that obligation existed as long as Respondent remained as attorney of record for the '519 Application.

The OED Director does not dispute that Respondent was committed to securing a patent on behalf of EPRT, at least initially. The Application was first rejected in 2002, under the supervision of a different law firm. Respondent's initial assessment of the viability of the Application was grim, stating that "the final rejection is likely to be sustained because of the absence of any allowable claim...." However, Respondent also recommended re-filing the Application, followed quickly by an amendment supported by a third-party affidavit. The evidence shows that Respondent filed the necessary amendments, appeals, and affidavits, at least until he received the Third Final Rejection in November 2005. At that point, Claims 3 and 4 were potentially allowable if rewritten. Based on his own experience and judgment, Respondent chose not to rewrite either Claim. Respondent believed—and maintains to this day—that rewriting the Claims would have been useless because they included references to other, rejected Claims. He simply disagreed with Ms. Oropeza's assessment, as stated in the Third Final

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Thus the Court concludes—based upon Respondent's testimony and clear and convincing circumstantial evidence—that Respondent did not act on those items of PTO correspondence because he had not received them.

<sup>20</sup> The *Complaint* paints Respondent's various communications failures as evidence of a violation of 37 C.F.R. 10.84(a). The Court cannot agree. A practitioner may fail to communicate adequately with a client while still working diligently on behalf of that client. The practitioner would thus violate Section 10.23(c)(8) but not 10.84(a).

Rejection, that Claims 3 and 4 could be allowable. Respondent did not discuss rewriting the Claims with anyone at EPRT. It has already been noted that Respondent did not even inform EPRT of the patent examiner's suggestion, telling them instead that the Claims had already been allowed. Instead of conferring with his client, Respondent elected to file the Second Appeal in February 2006. He did not discuss the appeal with EPRT prior to filing it.<sup>21</sup>

The consequences of Respondent's decisions were substantial. Claims 3 and 4 were ultimately deemed rejected because Respondent did not rewrite them as suggested. The Board Decision therefore affirmed the Third Final Rejection because there were no allowable claims.

Had Respondent been timely aware of the Board Decision on June 1, 2009, he could have filed an appeal. Had he been timely aware of the Notice of Abandonment, he could have attempted to revive the Application. Either course of action would have served EPRT's objectives. The Court cannot speculate whether he would have taken either action, because he abandoned EPRT as a client within days of discovering the existence of the Board Decision.

Respondent contends that, rather than an abandonment on his part, he was "constructively discharged" as EPRT's counsel on or about October 28, 2011. The basis for the constructive discharge was an alleged telephone call between himself and Mr. Farahmand where Respondent contends Mr. Farahmand threatened Respondent with a malpractice lawsuit. He has provided no evidence, other than his own testimony, that such a threat ever occurred. Nor has he offered any legal support for his conclusion that such a threat would discharge him of his responsibilities to EPRT.

Respondent never informed Mr. Farahmand or anyone at EPRT of his constructive discharge theory. He also did not follow the withdrawal procedures outlined in 37 C.F.R. § 10.40. The only individual who was aware of Respondent's purported withdrawal was Respondent himself. This is indistinguishable from abandonment. Accordingly, Respondent violated 37 C.F.R. § 10.84(a)(1) and (a)(2) no later than October 2011.

In fact, the violation of this Disciplinary Rule occurred when the '519 Application was abandoned in August 2009. Unlike the American Bar Association's now-defunct Code of Professional Responsibility, the PTO's Disciplinary Rules do not require a practitioner's conduct to be intentional.<sup>22</sup> Section 10.84(a) emphasizes the consequences of the conduct, not the intent behind it. Neglectful conduct that derails a client's objectives is thus sanctionable under Section 10.84(a). Here, Respondent negligently failed to monitor the '519 Application and failed to ensure that he received correspondence from PTO. As a result, it was impossible for Respondent to meet EPRT's lawful objectives.

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<sup>21</sup> Respondent has noted repeatedly that the November 29, 2009, e-mail asked Ms. Blake and Mr. Estes to contact him if they had any questions. Neither did so. Respondent speculates that they would have had questions if his communication had been unclear or inadequate. His conclusion overlooks the fact that he neglected to provide them with vital information on which to base their questions. They did not know the actual status of Claims 3, 4 or 25. They therefore did not know that they should be asking additional questions about those Claims. Their lack of inquisitiveness was the direct result of Respondent's own silence on these issues.

<sup>22</sup> See ABA Model Code of Professional Responsibility Rule DR 7-101(A)(1), which is virtually identical to 37 C.F.R. § 10.84(a), except the Model Code includes the preface stating that a practitioner "shall not intentionally."

IV. Alleged Violation of 37 C.F.R. § 10.23(a) – Engaging in Gross or Disreputable Conduct

The *Complaint* next alleges that Respondent's failure to notify EPRT about the Third Final Rejection, the Board Decision, and the Notice of Abandonment constitute gross or disreputable conduct, in violation of 37 C.F.R. § 10.23(a).

The Court has already concluded that Respondent's failure to inform his client of important correspondence violated 37 C.F.R. § 10.23(c)(8). According to 37 C.F.R. § 10.23(c), any violation of its subsections automatically violates 37 C.F.R. § 10.23(a) and (b). No analysis is necessary on this point. Respondent has violated 37 C.F.R. § 10.23(a).

V. Alleged Violation of 37 C.F.R. § 10.23(b)(4) – Engaging in Conduct Involving Fraud, Dishonesty, Deceit, or Misrepresentation

Next, the OED Director contends that Respondent violated 37 C.F.R. § 10.23(b)(4) by deceiving EPRT and misrepresenting the status of the '519 Application. Specifically, the *Complaint* cites Respondent's July 30, 2010, e-mail to Ms. Blake, which stated that he had attempted to determine the status of the '519 Application but had not heard back from PTO. According to the OED Director, this statement was false or misleading because Respondent had received the Notice of Abandonment in August 2009. He therefore already knew that the Application had been abandoned and had never been revived.

The sole evidence that Respondent was aware of the Board Decision and the Notice of Abandonment is that they were mailed to his address of record, at 28 W. Flagler. It is therefore presumed that he received them at that address. Respondent insists that he did not.

Respondent's conduct vis-à-vis the '519 Application before and after 2009 supports his position. Respondent worked competently to achieve EPRT's goals from 2002 until 2006, when he filed the Second Appeal. After doing so, he resigned himself to waiting for a PTO response. According to the OED Director's theory, Respondent received that response in 2009. Rather than file an appeal, as he had done twice already, Respondent chose to ignore the Board Decision. He then proceeded to stonewall and avoid Ms. Blake for more than a year. Missing from the OED Director's theory is any hint of Respondent's purported motive for this sharp shift in attitude. As of 2009, his relationship with EPRT and its personnel remained congenial. In fact, he was handling a number of other patent and trademark matters for the company at the time. The OED Director has provided no reason why Respondent would act in the manner alleged in the *Complaint*. The Court is therefore persuaded that Respondent did not receive the copies of the Board Decision or the Notice of Abandonment in 2009.

Having failed to receive the documents when they were initially sent, Respondent did not become aware of the actual status of the '519 Application until October 2011, when he asked his associate to personally check the physical file.<sup>23</sup> His e-mail to Ms. Blake on July 30, 2010, was

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<sup>23</sup> As discussed *supra*, Respondent's delayed awareness of these documents was due to his own negligent and neglectful conduct.

therefore not deceptive or dishonest. Accordingly, the Court finds that the OED Director failed to prove, by clear and convincing evidence, that Respondent violated 37 C.F.R. § 10.23(b)(4).

VI. Alleged Violation of 37 C.F.R. § 10.23(c)(2)(i) – Giving EPRT False or Misleading Information

The *Complaint* also alleges that the July 30, 2010, e-mail was false or misleading, thereby violating 37 C.F.R. § 10.23(c)(2)(i). The regulation only prohibits the communication of information that the practitioner knows to be incorrect. Accordingly, the allegation fails here because Respondent did not know the true status of the ‘519 Application at the time of the e-mail. He therefore could not have intended to mislead Ms. Blake. The Court finds no violation of 37 C.F.R. § 10.23(c)(2)(i).

VII. Alleged Violation of 37 C.F.R. § 10.85(a)(5) – Making a False Statement of Law or Fact

Again, the OED Director relies on the July 30, 2010, e-mail as his sole evidence of a violation of 37 C.F.R. § 10.85(a)(5). This regulation also contains a knowledge element. It therefore fails for the same reason.

VIII. Alleged Violation of 37 C.F.R. § 10.112(c)(4) – Failing to Return EPRT’s Client File

The *Complaint* alleges that Respondent refused to return EPRT’s client file to it when asked to do so. PTO regulations state that a practitioner must promptly deliver to a client, upon request, any client property in the practitioner’s possession that the client is entitled to receive. Respondent contends that the EPRT file was not in his possession on October 31, 2011, because it remained in the possession of his ex-wife at the marital home and that Respondent had been denied access to that home. He also argues that EPRT was not entitled to the file because Respondent placed a lien on the file due to unpaid legal bills.

There is no dispute that a client’s file is the property of the client and should be returned to that client upon request. *See Restatement (Third) of the Law Governing Lawyers (2000)*, ¶ 43. That general truth applies in this case as well. Although Respondent contends that the file has not been in his possession since 2011, his credibility on this issue is dubious. During the Florida malpractice proceeding, he told the opposing counsel that the file had been destroyed “several years ago.” Perhaps Respondent believed that when he said it, but the opposing counsel in that case eventually obtained the file from Respondent’s ex-wife.

Respondent argues in this proceeding that he could not return the file because he did not have access to the marital home. The evidence suggests otherwise. Mr. Farahmand requested the EPRT file on October 31, 2011. As Respondent testified, he did not convey the marital home to his ex-wife until November 16, 2011. Therefore, absent a restraining order, he had the legal right to access the property until that date. When he signed the property settlement agreement, Respondent knew that the EPRT file that had been requested by the client was in the home, but he chose not to retrieve it while he still had the opportunity to do so. Although the Court does not doubt Respondent’s claim of a hostile relationship between himself and his ex-wife, he has offered no evidence that he reasonably sought to obtain the EPRT file from the home when he

had the opportunity to do so.<sup>24</sup> The opposing counsel in the previous case issued a subpoena *duces tecum* to successfully obtain the file. Respondent could have followed a similar approach.

The Court also rejects Respondent's claim that a retaining lien on the file prevented him from returning the file when requested. He testified that he "found out about the outstanding balance in the course of discovery during the malpractice case." Prior to that point, he believed EPRT's account was current. The malpractice complaint was not brought until December 2012, some 13 months after he received Mr. Farahmand's letter. Between October 31, 2011, and whenever he discovered the outstanding balance, Respondent had no reason to question EPRT's right to its file. The retaining lien therefore could not have prevented him from "promptly" returning the file, as required by 37 C.F.R. § 10.112(c)(4).

Even if Respondent did not have easy access to the file after his separation from his ex-wife, he did retain a duty to maintain control of client property entrusted to him. He took no steps to protect the files in his home office despite knowing that marital discord threatened his use of that office. Indeed, Respondent testified that the marital separation began as early as April 2011, and did not become permanent until November of that year. Respondent's banishment from the marital home, and thus his lack of access to his home office, came with ample warning. His obligation to his clients, including EPRT, should have compelled him to move the files to a more secure location. Again, he chose not to do so, to EPRT's detriment. Accordingly, the Court finds that Respondent has violated 37 C.F.R. § 10.112(c)(4).

IX. Alleged Violation of 37 C.F.R. § 10.23(b)(6) – Engaging in Other Conduct that Adversely Reflects on Respondent's Fitness to Practice

Finally, the OED Director contends that Respondent violated 37 C.F.R. § 10.23(b)(6) by "engaging in the acts and omissions" described in the *Complaint*. That regulation prohibits a practitioner from engaging in "any other conduct that adversely reflects on the practitioner's fitness to practice before the Office." This Court has consistently noted that the use of the word "other" in the regulation is not superfluous. Instead, it transforms 37 C.F.R. § 10.23(b)(6) into a "catch all" provision that addresses conduct that does not fall under the subsections immediately preceding it.<sup>25</sup> As a result, conduct that violates any provision of § 10.23(b)(1) through (b)(5) cannot also violate § 10.23(b)(6). *In re Lane*, USPTO Proceeding No. D2013-07, at 16 (USPTO Mar. 11, 2014); *In re Kelber*, USPTO Proceeding No. 2006-13 at 59 (USPTO Sept. 23, 2008). Respondent's conduct violated several Disciplinary Rules. Accordingly, the allegations are cognizable under § 10.23(b)(1). The OED Director has not alleged any "other" conduct that

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<sup>24</sup> Respondent testified that, due to his separation from his wife, he was "basically locked out" of the marital home in November 2011. At one point, he "had to get a policeman to get me in there to get my stuff." Respondent did not explain why he did not retrieve the EPRT file during that police-facilitated visit to his home.

<sup>25</sup> 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.



would fall within the purview of 37 C.F.R. § 10.23(b)(6). Respondent has therefore not violated this provision.

After considering all of the evidence in the record, the Court finds, by clear and convincing evidence, as follows:

#### **Count I**

- a. Respondent violated 37 C.F.R. § 10.23(a) and (b) via 10.23(c)(8) by failing to timely inform Ms. Blake or anyone at EPRT of the Third Rejection Letter in 2005, the June 2009 Board Decision, and the August 2009 Notice of Abandonment. He did not receive the latter two documents when they were sent, and so could not have forwarded them to EPRT. However, his non-receipt of the documents was an error of his own making and does not absolve him of his responsibilities to his client.
- b. Respondent adequately communicated with Ms. Blake and EPRT in 2007 and 2008. He therefore did not violate 37 C.F.R. § 10.77(c) as to his communications with his client during that time period.
- c. Respondent did violate 37 C.F.R. § 10.77(c) by neglecting the '519 Application from May 2006 until October 2011. He failed to properly monitor the progress of the Second Appeal, and so was unaware of the Board Decision or the Notice of Abandonment until it was too late to prevent the abandonment. He did not persist in his attempts to contact Ms. Oropeza in 2009, despite knowing she had attempted to communicate with him by phone prior to the abandonment. Respondent also took no steps to confirm the status of the '519 Application in 2010 and 2011 despite Ms. Blake's frequent requests for updates.
- d. Respondent violated 37 C.F.R. § 10.84(a)(1) and (2) by neglecting the '519 Application. His failure to properly monitor the appeal rendered it impossible for him to accomplish the task for which he had been hired. He also violated the Disciplinary Rule by deliberately abandoning his representation of EPRT after his exchange with Mr. Farahmand.
- e. Any violation of 37 C.F.R. § 10.23(c) constitutes a violation of 37 C.F.R. § 10.23(a). Respondent has violated multiple Disciplinary Rules. He has therefore also violated 37 C.F.R. § 10.23(a).
- f. Respondent has not violated 37 C.F.R. § 10.23(b)(6) because the OED Director has failed to allege any other conduct that is not covered by other subsections of 37 C.F.R. § 10.23(b).

#### **Count II**

- a. Respondent violated 37 C.F.R. § 10.77(c) by refusing to communicate with Ms. Blake about the status of the '519 Application in 2010 and 2011.

- b. Respondent did not receive the Board Decision or the Notice of Abandonment until October 2011. Therefore, his July 30, 2010, e-mail was not dishonest or deceitful. Accordingly, Respondent did not violate 37 C.F.R. § 10.23(b)(4).
- c. Respondent did not violate 37 C.F.R. § 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(2)(i) because he did not know the status of the '519 Application at the time he wrote the July 30, 2010, e-mail. The e-mail therefore was not intended to be false or misleading.
- d. Respondent did not violate 37 C.F.R. § 10.85(a)(5) because he did not know the content of the July 30, 2010, e-mail was false.
- e. Respondent did not violate 37 C.F.R. § 10.84(a)(1) and (a)(2) by refusing to communicate with Ms. Blake in 2010 and 2011. Failure to communicate with a client, in and of itself, does not indicate refusal to carry out the terms of a contract or a refusal to seek the client's lawful objectives. Respondent's refusal to respond to Ms. Blake is evidence of his neglect of the '519 Application. It is the consequences of that neglect that places him in violation of 37 C.F.R. § 10.84(a)(1) and (a)(2).
- f. Respondent has violated 37 C.F.R. § 10.112(c)(4) by refusing to return EPRT's client file when requested. EPRT was entitled to receive the file because no retaining lien existed at the time the request was made. Respondent's failure to maintain possession of the file was an error of his own making and does not absolve him of his responsibility to return the file. Moreover, Respondent testified that he was able to retrieve personal property from the house with police assistance.
- g. Any violation of 37 C.F.R. § 10.23(c) constitutes a violation of 37 C.F.R. § 10.23(a). Respondent has violated multiple Disciplinary Rules. He has therefore also violated 37 C.F.R. § 10.23(a).
- h. Respondent has not violated 37 C.F.R. § 10.23(b)(6) because the OED Director has not alleged any conduct that is not covered by other subsections of 37 C.F.R. § 10.23(b).

### **Sanctions**

The Court often looks to the ABA's Standards for Imposing Lawyer Sanctions ("ABA Standards") for guidance when determining the proper length and severity of a sanction, or when determining whether aggravating or mitigating factors exist. See *In re Chae*, Proceeding No. D2013-01, at 4 (USPTO Oct. 21, 2013). Before sanctioning a practitioner, the Court must consider the following four factors listed in 37 C.F.R. § 11.54(b):

- (1) Whether the practitioner has violated a duty owed to a 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.

## 1. Respondent Violated His Duties to EPRT

Respondent was hired to attempt to salvage the '519 Application in December 2002. His last communication with PTO occurred in May 2006. Respondent has argued in passing that he no longer had a duty to EPRT after December 2006, when it assigned the rights to the '519 Application to Thrisoint. There is no merit to this argument. Respondent never withdrew his representation of EPRT, and several e-mails in 2008 confirm that he continued to actively represent its interests after EPRT's acquisition by Thrisoint. Respondent therefore remained obligated to fulfill his duties to EPRT. Instead, he refused to return phone calls and e-mails from Ms. Blake, and disregarded important phone calls from the PTO examiner. Respondent utterly neglected the '519 Application for almost two years. As a result, he failed to keep EPRT apprised of the '519 Application's progress, leading to the Application's abandonment. Finally, he refused to return EPRT's client file despite an explicit request to do so. Respondent has thus repeatedly failed in his responsibilities to his client.

Respondent's duties to the public, the legal system, and the legal profession are less directly implicated by his conduct. Any improper behavior by a member of the legal community undermines public faith in the sanctity of the legal system. However, Respondent's primary duty is to his client, not the population at large. There is no tangible injury to the public here; EPRT- and only EPRT-suffered the consequences of Respondent's misconduct. Likewise, there is no substantive damage to the legal system. Respondent alone has been tainted by his actions. This factor supports a moderate sanction.

## 2. Some of Respondent's Actions Were Intentional or Negligent

The Court finds that Respondent's neglect of the '519 Application stemmed primarily from his decision to move to the 28 W. Flagler address. Had he remained in his original office, or changed his correspondence address to his home office, he would have timely received the Board Decision and the Notice of Abandonment. He would therefore have had an opportunity to inform EPRT of those documents, agree upon a course of action, and file appropriate responses. Instead, he entrusted a receptionist to sort his mail without his input. By doing so, he put the burden on the receptionist to recognize critical correspondence and notify him in a timely manner. It was a calculated risk that has cost both Respondent and EPRT.

Compounding the risk was Respondent's insufficient docket management system. Rather than using an electronic system, Respondent testified that he maintained a manual system and relied on his (now former) wife to keep him informed of upcoming deadlines. He had no "tickler" system in place to remind him to check on pending applications. He therefore had no way to monitor his cases, other than contacting PTO directly. Despite his claims that he adequately monitored the '519 Application, the evidence is overwhelming that he did not. He never contacted Ms. Oropeza in 2009, and apparently never received any updates about the Application in 2010. A successful phone call should have made it immediately apparent that the Application had been abandoned by that date. Respondent also never associated his Customer

ID number with the '519 Application, making it impossible for him to monitor its progress electronically.<sup>26</sup> He therefore negligently allowed the Application to go abandoned.

Respondent's refusal to communicate with Ms. Blake, however, was intentional. He received at least nine e-mails and an untold number of telephone calls from her in 2010 and 2011. He chose not to respond to any of them, other than a single, abbreviated, non-substantive call in 2010.

Respondent's failure to return the EPRT client file was also intentional. He knew precisely where the file was located, and knew he had an obligation to return it. Armed with that knowledge, he made no attempt to reclaim the file. The Court appreciates the sensitive circumstances underlying Respondent's decision. However, marital strife cannot shield him from his responsibility to his clients. Again, he understood the risks of maintaining private files in a home office during a period of intense personal turbulence. He must be held accountable. This factor also warrants a moderate sanction.

### 3. EPRT's Has Suffered Economic Harm, but the Amount of Injury is Impossible to Quantify

Respondent has consistently argued that the abandonment of the '519 Application caused EPRT no economic harm because the invention could never have obtained patent protection. The Court offers no opinion on the accuracy of this assessment. It would be an exercise in futility to speculate whether the invention was actually patentable, or what kind of profit it could have generated if it had been patented. However, that is not the entire scope of the inquiry. EPRT paid Respondent between \$35,000 and \$45,000 to guide the '519 Application through the patent process. The original estimate for this service was only \$4,000. EPRT's return on its investment has been nothing.<sup>27</sup> The client has thus experienced substantial monetary harm because of its dealings with Respondent.

Unfortunately, the Court has no way to determine what percentage of EPRT's payments were in vain. Respondent did represent EPRT's interests competently, at least for a time. Without a clear guide, it is simply impossible to arrive at a non-arbitrary dollar figure representing EPRT's loss. Nonetheless, there is no plausible dispute that the client's attempts to secure a patent for the '519 Application left it economically weaker. Nor is there any dispute that Respondent's neglect and misconduct exacerbated EPRT's suffering. Additionally, EPRT has expended more than \$170,000 in litigation costs against Respondent, with at least one lawsuit still ongoing. This merits an increased sanction against Respondent.

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<sup>26</sup> Respondent asserts that because he failed to associate his Customer ID number with the '519 Application in 2002, any charges based on that conduct are time-barred. This assertion is incorrect. A patent practitioner is not required to associate a Customer ID number with a patent application. The decision not to do so is therefore not misconduct. Statutes of limitation prohibit prosecution of stale charges. The failure to associate his Customer ID number is not included in any of the charges. It is merely a fact introduced as evidence to support the charges of neglect. As already discussed, the neglect charges are timely.

<sup>27</sup> Respondent also now stands in the way of EPRT's attempts to revive the '519 Application. Despite agreeing to settle the Florida malpractice case, Respondent has refused to accept blame for involuntarily abandoning the Application. An admission of intentional abandonment was one of the settlement terms. Such an acknowledgement would allow EPRT to revive the '519 Application. Respondent has proffered no reason for his refusal, and none is readily apparent other than spite.

#### 4. Aggravating and Mitigating Factors Exist in This Case

The Court also turns to the ABA Standards when determining whether aggravating or mitigating factors exist. See Lane, USPTO Proceeding No. D2013-07, at 19; American Bar Association STANDARDS FOR IMPOSING LAWYER SANCTIONS (2005) § 9.2. Upon review of the record, the Court finds six aggravating factors<sup>28</sup> and two mitigating factors.<sup>29</sup>

The most serious of Respondent's aggravating factors is his disciplinary history, both before the USPTO and the Florida Bar. He has been disciplined at least twice by the state of Florida. Both cases bear some similarities to the present controversy.

In 1995, Respondent agreed to a consent judgment in Florida, resulting in a 10-day suspension. That proceeding involved a client's attempts to resolve apparent duplicate charges for legal fees, and repayment of unexpended payments. Respondent refused to provide the requested information and did not return the unearned fees until after the client filed a disciplinary grievance. The Supreme Court of Florida held that Respondent had violated Florida Bar Rule 4-1.4(a), which requires an attorney to respond to a client's reasonable requests for information; Rule 4-1.4(b), which states that an attorney must explain matters to the extent reasonably necessary to allow the client to make an informed decision about the course of action; and Rule 4-1.15(b), which requires an attorney to promptly deliver to a client any funds that they are entitled to and render a full accounting of charges.

Florida Bar Rules 4-1.4(a) and (b) serve substantially the same function as PTO Disciplinary Rule 10.23(c)(8). Florida Bar Rule 4-1.15(b) is, in wording and function, nearly identical to PTO Disciplinary Rule 10.112(c)(4). Respondent was thus aware, in 1995, that ignoring client requests for information was sanctionable misconduct.

In 2011, Respondent again accepted a consent judgment in Florida, resulting in a public reprimand. The case revolved around Respondent's failure to inform a client that he would no longer pursue the client's interests, and his failure to tell the client that the client's trademark applications had been abandoned. Respondent was found to have violated Florida Bar Rule 4-1.4(a) again, as well as Rule 4-8.4(d), which prohibits conduct that is prejudicial to the administration of justice.

The OED Director sought to impose reciprocal discipline against Respondent in connection with the 2011 state discipline. Respondent vociferously opposed any such reciprocal discipline. Despite the fact that he had consented to the Florida discipline, Respondent argued before the OED Director that the PTO's rules should have been applied in the Florida proceeding

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<sup>28</sup> Aggravating factors include: (a) prior offenses; (b) dishonest or selfish motive; (c) a pattern of misconduct; (d) multiple offenses; (e) bad faith obstruction of the disciplinary proceeding; (f) submission of false evidence, false statements, or deceptive practices during the disciplinary proceeding; (g) refusal to acknowledge wrongful nature of conduct; (h) vulnerability of the victim; (i) substantial experience in the law; (j) indifference to making restitution; and (k) illegal conduct. ABA Standards § 9.2

<sup>29</sup> Mitigating factors include: (a) no prior offenses; (b) no dishonest or selfish motive; (c) personal or emotional problems; (d) timely, good faith effort to make restitution; (e) full and free disclosure and cooperative attitude during disciplinary proceeding; (f) inexperience in the legal profession; (g) character or reputation; (h) physical disability; (i) mental disability or chemical dependency; (j) delay in disciplinary proceedings; (k) imposition of other sanctions; (l) remorse; or (m) remoteness of prior offenses.

rather than the state's own rules. He also contended that the Florida proceeding had been constitutionally inadequate and constituted a grave injustice. Respondent's arguments were unpersuasive, and the OED Director thus imposed a public reprimand on November 18, 2013.

As the 2011 disciplinary action was resolving itself, Respondent was also embroiled in the malpractice lawsuits brought against him by EPRT and Thrisoint in Texas and, later, in Florida. Those proceedings were predicated on the same conduct at issue in the present case. Respondent agreed in principle to settle the Florida malpractice suit, including paying EPRT \$7,000. But to date he has not complied with any of the terms of that settlement, and now disputes that he is required to do so. Respondent effectively leaves EPRT in a lurch because the Florida case has already been dismissed with prejudice based on the settlement agreement.<sup>30</sup>

The case at bar constitutes Respondent's fourth disciplinary proceeding. His previous sanctions have not inspired him to better appreciate his duties toward his clients. He has refused to respond to his client, refused to return client property, and allowed a client matter to go abandoned, just as he did in 1995 and 2011. A more severe sanction is therefore warranted.<sup>31</sup>

A second aggravating factor is Respondent's attempt to silence Ms. Blake and other EPRT employees. While negotiating the settlement agreement in the Florida malpractice lawsuit, Respondent inserted into the settlement agreement a section prohibiting any EPRT personnel from testifying or participating in Florida's or the PTO's disciplinary investigations against him. Both investigations were prompted by grievances filed by Ms. Blake on behalf of EPRT. The final settlement agreement included Respondent's prohibition, albeit with additional language noting that EPRT personnel could participate if subpoenaed.

The only purpose of this prohibition was to hinder or derail the disciplinary investigations against him. The Court thus agrees with the OED Director that this constitutes bad faith obstruction of the PTO disciplinary investigation. See Kentucky Bar Ass'n v. Unnamed Attorney, 414 S.W.3d 412, 418 (Ky. 2013) (court applying similar rule found violation where a settlement agreement required grievant to either withdraw disciplinary complaint or refuse to voluntarily cooperate with investigation).

A third aggravating factor is Respondent's obstinate refusal to recognize his wrongdoing or the harm he has caused his client. This case could have been resolved in 2011 with an apology and the return of EPRT's payments. Instead, Respondent has turned it into a war of attrition. To date, Respondent has never offered EPRT a refund. He has never apologized to Ms. Blake for deliberately ignoring her urgent pleas for information. He has not acknowledged the consequences of neglecting the '519 Application for almost two years. He has shown no hint of remorse for his actions. To the contrary, Respondent has attempted to deflect blame onto any

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<sup>30</sup> The Court will consider the facts surrounding Respondent's unfulfilled conditions of his settlement agreement with Thrisoint in the Southern District of Florida lawsuit as aggravation in determining an appropriate sanction in this case. Arguably Respondent's conduct in that matter could have been alleged as a violation of 37 C.F.R. § 10.23(b)(6), but it was not.

<sup>31</sup> In his *Post-Hearing Reply Brief*, Respondent argues that the discipline in 1995 was too remote to be treated as an aggravating factor here. Generally, the Court would be inclined to agree. However, the misconduct involved in that case is identical to misconduct found here. Respondent either did not adjust his conduct after the 1995 discipline, or he has slipped back into his old habits.

number of alternate targets. Among others, he blames the receptionist in his virtual office for misplacing his mail, his ex-wife for maintaining possession of EPRT's file, and Mr. Farahmand for allegedly threatening a malpractice lawsuit. He even blames Ms. Blake and Mr. Estes for not asking probing questions about his handling of their patent application, and for not hiring an experienced patent attorney as his replacement.<sup>32</sup> While there may be a whisper of truth in some or all of these critiques, none of these events would have occurred if not for Respondent's own misconduct. He is simply unwilling to be held accountable for his actions.<sup>33</sup> This demands a harsher penalty.

A fourth aggravating factor is Respondent's legal experience. Respondent has been a practicing attorney for almost half a century. His dismissive treatment of his client and neglect of EPRT's patent application thus cannot be brushed aside as the mistakes of a novice practitioner. The Court is deeply concerned by Respondent's apparent disregard for the ethical rules of his profession.

Experience is also often considered as a mitigating factor, but it does not mitigate Respondent's conduct here. The Court does note that during nearly 50 years of legal service, Respondent has faced public discipline only three other times. Additionally, the 2011 public reprimand, and the reciprocal discipline it spawned, occurred during approximately the same years as the incidents at issue today. It is undisputed that Respondent faced severe personal turbulence during those years.

However, the Court cannot attribute Respondent's misconduct during those years to a momentary, stress-related departure from his normal code of behavior. Despite the normalization of his personal affairs, Respondent's behavior has not improved in the intervening years. To the contrary, his conduct during the Florida malpractice suit and during this proceeding have arguably provided ammunition for more disciplinary complaints. For example, during the Florida proceeding Respondent sent Ms. Blake an ill-advised and ethically inappropriate<sup>34</sup> e-mail threatening a counterclaim and stating, "this is going to cost you \$10,000—my demand to settle." Additionally, the Court has already found that he deliberately attempted to frustrate the OED Director's investigation in this proceeding by negotiating the

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<sup>32</sup> Respondent makes much of the fact that EPRT employs the legal services of Ms. Helene Pretsky as their securities attorney. Ms. Pretsky also practices patent law, but does not do so for EPRT. Respondent argues that Ms. Pretsky should have been handling the revival of the '519 Application instead of Mr. Farahmand or Mr. Babayi. Respondent's opinion as to who EPRT should hire for what roles is of no consequence.

<sup>33</sup> During the hearing, Respondent testified that his primary motivation in contesting EPRT's allegations is to avoid a suspension that would cripple his legal practice, which is his primary source of income.

<sup>34</sup> Ms. Blake and EPRT were represented in that lawsuit by Steven Greenberg and Ms. Chaiken. Florida Bar Rule 4-4.2 instructs attorneys that, with limited exceptions, they "must not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer." The Florida Bar explains that this rule is intended in part to prevent an attorney from interfering with the attorney-client relationship of an adverse party. USPTO Disciplinary Rule 10.87(a) is substantively identical in purpose to Florida Bar Rule 4-4.2, as is Rule 11.402 of the current USPTO Rules of Professional Conduct. Regardless, Respondent's e-mail to Ms. Blake described Mr. Greenberg as "scum" and stated that "his interest [sic] are not your interests" and "don't rely on greenberg [sic]." These statements could only have been intended to drive a wedge between Ms. Blake and her chosen counsel. Respondent acknowledged in his testimony that the e-mail was "unfortunate and inappropriate."

silence of EPRT personnel, in violation of 37 C.F.R. § 11.304(f). Moreover, his *pro se* defense<sup>35</sup> throughout this proceeding has at times crossed the border from zealousness into abusive. Most recently, Respondent's *Post-Hearing Brief* labeled Ms. Chaiken as a serial perjurer and derided Ms. Blake as simply the mistress of Mr. Wendell, rather than a co-founder of EPRT in her own right. Such incendiary, unsupported, and potentially libelous comments have no place in the record and are beneath the dignity of the Court and its officers. Moreover, these comments could have violated 37 C.F.R. § 10.23(c)(15).<sup>36</sup> Respondent's willingness to step beyond the bounds of good practice and professional behavior are a strong indication that his commitment to ethical conduct has grown weaker over the years. A course correction is required.

Finally, Respondent is uninterested in making restitution to EPRT. Despite signing a settlement agreement in which he promised to pay EPRT \$7,000, he now claims he has no obligation to do so. This suggests the settlement agreement was made in bad faith and was merely an attempt to escape the Florida malpractice proceeding. As a result, EPRT has been forced to expend more resources by filing another lawsuit in Florida to enforce the agreed-upon terms. This factor supports a moderate sanction.

In mitigation, the Court recognizes the distracting effect of Respondent's acrimonious separation from his wife in 2011. This could have impacted his decision making at that time. However, that does not explain Respondent's neglect in 2009 or his refusal to communicate with Ms. Blake in 2010 and 2011. Additionally, Respondent referenced his marital discord only as it related to his inability to reclaim possession of EPRT's client file. He did not present any evidence that his personal turmoil negatively affected his mental state during that time period. Accordingly, this factor offers minimal mitigation.

The lack of dishonest motive also works in Respondent's favor. Respondent's conduct was not the result of greed or any other nefarious consideration. Although he refused to communicate with Ms. Blake in 2010 and 2011, he did not do so to hide his neglect; he was unaware at the time that he had neglected the '519 Application. This factor therefore mitigates the sanction.

## ORDER

The OED Director requests that the Court suspend Respondent from practice before the PTO for 6-12 months, with reinstatement conditioned upon Respondent taking and passing the MPRE. The Court finds that Respondent should be sanctioned for seven of the 13 alleged violations which would suggest against imposition of a maximum sanction. Additionally, none of Respondent's violations were dishonest, misleading, false, or done with malicious intent. It

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<sup>35</sup> The Court considers Respondent to be acting *pro se*, although he was supported at the hearing by attorney Edmar Amaya. Although Mr. Amaya remains listed as Respondent's co-counsel, it does not appear that his participation in this case extended beyond the hearing itself. Respondent has consistently identified himself as *pro se* on the cover page of his filings, even while claiming to be represented by counsel. Moreover, the distinctive grammatical and typographical errors present in all of Respondent's filings are a reliable indicator that he has been their sole author throughout this proceeding.

<sup>36</sup> 37 C.F.R. § 10.23(c)(15) prohibited a practitioner from "making a scandalous or indecent statement in a paper filed in the Office." There is no direct corollary in the USPTO's Rules of Professional Conduct.



has not been proven that he deliberately abandoned the '519 Application and or lied to Ms. Blake, which also militates against imposition of a maximum sanction.

The appropriate sanction must take into consideration the aggravating and mitigating factors. All six aggravating factors are serious concerns, none more so than Respondent's previous disciplinary history. The mitigating factors are less impactful, but they cannot be ignored.

Based on the foregoing findings and conclusions, as well as consideration of the factors identified in 37 C.F.R. § 11.54(b), the Court concludes that an eight-month suspension is an appropriate sanction for Respondent's multiple violations of the Disciplinary Rules found in this matter.<sup>37</sup> Respondent's persistent refusal to recognize his own wrongdoing also indicates that he is currently oblivious to the fact that his behavior is at odds with his ethical obligations to his clients. He cannot be an adequately functional attorney without knowledge of—and adherence to—his professional responsibilities. Accordingly, it is appropriate to require that he take the MPRE to re-familiarize himself with the expectations for members of the legal profession. His suspension shall remain in force until the eight-month period has run, he has passed the MPRE, and he has been reinstated by the OED Director.<sup>38</sup>

So **ORDERED**,

  
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J. Jeremiah Mahoney  
United States Administrative Law Judge

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

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<sup>37</sup> Respondent is directed to 37 C.F.R. § 11.58, which sets forth Respondent's duties while suspended. Respondent shall remain suspended from the practice of patent, trademark, and non-patent law before the USPTO until the OED Director grants a petition reinstating Respondent pursuant to 37 C.F.R. § 11.60(c).

<sup>38</sup> Finally, addressing a collateral matter, Respondent's *Post-Hearing Reply Brief* included a request for attorney's fees in an amount "not less than \$150,000" pursuant to 5 U.S.C. § 504. Respondent is not a prevailing party in this proceeding, so he would not be entitled to attorney's fees. If this request was properly before the Court, it would be **DENIED**.