

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

In the Matter of:)
)
Ming Chow,) Proceeding No. D2018-27
)
Respondent.)
_____)

FINAL ORDER

The Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Ming Chow (“Respondent”) have submitted a Proposed Settlement Agreement (“Agreement”) to the Under Secretary Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

The Agreement, which resolves all disciplinary action by the USPTO arising from the stipulated facts set forth below, is hereby approved. This Final Order sets forth the parties’ stipulated facts, legal conclusion, and sanctions.

Jurisdiction

1. At all times relevant, Respondent, of Germantown, Maryland has been a registered patent agent (Registration Number 58,531) who is subject to the USPTO Code of Professional Responsibility, which is set forth at 37 C.F.R. § 10.20 *et seq.*, and the USPTO Rules of Professional Conduct, which are set forth at 37 C.F.R. §§ 11.101 through 11.901.¹

2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

Joint Stipulated Facts

3. The USPTO registered Respondent as a patent agent on April 24, 2006, (Registration No. 58,531).

4. Respondent formed Sinorica, LLC, a Maryland Limited Liability Corporation (“Sinorica”), in or around 2006.

¹ Effective May 3, 2013, the USPTO Rules of Professional Conduct apply to practitioners who practice before the Office. *See* 37 C.F.R. §§ 11.101 through 11.901. The USPTO Code of Professional Responsibility applies to misconduct occurring prior to May 3, 2013. *See* 37 C.F.R. §§ 10.20 through 10.112. The allegations of misconduct set forth in the Complaint occurred prior to and after May 3, 2013. Therefore, both the USPTO Code of Professional Responsibility and USPTO Rules of Professional Conduct apply.

5. Between 2006 and the date of filing of the OED Director's disciplinary Complaint against him, Respondent was the sole licensed practitioner who worked for Sinorica. Any patent applications filed with the Office between those dates were filed under one of Respondent's two customer numbers.

6. At least since 2011, Sinorica has done business with Thoughts to Paper LLC, a Maryland Limited Liability Corporation ("TTP").

7. Tone Chow, also known as Tony Chow, is the founder and operator of TTP. Tone Chow is Respondent's son.

8. Since at least 2011, TTP and Sinorica were parties to an agreement by which TTP supplied certain services to Sinorica, and Sinorica would pay to TTP a fixed or hourly rate for those services. The terms of that agreement included services such as search engine optimization, software licensing, bookkeeping, marketing and advertising, office space management, human resources management, information technology support, and website management.

9. TTP operates the website thoughtstopaper.com. Through that website, TTP sells patent, trademark, and business services to members of the public, in addition to the services that it provides to Sinorica.

10. TTP employs approximately 30 non-practitioner employees. Some, but not all, of those employees have degrees in a technical field. As of the time of the filing of the Complaint, TTP did not employ any licensed practitioners.

11. TTP refers patent clients to Sinorica. Respondent performs some legal work for those patent clients, including drafting or reviewing utility patent applications and drafting responses to office actions.

12. Respondent files a large number of patent applications. Between August 2012 and December 2017, Respondent's customer number was associated with approximately 6,760 applications. This averages out to approximately 105 applications per month, or about five applications per work day, all filed under Respondent's customer number.

13. A substantial percentage of Respondent's clients come from TTP referrals. Between August 2012 and December 2017, approximately 5,360 applications, or just under 80 per cent of the total number of patent applications filed by Respondent were referrals from TTP.

14. Practice before the Office in patent matters includes, but is not limited to, preparing and prosecuting any patent application, consulting with or giving advice to a client in contemplation of filing a patent application or other document with the Office, drafting the specification or claims of a patent application, drafting an amendment or reply to a communication from the Office that may require written argument to establish the patentability of a claimed invention, or drafting a reply to a communication from the Office regarding a patent application. 37 C.F.R. § 11.5(b).

15. TTP's non-practitioner employees routinely perform patent searches, draft patentability opinions, and draft patent applications for design patents and provisional utility patents. TTP's non-practitioner employees routinely communicate directly with patent clients referred to Respondent by TTP. In most cases, these actions take place with little or no supervision by Respondent.

16. TTP's non-practitioner employees regularly engage in conduct that constitutes practice before the Office.

17. The compensation of TTP's non-practitioner employees varies based on their individual work load. A TTP non-practitioner employee may earn a bonus of up to nearly a third of his base pay based on work load. Not meeting workload requirements may result in termination.

18. It is the pattern and practice of TTP and Respondent that Respondent does not directly communicate with TTP/Respondent clients except on rare occasions. TTP/Respondent patent clients typically communicate primarily with their "case manager," a non-practitioner TTP employee, and can sometimes have telephone conferences with non-practitioner "engineers" who are also TTP employees. TTP does not typically identify Respondent as the licensed practitioner who works on the matter. TTP/Respondent clients typically sign Powers of Attorney in which Respondent is identified only by his customer number. Respondent's name and contact information are not routinely disclosed to the client.

19. Only some of TTP/Respondent clients signed a separate engagement agreement with Sinorica.

20. Respondent is and has been aware that the non-practitioner employees of TTP engage in conduct that amounts to practice before the Office. Respondent's physical office space is located in the same office suite as TTP.

21. TTP/Respondent clients pay TTP directly for the patent services supplied by Respondent. TTP claims to pass along the entirety of the fee paid by the TTP/Respondent clients to Respondent. Respondent then pays TTP for services TTP performs for Respondent. In most cases, there is no clear disclosure to TTP/Respondent clients that their funds are paid to Respondent through a third party. In most cases, there is no clear disclosure to TTP/Respondent clients of the amount of the money they pay that is dedicated to legal fees. In most cases, Respondent does not obtain informed consent, confirmed in writing from his clients, as to the third-party payment agreement.

22. Although Respondent received approximately 80% of his referrals from TTP, in most cases there was no disclosure to clients that there was a significant risk that Respondent's representation of clients could be materially limited by a personal financial interest in maintaining his business relationship with TTP, both as an individual and as a principal for Sinorica. In most cases, Respondent did not obtain informed consent, confirmed in writing, to the conflict. Many clients were entirely unaware of any relationship between TTP, Sinorica and/or Respondent.

23. The Office of Enrollment and Discipline (“OED”) initiated a lawful investigation of this matter pursuant to 37 C.F.R. 11.22, prior to the filing of the Complaint.

24. Respondent made material misleading statements to OED during the investigation of this matter.

Additional Considerations

25. None of Respondent’s clients filed a grievance against him before the USPTO.

26. Respondent has no disciplinary history.

27. Respondent expresses remorse, and recognizes that his actions violated his duties to his clients.

Joint Legal Conclusions

28. Respondent acknowledges that, based on the information contained in the Stipulated Facts, above, Respondent’s acts and omissions, before May 3, 2013, violated the following provisions of the USPTO Code of Professional Responsibility:

- a. 37 C.F.R. § 10.23(b)(5), engaging in conduct prejudicial to the administration of justice, by assisting in and facilitating unauthorized practice before the Office by TTP’s non-practitioner employees;
- b. 37 C.F.R. § 10.47 (a) and (c), aiding a non-practitioner in unauthorized practice before the Office by maintaining his business relationship with TTP, which resulted in a volume of applications that was only possible due to the practice before the Office performed by TTP’s non-practitioner employees;
- c. 37 C.F.R. § 10.62(a), accepting employment when the exercise of Respondent’s professional judgment on behalf of the client will be or reasonably may be affected by Respondent’s financial, business, property, or personal interests without obtaining consent after full disclosure, by accepting referrals from TTP without obtaining consent after full disclosure from his clients;
- d. 37 C.F.R. § 10.68(a)(1), accepting compensation for patent legal services from a person other than Respondent’s client without obtaining consent from the client after full disclosure, by accepting compensation from TTP for patent legal services without obtaining consent after full disclosure from each referred client; and
- e. 37 C.F.R. § 10.77(c), neglecting a legal matter entrusted to the practitioner by failing to adequately communicate with clients about their intellectual property objectives, the appropriateness of the client’ choice of the type of

patent application to be filed, Office actions received in their applications, and/or the responses to be filed to the Office actions.

29. Respondent acknowledges that, based on the information contained in the Stipulated Facts, above, Respondent's acts and omissions, on or after May 3, 2013, violated the following provisions of the USPTO Rules of Professional Conduct:

- a. 37 C.F.R. § 11.104(a)(2), failing to reasonably consult with clients about the means by which the clients' objectives are to be accomplished by failing to communicate adequately with clients about their intellectual property objectives, the appropriateness of the clients' choice of the type of patent application to be filed, Office actions received in their applications, and/or responses to Office actions to be filed;
- b. 37 C.F.R. § 11.104(b), failing to explain a matter to the extent reasonably necessary to permit the clients to make informed decisions regarding the representation, by failing to communicate adequately with clients about their intellectual property objectives, the appropriateness of the clients' choice of the type of patent application to be filed, Office actions received in their applications, and/or responses to be filed to Office actions;
- c. 37 C.F.R. § 11.107(a)(2), representing a client without obtaining informed consent, confirmed in writing, where there is a concurrent conflict of interest, by accepting clients referred from TTP for patent legal services without obtaining written consent after full disclosure from each such referred client;
- d. 37 C.F.R. § 11.108(f), accepting compensation for representing a client from a person other than Respondent's client without obtaining consent from the client after full disclosure, by accepting compensation from TTP for rendering patent legal services to clients without obtaining consent after full disclosure from each such referred client;
- e. 37 C.F.R. § 11.505, assisting non-practitioner employees of TTP in practicing before the Office in patent matters without authorization, by continuing his business relationship with TTP when such relationship was only made possible by the unauthorized practice of TTP's non-practitioner employees;
- f. 37 C.F.R. § 11.801(b), failing to cooperate with the Office of Enrollment and Discipline in an investigation, by making misleading statements to OED during its investigation; and
- g. 37 C.F.R. § 11.804(d), engaging in conduct prejudicial to the administration of justice, by assisting in the unauthorized practice by TTP non-practitioner

employees, and by providing misleading information to OED during its investigation.

Agreed-Upon Sanction

30. Respondent agrees and it is hereby ORDERED that:
- a. Respondent be and hereby is suspended from practice before the Office in patent matters for thirty-six (36) months commencing on the date this Final Order is signed;
 - b. Respondent shall be eligible to file a petition for reinstatement pursuant to 37 C.F.R. § 11.60(b) thirty (30) months after the date of this Final Order; the OED Director shall proceed with the review of such petition; and notwithstanding any part of this subparagraph, no such petition shall be granted prior to thirty-six (36) months after the date of the Final Order is signed; and the OED Director may require that Respondent submit a supplemental document compliant with 37 C.F.R. § 11.60 (c)(3) prior to reinstatement, asserting that the Respondent has complied with the requirements of 37 C.F.R. § 11.58 during the entire period of Respondent's suspension;
 - c. Respondent shall remain suspended from the practice of patent law before the USPTO until the OED Director grants a petition requesting Respondent's reinstatement pursuant to 37 C.F.R. § 11.60;
 - d. As a condition of reinstatement, Respondent shall take at least three hours of Continuing Legal Education courses in which the primary subject is law office management and/or client communication;
 - e. Respondent shall comply with 37 C.F.R. § 11.58 and 11.60;
 - f. Respondent shall serve a twenty-four (24) month probationary period commencing on the date of his reinstatement to practice before the USPTO;
 - g. (1) In the event the OED Director is of the good faith opinion that Respondent, during the probationary period, failed to comply with any provision of the Agreement, the Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct, the OED Director shall:
 - (A) issue to Respondent an Order to Show Cause why the USPTO Director should not order that Respondent be immediately suspended for up to one year for the violations set forth in the Joint Legal Conclusions, above;

(B) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director; and

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

(2) In the event that after the fifteen (15) day period for response and after the consideration of the response, if any, received from Respondent, the OED Director continues to be of the opinion that Respondent, during Respondent's probationary period, failed to comply with any provision of the Agreement, the Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct, the OED Director shall:

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

(B) request that the USPTO Director immediately suspend Respondent for up to one year for the violations set forth in the Joint Legal Conclusions, above;

- h. In the event the USPTO Director suspends Respondent pursuant to subparagraph (g), above, and Respondent seeks a review of the suspension, any such review of the suspension shall not operate to postpone or otherwise hold in abeyance the suspension;
- i. Respondent is granted limited recognition to practice before the Office beginning on the date this Final Order is signed, and expiring thirty (30) days after the date this Final Order is signed, with such limited recognition being granted for the sole purpose of facilitating Respondent's compliance with 37 C.F.R. § 11.58(b);
- j. The OED Director shall electronically publish this Final Order at OED's electronic FOIA Reading Room, which is publicly accessible at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- k. The OED Director shall publish the following notice in the *Official Gazette*:

Notice of Suspension

This notice concerns Ming Chow of Germantown, Maryland, a registered patent agent (Registration Number 58,531). The United States Patent and Trademark Office (“USPTO” or “Office”) has suspended Mr. Chow for thirty-six (36) months from practice before the Office in patent, trademark, and non-patent matters for violating multiple disciplinary rules. As a condition of being reinstated, Mr. Chow must verify that he has taken three hours of continuing legal education classes focusing on law practice management and client communication.

Respondent founded Sinorica, a Maryland Limited Liability Corporation (“Sinorica”), in 2006. Respondent’s son founded another Maryland Limited Liability Corporation, which has done business as Thoughts to Paper (“TTP”). TTP sold patent services to inventors, and contracted with Sinorica to provide patent legal services. Respondent was the only licensed practitioner at Sinorica. TTP employed no licensed practitioners.

TTP’s non-practitioner employees routinely performed patent searches, gave patentability opinions, drafted patent applications, and communicated directly with clients. The compensation for these employees was partially determined by their individual workloads. Respondent was aware that the non-practitioner employees routinely engaged in conduct that satisfied the definition of practice before the Office.

TTP/Sinorica clients paid TTP directly and the funds paid were then paid to Sinorica. Sinorica then paid TTP for services it rendered for Sinorica. Neither TTP nor Respondent identified the amount of funds paid to TTP that was allocated to Respondent’s legal fees. Many TTP clients did not give informed consent to Respondent being paid by a third party.

Many of Respondent’s clients did not sign an engagement agreement. Not all of TTP/Sinorica clients were aware that Sinorica was a separate entity. A substantial number of TTP/Sinorica clients were not aware that TTP and Sinorica were closely related, and that Sinorica obtained a substantial percentage of its business from TTP. A conflict of interest occurred due to the close relationship between TTP and Sinorica. Not all of TTP/Respondent’s clients gave informed consent to the conflict.

Additionally, Mr. Chow made material misleading statements to OED during the investigation of this matter.

Mr. Chow's conduct violated the following provisions of the USPTO Code of Professional Responsibility: 37 C.F.R. § 10.23(b)(5), engaging in conduct prejudicial to the administration of justice; 37 C.F.R. § 10.47 (a) and (c), aiding a non-practitioner in unauthorized practice before the Office; 37 C.F.R. § 10.62(a), accepting employment when the exercise of Respondent's professional judgment on behalf of the client will be or reasonably may be affected by Respondent's financial, business, property, or personal interests without obtaining consent after full disclosure; 37 C.F.R. § 10.68(a)(1), accepting compensation for patent legal services from a person other than Respondent's client without obtaining consent from the client after full disclosure; and 37 C.F.R. § 10.77(c), neglecting a legal matter entrusted to the practitioner.

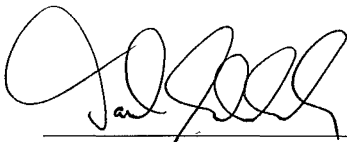
Mr. Chow's conduct after May 3, 2013, violated the following USPTO Rules of Professional Conduct: 37 C.F.R. § 11.104(a)(2), failing to reasonably consult with clients about the means by which the clients' objectives are to be accomplished; 37 C.F.R. § 11.104(b), failing to explain a matter to the extent reasonably necessary to permit the clients to make informed decisions regarding the representation; 37 C.F.R. § 11.107(a)(2), representing a client without obtaining informed consent, confirmed in writing; 37 C.F.R. § 11.108(f), accepting compensation for representing a client from a person other than Respondent's client without obtaining consent from the client after full disclosure; 37 C.F.R. § 11.505, assisting non-practitioner employees of TTP in engaging in unauthorized practice before the Office in patent matters; 37 C.F.R. § 11.801(b), failing to cooperate with the Office of Enrollment and Discipline in an investigation; and 37 C.F.R. § 11.804(d), engaging in conduct prejudicial to the administration of justice by assisting in the unauthorized practice by TTP non-practitioner employees, and by providing misleading information to OED during its investigation.

This action is the result of a settlement agreement between Mr. Chow and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26. Disciplinary decisions involving practitioners are posted for public reading at the OED Reading Room, available at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;

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

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

- m. Respondent shall fully comply with 37 C.F.R. § 11.60 upon any request for reinstatement to practice before the Office;
- n. Respondent has agreed to waive all rights to seek reconsideration of this Final Order under 37 C.F.R. § 11.56, waives the right to have this Final Order reviewed under 37 C.F.R. § 11.57, and waives the right otherwise to appeal or challenge this Final Order in any manner; and
- o. The parties shall bear their own costs incurred to date and in carrying out the terms of this Agreement and this Final Order.



David M. Shewchuk
Deputy General Counsel for General Law
United States Patent and Trademark Office

30 April 2019

Date

on delegated authority by

Andrei Iancu
Deputy Under Secretary of Commerce for Intellectual Property and
Deputy Director Of The United States Patent And Trademark Office

cc:
OED Director, USPTO

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