

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

In the Matter of:

EDWIN D. SCHINDLER,

Respondent.

Proceeding No. D2019-43

September 23, 2021

Appearances:

Robin J. Crabb, Esq.

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Edwin D. Schindler, Esq.

Pro Se

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

INITIAL DECISION AND ORDER

This above-captioned matter arises from a *Complaint and Notice of Proceeding Under 35 U.S.C. § 32* (“Complaint”) filed by the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) against Edwin D. Schindler (“Respondent”) pursuant to 37 C.F.R. §§ 11.32 and 11.34.

I. Procedural Posture

On July 10, 2019, the *Complaint* in this matter was received and assigned to the undersigned¹ for hearing pursuant to 35 U.S.C. § 32 as implemented by 37 C.F.R. part 11. The *Complaint* alleged three Counts of misconduct under the USPTO disciplinary rules. Those counts include (Count I) assisting in the unauthorized practice of law; (Count II) improperly dividing fees without client consent; and (Count III) failure to communicate with clients. This Court issued a *Notice of Hearing and Order* on July 11, 2019.

Respondent filed an *Answer* on August 9, 2019, asserting various defenses and counterclaims. In addition, on August 14, 2019, Respondent filed a *Motion to Dismiss the OED’s Complaint as Barred by the Statute of Limitations Under 35 U.S.C. § 32*, which the OED Director opposed. This Court denied the motion to dismiss on August 30, 2019.

¹ Pursuant to an Interagency Agreement in effect beginning March 27, 2013, Administrative Law Judges of the U.S. Department of Housing and Urban Development have been appointed by the U.S. Commerce Secretary and are authorized to hear cases brought by the USPTO.

On October 21, 2019, Respondent filed a *Motion for the Entry of a Default Judgment on Respondent's Constitutional Counterclaims*, which the OED Director opposed. The Court denied Respondent's motion and rejected his counterclaims by order dated November 11, 2019.

A hearing took place on November 20, 2019, in Islip, New York. The Court heard testimony from Respondent and from Diana Oleksa, staff attorney in the USPTO Office of Enrollment and Discipline ("OED"). The following exhibits were admitted into evidence: Government's Exhibits 1-15, 19-22, 24-52, 54-64, 66-69, 71-74, and 76-98 and Respondent's Exhibits 1, 11, 12, 19, 21, and 26-33. Following the Court's receipt of the transcript on December 11, 2019, the parties were ordered to file post-hearing briefs in lieu of closing arguments in accordance with the *Post-Hearing Order* issued December 11, 2019.

After extensions of the deadlines, the parties filed their *Post-Hearing Briefs* on February 28, 2020 and *Response Briefs* on March 16, 2020. This matter is now ripe for decision.

II. 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); see Sperry v. Fla. ex rel. Fla. Bar, 373 U.S. 379 (1963) (upholding the USPTO's exclusive authority against challenge from state bar); Haley v. Lee, 129 F. Supp 3d 337, 386 (E.D. Va. 2015) (noting that "Congress gave the USPTO wide latitude to govern the conduct of the members of its bar"). The Director of the USPTO may suspend or exclude a person from practice before the Office if the person is "shown to be incompetent or disreputable, or guilty of gross misconduct," or if the person violates regulations established by the Office. 35 U.S.C. § 32; see also 37 C.F.R. § 11.19(b)(1)(iv) (2020).

Effective May 3, 2013, the USPTO promulgated its Rules of Professional Conduct, which govern the conduct of persons authorized to practice before the Office and are modeled on the American Bar Association's Model Code of Professional Responsibility. See CHANGES TO REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE, 78 Fed. Reg. 20179 (Apr. 3, 2013) (Final Rule) (codified at 37 C.F.R. §§ 11.101-11.901). A practitioner accused of violating the USPTO Rules of Professional Conduct must receive "notice and opportunity for a hearing" before the USPTO may take disciplinary action against him. 35 U.S.C. § 32. Disciplinary hearings are conducted in accordance with USPTO's procedural rules and with section 7 of the Administrative Procedure Act, 5 U.S.C. § 556, by a hearing officer appointed by the USPTO. See 37 C.F.R. §§ 11.39, 11.44 (2020).

The OED Director has the burden of proving the alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49 (2020). Thereafter, Respondent has the burden to prove any affirmative defense by clear and convincing evidence. Id. The clear and convincing standard is applied "to protect particularly important interests . . . where there is a clear liberty interest at stake." Thomas v. Nicholson, 423 F.3d 1279, 1283 (Fed. Cir. 2005). This is an intermediate standard "between a preponderance of the evidence and proof beyond a reasonable doubt." Addington v. Texas, 441 U.S. 418, 424-25 (1979). The standard requires evidence "of such weight that it produces in the mind of the trier of fact a firm belief or conviction, without

hesitancy, as to the truth of the allegations sought to be established.” Jimenez v. Daimler-Chrysler Corp., 269 F.3d 439, 450 (4th Cir. 2001). “Evidence is clear ‘if it is certain, unambiguous, and plain to the understanding,’ and it is convincing ‘if it is reasonable and persuasive enough to cause the trier of facts to believe it.’” Foster v. Allied Signal, Inc., 293 F.3d 1187, 1194 (10th Cir. 2002).

III. Findings of Fact

Respondent is a registered patent attorney (Registration No. 31,459) who has been authorized to practice before the USPTO in patent matters since September 4, 1984. Respondent was admitted to practice law in New York on May 22, 1985, and is currently an active member in good standing. At the time of the hearing, Respondent was listed as attorney-of-record on 726 United States patents. Respondent testified that he performs most of his work “through foreign patent associates” who send him work for their clients, which Respondent then reviews and files with the USPTO.

Relevant to this case, Respondent has also worked on patent and trademark matters with a New York attorney, Michael I. Kroll, for many years. Respondent testified that approximately five to ten percent of his work comes from Mr. Kroll. Respondent and Mr. Kroll maintain separate legal offices but have a longstanding working relationship.

A. Mr. Kroll’s Disciplinary History and OED’s Current Investigation

Mr. Kroll is an attorney licensed to practice law in the state of New York and is a registered patent practitioner. Over the past two decades, Mr. Kroll has been the subject of multiple disciplinary actions from the USPTO. As relevant here, Mr. Kroll has not been authorized to practice before the USPTO in patent or trademark matters since the USPTO Director suspended him from practice effective May 18, 2016, and he is currently excluded from practice pursuant to a Final Order issued by the USPTO Director on December 11, 2017.² Respondent represented Mr. Kroll in the disciplinary proceedings before the USPTO and admits that, at all times relevant to the current charges, he was aware Mr. Kroll was not authorized to practice before the USPTO.

In March 2018, the OED Director received a grievance complaining that, despite Mr. Kroll’s suspension and exclusion from practice before the Office, Mr. Kroll was still holding himself out as authorized to practice. In the ensuing months, OED sent Mr. Kroll three cease-and-desist letters signed by OED attorney Diana Oleksa asking Mr. Kroll to explain his conduct, to stop engaging in practice before the Office, to stop holding himself out as being authorized to engage in such practice, and to otherwise comply with the USPTO’s rules governing suspended and excluded practitioners. As part of its investigation of Mr. Kroll’s post-suspension conduct, OED sent Respondent several Requests for Information and Evidence (“RFIs”) under 37 C.F.R. § 11.22(f) and interviewed Respondent by phone in July 2018.³

² According to Respondent, although Mr. Kroll may have been reprimanded for misconduct by the state of New York, he remains an attorney in good standing with the New York State Bar.

³ OED’s internal memorandum summarizing the interview explains that, during the phone call, Respondent described performing referral work for Mr. Kroll’s clients in patent matters. According to the memo, Mr. Kroll’s

Based on information gathered during the investigation of Mr. Kroll, the OED Director came to believe that Respondent's conduct had also violated the USPTO Rules of Professional Conduct. Specifically, OED initiated the instant disciplinary proceeding because the OED Director disapproved of Respondent's continued working relationship with Mr. Kroll.

B. Respondent's Relationship with Mr. Kroll

Respondent has worked with Mr. Kroll since approximately 1986. Although they maintain separate legal offices, Mr. Kroll refers patent and trademark clients to Respondent from time to time for Respondent's assistance. Between 1986 and 2016, Respondent regularly drafted documents for Mr. Kroll related to patent prosecutions. In some instances, the documents were filed under Mr. Kroll's name, and in other instances Respondent was listed as the attorney. Respondent testified that he "would often do work for [Mr. Kroll]—pretty much to help him, because I've known him for many years, and he helped me get started."

Mr. Kroll told Respondent that on or about July 17, 2016, he sent notification to all of his clients, including his and Respondent's joint clients, that he had been suspended. Respondent has produced a copy of the general notification allegedly sent to the clients, which stated that Mr. Kroll was suspended, that Mr. Kroll believed the suspension was unjustified, and that Respondent now had power of attorney. Respondent never saw actual proof that the letter was delivered to Mr. Kroll's clients.

Since Mr. Kroll's 2016 suspension, he and Respondent have continued to work together representing joint clients in patent and trademark matters. Typically, Respondent will receive a drafted patent application from Mr. Kroll and will edit and redraft it. Respondent will then ask Mr. Kroll to discuss the edited application with the client and obtain a new declaration certifying that the client is the inventor, after which Respondent will sign and file the application, usually without ever speaking to the client. Respondent indicated that this working arrangement is similar to his foreign practice, in which he receives work from foreign attorneys on behalf of clients with whom he has no direct contact. Respondent maintains that he files and signs all the work he undertakes with Mr. Kroll and retains ultimate discretion over what is filed with the USPTO for their joint clients, even though he rarely communicates directly with the clients.

Powers of Attorney. Mr. Kroll and Respondent typically do not execute any written engagement agreement with their joint clients other than the power of attorney that Mr. Kroll has each client sign. Approximately fifteen years ago, when Mr. Kroll first became the subject of disciplinary action from the USPTO, he began including Respondent's name on the power of attorney. In Respondent's view, the inclusion of both names on the power of attorney signaled that he and Mr. Kroll were functioning in a manner similar to two attorneys in the same firm, and placed clients on notice that either or both attorneys had the right to perform legal work for them. Upon Mr. Kroll's suspension in 2016, Mr. Kroll stopped including his own name on the power of attorney. Respondent typically files the power of attorney with the USPTO at Mr. Kroll's direction without speaking to the client beforehand.

role was to engage with and counsel the clients, while Respondent's role was to edit drafted patent applications and sign and file them. Respondent also reportedly told OED that his and Mr. Kroll's business practice had not changed much since Mr. Kroll lost his authorization to practice except that they no longer included Mr. Kroll's name on any Office correspondence.

Fee Division Arrangement. Mr. Kroll collects fees from clients and divides those fees with Respondent. Respondent explained that Mr. Kroll pays him directly for work performed on the joint clients' cases, usually via checks drawn from an account held in the name of Marcia Kroll, Mr. Kroll's wife. Respondent emphasized that he does not accept payment for a particular case unless he has done actual work on it. He indicated that Mr. Kroll usually pays him \$800 per Office action. He acknowledged he could charge more, but testified he gives Mr. Kroll "a little bit of a break" because they are longtime friends. Although Respondent does not know the total amount Mr. Kroll charges each client, he "assume[s] the fee is reasonable and that the client agreed to it." Mr. Kroll does not inform his clients about his fee division arrangement with Respondent, nor does he obtain the clients' written consent to the arrangement.

Communication with Clients. Before his suspension, Mr. Kroll had the primary responsibility to communicate with the joint clients, while Respondent "[s]ometimes, but not very often" communicated directly with them. It appears this practice has not changed since Mr. Kroll was suspended in 2016. Respondent testified that, although he mainly communicates with clients through Mr. Kroll, all have the ability to contact Respondent directly, and some do—for example, he named one client who purportedly communicated that he no longer wished to be represented by Mr. Kroll after Mr. Kroll's exclusion. Respondent maintained that he is not required to communicate directly with clients, and indicated that he considers Mr. Kroll a trustworthy intermediary.

C. Representations of Specific Joint Clients

1. [REDACTED]

Respondent and Mr. Kroll jointly represented [REDACTED] with respect to multiple patent applications. Respondent has never directly communicated with [REDACTED] and allowed Mr. Kroll to handle all communications with the client.

Mr. Kroll filed U.S. Patent Application No. [REDACTED] ("the [REDACTED] application") on [REDACTED] behalf on [REDACTED]. [REDACTED] executed a power of attorney in favor of Respondent and Mr. Kroll on or about December 20, 2013. The power of attorney did not list any contact information for Respondent beyond his registration number. The [REDACTED] application was still pending when Mr. Kroll was suspended from practice before the USPTO on May 18, 2016, but Mr. Kroll did not file a notice of withdrawal from the representation.⁴

As noted above, Mr. Kroll told Respondent that on or about July 17, 2016, he sent a letter to all his clients, including [REDACTED], notifying them of his suspension. However, in a telephone interview with Ms. Oleksa in August 2018, [REDACTED] indicated that Mr. Kroll had never disclosed he had been suspended or excluded from practice before the USPTO. [REDACTED] sent OED 786 pages of correspondence he had received from Mr. Kroll; the notice Mr. Kroll

⁴ The USPTO regulations require a suspended or excluded practitioner to file a notice of withdrawal in every matter pending before the Office within 30 days of the date of the suspension or exclusion. 37 C.F.R. § 11.58(b)(1)(i) (2020). The practitioner also has 30 days to notify any clients having immediate or prospective business before the Office of the order of suspension or exclusion and of his consequent inability to act as a practitioner, and to either conclude his work for the client or advise the client that it cannot be concluded so that the client may make other arrangements. *Id.* § 11.58(b)(1)(ii), (c).

allegedly sent [REDACTED] does not appear anywhere in those 786 pages. At the time of the telephone interview with Ms. Oleksa, [REDACTED] stated he did not know who Respondent was, had no idea that Respondent was working on his patent matters, and had continued to work directly with Mr. Kroll on his patent matters after October 2016.

The USPTO issued an Office action in the [REDACTED] application on [REDACTED]. The USPTO sent it to Mr. Kroll's address, as Mr. Kroll had not withdrawn and Respondent had not yet changed the correspondence address associated with the application. On October 3, 2016, Mr. Kroll sent [REDACTED] a letter notifying him of the Office action and advising how "we may decide to respond." The letter identified Mr. Kroll as "ATTORNEY AT LAW" and prominently featured his contact information with the words "Patents Trademarks & Copyrights" directly below. The only mention of Respondent was in a footnote, which stated, "Above to be performed by Leonard Belkin, Reg. #18,063; Edwin D. Schindler, Reg. #31,459; and/or Joseph C. Merek, Reg. #57,953, all of whom are registered to practice before the US Patent and Trademark Office." The letter did not contain any contact information such as an address or phone number for Respondent.

Mr. Kroll forwarded the Office action to Respondent. On January 12, 2017, Mr. Kroll sent [REDACTED] an email stating that "the response to the last office action is being processed, and we will advise as soon as we hear back from the Patent Office." Approximately six weeks later, on [REDACTED], Respondent filed a response to the Office action, as well as a change of address and extension of time, with the USPTO without ever directly communicating with [REDACTED]. Mr. Kroll collected a \$3650 fee from [REDACTED] for responding to the Office action and paid Respondent \$800 of that amount. Respondent testified that Mr. Kroll earned his portion of the fee—\$2850—by referring the client, dealing with the client, and contacting the client.

On [REDACTED], the Office issued a non-final Office action in the [REDACTED] application. This Office action was sent directly to Respondent. On August 30, 2017, Mr. Kroll sent [REDACTED] a letter reporting the Office action and again asking for \$3650 to draft and file a response. As with Mr. Kroll's previous communications with [REDACTED], the correspondence was signed by Mr. Kroll; contained Mr. Kroll's contact information and identified him as an "ATTORNEY AT LAW" in "Patents Trademarks & Copyrights"; and mentioned Respondent only in a footnote, without including any contact information for him. On [REDACTED], Respondent filed an Amendment in response to the Office action.

On [REDACTED] the USPTO issued a Final Rejection. On January 24, 2018, Mr. Kroll sent a notice to [REDACTED] informing him that "we need to respond to the attached office action" and that the fee to proceed would be \$3275. On [REDACTED], Respondent filed a Request for Continued Examination. Two checks drawn from the account of Marcia Kroll in [REDACTED] suggest that Respondent was paid \$1625 to file the Request for Continued Examination. On [REDACTED], the USPTO issued a non-final rejection. As of the hearing date, Respondent indicated the case was still pending.

In addition to the [REDACTED] application, Respondent and Mr. Kroll represented [REDACTED] in connection with two other patent applications after Mr. Kroll's May 2016 suspension. On February 25, 2017, Mr. Kroll sent an email to [REDACTED] stating "we are working on your

██████████” and advising of the need to file quickly to maintain priority. On March 17, 2017, he emailed a draft patent application for ██████████ review. Mr. Kroll did not copy Respondent on the emails or provide Respondent’s contact information to ██████████. On ██████████, Respondent filed the patent application without ever speaking to ██████████. Respondent was the sole representative listed on the power of attorney for this application. He testified he had spent about five hours revising the drafted application as to form, and for this work, Mr. Kroll paid him \$400; Mr. Kroll received “a lot more money” for his own efforts.

Also on ██████████, Respondent filed another patent application—this one relating to a ██████████—naming ██████████ as the sole inventor/applicant. USPTO subsequently issued two actions, a non-final rejection and a final rejection, in connection with this application. Although Mr. Kroll was the attorney who communicated with ██████████ regarding the two rejections, Respondent filed the responses to both. Records indicate that Mr. Kroll paid Respondent \$1500 of the \$1825 fee he collected from ██████████ for responding to the non-final rejection, and he also paid Respondent \$2150 to respond to the final rejection.

2. ██████████

On ██████████, prior to his suspension, Mr. Kroll filed U.S. Patent Application Serial No. ██████████ (the “██████████ application”) naming ██████████ as the sole inventor/applicant. The filing included a power of attorney executed in favor of Mr. Kroll and Respondent. Respondent was also listed on the power of attorney for at least two other applications filed on behalf of ██████████ prior to Mr. Kroll’s suspension, and Respondent helped prosecute one of those applications after Mr. Kroll’s suspension by filing documents including an Amendment and an extension request. The ██████████ application went abandoned after Mr. Kroll was suspended. On ██████████, USPTO sent a notice of abandonment to Mr. Kroll, as he had not withdrawn from the representation or changed the correspondence address for the application.

██████████ later told OED that he had not been informed the ██████████ application was abandoned. He also stated that Mr. Kroll had not disclosed that he had been suspended and excluded from practice before USPTO. ██████████ also told OED he was not aware that Respondent had performed work on his applications or that Mr. Kroll and Respondent may have shared fees for work on the applications.

3. *Mr. Adel El-Hannawy and Dr. Elena Frolova*

On March 6, 2015, prior to his suspension, Mr. Kroll filed U.S. Patent Application Serial No. 14/641,078 (“the ’078 application”), naming Adel Sayed El-Hennawy and Elena Frolova as joint inventors/applicants. The filing included a power of attorney executed in favor of Mr. Kroll and Respondent. After Mr. Kroll’s suspension, the USPTO issued a non-final rejection. Respondent submitted an amendment and request for reconsideration on May 5, 2017. The USPTO issued Patent No. 9789227 on the ’078 application on September 27, 2017.

In August 2018, Mr. El-Hannawy told OED that Mr. Kroll had never disclosed that he had been suspended or excluded from practice. Mr. El-Hannawy estimated he had paid Mr.

Kroll around \$30,000. He stated he had no idea Respondent was working on his application, he did not know who Respondent was, and he had never agreed to have Respondent work on his application. Respondent admits he never directly communicated with Mr. El-Hannawy or Dr. Frolova, and did not notify them how much he received in legal fees.

4. *Mr. Amer Samad*

On June 5, 2015, prior to the date of Mr. Kroll's suspension, Mr. Kroll filed U.S. Patent Application No. 14/732,076 naming Amer Samad as the sole inventor/applicant. The filing included a power of attorney executed in favor of Mr. Kroll and Respondent. After Mr. Kroll's suspension, in January and October 2018, Respondent filed an Amendment and a response to an Office action in connection with Mr. Samad's application. In September 2018, Respondent received a \$1275 check from Marcia Kroll's account in connection with Mr. Samad's application.

Despite submitting the filings to USPTO and receiving payment, Respondent testified that he never directly communicated with Mr. Samad and never had any written communication with Mr. Samad regarding the structure of attorney fees. Further, as of August 2018, Mr. Samad told OED that he did not know who Respondent was or that Respondent was involved in his patent application; that Mr. Kroll had never disclosed his suspension or exclusion from practice to Mr. Samad; and that Mr. Kroll had continued to work directly with Mr. Samad in relation to Mr. Samad's patent application after being suspended.

5. [REDACTED]

On [REDACTED], prior to his suspension, Mr. Kroll filed U.S. Patent Application Serial No. 1 [REDACTED] ("the [REDACTED] application") naming [REDACTED] as the sole inventor and applicant. The filing included a power of attorney executed in favor of Mr. Kroll and Respondent. Respondent submitted a response to an Office action in the [REDACTED] application on [REDACTED]; a request for continued examination on [REDACTED]; an amendment and request for reconsideration on [REDACTED]; and a request for continued examination on [REDACTED].

Respondent testified he received an \$800 legal fee for responding to an Office action on behalf of [REDACTED], and also \$650 in reimbursement for related USPTO filing fees, but never informed [REDACTED] of the amounts he was charging to perform legal work. He stated he communicated with [REDACTED] exclusively through Mr. Kroll until July 31, 2019, at which time [REDACTED] asked if he could stop by Respondent's office to discuss why Respondent believed he would not be able to obtain a patent. Respondent said he advised [REDACTED] of his availability, but never heard back from him, leading Respondent to assume that [REDACTED] was not interested in reviving his application.

6. [REDACTED]

On [REDACTED], prior to the effective date of Mr. Kroll's suspension, Mr. Kroll filed U.S. Patent Application No. [REDACTED], naming [REDACTED] as the sole

inventor/applicant. The filing included a power of attorney to Mr. Kroll and Respondent. Respondent filed an Amendment and Request for Reconsideration after Non-final Rejection in connection with [REDACTED] application on [REDACTED]. The USPTO issued a Final Rejection on [REDACTED], and sent that notification to Respondent. As no reply was filed, the application was abandoned, and a Notice of Abandonment was sent to Respondent on [REDACTED].

In September 2018, [REDACTED] told OED that Mr. Kroll had not informed [REDACTED] that he had been suspended and excluded from practice before the USPTO. [REDACTED] further stated that he had never met Respondent and did not know that Respondent was making filings in his patent application, and he was unaware that his patent application had become abandoned nearly a year ago. Respondent admits that he never directly communicated with [REDACTED], including in regard to the fee charged for his legal work.

7. Mr. Andrew Cochran

On April 21, 2016, prior to Mr. Kroll's suspension, Mr. Kroll filed U.S. Patent Applications No. 15/135,286, for a "Segmented Shaped Swim Fin," and 15/135,322, for a "Segmented Rounded Swim Fin." Both applications were non-provisional utility patents naming Mr. Andrew Cochran as the sole inventor and applicant. Both filings included powers of attorney executed in favor of Mr. Kroll and Respondent. Both applications later went abandoned. The notices of abandonment were mailed to Respondent on June 14, 2018. Meanwhile, on May 7, 2018, Respondent had submitted two design applications on Mr. Cochran's behalf, both titled "Swim Fin," under serial numbers 29/646,781 and 29/646,856. A design patent was issued in May 2019.

On August 15, 2018, Mr. Cochran told OED that Mr. Kroll had never disclosed his suspension or exclusion. Mr. Cochran also said Mr. Kroll had informed him the day before that his patent matters were on track. Mr. Cochran apparently was not aware that his utility applications had been converted to design applications. In September 2018, Mr. Cochran told OED that Mr. Kroll had recently notified him for the first time of the conversion from utility to design applications, but had not explained the difference between the two. Respondent did not communicate with Mr. Cochran about the applications until March 2019. Respondent stated that, as of May 2019, the client was pleased that a patent had been issued.

IV. Discussion

In the *Complaint*, the OED Director alleges three counts of misconduct. As to Count I, the OED Director claims Respondent assisted Mr. Kroll in the unauthorized practice of law before the USPTO. For Count II, the OED Director claims Respondent engaged in the impermissible division of fees without client consent by sharing legal fees with Mr. Kroll. Finally, Count III alleges Respondent engaged in misconduct by failing to adequately communicate with his clients.

A. The OED Director has proven, by clear and convincing evidence, that Respondent assisted in Mr. Kroll's unauthorized practice of law.

As Count I of the *Complaint*, the OED Director argues that Respondent assisted Mr. Kroll in engaging in unauthorized practice before the Office, in violation of 37 C.F.R. § 11.505 and § 11.804(d). The gist of the OED Director’s case is that clients have “paid Mr. Kroll lots of money” to continue to prosecute their patents before the Office despite his suspension and exclusion, and Respondent has enabled this unauthorized practice by “allowing Mr. Kroll to, essentially, use [Respondent’s] license” in all his dealings with the USPTO. Respondent counters that Mr. Kroll is allowed to provide legal advice because he remains an attorney in good standing in the state of New York. Respondent disputes that his working relationship with Mr. Kroll violates the USPTO rules of conduct and analogizes the relationship to a permissible arrangement between a patent attorney and a foreign attorney, a draftsman, or a general attorney within the same firm.

The USPTO disciplinary rules state that “[a] practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.” 37 C.F.R. § 11.505 (2020). The USPTO is considered a jurisdiction for the purposes of this rule. CHANGES TO REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE, 78 Fed. Reg. 20180, 20180-01 (Apr. 3, 2013); see also *In re Discipline of Peirce*, 128 P.3d 443, 444 (Nev. 2006) (“We therefore conclude that ‘another jurisdiction’ includes the USPTO.”). Thus, to prove its claim that Respondent violated 37 C.F.R. § 11.505, the OED Director must establish that Mr. Kroll engaged in unauthorized practice before the Office, and that Respondent facilitated such practice. See *In re Bang-er Shia*, Proceeding No. D2014-31, at 34 (USPTO Mar. 4, 2016).⁵

“Practice before the Office” includes, but is not limited to, any “law-related service that comprehends any matter connected with the presentation to the Office or any of its officers or employees relating to a client’s rights, privileges, duties, or responsibilities under the laws or regulations administered by the Office for the grant of a patent or registration of a trademark.” 37 C.F.R. § 11.5(b) (2020). This includes “preparing necessary documents in contemplation of filing the documents with the Office ... as well as communicating with and advising a client concerning matters pending or contemplated to be presented before the Office.” *Id.*; see, e.g., *In re Piccone*, Proceeding No. D2015-06, at 24-25 (USPTO May 25, 2017) (finding that disbarred attorney engaged in “practice before the Office” where he was identified as attorney-of-record and correspondent for patent application and participated in drafting response to Office action).

Mr. Kroll’s communication with his and Respondent’s joint clients constituted “practice before the Office” because, through these communications, Mr. Kroll continued to counsel and advise clients concerning legal matters pending before the USPTO. As noted above, “practice before the Office” includes consulting with or giving advice to a client in contemplation of filing documents with the Office. 37 C.F.R. § 11.5(b)(1) (2020). Respondent conceded on the witness stand that Mr. Kroll continued to give legal advice to their joint clients with respect to matters pending before the Office even after being suspended from practice in May 2016. As one specific example, Respondent admitted that Mr. Kroll was providing legal advice to [REDACTED] when Mr. Kroll wrote in a March 2017 email that trademark protection may be available for an invention, as well as when Mr. Kroll wrote in a June 2017 email that it would be prudent to file

⁵ All USPTO disciplinary decisions cited in this opinion are available at: <https://foiadocuments.uspto.gov/oed/>.

in Canada. The record reveals many other instances of Mr. Kroll “communicating with and advising ... client[s] concerning matters pending or contemplated to be presented before the Office” within the meaning of 37 C.F.R. § 11.5(b), such as by counseling clients regarding their options for prosecuting a patent and the legal consequences of such options; by advising clients of the legal significance of Office correspondence; and by strategizing with clients regarding the filing of documents such as patent applications and responses to Office actions.

In addition, in some cases, such as when prosecuting patents for [REDACTED] and [REDACTED], Mr. Kroll remained attorney-of-record for months after his suspension took effect without changing the correspondence address or withdrawing from the representation, as contemplated under the USPTO regulations. See 37 C.F.R. § 11.58(b)(1)(i), (c) (2020) (giving suspended practitioner 30 days to withdraw from matters pending before the Office and either conclude the work or advise the client to make alternate arrangements). Mr. Kroll also continued to hold himself out as authorized to practice before the USPTO by using a letterhead identifying himself as an “ATTORNEY AT LAW” in “Patents Trademarks & Copyrights.” Moreover, although Mr. Kroll told Respondent that he had notified all his clients of his suspension, the clients interviewed by OED were unaware of the suspension. The foregoing supports a finding that, after May 2016, Mr. Kroll carried on practicing patent law much as he had before his suspension, and because he continued to provide legal advice to clients concerning patent applications pending before the USPTO, his conduct amounted to “practice before the Office.”

An attorney is not authorized to engage in practice before the Office if he has been suspended or excluded by the USPTO. See 37 C.F.R. § 11.58(a) (2020). Even if the suspended or excluded attorney is hired as a paralegal or assistant for another USPTO practitioner, the USPTO’s regulations prohibit the suspended or excluded attorney from communicating directly with clients or rendering legal advice or services in regard to the clients’ immediate or prospective business before the Office. Id. § 11.58(e)(3). Because Mr. Kroll was suspended in May 2016, his continued practice before the Office after that date, including his direct communication with clients and provision of legal advice concerning matters pending before the Office, was unauthorized and violated 37 C.F.R. § 11.505.

Respondent testified that it was acceptable for Mr. Kroll to continue to provide legal advice to clients because he remained an attorney in good standing in the state of New York. However, the states’ power to regulate the practice of law within their respective jurisdictions does not preempt the USPTO’s authority to regulate its own bar. Congress conferred this authority exclusively upon the USPTO. See 35 U.S.C. §§ 2(b)(2)(D), 32, 33; Kroll v. Finnerty, 242 F.3d 1359, 1364 (Fed. Cir. 2001) (referencing USPTO’s “exclusive authority” to admit persons to practice before it); Sperry v. Fla. ex rel Fla. Bar, 373 U.S. 379 (1963) (upholding USPTO’s exclusive authority against challenge from state bar). Thus, Mr. Kroll’s state law license does not authorize him to represent clients in patent matters before the Office. Only the USPTO can grant recognition to practice before it. See 37 C.F.R. part 11, subpart B (establishing criteria under which OED Director grants such recognition). In this case, the USPTO has expressly excluded Mr. Kroll. Accordingly, his continued practice before the Office after May 2016 was unauthorized.

Respondent assisted in Mr. Kroll's unauthorized practice by lending his name and customer number to all documents filed with the USPTO on behalf of their joint clients, while allowing Mr. Kroll to continue to represent the clients' legal interests in almost every other respect. Respondent may have served as the "gatekeeper" for all USPTO filings, but he let Mr. Kroll continue to provide legal advice and counsel to their joint clients, to serve as the clients' sole point of contact in most cases, and even to set the fee for the legal services to be provided with no apparent input from Respondent, which are not the type of duties normally entrusted to a non-practitioner. By contrast, the USPTO regulations clearly contemplate that a suspended or excluded practitioner will withdraw from representations before the Office, cease providing legal advice in matters pending before the Office, and stop holding himself out to clients as a USPTO practitioner. See 37 C.F.R. § 11.58 (2020). Respondent ignored these restrictions on Mr. Kroll's practice and allowed Mr. Kroll to circumvent them by hiding behind Respondent's registration number in all dealings with the USPTO, thereby facilitating Mr. Kroll's unauthorized practice.

At hearing, Respondent suggested that, due to their joint power of attorney, he and Mr. Kroll together comprised a "law firm" permitted to represent joint clients. However, the USPTO Rules of Professional Conduct impose specific limitations on suspended or excluded practitioners who work with other USPTO practitioners, and Respondent's business arrangement with Mr. Kroll did not comply with these limitations. A suspended practitioner may not work with another practitioner except as a salaried employee under the other practitioner's direct supervision. 37 C.F.R. § 11.58(e)(1) (2020). Further, a suspended practitioner is barred from offering legal advice or communicating directly with clients regarding any business before the Office. Id. § 11.58(e)(3). But Respondent allowed Mr. Kroll to provide legal advice to their joint clients and relied on Mr. Kroll to directly communicate with the clients. Mr. Kroll clearly was not Respondent's salaried employee. In fact, he was the one who paid Respondent. Nor did Mr. Kroll operate under Respondent's direct supervision. Respondent's "supervision" appears to have been limited to reviewing drafts and filing them under his USPTO customer number. In other words, Respondent allowed Mr. Kroll to engage in unauthorized practice while Respondent supplied the credentials.

Respondent argues that his working arrangement with Mr. Kroll is not factually or legally distinguishable from that between a U.S. patent attorney and a foreign patent or trademark attorney who refers work to the U.S. attorney on behalf of foreign clients, or between a patent attorney and a draftsman who prepares drawings for the attorney, or between a registered patent attorney and a general attorney within the same firm who is not registered before the USPTO but assists the patent attorney in his practice. However, the key distinction between this case and the examples cited by Respondent is that, unlike a foreign attorney, draftsman, general attorney, consultant, or other person who helps perform work before the Office under another practitioner's registration number, Mr. Kroll has been expressly suspended and excluded from practice before the Office. As discussed above, the USPTO rules provide that an excluded or suspended practitioner may act as a paralegal for another practitioner or assist him by performing services normally performed by laypersons, but only if the requirements of 37 C.F.R. § 11.58(e) are met. Respondent's arrangement with Mr. Kroll did not meet these requirements. In fact, the arrangement seemingly represented a conscious attempt to circumvent the limitations imposed by the USPTO on excluded and suspended practitioners.

For all the reasons discussed above, clear and convincing evidence establishes that Respondent assisted Mr. Kroll's unauthorized practice before the Office, in violation of 37 C.F.R. § 11.505.

The OED Director asserts that, by assisting in unauthorized practice, Respondent also engaged in conduct prejudicial to the administration of justice, in violation of 37 C.F.R. § 11.804(d) (2020). Generally, an attorney engages in conduct prejudicial to the administration of justice when his behavior negatively impacts the public's perception of the courts or legal profession or undermines public confidence in the efficacy of the legal system. Att'y Grievance Comm'n v. Rand, 981 A.2d 1234, 1242 (Md. 2009). Courts have found the unauthorized practice of law to represent a serious threat to the effective administration of justice. See, e.g., United States v. Johnson, 327 F.3d 554, 560 (7th Cir. 2003); Am. Exp. Co. v. Monfort Food Distrib. Co., 545 S.W.2d 49, 52 (Tex. Civ. App. 1976). In this case, as a member of the bar, when Respondent facilitated such unauthorized practice, his actions undermined public confidence in the integrity of the legal system and the ability of the bar to self-regulate. Thus, Respondent's conduct was prejudicial to the administration of justice and violated § 11.804(d). See In re Bang-er Shia, supra, at 35 (finding conduct prejudicial to the administration of justice where USPTO practitioner aided non-practitioner in unauthorized practice).

B. The OED Director has proven, by clear and convincing evidence, that Respondent's fee structure violated the USPTO Rules of Professional Conduct.

As Count II of the *Complaint*, the OED Director claims that Respondent's fee structure violated 37 C.F.R. § 11.105(b) and (e) because Respondent failed to communicate the basis or rate of his fee to his clients and improperly divided fees with Mr. Kroll without obtaining clients' informed consent. Respondent, citing ABA COMM. ON ETHICS & PROF'L RESPONSIBILITY, Formal Op. 08-451 (Aug. 5, 2008), argues that two attorneys are permitted to split a legal fee without notifying the client how the fee is divided, as long as the total amount is reasonable.

Contrary to Respondent's argument, the USPTO Rules of Professional Conduct expressly require practitioners to obtain a client's written consent to a fee-sharing arrangement if the practitioners are not in the same firm. See 37 C.F.R. § 11.105(e)(2) (2020). The applicable rule states that practitioners who are not in the same firm may divide a fee only if: (1) the division is in proportion to the services performed by each practitioner, or each practitioner assumes joint responsibility for the representation; (2) the "client agrees to the arrangement, including the share each practitioner will receive, and the agreement is confirmed in writing"; and (3) the total fee is reasonable. Id. § 11.105(e)(1)-(3). In addition, in general, the basis or rate of a client's legal fees and expenses must be "communicated to the client, preferably in writing, before or within a reasonable time after" the representation commences. Id. § 11.105(b).

In this case, Respondent clearly violated § 11.105(e)(2) because he and Mr. Kroll did not notify their clients of their fee division arrangement or obtain the clients' written consent to the arrangement. Respondent argues that his and Mr. Kroll's practice may meet the definition of a "law firm," which would render § 11.105(e) inapplicable. However, the record shows that Respondent and Mr. Kroll do not operate as a firm. They do not share office space or letterhead, nor is there evidence they share any other resources such as phone lines, computer access, a joint

account, or a secretary. There is also no evidence they jointly advertise their services or otherwise present themselves to the public in any way as a firm. If they were working in the same firm, Mr. Kroll—to comply with the USPTO’s rules for suspended and excluded practitioners at 37 C.F.R. § 11.58(e)—would need to be a salaried employee under Respondent’s direct supervision. Instead, as Respondent described their business arrangement, Respondent essentially performs referral work for Mr. Kroll. They are not members of the same firm, and therefore must comply with the requirements of § 11.105(e), which they failed to do.

At hearing, Respondent testified that the joint clients cannot complain about his legal fees because the power of attorney signed by each client provides constructive notice that Respondent may perform work for the client and authorizes Respondent to collect a fee. But the power of attorney used by Respondent and Mr. Kroll does not disclose their fee division arrangement, including the share of the fee each attorney will receive, such that their clients can meaningfully consent to the arrangement under § 11.105(e)(2). In fact, most of the joint clients interviewed by OED in connection with this matter were not even aware that Respondent was performing work for them. Thus, clear and convincing evidence shows that Respondent and Mr. Kroll did not obtain informed consent to their fee division scheme as required under § 11.105(e)(2).

The evidence also shows that Respondent failed to communicate to his joint clients the basis or rate of the fees for which the clients would be responsible, as required under 37 C.F.R. § 11.105(b). Respondent admitted he rarely communicated with the joint clients at all. He also admitted he did not know the total amount Mr. Kroll charged each client, but merely assumed the clients had agreed to a reasonable fee, as they would not have paid it otherwise. Because the joint clients paid Mr. Kroll directly without being informed how he would divide the fee with Respondent, they could not have been aware of the basis or rate of Respondent’s portion of the fee or the basis for the division. Accordingly, Respondent failed to comply with § 11.105(b).

C. The OED Director has proven, by clear and convincing evidence, that Respondent failed to adequately communicate with his clients.

In Count III of the *Complaint*, the OED Director argues that Respondent failed to adequately communicate with his clients, in violation of 37 C.F.R. §§ 11.102(a), 11.104(a)(2) and (3), and 11.104(b). The OED Director further argues that, by the same conduct, Respondent also violated 37 C.F.R. § 11.804(c) and (d). Respondent counters he was not required to directly communicate with his clients and it was reasonable for him to entrust this duty to Mr. Kroll.

The USPTO Rules of Professional Conduct impose upon practitioners a duty to reasonably communicate with their clients. Section 11.102 requires a practitioner to abide by a client’s decisions regarding the objectives of the representation and to consult with the client as to the means by which the objectives are to be pursued. 37 C.F.R. § 11.102(a) (2020). Similarly, Section 11.104 requires a practitioner to reasonably consult with his clients regarding the means by which the clients’ objectives are to be accomplished. *Id.* § 11.104(a)(2). A practitioner also must keep a client reasonably informed about the status of the client’s matters, *id.* § 11.104(a)(3), and explain matters to the extent reasonably necessary to permit the client to make informed decisions regarding the representation, *id.* § 11.104(b).

Respondent admits that he rarely spoke to his and Mr. Kroll's joint clients and had no direct communications at all with many of them, such as [REDACTED], Mr. Samad, [REDACTED], Mr. El-Hennawy, or Dr. Frolova. However, Respondent insists he is not required to communicate directly with clients and maintains that delegating this responsibility to another attorney is not unusual or inappropriate, as client communications are handled the same way both in law firms and in his foreign practice. Respondent further asserts there is no evidence that Mr. Kroll did not regularly and in a reasonable and responsible manner inform Respondent's clients of pertinent communications from the USPTO.

While it is not per se unethical to communicate with clients through a third person, Respondent should not have delegated this responsibility to a suspended and excluded practitioner. Because Respondent rarely had any personal contact with his clients, he relied on Mr. Kroll to ensure his compliance with the USPTO Rules of Professional Conduct governing client communication. Respondent testified that he trusted Mr. Kroll based on their longstanding relationship and Mr. Kroll's status as a licensed attorney in the state of New York. However, the fact that the USPTO suspended and excluded Mr. Kroll from practice shows that the USPTO did not find him trustworthy, and under the USPTO's rules, the suspension and exclusion disqualified Mr. Kroll from communicating directly with clients about matters pending before the Office. See 37 C.F.R. § 11.58(e)(3)(i) (2020).

Respondent also should have made himself more accessible to his clients. Although he claims all joint clients had the ability to contact him directly if desired, Respondent and Mr. Kroll did not make it easy for them to do so. Respondent's name appeared only on the power of attorney and in a footnote in correspondence from Mr. Kroll. Further, the clients were not given any contact information such as a mailing address, phone number, or email address for Respondent. Most of the clients interviewed by OED did not know who Respondent was and were unaware he was helping prosecute their patents.

Finally, as the only registered patent practitioner representing the joint clients, Respondent also should have exercised better oversight to ensure that the USPTO Rules of Professional Conduct concerning client communications were satisfied. At hearing, Respondent admitted to several instances when client communications should have been handled differently.⁶ By serving as the registered practitioner for the representations, Respondent undertook the ultimate responsibility for these lapses and for communicating properly with the joint clients.

Although Respondent could have improved his client communications in the ways discussed above, the evidence does not establish a general failure to reasonably consult with clients regarding their objectives or to abide by their decisions regarding how to accomplish those objectives. The record indicates that Respondent consulted with clients through Mr. Kroll, who relayed instructions to Respondent based on his discussions with the clients.

⁶ Specifically, Respondent agreed that [REDACTED] should have been informed earlier of the [REDACTED] Office action in the [REDACTED] application. Respondent also seemed to agree that Mr. Kroll's January 12, 2017 email to Dr. Botero stating that the "response to the last office action is being processed, and we will advise as soon as we hear back from the Patent Office" was misleading. Respondent testified he would have worded it differently, as the response to the most recent Office action actually had not yet been filed.

But the OED Director did present evidence that two of Respondent and Mr. Kroll's joint clients, [REDACTED] and [REDACTED], told OED they had not been informed that their patent applications had gone abandoned. Respondent did not present any rebuttal evidence. Respondent's failure to ensure his clients were informed of the USPTO Notices of Abandonment constituted a failure to keep his clients reasonably informed of the status of their patent matters, and therefore violated 37 C.F.R. § 11.104(a)(3). His conduct also amounted to a failure to reasonably consult with his clients regarding their objectives and how they wished to accomplish those objectives in light of the Notices of Abandonment, in violation of §§ 11.102(a) and 11.104(a)(2).

The OED Director also presented evidence that another joint client, Mr. Cochran, was not timely informed that his utility patent applications had been converted to design patent applications, or of the difference between the two. After Mr. Cochran's two utility applications went abandoned, Respondent filed design applications for the same inventions in May 2018. However, in August 2018, Mr. Cochran told OED he had not been informed of the conversion or that the utility applications had gone abandoned. The following month, he told OED that Mr. Kroll still had not explained the difference between utility and design applications. Respondent himself did not communicate with Mr. Cochran at all until March 2019. At hearing, Respondent testified that Mr. Cochran was now happy because a patent had been issued. Nonetheless, Respondent failed to consult with Mr. Cochran regarding the client's objectives before filing the design applications, failed to keep Mr. Cochran reasonably informed about the status of his patent matters, and failed to explain the matters to him to the extent reasonably necessary to allow him to make informed decisions. Accordingly, Respondent violated 37 C.F.R. §§ 11.102(a) and 11.104(a)(2), (a)(3), and (b) in his representation of Mr. Cochran.

The OED Director argues that, by failing to inform his clients that Mr. Kroll was suspended, Respondent also violated 37 C.F.R. § 11.804(c) and (d) (2020). Section 11.804(c) proscribes "conduct involving dishonesty, fraud, deceit or misrepresentation," while Section 11.804(d) proscribes conduct prejudicial to the administration of justice. *See In re Lane*, Proceeding No. D2013-17, at 14 (USPTO Mar. 11, 2014) (discussing definitions of "deceit," "dishonesty," and "misrepresentation").

The Court agrees that Respondent violated these provisions. Respondent knew Mr. Kroll was suspended from practice before the Office, but allowed Mr. Kroll to continue counseling and directly communicating with their joint clients while exclusively using Respondent's name and customer number on USPTO filings. This conduct was deceptive, in violation of § 11.804(c), because it helped Mr. Kroll conceal his disciplinary history from his clients. *See People v. McNamara*, 311 P.3d 662, 669 (Colo. 2013) (finding violation of analogous rule where attorney led clients to falsely believe he was authorized to practice). Many joint clients told OED they had no idea Mr. Kroll had been suspended and excluded from practice. The use of Respondent's customer number allowed Mr. Kroll to hide from the USPTO, and the conduct at issue in Count III—Respondent and Mr. Kroll's method of communicating with joint clients—hid Respondent's involvement in the representations from the clients, allowing Mr. Kroll to continue to present himself to unwitting clients as an attorney authorized to practice before the USPTO. Respondent's participation in this deception was not only dishonest, but was also prejudicial to

the administration of justice, in violation of § 11.804(d), because it facilitated the unauthorized practice of law before the Office.

V. Conclusion

After considering all the evidence in the record, the Court finds as follows:

- Count I: Respondent violated 37 C.F.R. § 11.505 and § 11.804(d) as charged.
- Count II: Respondent violated 37 C.F.R. § 11.105(b) and (e) as charged.
- Count III: Respondent violated 37 C.F.R. § 11.102(a), § 11.104(a)(2), (a)(3), and (b), and § 11.804(c) and (d) as charged.

SANCTION

The OED Director asks the Court to sanction Respondent by suspending him from practice before the Office for at least three years. Before sanctioning a practitioner, the Court must consider the following four factors:

- (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.

37 C.F.R. § 11.54(b) (2020). The Court often looks to the American Bar Association's STANDARDS FOR IMPOSING LAWYER SANCTIONS (2005) ("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).

1. Violation of Duties Owed

As discussed above, the USPTO Rules of Professional Conduct impose upon practitioners certain duties to communicate with clients and keep them informed, including regarding the basis of the fees for which the clients will be responsible and the division of fees by attorneys not in the same firm. Respondent violated these duties to his clients when he engaged in the conduct described in Counts II and III.

Respondent also violated duties owed to the public, the legal system, and the legal profession when he assisted in unauthorized practice before the Office. An attorney is an officer of the Court who is expected to "assist in maintaining the integrity and competence of the legal profession and aid in the prevention of unauthorized practice of law." *In re Piccone*, Proceeding No. D2105-06, at 28 (USPTO May 25, 2017) (internal quotes omitted). Respondent disregarded

these duties when he facilitated Mr. Kroll's unauthorized practice. As discussed above, this conduct was prejudicial to the administration of justice because it undermined public confidence in the integrity of the legal system and profession and the ability of the bar to self-regulate. See United States v. Johnson, 327 F.3d 554, 560 (7th Cir. 2003) ("The unauthorized practice of law poses a serious threat to the integrity of the legal profession.").

2. Whether Respondent Acted Intentionally, Knowingly, or Negligently

It is undisputed that, at all times relevant to this matter, Respondent knew Mr. Kroll was not authorized to practice before the Office. As a registered patent practitioner since 1984, Respondent should have been familiar with the USPTO's Rules of Professional Conduct, and as the person who represented Mr. Kroll in disciplinary proceedings before the USPTO, he also should have been well aware of the language of the orders of suspension and exclusion explaining what Mr. Kroll was no longer permitted to do. Nonetheless, Respondent helped Mr. Kroll maintain his patent practice without much change after his suspension, operating in a manner that seemed calculated to deceive both the USPTO and their joint clients. As a whole, the record indicates Respondent knowingly assisted in Mr. Kroll's unauthorized practice.

Respondent also acted negligently in failing to ensure that his and Mr. Kroll's communications with their joint clients conformed to the Rules of Professional Conduct and that the joint clients were being properly informed about the basis for and division of legal fees.

3. Actual or Potential Injury

The OED Director claims Respondent's misconduct caused actual injury to at least some of his clients, citing instances where Respondent and Mr. Kroll took two months to notify ██████ of an Office action, sent ██████ a letter with misleading wording, and failed to notify ██████ that his patent application had gone abandoned. The OED Director further asserts that Respondent caused actual injury to the justice system by failing to honor the USPTO Director's orders suspending and excluding Mr. Kroll.

Respondent argues that no clients were harmed and no clients' rights were unintentionally forfeited. He notes that, of the clients interviewed by OED and mentioned in the *Complaint*, several (██████, Mr. Cochran, and Mr. El-Hennawy and Dr. Frolova) received patents, and no clients appeared at the hearing to testify against Respondent or undergo cross-examination. Respondent also points out that, even eighteen months after ██████ learned from OED that his patent application had gone abandoned, he had not removed Respondent as attorney-of-record, contacted Respondent to inquire about his options, or sought in any way to revive the patent application, indicating he must no longer wish to prosecute it.

On review, the record does not support a finding of actual injury. Respondent's misconduct certainly had the potential to hurt his clients, and assisting in unauthorized practice is intrinsically detrimental to the justice system. But the OED Director has presented no evidence that Respondent caused actual harm to any client. Although Respondent and Mr. Kroll could have communicated better with ██████, there is no evidence any of Dr. Kroll's intellectual property rights were injured or forfeited. And although some clients' applications went

abandoned, and at least two ([REDACTED] and [REDACTED]) told OED they were unaware of the Notices of Abandonment, the record does not reveal the context of the abandonments. As suggested by Respondent, a patent application may become abandoned if the inventor simply decides it is no longer worthwhile to continue pursuing a patent. The record contains no first-hand account from any of the clients, all of whom are identified as “non-grieving.” The lack of evidence that any of Respondent’s clients suffered actual harm, or even lodged a grievance against him, weighs in favor of a less severe sanction than that proposed by the OED Director.

4. Aggravating and Mitigating Factors

The ABA has promulgated a list of potential aggravating and mitigating factors to be considered when assessing disciplinary sanctions for attorneys. *See* ABA Standards §§ 9.22, 9.32. The OED Director argues that the following aggravating factors warrant a more severe sanction in this case: a dishonest or selfish motive; failure to acknowledge the wrongful nature of the misconduct; and substantial experience in the practice of law. *See id.* § 9.22(b), (g), (i).

The OED Director argues that Respondent committed misconduct with a dishonest or selfish motive because, although he collected a smaller fee than Mr. Kroll, he still was paid about \$800 per Office action. However, collecting a fee does not, alone, support a finding that Respondent acted with a selfish motive. Respondent indicated he was charging less than he could have. He also testified only about 5 to 10% of his work came from Mr. Kroll. Respondent had a longstanding working relationship with Mr. Kroll, who “helped [Respondent] get started,” and he believed that Mr. Kroll’s clients may be “left high and dry if someone didn’t handle their cases” after his suspension. Thus, the evidence suggests Respondent was motivated by a desire to help Mr. Kroll maintain his livelihood, not by a selfish motive. On the other hand, he acted with the dishonest motive of undermining the disciplinary system when he helped Mr. Kroll dodge the USPTO’s regulations for suspended and excluded practitioners.

The OED Director also argues that Respondent has refused to acknowledge the wrongful nature of his conduct and that his deflections are an aggravating factor in this matter. It is true that Respondent has not admitted his conduct violated the USPTO disciplinary rules. However, because his misconduct did not injure any clients, this is not a case where he has refused to show remorse or accept responsibility for the harm he caused, as there is no tangible harm. The defenses Respondent raised against the OED Director’s allegations were rejected by the Court, but were not frivolous or raised in bad faith. A practitioner should not be subjected to harsher discipline for attempting to defend himself against the disciplinary charges.

The OED Director contends that Respondent’s substantial experience as a patent attorney is an aggravating factor. Respondent has engaged in practice before the Office for over thirty years. The Court agrees this is an aggravating factor warranting a meaningful sanction. Given his experience, Respondent should be familiar with the USPTO’s disciplinary rules and should have known better than to undermine them by helping Mr. Kroll circumvent them. Although Respondent did not himself engage in unauthorized practice, he knowingly became an accomplice to Mr. Kroll’s circumvention of the disciplinary sanction lawfully imposed on him by the USPTO Director.

The Court also finds that a mitigating factor exists in this case, the absence of a prior disciplinary record. There is no evidence Respondent has ever been subjected to discipline by the USPTO or by the New York State Bar, and he remains an attorney in good standing in New York.

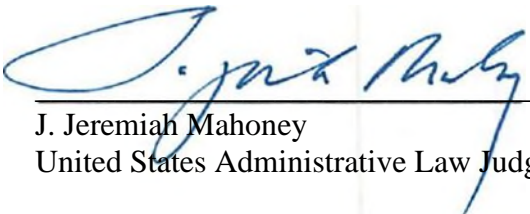
5. Discussion and Conclusions

The OED Director argues that the appropriate sanction in this case is a suspension of at least three years. The Court agrees that a suspension is warranted. Respondent's conduct violated duties owed to his clients, the public, the legal system, and undermined the impact of disciplinary action in the legal profession. Facilitating unauthorized practice is a serious transgression. Respondent knowingly helped another practitioner commit this transgression, even though he certainly knew better given his years of experience. However, Respondent has a clean personal disciplinary record, and the evidence does not show that his misconduct caused actual harm or that he acted with a selfish motive. Accordingly, after considering the entire record and all the factors discussed above, the Court finds that a two-year suspension is appropriate.

CONCLUSION AND ORDER

For the reasons set forth above, Respondent shall be **SUSPENDED** from practice before the U.S. Patent and Trademark Office for a period of not less than two (2) years.⁷

So **ORDERED**,



J. Jeremiah Mahoney
United States Administrative Law Judge

Notice of Appeal Rights: Within fourteen (14) days after the date of this initial decision, either party may appeal to the USPTO Director. 37 C.F.R. § 11.55(a) (2021).

⁷ Respondent is directed to 37 C.F.R. § 11.58 (2021), which sets forth his duties while suspended. Respondent shall remain suspended from practice before the Office unless and until he is reinstated by the OED Director pursuant to 37 C.F.R. § 11.60 (2021).

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **INITIAL DECISION AND ORDER**, issued by J. Jeremiah Mahoney, Administrative Law Judge, in D2019-43, were sent to the following parties on this 24th day of September 2021, in the manner indicated:



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HUD Office of Hearings and Appeals

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