

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

In the Matter of)	
)	
Andrew C. Cheng,)	Proceeding No. D2026-05
)	
Respondent)	
_____)	

FINAL ORDER

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

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

Jurisdiction

1. At all times relevant hereto, Respondent of San Diego, California, has been a registered patent agent (Registration Number 60,891). Respondent is subject to the USPTO Rules of Professional Conduct, 37 C.F.R. § 11.101 *et seq.*
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.

Legal Background

Micro Entity Status for Certain Patent Applicants

3. Certain applicants and patent owners can benefit from a significant reduction on most USPTO fees if they qualify and file the appropriate papers in their application or patent. To benefit from this fee reduction, applicants and patentees must establish “micro entity” status pursuant to 37 C.F.R. § 1.29. *See generally* Manual of Patent Examining Procedure (“MPEP”) § 509.04.
4. There are two separate bases for establishing micro entity status. One is referred to as the “gross income basis” under 35 U.S.C. § 123(a), and the other is referred to as the “institution of higher education basis” under 35 U.S.C. § 123(d). *See* MPEP § 509.04 (“II. Bases for Establishing Micro Entity Status.”) Under the “gross income” basis for establishing micro entity status, there

is a limit to the number of previously filed applications for an applicant to qualify for micro entity status.

5. In order to qualify as a micro entity, patent applicants must certify that:

(1) the applicant qualifies as a small entity as defined in § 1.27;

(2) neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed patent applications;

(3) neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income . . . exceeding three times the median household income for that preceding calendar year; and

(4) neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that . . . had a gross income . . . exceeding three times the median household income for that preceding calendar year

See generally 37 C.F.R. § 1.29; MPEP § 509.04 (underline added).

Calculating the “Previously Filed Patent Applications” Limit

6. For purposes of establishing micro entity status under the “gross income” basis, the application filing limit includes: (i) previously filed U.S. nonprovisional applications (e.g., utility, design, plant, continuation, and divisional applications), (ii) previously filed U.S. reissue applications, and (iii) previously filed U.S. national stage applications under the Patent Cooperation Treaty (PCT). *See* MPEP § 509.04(a) (“B. Application Filing Limit”).

7. “All such applications naming the inventor or a joint inventor are counted toward the application filing limit, whether the applications were filed before, on, or after March 19, 2013. Further, it does not matter whether the previously filed applications are pending, patented, or abandoned; they are still included when counting to determine whether the application filing limit has been reached.” MPEP § 509.04(a) (“B. Application Filing Limit”).

8. “The application filing limit does not include: (i) foreign applications; (ii) international (PCT) applications for which the basic U.S. national stage filing fee was not paid; and (iii) provisional applications. In addition, where an applicant, inventor, or joint inventor has assigned, or is under an obligation by contract or law to assign, all ownership rights in the application as the result of the applicant’s, inventor’s, or joint inventor’s previous employment; the applicant, inventor or joint inventor is not considered to be named on the prior filed application for purposes of determining micro entity status. *See* 37 C.F.R. 1.29(b).” MPEP § 509.04(a) (“B. Application Filing Limit”).

9. “Because the four-application limit is a limit on previously filed U.S. nonprovisional applications, reissue applications, and national stage applications, the maximum number of applications in which fees can be paid at the micro entity discount rate can vary from 0 to 5 for any given inventor.” MPEP § 509.04(a) (“B. Application Filing Limit”).

Certification of Micro Entity

10. “35 U.S.C. 123 requires a certification as a condition for an applicant to be considered a micro entity. The certification must be in writing and must be filed prior to or at the time a fee is first paid in the micro entity amount in an application or patent.” MPEP § 509.04.

11. “A fee may be paid in the micro entity amount only if it is submitted with, or subsequent to, the submission of a certification of entitlement to micro entity status. *See* 37 C.F.R. § 1.29(f).” MPEP § 509.04.

12. “Any attempt to fraudulently establish status or pay fees as a micro entity shall be considered as a fraud practiced or attempted on the Office. Improperly, and with intent to deceive, establishing status or paying fees as a micro entity shall be considered as a fraud practiced or attempted on the Office. *See* 37 C.F.R. 1.29(j).” MPEP § 509.04.

Statutory Penalties for False Assertions or Certifications of Small and Micro Entity Status

13. Registered practitioners are reasonably aware that, as part of the USPTO’s continuing efforts to mitigate threats to the U.S. patent system and to protect that system’s integrity, the USPTO rules of patent practice include statutory penalties for falsely made assertions or certifications of small and micro entity status. *See* 35 U.S.C. §§ 41(j) and 123(f). As required by statute, the USPTO assesses a fine of not less than three times the amount an entity failed to appropriately pay the USPTO when the entity is found to have falsely made an assertion or certification of small or micro entity status, unless the entity shows that the assertion or certification was made in good faith. *See* 35 U.S.C. §§ 41(j) and 123(f); *see also* 15 *Official Gazette* 204 (July 8, 2025).

14. As of July 8, 2025, the USPTO began issuing a combined notice of payment deficiency and order to show cause as to why a fine should not be assessed when the USPTO makes a preliminary determination that a pending patent application or patent contains a false assertion or certification that resulted in the payment of at least one fee in an unentitled reduced amount. 15 *Official Gazette* at 204. The agency issues a subsequent notice to provide a final determination of whether a fine is being assessed, and the fine amount, based on any timely response to the combined notice and order to show cause, and the record as a whole. *Id.* An entity is subject to the penalty provisions only when inappropriately discounted fees were paid on or after December 29, 2022. *Id.* at 206.

Certifications to the USPTO when Presenting Papers

15. Registered practitioners make important certifications via 37 C.F.R. § 11.18 whenever presenting (*e.g.*, by signing, filing, submitting, or later advocating) any paper to the USPTO.

16. The registered practitioner certifies that all statements made of his or her own knowledge are true, and that all statements based on the presenter's information and belief are believed to be true. *See* 37 C.F.R. § 11.18(b)(1).

17. The registered practitioner also certifies that:

[t]o the best of the party's knowledge, information and belief, *formed after an inquiry reasonable under the circumstances* (i) the paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of any proceeding before the Office; (ii) the other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law; (iii) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and (iv) the denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

37 C.F.R. § 11.18(b)(2) (emphasis added). Accordingly, a registered practitioner who presents any paper to the USPTO—including certifications of micro entity status—certifies that he or she has conducted an inquiry reasonable under the circumstances that supports the factual assertions set forth in the paper. *See* 37 C.F.R. § 11.18(b)(2)(iii).

18. Violations of § 11.18 may jeopardize the probative value of the filing, and any false or fraudulent statements are subject to criminal penalty under 18 U.S.C. § 1001. *See* 37 C.F.R. § 11.18(b)(1).

19. Any registered practitioner who violates the provisions of this section may also be subject to disciplinary action. *See* 37 C.F.R. § 11.18(d).

Joint Stipulated Facts

20. Respondent of San Diego, California, is a registered patent agent (Registration Number 60,891).

21. Respondent represented foreign-domiciled patent applicant clients before the Office who were seeking micro entity status eligibility to file patent applications.

22. Respondent was referred his foreign applicant clients by foreign-domiciled associates, including Shen IP & Partners (深知识产权及合作伙伴) and Shenzhen Winston Patent Attorneys (温斯顿知识产权), both located in Shenzhen, China.

23. Respondent signed micro entity certifications in ten (10) applications and presented the documents to the Office on behalf of his foreign applicant clients.
24. Pursuant to 37 C.F.R. § 11.18, upon presenting the micro entity certifications to the Office, Respondent certified that he had undertaken an inquiry reasonable under the circumstances to support the foreign applicant's assertion of entitlement of micro entity status.
25. Regarding his § 11.18 certifications, Respondent represented to OED that he used forms, which translated the micro entity requirements in English and Chinese, to specifically provide information to his foreign applicant clients. He further represented to OED that he would not ordinarily communicate directly with his foreign applicant clients but instead would rely on input and communications from the foreign associates.
26. Regarding his § 11.18 certifications, Respondent also represented to OED that his clients or the foreign associates may have attempted to limit how many applications they sent to each U.S. practitioner they engaged for U.S. patent prosecution and that his clients or the foreign associates may have been dishonest with him regarding their purported entitlement to micro entity status.
27. Based on Respondent's certifications of his foreign applicant clients' eligibility for micro entity status, the clients received up to 80% reduction on USPTO application fees.
28. Respondent's certifications of his foreign applicant clients' eligibility for micro entity status in the ten (10) applications were false.
29. The USPTO issued a Notice of Additional Fees Due in each of the ten (10) applications in light of Respondent's false certifications of eligibility of micro entity status.
30. In response to the notices, Mr. Cheng changed the applicant's entity status in nine (9) applications and paid the deficient amount.
31. Respondent represents that he has created new procedures for himself and his associates to prevent future false certifications. He has since stopped accepting foreign clients who assert micro entity status. In addition, Respondent will also ensure that small entity entitlement is checked going forward. Specifically, he represents that he has begun using a search system to confirm each applicant is entitled to small entity status by ensuring his foreign associates provide him with a search report from the Qichacha Technology Co., Ltd. (<https://www.qcc.com>), which reflects the payment of social security (from the Chinese government) to verify number of applicant's employees.

Additional Considerations

32. Respondent has never been the subject of professional discipline by the USPTO, and he represents that he has not been disciplined on ethical grounds by any other jurisdiction.
33. Respondent has demonstrated genuine contrition and accepted responsibility for his acts and omissions.

Joint Legal Conclusions

34. Respondent acknowledges, based on the information contained in the Joint Stipulated Facts, above, that Respondent's acts and omissions violated the following provisions of the USPTO Rules of Professional Conduct:

- a. 37 C.F.R. § 11.103 (diligence) *inter alia* by (i) not always conducting a reasonable inquiry under the circumstances pursuant to 37 C.F.R. § 11.18 prior to signing and presenting certifications of micro entity status to the USPTO, and (ii) failing to have in place adequate procedures to ensure that certifications of micro entity status complied with USPTO regulations and, instead, relying on the clients' erroneous representations; and
- b. 37 C.F.R. § 11.804(d) (conduct prejudicial to the administration of the patent application process) *inter alia* by (i) not always conducting a reasonable inquiry under the circumstances pursuant to 37 C.F.R. § 11.18 prior to signing and presenting certifications of micro entity status to the USPTO, and (ii) failing to have in place adequate procedures to ensure that certifications of micro entity status complied with USPTO regulations and, instead, relying on the clients' erroneous representations.

Agreed-Upon Sanction

35. Respondent agrees and it is hereby **ORDERED** that:

- a. Respondent shall be, and hereby is, publicly reprimanded;
- b. The OED Director shall electronically publish this Final Order at the OED's electronic FOIA Reading Room, which is publicly accessible through the Office's website at: <https://foiadocuments.uspto.gov/oed/>;
- c. The OED Director shall publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Reprimand

This notice concerns Andrew C. Cheng of San Diego, California, who is a registered patent agent (Registration Number 60,891). Mr. Cheng is hereby reprimanded for violating 37 C.F.R. §§ 11.103 (failing to act with reasonable diligence in representing a client) and 11.804(d) (engaging in conduct that is prejudicial to the integrity of the patent application process).

The reprimand is predicated on Mr. Cheng's violations of these provisions of the United States Patent and Trademark Office ("USPTO") Rules of Professional Conduct in connection with the submission of false Certifications of Micro Entity Status in certain patent applications. *See* 37 C.F.R. § 1.29(a)(2).

Mr. Cheng presented to the USPTO ten (10) micro entity certifications that he had signed for different foreign-domiciled clients in their patent applications. In accordance with the agency's micro entity status rules and regulations, the USPTO issued Notices of Payment Deficiency in each application. In response to the notices, Mr. Cheng changed the applicant's entity status and paid the deficient amount in nine (9) applications.

Mr. Cheng's clients were referred to him by certain foreign-domiciled agents whom he relied on to verify his clients' micro entity status, and, in doing so, insufficiently conducted inquiry as to his clients' micro entity status. He acknowledges that it was not reasonable for him to do so. He has since stopped accepting foreign clients who assert such micro entity status. He has also implemented additional searching related to his foreign clients who assert small entity status.

All practitioners, including registered practitioners, should be aware that when they present any paper to the USPTO—including certifications of micro entity status—they are certifying that he or she has conducted an inquiry reasonable under the circumstances that supports the factual assertions set forth in the paper. *See* 37 C.F.R. § 11.18(b)(2)(iii).

Registered practitioners are reasonably aware that, as part of the USPTO's continuing efforts to mitigate threats to the U.S. patent system and to protect that system's integrity, the USPTO rules of patent practice include statutory penalties for falsely made assertions or certifications of small and micro entity status. *See* 35 U.S.C. §§ 41(j) and 123(f). As required by statute, the USPTO assesses a fine of not less than three times the amount an entity failed to appropriately pay the USPTO when the entity is found to have falsely made an assertion or certification of small or micro entity status, unless the entity shows that the assertion or certification was made in good faith. *See* 35 U.S.C. §§ 41(j) and 123(f); *see also* 15 Official Gazette 204 (July 8, 2025).

As of July 8, 2025, the USPTO began issuing a combined notice of payment deficiency and order to show cause as to why a fine should not be assessed when the USPTO makes a preliminary determination that a pending patent application or patent contains a false assertion or certification that resulted in the payment of at least one fee in an unentitled reduced amount. 15 Official Gazette at 204. The agency issues a subsequent notice to provide

a final determination of whether a fine is being assessed, and the fine amount, based on any timely response to the combined notice and order to show cause, and the record as a whole. *Id.* An entity is subject to the penalty provisions only when inappropriately discounted fees were paid on or after December 29, 2022. *Id.* at 206.

This action is the result of a settlement agreement between Mr. Cheng and the OED Director pursuant to 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 Office of Enrollment and Discipline Reading Room online at: <https://foiadocuments.uspto.gov/oed/>;

- d. Nothing in the Agreement or 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 and (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;
- e. Respondent waives 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
- f. Directs that each party shall each bear their own costs incurred to date and in carrying out the terms of the Agreement and this Final Order.

Users,
Choe, Tricia

Digitally signed by Users, Choe,
Tricia
Date: 2025.12.16 08:11:15 -05'00'

Tricia Choe
Associate General Counsel for General Law
United States Patent and Trademark Office

Date

on delegated authority by

John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Final Order was sent, on this day, to the parties in the manner indicated below:


Via email:

Mr. Emil Ali
McCabe Ali, LLP
emil@mccabeali.com
Counsel for Respondent Andrew C. Cheng

Via email:

Lena Munasifi
Lena.Munasifi@uspto.gov
Counsel for the OED Director

12/16/2025
Date


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