

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

In the Matter of)
)
John W. Crosby,)
)
Respondent)
_____)

Proceeding No. D2023-26

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 John W. Crosby (“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 for the parties’ stipulated facts, legal conclusions, and sanctions.

Jurisdiction

1. At all times relevant, Respondent of Minden, Nevada, has been a registered patent practitioner (Registration No. 49,058). Respondent is registered to practice before the USPTO in patent matters and is subject to the USPTO Rules of Professional Conduct, which are set forth at 37 C.F.R. §§ 11.101 through 11.901.

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

Background

3. On October 21, 1996, Respondent was admitted to practice law in the State of Colorado.

4. On September 7, 2001, Respondent was registered as a patent attorney with the USPTO and was assigned registration number 49,058.

Richard Nalder

5. Richard Nalder hired Respondent to prepare and file a non-provisional patent application on Mr. Nalder's behalf.

6. Mr. Nalder paid Respondent a total of \$2,500 to file the application, including the filing fees required to be paid to the USPTO.

7. On July 30, 2019, Respondent filed a patent application naming Mr. Nalder as the inventor.

8. The patent application included drawings that were not acceptable to the USPTO and Respondent failed to pay the necessary filing fees, despite receiving funds from Mr. Nalder for that purpose.

9. Respondent represents that he understood the \$2,500 payment made by Mr. Nalder to not include filing fees.¹

10. As a result of these two issues, on August 21, 2019, the USPTO issued a Notice to File Missing Parts and mailed it to Respondent at the address that he provided to the USPTO when he filed the application.

¹ Respondent acknowledges that his representations are subject to 18 U.S.C. § 1001 and 37 C.F.R. § 11.18(b).

11. Respondent did not inform Mr. Nalder of the Notice to File Missing Parts, that a reply was required within two months, or of the options for and potential consequences of not responding.

12. Respondent did not file a reply to the Notice to File Missing Parts.

13. Due to Respondent's failure to respond, the application went abandoned on October 22, 2019.

14. Between January 17, 2020 and December, 2021, Mr. Nalder repeatedly requested that Respondent send him a copy of the USPTO filing receipt for his patent application. Despite receiving and responding to Mr. Nalder's requests, Respondent never did.

15. On April 21, 2020, the USPTO issued and mailed to Respondent a Notice of Abandonment.

16. The Notice of Abandonment states, "The above-identified application is abandoned for failure to timely or properly reply to the Notice to File Missing Parts (Notice) mailed on [August 21, 2019]."

17. Following the April 21, 2020 Notice of Abandonment, despite numerous inquiries from Mr. Nalder about the status of the application, Respondent failed to inform Mr. Nalder in any of their communications that the application had gone abandoned because no reply to the Notice to File Missing Parts had been received by the USPTO.

18. Respondent represents that due to issues receiving mail at his office he did not receive the USPTO filing receipt and Notice to File Missing Parts and further represents that he did not receive the Notice of Abandonment.

19. Respondent represents that once the Application number associated with Mr. Nalder's application was located at the USPTO, Respondent was unable to obtain a file history from the USPTO.

20. Respondent also did not inform Mr. Nalder of the consequences of his patent application becoming abandoned or the possibility of revival.

21. On December 8, 2021, Respondent, for the first time, provided Mr. Nalder with the application number for his patent application.

22. The same day, Mr. Nalder contacted the USPTO and learned that his application had gone abandoned because no reply to the Notice to File Missing Parts had been received by the USPTO.

23. Thereafter, Mr. Nalder sent a letter to Respondent terminating the representation and demanding a refund of the \$2,500 fee and an additional \$900 due to the abandonment of the patent application.

24. On March 17, 2022, Respondent sent Mr. Nalder an email acknowledging receipt of the letter, refusing to provide a full refund, and offering to refund \$1,500 in exchange for Mr. Nalder "agree[ing] not to file any complaints against [Respondent] or post any reviews of [Respondent]"

25. On March 27, 2022, Mr. Nalder rejected Respondent's offer.

26. On October 5, 2023, Respondent refunded \$2,500 to Mr. Nalder.

Daniel Villamar

27. On February 21, 2022, Daniel Villamar hired Respondent to perform a patent search for \$350.

28. On February 26, 2022, Mr. Villamar hired Respondent to prepare and file a non-provisional patent application and paid him \$1,000.

29. On April 22, 2022, Mr. Villamar paid Respondent an additional \$1,000 for the preparation and filing of the patent application.

30. On April 23, 2022, Respondent filed a patent application on Mr. Villamar's behalf.

31. The application included drawings that did not conform to USPTO requirements. Respondent also failed to file the required inventor's oath or declaration or an Application Data Sheet and paid reduced fees without establishing that Mr. Villamar was entitled to micro entity status.

32. Respondent represents that Mr. Villamar did not provide him with the drawings that he needed to respond to the Notice to File Missing Parts.

33. As a result of these three issues, on April 27, 2022, the USPTO issued and mailed to Respondent a Notice to File Missing Parts.

34. Despite repeatedly telling Mr. Villamar that he would respond to the Notice to File Missing Parts, Respondent never did so.

35. Respondent repeatedly failed to respond to Mr. Villamar's texts, phone calls, and emails, including requests to provide Mr. Villamar with a copy of the Notice to File Missing Parts.

36. Eventually, Mr. Villamar hired another attorney to respond to the Notice to File Missing Parts.

Lawrence Hartman

37. On October 14, 2021, Lawrence Hartman hired Respondent to revive a patent application that been filed by Mr. Hartman's former counsel, and that had gone abandoned for failure to reply to an Office Action.

38. On January 31, 2022, Respondent filed a Petition to Revive the abandoned patent application on Mr. Hartman's behalf.

39. On February 1, 2022, Mr. Hartman paid Respondent \$2,052 for his services.

40. On March 31, 2022, the USPTO issued a Decision on Petition dismissing the Petition to Revive on the basis that additional information was required to establish that the failure to reply to the previous Office Action had been unintentional.

41. The Decision on Petition imposed a deadline of two months to file a reply.

42. The Decision on Petition was mailed to Mr. Hartman's prior counsel rather than to Respondent. Nonetheless, Respondent had the ability to check the status of the Petition to Revive on the USPTO website.

43. Respondent never filed a reply to the Decision on Petition.

44. On November 28, 2022, Mr. Hartman informed Respondent that the patent application appeared to still be abandoned from his online search and asked to know the next steps.

45. The same day, Respondent told Mr. Hartman he would "look into it for [him] right away."

46. In December 2022, Mr. Hartman sent Respondent several more inquiries about the status of the Petition to Revive. Respondent did not respond.

47. Respondent represents that he instructed an assistant to send information about the patent application to Mr. Hartman.

48. Eventually, Mr. Hartman hired another attorney who successfully petitioned to revive his application.

Nevada Discipline

49. On July 16, 2020, the Supreme Court of the State of Nevada issued a public reprimand of Respondent in *In the Matter of Discipline of John Crosby*, CO Bar No. 27245, No. 80811 (Sup. Ct. Nev. July 16, 2020).

50. The Court determined that Respondent had knowingly failed to provide his client with her patent application filing number, failed to adequately respond to requests for information about her application's status and failed to ensure that she received the filing Notice of Missing Parts for her application.

51. The Court also found that Respondent had failed to ensure that the client had the necessary information to protect her rights and complete the application process.

52. The Court found that Respondent's conduct violated Nevada Rules of Professional Conduct 1.4 and 8.1.

Additional Considerations

53. Respondent failed to cooperate during OED's investigation of this matter.

54. Respondent has previously received warnings from OED about the importance of representing clients with diligence and promptness and communicating effectively with clients.

55. Respondent has acknowledged the wrongfulness of his misconduct and expressed remorse.

Joint Legal Conclusions

56. Based on the information contained in the Joint Stipulated Facts above, Respondent violated the following provisions of the USPTO Rules of Professional Conduct:

- a. failing to act with reasonable diligence and promptness by (i) failing to file acceptable drawings and pay the required filing fees for Mr. Nalder's patent application, (ii) failing to file a reply to the Notice to File Missing Parts in Mr. Nalder's patent application, (iii) allowing Mr. Nalder's patent application to go abandoned without Mr. Nalder's knowledge or permission, (iv) failing to file acceptable drawings and the required Application Data Sheet and failing to pay sufficient fees or establish that Mr. Villamar was entitled to micro entity status, (v) failing file a response to the Notice to File Missing Parts in Mr. Villamar's patent application, and (vi) after November 28, 2022, failing to file a reply to the Decision on Petition in Mr. Hartman's matter, in violation of 37 C.F.R. § 11.103;

- b. failing to keep clients reasonably informed about the status of a matter by (i) failing to inform Mr. Nalder that a Notice to File Missing Parts had been issued with respect to his patent application, (ii) failing to inform Mr. Nalder that a notice of abandonment had been issued with respect to his patent application because no reply to the Notice to File Missing Parts was received by the USPTO, (iii) failing to notify Mr. Villamar that his application had been filed without an inventor's oath or declaration or an Application Data Sheet, and (iv) failing to inform Mr. Hartman of the status of his Petition to Revive, in violation of 37 C.F.R. § 11.104(a)(3);
- c. failing to promptly comply with reasonable requests for information from the client by (i) failing to provide Mr. Nalder with documents showing that his patent application had been filed as repeatedly requested, (ii) failing to provide Mr. Villamar with a copy of the Notice to File Missing Parts as requested, and (iii) failing to respond to Mr. Hartman's inquiries about the status of the Petition for Revive, in violation of 37 C.F.R. § 11.104(a)(4);
- d. failing to explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation by (i) failing to advise Mr. Nalder of the options for and potential consequences of not responding to the Notice to File Missing Parts, (ii) failing to advise Mr. Nalder of the consequences of his patent application going abandoned and the possibility of revival, (iii) failing to inform Mr. Villamar of the options for and potential consequences of not responding to the Notice to File Missing Parts issued in his patent application, and (iv) failing to advise Mr. Hartman of the options and consequences of not responding to the Decision on Petition issued in his application, in violation of 37 C.F.R. § 11.104(b);
- e. failing to promptly deliver to a third person any funds the third person is entitled to receive by not delivering to the USPTO fees paid by Mr. Nalder in advance to Respondent, in violation of 37 C.F.R. § 11.115(d);
- f. failing to protect a client's interest upon withdrawal by failing promptly to return to Mr. Nalder USPTO fees that were advanced by Mr. Nalder but not submitted to the USPTO, in violation of 37 C.F.R. § 11.116(d);
- g. engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation by (i) accepting patent application fees from Mr. Nalder and neither paying those fees to the USPTO nor returning the fees to Mr. Nalder and (ii) failing to inform Mr. Nalder that his patent application had gone abandoned, in violation of 37 C.F.R. § 11.804(c); and
- h. being publicly disciplined on ethical or professional misconduct grounds by any duly constituted authority of a State by receiving a public reprimand on July 16, 2020 from the Supreme Court of the State of Nevada, in violation of 37 C.F.R. § 11.804(h).

Agreed Upon Sanction

57. Respondent has freely and voluntarily agreed, and it is hereby ORDERED that:
- a. Respondent is suspended from practice before the Office in patent, trademark, and non-patent law for nine (9) months, commencing on the date this Final Order is signed;
 - b. Respondent is to remain suspended from practice before the USPTO until the OED Director grants a petition requesting Respondent's reinstatement pursuant to 37 C.F.R. § 11.60;
 - c. Pursuant to 37 C.F.R. § 11.58(f), Respondent is granted limited recognition for a period of thirty (30) days to conclude work on behalf of clients on any matters pending before the USPTO;
 - d. Respondent, as a condition of being reinstated, shall provide to the OED Director a sworn affidavit or verified declaration attesting, and evidence demonstrating, that Respondent successfully completed six (6) hours of continuing legal education credit on the subject of law office management for solo or small practitioners;
 - e. Respondent shall serve a probationary period that commences on the date this Final Order is signed and terminates twenty-four (24) months after a decision granting a petition seeking Respondent's reinstatement to practice before the USPTO pursuant to 37 C.F.R. § 11.60;
 - f. (1) In the event the OED Director is of the opinion that Respondent, during the probationary period, failed to comply with any provision of the Agreement, this Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct, the OED Director shall:
 - (i) issue to Respondent an Order to Show Cause why the USPTO Director should not order that Respondent be immediately suspended for up to an additional fifteen (15) months for the violations set forth in the Joint Legal Conclusions, above; (ii) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director pursuant to 37 C.F.R.

§ 11.11(a); and (iii) grant Respondent fifteen (15) days to respond to the Order to Show Cause; and

(2) In the event that after the 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 the probationary period, failed to comply with any provision of the Agreement, this Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct, the OED Director shall: (i) deliver to the USPTO Director or his designee: (A) the Order to Show Cause; (B) Respondent's response to the Order to Show Cause, if any; and (C) argument and evidence causing the OED Director to be of the opinion that Respondent failed to comply with any provision of the Agreement, the Final Order, or any disciplinary rule of the USPTO Rules of Professional Conduct during the probationary period; and (ii) request that the USPTO Director immediately suspend Respondent for up to an additional fifteen (15) months for the violations set forth in the Joint Legal Conclusions, above;

g. Nothing herein shall prevent the OED Director from seeking discipline for any misconduct that formed the basis for an Order to Show Cause issued pursuant to the preceding subparagraph;

h. In the event the USPTO Director suspends Respondent pursuant to subparagraph f., 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. Nothing herein 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/or

(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/or

(3) in connection with any request for reconsideration submitted by Respondent pursuant to 37 C.F.R. § 11.60;

j. The OED Director shall electronically publish the Final Order at OED's electronic FOIA Reading Room, which is publicly accessible at: <http://foiadocuments.uspto.gov>;

k. The OED Director shall publish a notice in the Official Gazette that is materially consistent with the following:

Notice of Suspension and Probation

This notice concerns John W. Crosby of Minden, Nevada, a registered practitioner (Registration No. 49,058). The Director of the United States Patent and Trademark Office ("USPTO") has suspended Mr. Crosby for nine (9) months from practice before the USPTO in patent, trademark, and other non-patent matters. Mr. Crosby is also serving a probationary period that started on the date of the Final Order suspending him and will continue for a period of twenty-four (24) months from the date on which a petition requesting his reinstatement to practice before the USPTO is granted.

In three separate client matters, Mr. Crosby failed to make timely patent filings on behalf of clients and failed to communicate effectively with those clients. In one matter, Mr. Crosby received filing fees from a client but failed to deliver them to the USPTO or promptly return them to the client. Mr. Crosby also received a public reprimand from the Supreme Court of the State of Nevada for violating Nevada Rules of Professional Conduct 1.4 and 8.1 in connection with his handling of a client's patent application.

As a result of the above misconduct, Mr. Crosby violated the following provisions of the USPTO Rules of Professional Conduct: 37 C.F.R. §§ 11.103 (practitioner shall act with reasonable diligence and promptness in representing a client), 11.104(a)(3) (practitioner shall keep clients reasonably informed about the status of a matter), 11.104(a)(4) (practitioner shall promptly comply with reasonable requests for information from the client), 11.104(b) (practitioner

shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation), 11.115(d) (practitioner shall promptly deliver to a third person any funds the third person is entitled to receive), 11.116(d) (practitioner shall protect a client's interest upon withdrawal), 11.804(c) (practitioner shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation), and 11.804(h) (practitioner shall not be publicly disciplined on ethical or professional misconduct grounds by any duly constituted authority of a State).

In reaching a proposed settlement, the OED Director considered that Mr. Crosby (i) failed to cooperate during OED's investigation of this matter, (ii) has previously received warnings from OED about the importance of representing clients with diligence and promptness and communicating effectively with clients, and (iii) has acknowledged the wrongfulness of his misconduct and expressed remorse.

This action is the result of a settlement agreement between Mr. Crosby 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://foiadocuments.uspto.gov>;

l. Respondent, by his agreement, has waived all rights to: (1) seek reconsideration of this Final Order under 37 C.F.R. § 11.56, (2) have this Final Order reviewed under 37 C.F.R. § 11.57, and (3) otherwise to appeal or challenge this Final Order in any manner;

m. Within a reasonable period after the entry of this Final Order approving this Agreement, the OED Director shall file a motion dismissing the pending disciplinary action without prejudice; and

n. The OED Director and Respondent shall each bear their own costs incurred to date in carrying out the terms of the Agreement and this Final Order.

(signature page follows)

(signature page for Final Order, Proceeding No. D2023-26)

Users,
Shewchuk,
David

Digitally signed by
Users, Shewchuk, David
Date: 2023.11.02
11:59:19 -04'00'

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

Date

on delegated authority by


Katherine K. Vidal
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 e-mail:

John Crosby


Respondent

Via e-mail:

Hendrik deBoer

John Ferman

Sydney Johnson

Hendrik.deBoer@uspto.gov

John.Ferman@uspto.gov

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Counsel for the OED Director

Date

Users, Walker,
Robert (Shawn)

Digitally signed by Users,
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Date: 2023.11.02 12:55:18
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