

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

In the Matter of:

Greg L. Martinez,

Respondent.

Proceeding No. D2019-37

February 15, 2022

INITIAL DECISION AND ORDER

The above-captioned matter arises from a *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 Greg L. Martinez, (“Respondent”) pursuant to 37 C.F.R. §§ 11.32 and 11.34.

I. Procedural Posture

On June 13, 2019, the *Complaint* in this matter was received and assigned to the undersigned for hearing pursuant to 35 U.S.C. § 32 as implemented by 37 C.F.R. Part 11. The *Complaint* alleged two counts of misconduct under the USPTO disciplinary rules. The misconduct alleged in the *Complaint* occurred with Respondent’s representation of [REDACTED] (“the Client”), and a subsequent investigation conducted by the OED. Respondent filed an *Answer* on July 15, 2019, which was amended on September 4, 2019, to comply with the requirements of 37 C.F.R. § 11.36.

The OED Director moved for summary judgment on November 1, 2019, which was granted as to both counts alleged in the *Complaint*.¹ However, the Court found that issues that are material to the Court’s consideration of an appropriate sanction were in dispute. As such, the Court commenced a hearing on November 4, 2020, to receive evidence related to the issue of what, if any, sanction should be imposed in this case.

II. Sanction

The OED Director claims a sanction is warranted for Respondent’s misconduct. Specifically, the OED Director asks the Court to impose a suspension of eight months followed by an 18-month probationary period upon Respondent’s reinstatement.

¹ The *Order Granting Partial Summary Judgment*, dated September 24, 2020, is hereby incorporated as an attachment at the conclusion of this *Initial Decision and Order*.

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).

1. Violations of Duties Owed.

The practitioner-client relationship is a fiduciary relationship in which the practitioner owes the client a duty to represent his or her interests diligently and in good faith. In re Valadares, Proceeding No. D2020-19, at 9 (USPTO Nov. 20, 2020).² Respondent violated his duty of diligence when he neglected the Client's patent application by failing to submit necessary components such as the inventor's oath or the filing fee. Respondent also failed to keep the Client reasonably informed of the status of his patent application. When the Client made inquiries, Respondent either ignored them or falsely stated that the filing of the patent application had been completed. Such misrepresentations to the Client constitute a violation of his duty of candor and demonstrate a lack of good faith.

Respondent also violated his duties to the public, the legal system, and the profession by failing to cooperate in the OED's investigation. Such misconduct is prejudicial to the administration of justice, is perceived to weaken the public's perception of the legal profession's ability to self-regulate, and undermines the integrity of the disciplinary system. See In re Kleinsmith, Proceeding No. D2016-10, at 4 (USPTO Nov. 5, 2019).

Respondent's violations of his duties to the Client, the public, the legal system, and the profession warrant a severe sanction.

2. Respondent's misconduct was intentional and negligent.

Here, Respondent intentionally misled the Client. Respondent knew the Client's patent application was missing necessary elements and yet Respondent misrepresented to the Client that the application had been filed and everything was in order. Respondent made these misrepresentations after repeatedly ignoring the Client's inquiries until the Client finally requested a refund of fees and threatened legal action.

Respondent's failure to comply with the OED's investigation was merely negligent. Within two days of receiving an email from an OED staff attorney, Respondent reached out to the OED to

² USPTO disciplinary decisions cited herein may be found on the OED's FOIA page here: <https://foiadocuments.uspto.gov/oed/>

obtain a copy of the RFI that had been unanswered. Respondent testified credibly that he did not respond to the RFI, because he was in the process of moving and did not have access to his records that were necessary for a complete response. Respondent also testified credibly that he intended to respond to the RFI once he was able to retrieve his records from storage. Although these justifications do not absolve Respondent of his obligation to comply with the OED's investigation, they demonstrate that his failure was merely negligent.

Although Respondent's misconduct was partially negligent, that Respondent intentionally deceived the Client warrants a severe sanction.

3. Respondent's misconduct caused actual injury.

The OED Director claims Respondent caused actual injury to the Client because his misconduct caused the patent application to go abandoned. The OED Director claims that should the [REDACTED] application be revived the Client "may lose valuable intellectual property rights in the form of a shortened patent life" and "may also have delays in the marketing and selling of his invention as a consequence."

The Court finds that the OED Director's claim, here, is not supported by clear and convincing evidence. Although Respondent's misconduct caused the [REDACTED] application to go abandoned, there is not clear and convincing evidence that the Client was likely to obtain a patent for his invention. The patent application did not even make it to the examination stage before it was abandoned. There is no evidence suggesting how the invention would have been received by an examiner or whether the patent would have been issued.

Nevertheless, the Court finds Respondent's misconduct caused some injury to the Client. The Client contacted Respondent repeatedly for updates regarding his patent application. He explained to Respondent that the invention is something he took very seriously and that the money he paid to Respondent was "hard-earned." Respondent's lack of response and eventual lies understandably caused the Client some frustration, loss, and distress. Accordingly, a severe sanction is warranted.

4. Aggravating and mitigating factors exist in this case.

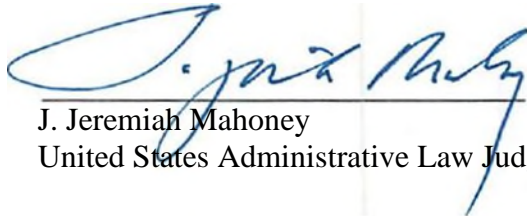
The Court often looks to the ABA's Standards for Imposing Lawyer Sanctions ("ABA Standards") when determining whether aggravating or mitigating factors exist. See In re Chae, Proceeding No. D2013-01, at 4 (USPTO Oct. 21, 2013). A review of the record reveals that Respondent acted with a dishonest or selfish motive. Respondent initially ignored the Client's requests for updates on his patent application. It was not until the Client asked for a refund of the fees and threatened legal action that Respondent finally responded. And, when he responded, he deceptively assured the Client that everything was in order with his patent application. This demonstrates a dishonest and selfish motive.

The record also demonstrates that several mitigating factors exist. For example, Respondent has no prior disciplinary record despite being a registered practitioner for 18 years.³ In addition, during his testimony, Respondent expressed remorse for how he handled the Client's patent application and discussed how he would change his methods to ensure such misconduct did not reoccur. There is also evidence that personal problems, such as the stress of moving and getting settled, that contributed to Respondent's failure to respond to the OED's RFI.

Conclusion

As determined in the Court's *Order Granting Partial Summary Judgment*, dated September 24, 2020, Respondent violated the USPTO Rules of Professional Conduct as alleged in the *Complaint*. After analyzing the factors enumerated in 37 C.F.R. § 11.54(b), the Court concludes that Respondent's misconduct warrants the sanction of suspension.

Accordingly, Respondent shall be **SUSPENDED** from practice before the U.S. Patent and Trademark Office in patent, trademark, and other non-patent matters for a period of six (6) months and twelve (12) months of probation upon reinstatement.⁴



J. Jeremiah Mahoney
United States Administrative Law Judge

Attachment:

Order Granting Partial Summary Judgment, dated September 24, 2020.

³ The OED Director claims Respondent's 18 years of experience as a registered practitioner is an aggravating factor, because he should know not to engage in such misconduct after so many years of experience. However, aside from his work at a law firm for a period, Respondent only occasionally performed such services for friends. In fact, Respondent testified that he's only ever prepared and filed around ten to fifteen design patent applications with the USPTO. Considering the nature and frequency of experience, the Court declines to treat it as an aggravating factor.

⁴ Respondent is directed to 37 C.F.R. § 11.58, which sets forth Respondent's duties while suspended. Respondent shall remain suspended from practice of patent, trademark, and non-patent law before the USPTO and until the OED Director grants a petition reinstating Respondent pursuant to 37 C.F.R. § 11.60(c).

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

In the Matter of:

Greg L. Martinez,

Respondent.

Proceeding No. D2019-37

September 24, 2020

ORDER GRANTING PARTIAL SUMMARY JUDGMENT

Before the Court is a *Motion for Summary Judgment* filed by the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) on November 1, 2019.

Procedural Posture

On June 13, 2019, the *Complaint* in this matter was received and assigned to the undersigned for hearing pursuant to 35 U.S.C. § 32 as implemented by 37 C.F.R. Part 11. Respondent filed an *Answer* on July 15, 2019. However, the Court found that Respondent’s filing did not meet the requirements of 37 C.F.R. § 11.36.¹ Accordingly, Respondent filed an *Amended Answer* on September 4, 2019.

The OED Director moved for summary judgment on November 1, 2019. The OED Director claimed there is no dispute as to the material facts of this case and that he is entitled to summary judgment as a matter of law. In addition, the OED Director requested that the Court impose a sanction of an 8-month suspension and 18-month probation for Respondent’s violations of the USPTO disciplinary rules.

Respondent did not timely respond to the OED Director’s *Motion for Summary Judgment* resulting in the Court issuing a show cause order to him. Respondent filed a response to the Show Cause Order that was, in essence, a response to the *Motion for Summary Judgment*. Thereafter, the OED Director filed a reply to Respondent’s response on the issue of summary judgment.²

¹ The regulation requires: “If respondent intends to raise a special matter of defense or disability, the answer shall specify the defense or disability, its nexus to the misconduct, and the reason it provides a defense or mitigation.” 37 C.F.R. § 11.36(c).

² The OED Director’s *Reply* was attached to a motion for leave to file said reply. The OED Director’s request for leave is **GRANTED** and his *Reply* is accepted into the record.

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). The Director of the USPTO may suspend or exclude a person from practice before the Patent and Trademark 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.

The USPTO has duly promulgated regulations governing the conduct of persons authorized to practice before the Office. Effective May 3, 2013, the USPTO implemented new disciplinary regulations entitled Rules of Professional Conduct, which are based upon the American Bar Association (“ABA”) 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). The USPTO’s purpose for modelling its disciplinary rules after the ABA’s Model Code of Professional Responsibility was to “provid[e] attorneys with consistent professional conduct standards, and large bodies of both case law and opinions written by disciplinary authorities that have adopted the ABA Model Rules.” Id. at 20180.

Practitioners alleged to have committed misconduct must receive “notice and opportunity for a hearing” before disciplinary action is taken. 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. 37 C.F.R. §§ 11.39, 11.44.

Burden of Proof. The OED Director has the burden of proving the alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49. 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. DaimlerChrysler 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) (citing Ortega v. IBP, Inc., 874 P.2d 1188, 1198 (Kan. 1994), disapproved of by In re B.D.-Y., 187 P.3d 594 (Kan. 2008)).

Standard of Review. Pursuant to 37 C.F.R. § 11.43, motions commonly filed under the Federal Rules of Civil procedure, including motions for summary judgment, may be filed in USPTO disciplinary cases. Although the Federal Rules of Civil Procedure do not govern these proceedings, the Court applies the standard for summary judgment found in Rule 56(c) of the

Federal Rules. Moatz v. Kersey, Proceeding No. D2004-05, at 5 (USPTO June 27, 2007) (decision on reconsideration).³

Rule 56 permits summary judgment where the moving party demonstrates “lack of a genuine, triable issue of material fact” and where, “under the governing law, there can be but one reasonable conclusion as to the outcome.” Fed. R. Civ. Pro. 56; Celotex Corp. v. Catrett, 477 U.S. 317, 327 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 250 (1986). An issue is “genuine” only if the evidence is such that a reasonable fact finder could rule in favor of either party. Anderson, 477 U.S. at 248. A fact is “material” only if it is capable of affecting the outcome of the case under governing law. Id.

Facts Not in Dispute

Respondent was a practitioner engaged in practice before the USPTO. On December 12, 2002, Respondent signed an Oath or Affirmation wherein he swore he would “observe the laws and rules of practice of the United States Patent and Trademark Office” if he is admitted to practice before it.

Facts Pertaining to Respondent’s Handling of the [REDACTED] Application

On November 23, 2015, [REDACTED] (“the Client”) contacted Respondent via e-mail requesting patent services for a pet food bowl that the Client invented.⁴ Respondent agreed in writing to provide the requested design patent preparation services, which included preparing design drawings and the application, and filing the application with the USPTO. In exchange, the Client would pay Respondent \$800 for his legal fees and \$190 in USPTO filing fees. On January 8, 2016, the Client sent Respondent partial payment of the fees he owed.

On May 17, 2016, the Client contacted Respondent via e-mail requesting an update on the patent, because it had been over four months since he last heard from Respondent. Respondent replied via e-mail that he would contact the Client within a few days. However, Respondent did not do so. Instead, on October 18, 2016, the Client again e-mailed Respondent requesting an update because the Client had not received any response regarding the status of the application. Respondent did not respond to either of the Client’s e-mails.

On February 21, 2017, the Client sent another e-mail asking Respondent to call him to discuss “the best way to settle affairs between us and return money to me for the paid but yet incomplete work you were supposed to do for me.” The next day, Respondent replied to the Client’s e-mail indicating that he would talk to him.

On [REDACTED], Respondent filed U.S. Patent Application No. [REDACTED] (“the [REDACTED] application”) for a “Pet Food Bowl” and listed the Client as the inventor. However, Respondent failed to include the inventor’s oath or declaration when he filed the [REDACTED] application. Respondent also failed to remit the required filing fees to the USPTO. Respondent designated his business

³ USPTO disciplinary decisions cited herein are available at <https://foiadocuments.uspto.gov/oed/>.

⁴ Respondent previously worked with the Client in 2012 on another patent application.

address as the address to where he would receive USPTO correspondence related to the [REDACTED] application.

Respondent forwarded the filing receipt for the [REDACTED] application to the Client by e-mail on [REDACTED]. In the e-mail, Respondent informed the Client that he would forward a declaration and oath for his signature the next day. However, by February 28, 2017, the Client had not received the oath or declaration for his signature and e-mailed Respondent about that fact. On March 2, 2017, a Thursday, Respondent replied via e-mail to the Client that he would send the declaration and oath “over the weekend.” However, by Tuesday, March 7, 2017, the Client had not received anything from Respondent and asked that he send the declaration and oath for the Client to sign. Respondent finally sent the inventor’s oath to the Client via e-mail on March 8, 2017, which was executed and returned to Respondent the same day.

During this time, the Office mailed a Notice to File Missing Parts in the [REDACTED] application to Respondent’s office. The Notice to File Missing Parts stated that the \$90 basic filing fee, \$70 surcharge fee, \$60 search fee, and \$230 examination fee needed to be paid within two months to avoid abandonment of the [REDACTED] application. The Notice to File Missing Parts also reminded Respondent that “a properly executed inventor’s oath or declaration has not been received for [the Client].” Respondent did not inform the Client of the Notice to File Missing Parts that he received from the USPTO, despite being in near constant communication. And, despite having received an executed inventor’s oath from the Client, Respondent never filed it in the [REDACTED] application.

Between March 15-16, 2017, the Client repeatedly asked Respondent for an update on the [REDACTED] application. Specifically, the Client was requesting confirmation that everything was in order, and a timeframe for when action by the USPTO on the [REDACTED] application could be expected. Respondent initially responded that the [REDACTED] application had been filed as evidence of the filing receipts that were forwarded to the Client. And when pressed as to whether all necessary items had been submitted to the USPTO for the [REDACTED] application, Respondent explained that “Yes, everything is good. It is all filed . . .” However, Respondent did not inform the Client that he never filed the inventor’s oath or remitted the filing fees to the USPTO, or that the USPTO had sent the Notice to File Missing Parts to him.

On September 7, 2017, the Client e-mailed Respondent requesting an update and the application number so the Client could personally inquire as to the status. Respondent again forwarded a copy of the [REDACTED] application and filing receipt. He stated that it usually takes nine-twelve months before a response from the USPTO. Respondent continued to conceal the fact that the inventor’s oath and filing fees were never sent to the USPTO.

On [REDACTED] the USPTO issued a Notice of Abandonment in the [REDACTED] application. The Notice of Abandonment was sent to Respondent at the address he designated when the [REDACTED] application was filed. Respondent did not inform the Client of the Notice of Abandonment. Instead, the Client discovered, through his own direct inquiry to the USPTO, that the [REDACTED] application had gone abandoned.

On November 28, 2017, the Client e-mailed Respondent giving him until the following week to find a solution to the issue of the [REDACTED] application being considered abandoned by the USPTO. Respondent responded that he only needed to file some paperwork and pay a fee to resolve the issue. Respondent followed up with the Client telling him that he would get the

requisite paperwork to the Client within a few days for his signature, and have the paperwork filed by the following week.

On December 14, 2017, the Client approved the draft documents sent by Respondent, but asked, via e-mail, whether he should sign and return them to Respondent. Respondent did not respond to the Client's e-mail or any of the numerous telephone messages the Client left for Respondent thereafter. In fact, as of the date of the *Complaint*, Respondent had not communicated in any manner with the Client since December 2017.

Ultimately, Respondent never filed a petition to revive the [REDACTED] application or informed the Client of that fact. The [REDACTED] application remains abandoned.

Facts Pertaining to the OED's Investigation of Respondent's Alleged Misconduct

On August 14, 2018, the Office of Enrollment and Discipline ("OED") mailed a Request for Information ("RFI") to Respondent. The RFI requested information regarding Respondent's representation of the Client and included numerous direct questions requiring a response from Respondent. Of note, the RFI specifically requested Respondent's financial records including, but not limited to, receipt and disbursement journals, ledger records, retainer and compensation agreements, accounts to clients or third parties, bills for legal fees and expenses, records of disbursement on behalf of clients, bank records, quarterly reconciliations of the trust accounts, *et cetera*, related to Respondent's representation of the Client. The RFI requested a response from Respondent by September 13, 2018.

Having not received a response from Respondent, an OED staff attorney e-mailed Respondent on November 7, 2018, noticing the OED's attempts to contact Respondent. Two days later, Respondent telephoned the OED staff attorney and then e-mailed the OED staff attorney requesting a copy of the RFI. The OED staff attorney responded via e-mail that same day with a copy of the RFI and a request that Respondent respond promptly.

On November 27, 2018, an OED staff attorney called Respondent to inquire why Respondent still had not responded to the RFI. Respondent explained that he had not obtained the documents he claimed he needed but promised to submit a response by November 30, 2018. However, rather than submit a substantive response to the RFI on November 30, 2018, Respondent informed the OED that he has been travelling and does not have access to his files. Respondent added,

For me to respond appropriately and so we can resolve this matter, I will need to have the financial statements of [the Client] for the three years in question. I will also need to have copies of all invoices he received from me, including those from [my prior firm]. [The Client] should readily have this information. If not, then I can check my files, which are in storage . . . I hope to have access to my files in the next month or so.

On December 19, 2018, the OED issued a Lack of Response Letter, copies of which were mailed and e-mailed to Respondent. The Lack of Response Letter reminded Respondent of his obligations to cooperate with the OED's investigation and to maintain billing records that are

readily accessible to him. As of the date of the *Complaint*, Respondent had not answered any of the OED's questions set forth in the RFI or provided any of the requested documents.

Discussion

I. Respondent fails to raise a genuine dispute as to material facts.

In the *Complaint*, the OED Director alleges two counts of misconduct. As Count I, the OED Director claims Respondent engaged in misconduct during his representation of [REDACTED] (the "Client"). In Count II, the OED Director claims Respondent engaged in misconduct by failing to cooperate with the disciplinary investigation arising from the misconduct alleged in the first count.

In his *Amended Answer*, Respondent only denies a few of the alleged facts but denies all of the legal conclusions that Respondent's conduct constitutes violations of the USPTO disciplinary rules. Specifically, Respondent denied the allegation that he was registered with the USPTO as a patent agent. With regard to the factual allegations outlined in Count II, Respondent denied that the OED mailed a Request for Information to him on August 14, 2018. Respondent's denials of these allegations fail to raise a genuine dispute as to the material facts for the following reasons.

A. Respondent's registration as a patent agent is not a material issue for which there is a genuine dispute.

Respondent denies the OED Director's allegations that, "Respondent was registered as a patent agent by the USPTO on February 28, 2003" and that "Respondent's registration number is 53, 276." Respondent's denials relate to his claim that the USPTO is a foreign corporation, and not to the issue of whether he was registered with it. Regardless, Respondent has not produced any evidence in support of his claims that the USPTO or the Department of Commerce is a foreign corporation. See *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986) (noting the nonmoving party may not rest upon mere allegations or denials, but must come forward with "specific facts showing that there is a genuine issue for trial").

Moreover, whether Respondent was registered as a patent agent by the USPTO is not material, because the USPTO's disciplinary authority extends to all practitioners engaged in practice before it. 37 C.F.R. § 11.19(a). "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 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, or for enrollment or disciplinary matters." 37 C.F.R. § 11.5(b). Therefore, a person not registered or recognized before the USPTO is, nevertheless, subject to the Office's disciplinary authority "if the person provides or offers to provide any legal services before the Office." *In re Achterhof*, D2017-24 at 13 (USPTO Nov. 18, 2019) (final order citing 37 C.F.R. § 11.19(a)).

Here, Respondent admitted in his *Answer* that he prepared the [REDACTED] application on behalf of the Client and filed it with the USPTO. These acts constitute "practice before the Office" and subjects him to the USPTO's disciplinary authority regardless of whether he is a registered practitioner. *Id.* (finding an attorney not registered with the patent bar is subject to the USPTO's disciplinary jurisdiction because he provided patent legal services to clients appearing before the

USPTO). Accordingly, the Court finds that Respondent's denial of being a registered practitioner is not genuine or material to the issue of whether Respondent is subject to the USPTO's disciplinary authority.

B. Respondent's denial that the OED mailed a Request for Information is not genuinely in dispute.

As Count II of the *Complaint*, the OED Director alleges Respondent failed to cooperate with the OED's disciplinary investigation. Incorporated into the facts of Count II is the allegation that, "On August 14, 2018, the [OED] mailed a Request for Information and Evidence Under 37 C.F.R. § 11.22(f) ("August 14, 2018 RFI") to Respondent, at an address in Tempe, Arizona, that Respondent had provided to OED pursuant to 37 C.F.R. § 11.11 ("Respondent's § 11.11 address"). Respondent denies this fact and claims "the documents were not received due to travelling." As to the subsequent allegations in paragraphs 81-94, Respondent claims he has no knowledge.

First, Respondent's basis for denying the claim that the OED mailed the August 14, 2018 RFI is insufficient. The allegation is that the OED *mailed* the August 14, 2018 RFI and not that Respondent actually received it via mail. Moreover, Respondent admits that, on November 9, 2018, he received a copy of the August 18, 2018 RFI after e-mailing the OED for a copy of it. Therefore, whether Respondent received the August 14, 2018 RFI when it was sent by the OED or whether it was ever sent by mail at all is immaterial. See Anderson, 477 U.S. at 249 (noting that a fact is not "material" unless it affects the outcome of the suit).

Second, Respondent's claim that he has no knowledge of the allegations in paragraphs 81-94 do not raise a dispute as to those allegations. In answering the *Complaint*, Respondent is required to "specifically admit or deny each allegation set forth." 37 C.F.R. § 11.36(c). Because Respondent did not deny the allegations in paragraphs 81-94, they are deemed admitted. See Id. at § 11.36(d) ("Every allegation in the complaint that is not denied by a respondent in the answer shall be deemed to be admitted and may be considered proven."). As such, the Court finds that Respondent has admitted the majority of the factual allegations contained in the *Complaint*, and has failed to raise a genuine dispute as to the material facts.

II. The OED Director is entitled to judgment in his favor as to Counts I and II.

The OED Director alleges Respondent violated the USPTO disciplinary rules regarding Respondent's duties to the Client. The OED Director also claims Respondent engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation when representing the Client. Finally, the OED Director alleges Respondent violated the USPTO disciplinary rules by failing to cooperate with the OED's investigation.

A. Respondent's conduct related to his representation of the Client constitute violations of the USPTO disciplinary rules.

In Count I of the *Complaint*, the OED Director claims Respondent's conduct in representing of the Client violated 37 C.F.R. § 11.103. This provision requires that practitioners "shall act with reasonable diligence and promptness in representing a client." 37 C.F.R. § 11.103. Knowingly neglecting client matters constitutes the failure to act with reasonable diligence in and promptness. See People v. Ringler, 309 P.3d 959, 961 (Colo. 2013); see also Atty. Griev. Comm'n v. De La Paz,

16 A.3d 181, 185 (Md. 2011) (noting an attorney does fail to act diligently and promptly when he or she does nothing whatsoever to advance the client's cause or endeavor.)⁵

Respondent filed the [REDACTED] application over a year after Respondent first agreed to provide patent legal services for the Client's pet food bowl invention.⁶ However, Respondent failed to remit the required filing fees to the USPTO, or include the inventor's oath or declaration when the [REDACTED] application was filed. And, despite subsequently receiving the Client's inventor's oath, Respondent never filed it with the USPTO. Accordingly, the Court finds that Respondent failed to act with diligence and promptness by failing to remit filing fees or inventor's oath. See Atty. Griev. Comm'n v. McCulloch, 946 A.2d 1009, 1015 (Md. 2008) (finding an attorney failed to act with diligence and promptness, because the attorney filed the complaint, but failed to secure service of process on the defendant or to respond to a notice from the court of contemplated dismissal for failure to prosecute the case); Iowa Supreme Court Atty. Disciplinary Bd. v. Nelson, 838 N.W.2d 528, 533 (Iowa 2013) (finding an attorney failed to act with reasonable diligence and promptness in representing a client after the attorney failed to cure a default regarding an appeal resulting in its dismissal). Respondent's failure to act with diligence and promptness constitutes a violation of 37 C.F.R. § 11.103.

In Count I of the *Complaint*, the OED Director also claims Respondent did not keep the Client reasonably informed about the status of the matter or promptly comply with the Clients' reasonable requests for information in violation of 37 C.F.R. § 11.104(a)(3) and (4). And, when Respondent did communicate with the Client, he failed to explain, candidly, the true status of the [REDACTED] application in violation of 37 C.F.R. § 11.104(b).

A practitioner is required to keep his or her clients reasonably informed as to the status of the matter for which the practitioner is hired, and to promptly respond to reasonable requests for information from clients. Id. at § 11.104(a)(3) and (4). Beyond keeping clients apprised of the status of client matters, a practitioner must explain such matters to the extent reasonably necessary to permit clients to make informed decisions regarding the representation. Id. at § 11.104(b). The failure to do so constitutes misconduct. 37 C.F.R. § 11.804(a) (stating that the violation or attempted violation of the USPTO Rules of Professional Conduct is professional misconduct). In addition, it is misconduct for a practitioner to "[e]ngage in conduct involving dishonesty, fraud, deceit or misrepresentation." Id. at § 11.804(c).

The Client inquired as to the status of the [REDACTED] application five months after Respondent was hired and again another five months later. Both inquiries were met with silence. Respondent did not inform the Client of the status of the [REDACTED] application until the Client asked for his payment of fees to be returned over one year after Respondent was hired. Respondent also failed to inform the Client that the inventor's declaration and filing fees for the [REDACTED] application were never submitted to the USPTO resulting in the application being deemed by the USPTO as abandoned. Instead, Respondent misrepresented to the Client that he had filed the [REDACTED] application as requested and that

⁵ Decisions issued by state bars that have adopted the ABA Model Rules after which the USPTO disciplinary rules are modelled are "useful to understanding the PTO Rules." In re Flindt, D2016-04, n. 5 (USPTO Aug 4, 2017).

⁶ The OED Director claims Respondent's over one-year delay in filing the [REDACTED] application constitutes misconduct under 37 C.F.R. § 11.103. However, the OED Director fails to prove by clear and convincing evidence that the amount of time that passed, alone, was unreasonable. There is no evidence as to whether Respondent was diligently preparing the [REDACTED] application between the time the Client hired him and when the [REDACTED] application was ultimately filed.

it would take nine months to a year for the USPTO to respond. When the Client later asked for confirmation that everything in the [REDACTED] application was in order, Respondent falsely stated that it was. The Client did not discover that the [REDACTED] application was deemed to be abandoned until he directly inquired with the USPTO. Respondent's failure to keep the Client informed of the status of the [REDACTED] application and misrepresentations constitute misconduct. See *Atty. Griev. Comm'n v. De La Paz*, 16 A.3d 181, 193 (Md. 2011) (finding there was an impermissible lack of communication where a client's repeated attempts to gain information were met with silence and the client only found out that his case had been dismissed by travelling to the courthouse and inquiring himself). Accordingly, the Court finds Respondent engaged in misconduct in violation of 37 C.F.R. §§ 11.104(a)(3)-(4), 11.104(b), and 11.804(c).

Based on the foregoing, the Court finds the undisputed facts in this case constitute clear and convincing evidence that Respondent engaged in misconduct in violation of the USPTO disciplinary rules while representing the Client. The OED Director has met his burden as it pertains to Count I of the *Complaint*.

B. Respondent failed to cooperate with the OED investigation in violation of the USPTO disciplinary rules.

As Count II of the *Complaint*, the OED Director first claims Respondent failed to cooperate with the OED's investigation. This failure is alleged to constitute conduct that is prejudicial to the administration of justice. In addition, the OED Director claims Respondent failed to maintain readily accessible accounting records. These allegations, if proven, constitute violations of the USPTO disciplinary rules.

A practitioner shall not fail to cooperate with the OED in an investigation or knowingly fail to respond to a lawful demand or request for information. 37 C.F.R. § 11.801(b). "Knowingly" means having "actual knowledge of the fact in question." *Id.* at § 11.1. A practitioner is also precluded from engaging in conduct that is prejudicial to the administration of justice. *Id.* at § 11.804(d). And, the failure to cooperate with an investigation can be prejudicial to the administration of justice. *In re Stecewycz*, D2014-15 p. 27 (USPTO May 5, 2016) (final order). In addition, a practitioner must maintain certain accounting records and ensure that they are readily accessible to the practitioner. 37 C.F.R. § 11.115(f)(3).⁷ The requirement for "readily accessible" records means that "records stored off-site must be readily accessible to the practitioner and the practitioner should be able to produce and print them upon request." See *Changes to Representation of Others Before the United States Patent and Trademark Office*, 78 Fed. Reg. 20191 (comment to Final Rule).

Here, Respondent admits that he requested a copy of the August 14, 2018 RFI, which was then sent to him via e-mail on November 9, 2018. Respondent also acknowledges speaking with an OED staff attorney on November 27, 2018, and promising that he would submit a response to the RFI within a few days. Instead of submitting a substantive response to the RFI as promised, Respondent informed the OED that he was travelling and would not be able to access the accounting records related to his representation of the Client for another month. As such, he anticipated responding within the next month. However, Respondent admits that he never answered

⁷ The specific records required to be kept are listed at 37 C.F.R. § 11.115(f)(1).

any of the questions set forth in the August 14, 2018 RFI or provided any of the requested accounting records.

The undisputed facts support a finding that Respondent received the August 14, 2018 RFI, but failed to provide any substantive response or documentation requested. Such inaction constitutes a failure to cooperate with the OED's investigation and a knowing failure to respond to a lawful request for information in violation of 37 C.F.R. § 11.801(b). In addition, such conduct is prejudicial to the administration of justice in violation of 37 C.F.R. § 11.804(d). See Bender v. Dudas, 490 F.3d 1361, 1368 (Fed.Cir. 2007) (affirming finding that providing the USPTO with evasive responses to RFIs constitutes conduct that is prejudicial to the administration of justice). Finally, Respondent's practice of keeping records in storage without a mechanism to produce them upon request demonstrates that Respondent failed to keep readily accessible records in violation of 37 C.F.R. § 11.115(f)(3).

The Court finds the undisputed material facts establish, by clear and convincing evidence, that Respondent failed to cooperate with the OED's investigation or respond to the RFI, and failed to keep accounting records that were readily accessible. The OED Director has met his burden as it pertains to Count II of the *Complaint*.

C. Respondent's defenses fail to excuse his misconduct.

Respondent raised several matters as defenses and mitigating factors. The majority of his arguments focus on current events that have no bearing on the alleged misconduct in this case. For instance, Respondent states he "reasonably believes that certain members of Congress could be compromised and under duress. If a member of Congress is being blackmailed, then they no longer have political control." Respondent also suggests the United States government is a corporation that is destabilizing the country. Additionally, Respondent claims he has knowledge of government agencies being involved in the trafficking of drugs and children in the United States, which creates a "double legal standard," because such government agencies are not being punished for such crimes. However, Respondent fails to explain how these claims, if true, relate to the misconduct and provide a defense or mitigation. More importantly, Respondent fails to produce evidence of many of these claims. See Matsushita Elec. Indus. Co., 475 U.S. at 586-87 (noting the nonmoving party may not rest upon mere allegations or denials, but must come forward with "specific facts showing that there is a genuine issue for trial"). As such, Respondent cannot rely on these assertions in his defense or as mitigating factors. See 37 C.F.R. § 11.36(c) ("A respondent who fails to [specify each defense or disability its nexus to the misconduct, and the reason it provides a defense or mitigation] cannot rely on a special matter of defense or disability.").

Respondent also claims he was misled by the Client, which is an issue relevant to the allegations in the *Complaint*. Specifically, Respondent states that the Client always presented himself as having very little money to pay for legal services. As a result, Respondent provided legal services at a reduced cost. However, Respondent felt betrayed when he subsequently learned that the Client was gainfully employed. Respondent adds that he never received payment-in-full from the Client.

Respondent's claims, if true, are insufficient as defenses for his misconduct. As noted *supra*, practitioners are required to act with reasonable diligence and promptness in representing their clients. 37 C.F.R. § 11.103. And, unless the practitioner-client relationship is terminated,

Respondent is required to carry through to conclusion all matters undertaken for the Client. See MODEL CODE OF PROF'L RESPONSIBILITY R. 1.3 cmt. 4 (1983); *In re Flindt*, D2016-04, n. 5 (noting that the Comments and Annotations to the ABA Model Rules, are useful to understanding the USPTO disciplinary rules). Therefore, regardless of whether Respondent believed the Client had underpaid him for his services, Respondent is required to continue offering diligent and competent representation of the Client until the matters for which he was hired are carried out or the relationship is terminated.

There is no evidence that the practitioner-client relationship in this case was terminated. In fact, when the Client suggested ending their practitioner-client relationship in February of 2017, Respondent apologized for being non-responsive and continued with the filing of the [REDACTED] application to preserve the relationship. Additionally, Respondent admits that the matters for which he was hired—namely to provide patent preparation services, which included preparing design drawings and the application, and filing the application with the USPTO—were never completed, because the [REDACTED] application was filed with missing parts that were never submitted. Therefore, even assuming for the purposes of this ruling that the Client underpaid Respondent, Respondent was nevertheless required to continue handling the Client's matters diligently and promptly. Accordingly, the Court finds Respondent's claim that the Client did not pay him for the legal services rendered does not excuse the misconduct in this case.⁸

Based on the foregoing, the Court finds there are no material facts in dispute. The OED Director has met his burden to prove that Respondent committed violations of the USPTO disciplinary rules as outlined in Counts I and II of the *Complaint*. Respondent has failed to raise any genuine issue as to the material facts and his defenses are insufficient to excuse his misconduct. Accordingly, the OED Director is entitled to judgment as a matter of law for Counts I and II of the *Complaint*.

III. The issue of an appropriate sanction requires a hearing.

The OED Director claims an eight-month suspension and eighteen months of probation is warranted in this case for Respondent's misconduct outlined in Counts I and II of the *Complaint*. Respondent disagrees and raises several issues as mitigating factors.

In addition, Respondent refers to a sanction that was previously agreed to by the parties during settlement negotiations that were unsuccessful. This is improper pursuant to 37 C.F.R. § 11.26, which states that "[a]ny offers of compromise and any statements made during the course of settlement discussions shall not be admissible in subsequent proceedings." Court staff reviewing the filings in this case observed that Respondent cited the sanction agreed to by the parties during prior settlement negotiations. Court staff brought this fact to the attention of the presiding judge without disclosing what the sanction was that Respondent disclosed in his *Response to Order to Show Cause and Order Vacating Hearing Date and Prehearing Deadlines*. To ensure the presiding judge is not inappropriately influenced in making a determination on summary judgment, Court staff was directed to redact specific language identifying the sanction agreed upon by the parties and disclosed by Respondent before review by the presiding judge.

⁸ The Client's alleged dishonesty involving his ability to pay Respondent's fees, if proven, may be relevant to determining the sanction to be imposed. 37 C.F.R. § 11.54(b) (citing the factors the Court must consider in determining any sanction).

Understanding that Respondent's arguments on the existence of mitigating factors relied, in part, on the agreed-to sanction, the Court declines to grant summary judgment on this issue. Rather, the Court will permit the parties to present their positions and evidence relevant to the issue of the sanction to be imposed for Respondent's misconduct set forth in Counts I and II of the *Complaint*. In so doing, the Court can ensure a complete record on the factors to be considered in imposing a sanction. Accordingly, summary judgment as to the sanction to be imposed is **DENIED**.

Conclusion and Order

The OED Director met his burden to prove that there exists no issue of material fact and Respondent's misconduct constitutes violations of the USPTO disciplinary rules. However, questions of fact remain regarding the appropriate sanction to be imposed based on the Court's consideration of the factors set forth in 37 C.F.R. § 11.54(b). Accordingly, the OED Director's *Summary Judgment Motion* is **GRANTED** as to Counts I and II of the *Complaint*, and **DENIED** as to the sanction to be imposed.

This matter will proceed to hearing so that the Court may receive evidence and argument relevant to the factors set forth in 37 C.F.R. § 11.54(b).

In the alternative, the parties may agree to propose that the Court determine an appropriate sanction based upon additional briefing, supported by evidence, and forego a hearing on the issue.

Accordingly, it is hereby **ORDERED** that:

1. **TIME AND DATE OF HEARING.** The hearing in this matter will be held commencing at 10:00 a.m. ET on November 4, 2020, via videoconference. The parties shall confer and advise the undersigned by October 5, 2020, if they agree to forego a hearing and present their arguments and evidence in writing.⁹ The hearing is scheduled to conclude on or before November 5, 2020;
2. **PRETRIAL CONFERENCE.** The Court will conduct a pretrial conference with the parties commencing at 1:00 p.m. ET, on October 13, 2020, on the Microsoft Teams platform. Court staff will send an internet link via e-mail to the parties to connect to the pretrial conference;
3. **DISCOVERY.** Discovery is not authorized absent an order of the Court. 37 C.F.R. § 11.52. A party moving for discovery shall file a motion as specified by 37 C.F.R. §§ 11.43 and 11.52 demonstrating that discovery is reasonable and relevant on or before October 15, 2020;
4. **FORMAT AND SUBMISSION OF EXHIBITS AND WITNESS LISTS.** For receipt by the Docket Clerk on or before October 22, 2020, each party shall submit (1) a list of the witnesses the party intends to call, with a summary of testimony for each witness; (2) a list of the exhibits the party intends to introduce; and (3) a copy of the exhibits in electronic (pdf) format.

⁹ If the parties agree to proceed with briefing in lieu of a hearing, the Court will vacate the hearing date and issue a briefing schedule that would permit arguments and counterarguments.

- a. Electronic copies in .pdf format must be processed with an optical character recognition (OCR) tool and saved onto a CD-ROM; and
- b. To avoid duplication of exhibits, the parties will coordinate and submit **JOINT EXHIBITS**. These exhibits will be designated “JNT #.” The Government counsel will coordinate this effort. The other party(s) is expected to cooperate fully with the Government’s efforts in this regard.

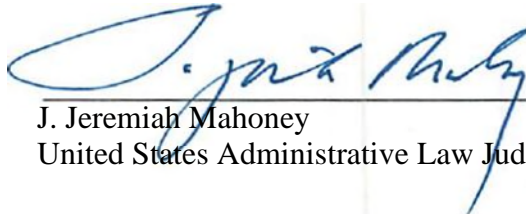
In addition, each party must submit one set of their hardcopy exhibit binders for use of the judge. The parties shall adhere to the following parameters for hardcopy exhibit binders:

- c. Hardcopy exhibits will be indexed in three-hole Exhibit Binders that must be able to remain flat while open. To the extent practicable, all exhibits will be numbered in the order they are intended to be introduced and will be separated in the binder(s) by corresponding numbered tabs;
 - d. The Joint exhibits will be filed by the Government in separate binder(s), or in a segregated part of a binder containing the Government exhibits; and
 - e. For hearings held via videoconference or at the OHA courtroom in Washington, DC, the parties may arrange for the Docket Clerk to receive all copies of exhibit binders prior to the hearing date.
5. **OBJECTIONS.** Any party objecting to any known exhibit and/or witness to be presented at the hearing must file a written objection, stating the legal reasons for the objection, to be received by the Docket Clerk no later than October 26, 2020. The party attempting to introduce the exhibit and/or witness must file its response, to be received by the Docket Clerk no later than October 29, 2020. The parties must fax (or email) these objections and responses to such objections [to each other] immediately upon filing;
 6. **PRE-HEARING STATEMENTS.** Each party shall file a pre-hearing statement, to be received by the Docket Clerk on or before October 29, 2020, briefly setting forth the following:
 - a. The issues involved in the proceeding;
 - b. Facts stipulated by the parties, together with a statement that the parties have made a good faith effort to stipulate to the greatest extent possible;
 - c. Estimated time required for presentation of the Party’s case;
 - d. Facts in dispute;
 - e. Applicable law; and,
 - f. Conclusions to be drawn;
 7. **MOTIONS.** Prior to filing any motion, the moving party is required under 37 C.F.R. § 11.43 to confer with the non-moving party in a good faith effort to resolve by agreement the issues raised in the motion. Any motion filed with the Court **must be accompanied** by a **separate, clearly labeled** Memorandum of Points and Authorities in support of said motion. The

Memorandum of Points and Authorities must contain a thorough analysis of the issues presented along with the concordant application of law to facts;

- a. **Motions in Limine.** Motions directly affecting the conduct of the hearing (other than those already specified herein) should be filed as soon as practicable, but must be received by the Docket Clerk no later than October 29, 2020;
 - b. **Responses to Motions.** The nonmoving party must file a response to any motion the nonmoving party opposes within 7 calendar days from the date the motion is docketed. A party failing to respond timely to a motion it opposes may be deemed to have waived any objection to the granting of the motion;
8. **PROCEDURE.** The Hearing proceedings shall be conducted in accordance with 37 C.F.R. Part 11.

So **ORDERED**,



J. Jeremiah Mahoney
United States Administrative Law Judge

CERTIFICATE OF SERVICE

I hereby certify that copies of the **INITIAL DECISION AND ORDER** issued by J. Jeremiah Mahoney, Administrative Law Judge, in D2019-37, were sent to the following parties on this 14th day of February 2022 in the manner indicated:



Cinthia Matos, Docket Clerk

VIA EMAIL

Mr. Greg L. Martinez
3116 South Mill Avenue
Suite 408
Tempe, Arizona 85282
[REDACTED]

Respondent

Robin Crabb
Associate Solicitors
Mail Stop 8
Office of the Solicitor
P.O. Box 1450
Alexandria, Virginia 22313-1450
[REDACTED]

Counsel for Government