

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

In the Matter of:

GLENN E. VON TERSCH,

Respondent.

Proceeding No. D2022-21

October 31, 2023

**INITIAL DECISION ON DEFAULT JUDGMENT**

This matter arises from a disciplinary complaint filed by the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “the Office”) against Glenn E. Von Tersch (“Respondent”) pursuant to 35 U.S.C. § 32 as implemented by 37 C.F.R. part 11.<sup>1</sup> Currently before the Court is the OED Director’s *Motion for Default Judgment* seeking entry of default judgment and an order excluding Respondent from practice before the Office.

**PROCEDURAL HISTORY**

On August 25, 2022, the OED Director filed a *Complaint and Notice of Proceeding Under 35 U.S.C. § 32* (“Complaint”) against Respondent alleging he had violated multiple provisions of the USPTO Rules of Professional Conduct (37 C.F.R. §§ 11.101 *et seq.*) in two client matters and failed to respond to the ensuing disciplinary investigation. The *Complaint* stated that Respondent was required to file a written Answer with the Court within thirty days.

Service of a Complaint in a USPTO disciplinary proceeding may be completed by mailing a copy to the correspondence address the respondent has provided to USPTO pursuant to 37 C.F.R. § 11.11.<sup>2</sup> *See* 37 C.F.R. § 11.35(a)(2). Accordingly, on or about the time of filing, the OED Director sent a copy of the *Complaint* by certified mail, return receipt requested, to “Glenn E. Von Tersch, SVPC, P.O. Box 296, Belmont, CA 94002,” which Respondent had provided as his correspondence address pursuant to 37 C.F.R. § 11.11. The OED Director also sent copies of the *Complaint* via certified mail, return receipt requested, to “Glenn E. Von Tersch, c/o MU P.C., P.O. Box 296, Belmont, CA 94002-0296,” and to four other addresses in Del Mar, Solana Beach, San Mateo, and Palo Alto (all in California) where the OED Director believed Respondent may receive mail. The mailing sent to the Del Mar address was delivered, but the delivery receipt was not signed and Respondent did not make any response. The remaining mailings, including

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

<sup>2</sup> 37 C.F.R. § 11.11(a) requires a registered USPTO practitioner to notify the OED Director of the postal address for the practitioner’s office and to provide written notice of any address change within 30 days of the change.

the copy of the *Complaint* sent to Respondent's § 11.11 correspondence address in Belmont, were returned undelivered.

Counsel for the OED Director attempted to reach Respondent by sending messages to two email addresses known to be used by Respondent. The messages notified Respondent that USPTO had sent him confidential correspondence and that he could contact counsel to obtain a copy. These email messages did not bounce back, but counsel did not receive any response.

Counsel also caused a process server to go to Respondent's correspondence address in Belmont, but the process server was unable to complete service at that address.

On August 30, 2022, this Court issued a *Notice of Docketing* requiring Respondent to file his Answer to the *Complaint* on or before September 26, 2022. However, Respondent did not file an Answer or otherwise enter any appearance before the Court by the deadline.

Subsequently, because it was unclear whether Respondent had received the *Complaint*, the OED Director effectuated service of the *Complaint* by publication pursuant to 37 C.F.R. § 11.35(b). Notices were published in the USPTO Official Gazette for two consecutive weeks, on November 29, 2022, and December 6, 2022. USPTO regulations mandated that Respondent had thirty days from the date of publication of the second Notice in the Official Gazette to file an Answer to the *Complaint*, making his Answer due on or before January 5, 2023. See 37 C.F.R. § 11.35(b). Respondent did not file an Answer by that deadline.

On May 31, 2023, the OED Director filed his *Motion for Default Judgment*. Under 37 C.F.R. § 11.43, a response to the motion was due within 21 days, i.e., by June 21, 2023. However, Respondent has not filed any response.

As of the date of this decision, Respondent still has not filed an Answer to the *Complaint* or requested an extension of time to do so, and the Court has received no communication from or on behalf of Respondent.

## APPLICABLE LAW

**USPTO Disciplinary Proceedings.** 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). This authority flows from 35 U.S.C. § 2(b)(2)(D), which empowers USPTO to establish regulations governing patent practitioners' conduct before the Office, and 35 U.S.C. § 32, which empowers USPTO to discipline a practitioner who is “shown to be incompetent or disreputable, or guilty of gross misconduct,” or who violates USPTO's regulations governing the conduct of practitioners. The practitioner must receive notice and an opportunity for a hearing before such disciplinary action is taken. 35 U.S.C. § 32. Disciplinary hearings are conducted in accordance with USPTO's procedural rules at 37 C.F.R. part 11, subpart C, and with section 7 of the Administrative Procedure Act, 5 U.S.C. § 556, by a hearing officer appointed by USPTO. See 37 C.F.R. §§ 11.39(a), 11.44. The OED Director has the burden of proving any alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49.

**Default Judgment.** The requirement to answer a disciplinary complaint, and the consequences for failing to do so, are stated plainly in 37 C.F.R. § 11.36(e): “Failure to timely file an answer will constitute an admission of the allegations in the complaint and may result in entry of default judgment.” See also *In re Whitney*, Proceeding No. D2018-48, slip op. at 12 (USPTO Mar. 14, 2019)<sup>3</sup> (granting default judgment when respondent failed to answer complaint); *In re Morishita*, Proceeding No. D2017-25, slip op. at 12 (USPTO Sept. 28, 2018) (same); *In re Schwedler*, Proceeding No. D2015-38, slip op. at 8 (USPTO Mar. 21, 2016) (same).

## FINDINGS OF FACT

Because Respondent failed to answer the *Complaint*, he is deemed to have admitted the allegations therein, which are set forth below as the Court’s findings of fact.

### A. Background Facts

At all times relevant to the *Complaint*, Respondent was an attorney licensed to practice law in the state of California and was registered to practice before USPTO. USPTO registered Respondent as a patent agent on August 4, 1997, and changed his status to a patent attorney on March 15, 1999. His registration number is 41,364. Respondent was admitted to practice law in the state of California on December 7, 1998, under license number 197058. Respondent was admitted to practice law in the state of Washington on July 1, 1999, under license number 29154. As of the date of the *Complaint*, he was suspended by the state of Washington for non-compliance with that state’s continuing legal education requirements and for not providing a required insurance form.

At all times relevant to the *Complaint*, Respondent was primarily located and practicing law in Belmont, California, and was the managing attorney of the law firm known as MU Patents, a.k.a. MU P.C. (“MU Patents”).

Respondent’s acts and omissions leading to the violations of the USPTO Rules of Professional Conduct set forth in the *Complaint* were willful.

### B. Prior Discipline and Warning Letter

On July 8, 2019, the Office of Enrollment and Discipline (“OED”) issued a professional misconduct warning letter to Respondent concerning his delay in refunding fees paid by a client for an expedited patent examination. Within that warning letter, OED cautioned Respondent about his duty to deliver to the client property that the client is entitled to receive pursuant to 37 C.F.R. § 11.115 and his duty to communicate with the client pursuant to 37 C.F.R. § 11.104.

On or about February 3, 2022, the State Bar of California issued a public reproof against Respondent in Case Number SBC-21-O-30749. The stipulated facts concluded that Respondent (a) failed to file a patent application and “intentionally, recklessly, or repeatedly failed to perform legal services with competence ...”; (b) failed to promptly return \$5,730 in advance fees

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

upon his termination, despite not having performed any services of value; (c) failed to respond promptly to telephone calls and status inquiries from his client; and (d) failed to provide a substantive response to the State Bar of California's inquiries and telephone calls, thereby failing to cooperate in the disciplinary investigation.

### C. Respondent's Representation of Jordan Dunnington

Jordan Dunnington engaged MU Patents to represent him in matters before the Office, resulting in MU Patents filing U.S. Provisional Patent Application No. 62/237,477 on behalf of Mr. Dunnington on May 17, 2016.

Subsequently, Mr. Dunnington worked with a registered practitioner associated with MU Patents on U.S. Nonprovisional Patent Application No. 15/584,295 ("the '295 application"), which was filed on May 2, 2017. The registered practitioner left the employment of MU Patents after filing the '295 application.

Respondent first contacted Mr. Dunnington on or about November 26, 2017, when Respondent provided the notice of publication for the '295 application to Mr. Dunnington and identified himself as being part of the MU Patents leadership.

On May 3, 2019, USPTO issued an Office action in the '295 application. On the same date, a MU Patents non-practitioner employee informed Mr. Dunnington of the Office action.

On or about August 14, 2019, Mr. Dunnington informed MU Patents that he wanted the firm to respond to the Office action on his behalf. He made a payment arrangement with Anny Derrico, a non-practitioner employee with MU Patents, regarding the fee for preparing and filing a response to the Office action. Also on or about August 14, 2019, Ms. Derrico informed Mr. Dunnington that if he paid at least 50% of the agreed amount in advance, the response would be prepared and filed.

MU Patents invoiced Mr. Dunnington for a total of \$3,053.25, to be paid in three installment payments, with the last due on October 16, 2019. Mr. Dunnington tendered payments totaling \$3,053.25 to MU Patents, with the last payment being made on October 16, 2019. A portion of the amount paid was earmarked to be allocated for payment of government fees to USPTO for a three-month extension of time in which to file the response to the Office action. With the extension of time, the response was due on or before November 3, 2019.

Notwithstanding Mr. Dunnington having timely made the requested advance payments, MU Patents did not submit a response to the Office action on or before November 3, 2019. On November 15, 2019, a Notice of Abandonment was issued in the '295 application because the response had not been filed. The Notice was sent to "MU P.C." at an address in Del Mar, California, the same address associated with the MU Patents customer number on that date. MU Patents did not inform Mr. Dunnington that USPTO had issued the Notice of Abandonment. Mr. Dunnington discovered the Notice by reviewing it on the publicly accessible portion of the USPTO website.

Mr. Dunnington contacted MU Patents and informed them about the abandonment. Ms. Derrico responded to the call and told Mr. Dunnington that MU Patents had filed a response to the Office action. This representation was false.

Mr. Dunnington made attempts to contact MU Patents to determine the status of the '295 application, but he was unsuccessful. An appointment was set to discuss the status of the '295 application, but MU Patents canceled the appointment.

On or about December 16, 2020, Mr. Dunnington spoke with Respondent regarding the '295 application. During that conversation, Respondent represented that materials had been submitted to USPTO but something got mixed up by USPTO. This representation was false, as no materials had been submitted to USPTO. Respondent further represented that the problem would be cleared up and the nonprovisional application should no longer be reflected as being abandoned.

On June 4, 2021, Mr. Dunnington sent MU Patents an email asking it to explain the steps that it took in relation to the Office action, along with documentation of such steps. Mr. Dunnington further informed MU Patents that, according to USPTO's website, the status of the application was still "abandoned," and that USPTO records indicated no response had been submitted to the Office action, contrary to Respondent's December 16, 2020 representations. On June 18, 2021, Mr. Dunnington again inquired as to the status of his application by sending a message to Respondent's LinkedIn account, an email to Respondent at [glenn@mupatents.com](mailto:glenn@mupatents.com), and an email to another employee at MU Patents. On June 22, 2021, and July 23, 2021, Mr. Dunnington sent follow-up emails to Respondent. Mr. Dunnington has not received any response to his requests for the status of the '295 application, nor has he received any of the documentation requested in his June 4, 2021 email or subsequent emails from MU Patents or Respondent. Since the June 4, 2021 email, Mr. Dunnington has not received any communication at all from MU Patents.

Mr. Dunnington has not received a refund of the \$3,053.25 that he paid in advance for preparing and filing a response to the May 3, 2019 Office action and for the government fee for the three-month extension of time in which to file the response.

#### D. Respondent's Representation of Emanuel Shah

On or about January 11, 2018, Emanuel Shah retained the services of MU Patents for the purpose of filing a nonprovisional utility patent application. The engagement agreement was signed by Mr. Shah and Respondent. Also on or about January 11, 2018, Mr. Shah paid a total of \$4,130 in advance to MU Patents, including \$3,400 for the preparation of the patent application and \$730 for payment of USPTO filing fees.

Employees of MU Patents promised Mr. Shah that the initial draft of the application would be ready within three to four weeks. He initially worked with two employees of MU Patents, a practitioner and a non-practitioner. Due in part to the non-practitioner's lack of experience in or knowledge of superconductivity, MU Patents took much longer to complete an initial draft of the nonprovisional application. Even though Mr. Shah offered corrections and

revisions to the drafts completed MU Patents employees, their draft was rejected by Mr. Shah because it did not competently or accurately characterize his invention.

In or about October 2018, on behalf of MU Patents, Respondent assumed responsibility for preparing and filing a nonprovisional utility patent application for Mr. Shah's invention.

On August 21, 2019, Mr. Shah terminated MU Patents due to their failure to complete a satisfactory patent application for his invention. At the time, MU Patents had not provided Mr. Shah with a satisfactory draft of the nonprovisional application. Mr. Shah sought a refund of the fees he had paid in advance, and he had two telephone conversations with Respondent regarding the refund. After those two calls, MU Patents and Respondent stopped returning Mr. Shah's calls. To date, he has not received a refund of the fees he paid in advance.

#### E. Mr. Dunnington's Grievance

On November 17, 2021, OED lawfully issued a Request for Information and Evidence Under 37 C.F.R. § 11.22(f) ("RFI") to Respondent seeking information about the allegations made by Mr. Dunnington. OED sent the RFI by certified and first-class mail to two addresses known to be associated with Respondent, including the Belmont, California address he had provided to USPTO pursuant to 37 C.F.R. § 11.11(a)(1). The second address was a San Diego, California address associated with the USPTO customer number<sup>4</sup> for MU P.C.

The RFI sent by certified mail to the Belmont address was returned to OED after the U.S. Postal Service had delivered notice to that address and made the certified mail available for pickup between November 24, 2021 and December 9, 2021. The RFI sent by certified mail to the San Diego address was delivered on November 22, 2021, and OED received an unsigned certified return receipt. The RFIs sent by first-class mail were not returned to OED.

Having received no response to the RFI, on January 5, 2022, OED sent a Lack of Response notification, along with another copy of the RFI, by certified and first-class mail to the Belmont and San Diego addresses. On January 14, 2022, OED received an unsigned certified return receipt for the mailing sent to the San Diego address. On February 2, 2022, OED received a certified return receipt for the mailing sent to the Belmont address, which was signed "Glenn E. Von Tersch" and indicated that the mailing had been delivered on January 27, 2022. However, OED did not receive any response to the January 5, 2022 Lack of Response notification or to the enclosed RFI.

On January 25, 2022, OED sent a second Lack of Response notification, including a copy of the January 5, 2022 Lack of Response notification and a copy of the November 17, 2021 RFI, by certified and first-class mail to the Belmont and San Diego addresses. The U.S. Postal Service delivered notice that the mailing sent to the Belmont address was available for pickup on January 28, 2022, but it remained unclaimed until March 4, 2022, and was returned to USPTO

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<sup>4</sup> A USPTO-issued customer number is a unique number created by USPTO. The customer number allows a practitioner to easily associate all of his or her filings with a single mailing address, thus eliminating typographical errors or variations in addresses that can make it difficult to receive patent correspondence from USPTO. See Manual of Patent Examining Procedure § 403.

on March 14, 2022, labeled “Return to Sender/Attempted-Not Known/Unable to Forward.” The mailing sent to the San Diego address was delivered on January 31, 2022.

As of the date of the *Complaint*, OED had received no correspondence or communication from Respondent in response to any of the RFI or Lack of Response notifications sent to Respondent regarding Mr. Dunnington’s grievance.

#### F. Mr. Shah’s Grievance

On February 1, 2022, OED sent an RFI to Respondent seeking information about the allegations made by Mr. Shah. OED sent the RFI by certified and first-class mail to the Belmont and San Diego addresses. The U.S. Postal Service delivered notice that the mailing sent by certified mail to the Belmont address was available for pickup on February 5, 2022, but it remained unclaimed as of March 4, 2022, and was returned to OED labeled “Return to Sender/Attempted-Not Known/Unable to Forward.” The mailing sent by certified mail to the San Diego address was delivered on February 4, 2022, and on February 7, 2022, OED received an unsigned certified return receipt. The mailings sent by first-class mail were not returned to OED.

On March 3, 2022, having received no response to the February 1, 2022 RFI, OED sent a Lack of Response notification by certified and first-class mail to the Belmont and San Diego addresses. The Lack of Response notification included a copy of the February 1, 2022 RFI. The U.S. Postal Service delivered notice that the Lack of Response notification sent by certified mail to the Belmont address was available for pickup on March 7, 2022, but it remained unclaimed as of April 22, 2022, and was returned to the USPTO on May 3, 2022, stamped, “Return to Sender/[Undeliverable] as Addressed/[Unable to] Forward.” The Lack of Response notification sent by certified mail to the San Diego address was delivered on March 7, 2022. The certified mail receipt indicates that the correspondence was received by Jeff Clagg, who represented that he received it as agent for Respondent or MU P.C.

To date, OED has received no correspondence or communication from Respondent in response to the RFI or Lack of Response notifications sent to him regarding Mr. Shah’s grievance.

### CONCLUSIONS OF LAW

The OED Director’s *Complaint* and *Motion for Default Judgment* assert that Respondent violated the following provisions of the USPTO Rules of Professional Conduct: 37 C.F.R. § 11.101; § 11.103; § 11.104(a)(3), (a)(4), and (b); § 11.115(d); § 11.116(d); § 11.801(b); and § 11.804(c) and (d).<sup>5</sup> Based on the foregoing findings of fact, the Court finds that Respondent violated the cited provisions as set forth below.

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<sup>5</sup> The *Complaint* also charged Respondent with violating 37 C.F.R. § 11.804(i), a catchall provision proscribing “other conduct that adversely reflects on ... fitness to practice,” to the extent his acts and omissions described therein did not otherwise violate the USPTO Rules of Professional Conduct. Because the cited conduct did violate other rules, and because the OED Director did not pursue any § 11.804(i) argument in his *Motion for Default Judgment*, this Decision need not address § 11.804(i).

1. Violations of 37 C.F.R. §§ 11.101 and 11.103 (Competence and Diligence)

The USPTO Rules of Professional Conduct require a practitioner to provide competent representation to a client, which requires exercising “the legal, scientific, and technical knowledge, skill, thoroughness and preparation reasonably necessary for the representation.” 37 C.F.R. § 11.101. The Rules also require a practitioner to “act with reasonable diligence and promptness in representing a client.” Id. § 11.103.

In this case, client Jordan Dunnington hired Respondent’s firm, MU Patents, to prosecute patent applications before the Office on his behalf. Respondent was the firm’s managing attorney and also worked directly with Mr. Dunnington on a patent matter beginning in November 2017 after the practitioner who had originally worked with Mr. Dunnington left the firm. In this capacity, Respondent accepted \$3,053.25 from Mr. Dunnington to file a response to an Office action issued May 3, 2019 in Mr. Dunnington’s patent application, but failed to timely submit the response, resulting in abandonment of the application. By failing to timely submit a response to the Office action after being hired and paid to do so, Respondent violated his duty under § 11.103 to act with reasonable diligence and promptness in representing Mr. Dunnington.

Client Emanuel Shah hired MU Patents and paid the firm advance fees totaling \$4,130 to prepare and file a patent application on his behalf in January 2018. Although firm employees promised that the initial draft would be ready in three to four weeks, it took much longer to complete, in part due to a non-practitioner employee’s lack of experience in or knowledge of superconductivity. And even after Mr. Shah offered corrections and revisions, the draft did not competently or accurately characterize his invention. Respondent assumed personal responsibility for the matter in October 2018, but as of August 21, 2019, he still had not completed a satisfactory patent application for Mr. Shah’s invention, leading Mr. Shah to terminate MU Patents. Respondent’s conduct in failing to produce an acceptable draft of a patent application for Mr. Shah despite his firm having been hired to do so more than eighteen months earlier demonstrated a failure to exercise the competence and diligence required of a patent practitioner under § 11.101 and § 11.103.

2. Violations of 37 C.F.R. § 11.104(a)(3), (a)(4), and (b) (Client Communications)

The USPTO Rules of Professional Conduct require a practitioner to properly communicate with a client by, among other things, keeping the client reasonably informed about the status of the client’s matters; promptly complying with the client’s reasonable requests for information; and explaining matters to the extent reasonably necessary to permit the client to make informed decisions. See 37 C.F.R. § 11.104(a)(3), (a)(4), (b).

Respondent violated § 11.104(a)(3), (a)(4), and (b) during his representation of Mr. Dunnington when he failed to inform Mr. Dunnington that Mr. Dunnington’s patent application had gone abandoned in November 2019 due to MU Patents’ failure to respond to the May 3, 2019 Office action; falsely told Mr. Dunnington in December 2020 that MU Patents had submitted materials to USPTO and that USPTO had mixed things up, when in reality the firm had not submitted anything; and eventually stopped communicating with Mr. Dunnington entirely, providing no response to multiple messages Mr. Dunnington sent Respondent and his



firm in June and July 2021 inquiring as to the status of the patent application and requesting documentation of steps the firm had taken in relation to the May 3, 2019 Office action. This conduct fell far short of the standards set forth in § 11.104(a)(3), (a)(4), and (b).

The OED Director's *Complaint* further alleges that, by reason of the conduct described in paragraphs 32-39 therein (concerning Respondent's representation of Mr. Shah), Respondent violated § 11.104(a)(3) and (b) by "failing to communicate with Mr. Shah regarding the status of his nonprovisional application" and "not communicating with Mr. Shah about his nonprovisional application after assuming responsibility" for it. However, the facts alleged in paragraphs 32-39 of the *Complaint* do not actually support these charges, as there are no allegations that Respondent failed to communicate with Mr. Shah about his patent application.

The OED Director's *Motion for Summary Judgment* alternately suggests Respondent violated § 11.104(a)(3) and (b) when he stopped returning Mr. Shah's calls after the client terminated the representation and sought to recover his money. This conduct was wrongful under other regulations, as discussed below, but did not amount to a failure to keep a client reasonably informed about the status of his patent matter under § 11.104(a)(3), nor did it amount to a failure to explain matters to the extent reasonably necessary to permit a client to make informed decisions about a representation under § 11.104(b).

The Court has already found that Respondent violated § 11.104(a)(3), (a)(4), and (b) during his representation of Mr. Dunnington. Because the record on default does not clearly and convincingly establish whether Respondent committed additional violations of § 11.104(a)(3) and (b) during his representation of Mr. Shah, the Court declines to so find.

### 3. Violations of 37 C.F.R. § 11.115(d) (Safekeeping Property)

The USPTO Rules of Professional Conduct require a practitioner to duly safeguard any property of clients or third persons that is in the practitioner's possession, including by "promptly deliver[ing] to the client or third person any funds or other property that the client or third person is entitled to receive." 37 C.F.R. § 11.115(d).

In this case, as discussed above, Mr. Dunnington paid Respondent's firm \$3,053.25 to prepare and file a response to an Office action. Part of this amount was earmarked to pay government fees to extend the deadline for the response to November 3, 2019. However, Respondent and his firm failed to file a response by that deadline. After misleading Mr. Dunnington as to whether the response had been filed, Respondent eventually stopped replying to his messages altogether, and he never refunded the money Mr. Dunnington had advanced for the work MU Patents had not performed. By failing to return the unearned advance fees his firm had received from Mr. Dunnington, Respondent violated § 11.115(d).

Likewise, Respondent violated § 11.115(d) when he failed to return the advance fees he had received from Mr. Shah to prepare and file a patent application for Mr. Shah's invention, even after Mr. Shah terminated Respondent and his firm for failure to complete the application. Respondent should have returned the money because his firm did not earn it. His failure to do so violated § 11.115(d).

4. Violation of 37 C.F.R. § 11.116(d) (Conduct After Termination)

Upon termination of representation, the USPTO Rules of Professional Conduct require a practitioner to “take steps to the extent reasonably practicable to protect a client’s interests, such as ... surrendering papers and property to which the client is entitled and refunding any advance payment of fee or expense that has not been earned or incurred.” 37 C.F.R. § 11.116(d). After Mr. Shah terminated Respondent’s representation of him, Respondent stopped returning Mr. Shah’s calls and failed to honor Mr. Shah’s request to refund the unearned advance fees Mr. Shah had paid Respondent’s firm. This conduct violated § 11.116(d).

5. Violation of 37 C.F.R. § 11.804(c) (Dishonesty)

The USPTO Rules of Professional Conduct proscribe “conduct involving dishonesty, fraud, deceit, or misrepresentation.” 37 C.F.R. § 11.804(c). Dishonest conduct is characterized by a lack of truth, honesty, straightforwardness, or trustworthiness. *In re Lane*, Proceeding No. D2013-07, slip op. at 14 (USPTO Mar. 11, 2014) (citing Merriam-Webster definition); see also *In re Shorter*, 570 A.2d 760, 767-68 (D.C. 1990). “Deceit” encompasses “dishonest behavior” and “behavior that is meant to fool or trick someone.” *In re Lane*, *supra*, slip op. at 14 (citing Merriam-Webster definition). Misrepresentation constitutes “[t]he act of making a false or misleading assertion about something, usu[ally] with the intent to deceive.” *Id.* (citing Black’s Law Dictionary).

As noted above, Mr. Dunnington’s patent application went abandoned in November 2019 due to MU Patents’ failure to respond to an Office action. On or about December 16, 2020, after Mr. Dunnington inquired about the abandonment, Respondent told him that MU Patents had submitted materials to USPTO but that something had gotten mixed up by USPTO. This representation was false, as no materials had been submitted to USPTO. Respondent also gave false assurances that the problem would be cleared up and that Mr. Dunnington’s patent application would no longer be listed as abandoned, but took no apparent steps to correct the problem or revive the application. Instead, he simply stopped responding to Mr. Dunnington’s messages, and never returned the money Mr. Dunnington had paid for the work his firm had failed to perform. Respondent’s untrustworthy conduct and the misrepresentations he made to his client violated § 11.804(c).

The *Complaint* alleges that Respondent further violated § 11.804(c) by “accepting \$4,130 in advance from Mr. Shah for preparing and filing a nonprovisional application and failing to file the nonprovisional application or refund the advance fees.” In his *Motion for Summary Judgment*, the OED Director theorizes that accepting payment for work, then refusing to refund the money after failing to perform the work, violates a practitioner’s duty to refrain from fraudulent or dishonest conduct under § 11.804(c). The Court agrees that such behavior is wrongful, but the cases cited by the OED Director do not support his argument that wrongful retention of unearned fees is, by itself,<sup>6</sup> a clear and convincing violation of § 11.804(c). Because Respondent violated § 11.804(c) on other grounds, and because the Court has already found that

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<sup>6</sup> Unlike in the Dunnington representation, where Respondent made false statements to the client about his patent matter and failed to refund the client’s money despite apparently performing no work at all on the response to the May 3, 2019 Office action, the record shows that Respondent’s firm unsuccessfully attempted to perform the work for which Mr. Shah had hired them, and there is no evidence that Respondent made false statements to Mr. Shah.

he violated other provisions of the USPTO Rules of Professional Conduct by failing to complete the work Mr. Shah hired him to perform and keeping Mr. Shah's money, the Court deems it unnecessary to decide whether such conduct also violated § 11.804(c).

6. Violations of 37 C.F.R. §§ 11.801(b) (Failure to Cooperate in Disciplinary Investigation) and 11.804(d) (Conduct Prejudicial to the Administration of Justice)

As set forth in the findings of fact above, Respondent failed to respond to any of the OED Director's RFIs or Lack of Response letters while OED was investigating the grievances filed by Respondent's clients, Mr. Dunnington and Mr. Shah. A practitioner has a duty under the USPTO Rules of Professional Conduct to cooperate with an OED disciplinary investigation. See 37 C.F.R. § 11.801(b). Respondent violated this duty. Failure to cooperate in a disciplinary investigation is prejudicial to the administration of justice, thereby also violating 37 C.F.R. § 11.804(d), because such a failure undermines the integrity of the disciplinary system and weakens public trust in the bar's ability to police itself. See *In re Shippey*, Proceeding No. D2011-27, slip op. at 9 (USPTO Oct. 14, 2011).

### SANCTION

In determining an appropriate sanction for Respondent's misconduct, USPTO regulations require this Court to consider the following four factors: (1) whether the practitioner has violated a duty owed to a client, the public, the legal system, or 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 conduct; and (4) the existence of any aggravating or mitigating factors. See 37 C.F.R. § 11.54(b); see also American Bar Association, STANDARDS FOR IMPOSING LAWYER SANCTIONS (2015) ("STANDARDS") § 3.0.

In this case, the OED Director asks the Court to enter an order excluding Respondent from practice before USPTO. The OED Director notes that the primary purpose of practitioner discipline is not to punish, but rather "to protect the public and the administration of justice from lawyers who have not discharged, will not discharge, or are unlikely properly to discharge their professional duties to clients, the public, the legal system, and the legal profession." In re Brufsky, Proceeding No. D2013-18, slip op. at 8 (USPTO June 23, 2014) (citing Matter of Chastain, 532 S.E.2d 264, 267 (S.C. 2000)); see also STANDARDS § 1.1. The OED Director asserts that Respondent's behavior demonstrates willful disregard of his obligations to the public, the legal profession, and this Court, and shows that he lacks basic ethical capacities. Thus, the OED Director concludes that Respondent should not be permitted to continue to represent others before the Office.

The Court agrees that exclusion is the appropriate sanction in this case, for the reasons that follow.

1. Respondent violated duties owed to his clients, the public, the legal profession, and the legal system.

The practitioner-client relationship is a fiduciary relationship in which the practitioner owes the client a duty to represent the client's interests diligently and in good faith. See Moatz v. Bender, Proceeding No. D2000-01, slip op. at 20 (USPTO Sept. 30, 2003) ("Respondent owed a fiduciary duty individually to each of his clients."); Carter v. ALK Holdings, Inc., 605 F.3d 1319, 1325 (Fed. Cir. 2010) (referencing patent practitioner's expected fiduciary duties to clients). Respondent breached the fiduciary duty he owed his clients when he failed to perform work for which they had hired him and failed to refund their payments. As argued by the OED Director, this breach was especially egregious with respect to the money Respondent failed to refund that had been earmarked for payment of USPTO filing fees, as Respondent had not filed anything with USPTO for either client, and therefore had not paid filing fees. Respondent did not earn the money his clients had advanced, and he violated his fiduciary duty to his clients by wrongfully retaining it.

Respondent also violated duties owed to his clients and the public when he breached the specific duties imposed by each of the USPTO regulations he violated.

Before being admitted to practice before USPTO, each practitioner must sign an oath or affirmation certifying that he will observe the laws and rules governing USPTO practice, including the Rules of Professional Conduct at 37 C.F.R. §§ 11.101 to 11.901 and the procedural rules governing disciplinary proceedings at 37 C.F.R. §§ 11.19 *et seq.* Respondent violated this oath when he failed to adhere to the USPTO Rules of Professional Conduct and failed to participate in these disciplinary proceedings. Respondent's failure to participate in the disciplinary proceedings "weaken[ed] the public's perception of the legal profession's ability to self-regulate" and "harm[ed] the legal profession by undermining the integrity of the attorney discipline system." See In re Valadares, Proceeding No. D2020-19, slip op. at 10-11 (USPTO Nov. 20, 2020) (citing In re Brost, 850 N.W.2d 699, 705 (Minn. 2014)). By violating his practitioner oath and engaging in conduct that imperils the orderly functioning of the disciplinary process and undermines public trust in the integrity of the legal profession, Respondent violated duties he owed to the legal system, the public, and the legal profession.

2. Respondent acted knowingly.

Evaluation of a lawyer's mental state, or *mens rea*, requires a determination as to whether, at the time of the misconduct, the lawyer acted intentionally, knowingly, or negligently. These three mental states address the degree of the lawyer's culpability for disciplinary purposes. See STANDARDS § 3.0; see, e.g., In re Phillips, 244 P.3d 549, 555 (Ariz. 2010) ("Intentional or knowing conduct is sanctioned more severely than negligent conduct because it threatens more harm."); People v. Varallo, 913 P.2d 1 (Colo. 1996) (indicating that lawyer's mental state is decisive element in determining level of discipline).

In this case, by failing to file an Answer or otherwise defend himself, Respondent has admitted all factual allegations in the *Complaint*, including the allegation that his acts and omissions leading to the violations set forth in the *Complaint* were willful. Willfulness is

generally understood to refer to wrongful conduct that goes beyond mere negligence, meaning that the wrongdoer, at minimum, “either knew or showed reckless disregard for the matter of whether [his] conduct was prohibited.” McLaughlin v. Richland Shoe Co., 486 U.S. 128, 133 (1988); see also Safeco Ins. Co. of Am. v. Burr, 551 U.S. 47, 57 (2007) (finding that willfulness encompasses both knowing and reckless violations).

Accordingly, the record supports a finding that, at minimum, Respondent acted knowingly or in reckless disregard of the wrongful nature of his conduct when he failed to competently and diligently perform work for which he had been hired by Mr. Dunnington and Mr. Shah; failed to inform Mr. Dunnington that Mr. Dunnington’s patent application had gone abandoned; made false representations to Mr. Dunnington about his patent matter and subsequently stopped communicating with him altogether; never refunded Mr. Dunnington’s money despite failing to perform the work for which he had been hired; stopped returning Mr. Shah’s calls and failed to honor Mr. Shah’s request for a refund even after being terminated for failing to complete the work for which he had been hired; and failed to cooperate in the ensuing disciplinary investigation.

3. Respondent’s misconduct caused actual harm to his clients.

Although a showing of harm is not required to establish a violation of the USPTO Rules of Professional Conduct, in this case, Respondent’s actions resulted in clear and tangible harm to his clients. Mr. Dunnington paid Respondent’s firm to prepare and file a response to an Office action, but his patent application went abandoned because no response was ever filed. Mr. Shah paid Respondent’s firm to prepare and file a patent application on his behalf, but never received a satisfactory draft. Neither client has received a refund of the funds they expended for services that Respondent and his firm never provided.

4. The relevant aggravating and mitigating factors support imposing a severe sanction.

The STANDARDS contain a list of aggravating and mitigating factors for use in determining sanctions in attorney discipline matters. See STANDARDS § 9.1. These factors are routinely referenced in USPTO disciplinary proceedings. See, e.g., In re Sheasby, Proceeding No. D2013-13 (USPTO Dec. 31, 2013); In re Robinson, Proceeding No. D2009-48 (USPTO May 26, 2010). In this case, the OED Director cites four aggravating factors that are relevant to the sanction.

The first aggravating factor is Respondent’s record of prior disciplinary offenses. See STANDARDS § 9.22(a). In 2019, OED issued a warning letter to Respondent concerning his duties to promptly refund client fees under 37 C.F.R. § 11.115 and to properly communicate with clients under 37 C.F.R. § 11.104. Less than three years later, Respondent violated both of the cited provisions. While warning letters do not constitute discipline, they may still be relevant in considering what sanction to impose, see In re Hamill, Proceeding No. D2019-16, slip op. at 20 (USPTO Nov. 4, 2019); in this case, the warning letter is an aggravating factor because it shows that Respondent had been placed on notice of the need to exercise care when engaging in conduct that may implicate §§ 11.115(d) and 11.104.

In addition, the State Bar of California issued a public reproof against Respondent in February 2022 for conduct substantially similar to that at issue here, namely, failing to file a patent application or perform legal services with competence, failing to promptly return \$5,730 in unearned advance fees upon termination, failing to respond promptly to client communications, and failing to cooperate in a disciplinary investigation. Respondent's history of similar misconduct warrants a significant sanction here.

The second aggravating factor advanced by the OED Director is a "dishonest or selfish motive." See STANDARDS § 9.22(b). The OED Director argues that Respondent acted with a dishonest or selfish motive when he accepted funds to perform services, but failed to complete said services. Although this conduct appears dishonest, there is not enough evidence on default judgment to determine Respondent's motives with certainty. Cf. *In re Vieira*, Proceeding No. D2020-31, slip op. at 12 (USPTO Apr. 20, 2021); *In re Goucher*, Proceeding No. D2019-36, slip op. at 13 (USPTO Feb. 5, 2020). However, the record establishes that Respondent acted knowingly, and he clearly achieved a self-serving result by retaining unearned fees, which is a serious offense warranting a significant sanction.

The third aggravating factor cited by the OED Director is Respondent's "bad faith obstruction of the disciplinary proceeding." See STANDARDS § 9.22(e). The USPTO Director and courts in other jurisdictions have recognized that an attorney's failure to cooperate in his own disciplinary matter is a significant aggravating factor that is indicative of indifference toward or even contempt for disciplinary procedures and demonstrates a lack of professional responsibility. See, e.g., *In re Morishita*, supra; *In re Schwedler*, supra; *In re Lea*, 969 A.2d 881 (D.C. 2009); *People v. Barbieri*, 61 P.3d 488, 495 (Colo. O.P.D.J. 2000); *Matter of Brown*, 910 P.2d 631 (Ariz. 1996); *People v. Reeves*, 766 P.2d 1192 (Colo. 1988). Here, despite clear notice, Respondent failed to respond to the RFIs relating to either of his clients' grievances or to participate in the proceedings before this Court, in willful disregard of his obligations to do so. This conduct is not indicative of someone who should be practicing patent law before the Office.

A final aggravating factor is Respondent's "substantial experience in the practice of law." See STANDARDS § 9.22(i). Substantial experience is an aggravating factor because a lawyer with many years of experience should be familiar with the ethical obligations of the practice and should know better than to violate these obligations. See STANDARDS § 9.22 annotation at 442. In this case, Respondent was granted recognition to practice before the Office in patent matters in 1997, more than twenty years before the events at issue here. He should have known better than to engage in the misconduct for which he has been found liable. See, e.g., *In re Theobald*, 786 N.W.2d 834 (Wis. 2010) (finding that fourteen years of practice constituted substantial experience for purposes of aggravation).

## CONCLUSION AND ORDER

Because Respondent has failed to answer the *Complaint* or otherwise appear in this matter, Respondent is found to be in **DEFAULT** and to have admitted all the allegations in the *Complaint*. Based on the facts hereby admitted, this Court finds that Respondent has violated the USPTO Rules of Professional Conduct as discussed above.

After analyzing the factors enumerated in 37 C.F.R. § 11.54(b), this Court concludes that Respondent's misconduct warrants the sanction of exclusion. Accordingly, Respondent shall be **EXCLUDED** from practice before the U.S. Patent and Trademark Office in patent, trademark, and other non-patent matters.<sup>7</sup>

So **ORDERED**,

**ALEXANDER  
FERNANDEZ-  
PONS**

Digitally signed by: ALEXANDER  
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Date: 2023.10.31 11:25:28 -04'00'

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Alexander Fernández-Pons  
Administrative Law Judge

**Notice of Required Actions by Respondent:** Respondent is directed to refer to 37 C.F.R. § 11.58 regarding his responsibilities in the case of suspension or exclusion.

**Notice of Appeal Rights:** Either party may appeal this initial decision to the USPTO Director in accordance with 37 C.F.R. § 11.55.

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<sup>7</sup> An excluded practitioner is eligible to apply for reinstatement no earlier than five years from the effective date of the exclusion. See 37 C.F.R. § 11.60(b). Eligibility is predicated upon full compliance with 37 C.F.R. § 11.58.

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing **INITIAL DECISION ON DEFAULT JUDGMENT**, issued Alexander Fernández-Pons, Administrative Law Judge, in D2022-21, were sent to the following parties on this 31<sup>st</sup> day of October 2023, in the manner indicated:



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