

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

In the Matter of)	
)	
Howard L. Wernow,)	Proceeding No. D2025-08
)	
Respondent)	
_____)	

FINAL ORDER

The Acting Deputy General Counsel for Enrollment and Discipline and the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Howard L. Wernow (“Respondent”), by counsel, have submitted a Proposed Settlement of Disciplinary Matter (“Agreement”) to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

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

Jurisdiction

1. At all times relevant hereto, Respondent of Canton, Ohio, is a registered patent attorney (Registration Number 69,825). Respondent is subject to the USPTO Rules of Professional Conduct, 37 C.F.R. § 11.101 *et seq.*
2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

Joint Stipulated Facts

3. Respondent is a partner at the intellectual property law firm Sand, Sebolt & Wernow Co., LPA (“Sand, Sebolt & Wernow”). As part of his duties at the firm, Respondent represents companies referred by entities such as IP Edge LLC (“IP Edge”) and its affiliate Mavexar LLC (“Mavexar”).
4. In March 2021, IP Edge/Mavexar asked Respondent if his firm would be interested in representing Mellaconic LLC (“Mellaconic”). Mellaconic is a small, solely-owned LLC. After Respondent determined there was a reasonable basis for asserting infringement, Respondent stated that Sand, Sebolt & Wernow was interested in handling the matter.
5. On March 11, 2021, an assistant at Sand, Sebolt & Wernow emailed IP Edge/Mavexar requesting the entity information for Mellaconic so that an engagement agreement could be

prepared. Thereafter, Respondent drafted an engagement agreement with Mellaconic.

6. Sand, Sebolt & Wernow sent the firm's engagement agreement with Mellaconic to IP Edge/Mavexar, which was then signed by Mellaconic's owner. The firm's engagement agreement authorized Respondent to communicate with and receive instructions from Mellaconic's consultants. The firm's engagement agreement indicated that Mellaconic would be responsible for costs and expenses in litigation.

7. Neither Respondent nor anyone at Sand, Sebolt & Wernow sent the engagement agreement directly to Mellaconic's owner or communicated with its owner about the engagement agreement.

8. Respondent and Sand, Sebolt & Wernow primarily communicated with the owner of Mellaconic through Mavexar. It would be over one and a half years after Mellaconic's owner signed the engagement agreement before Respondent or anyone at Sand, Sebolt & Wernow had direct communication with the owner of Mellaconic (i.e., communicated with the owner of Mellaconic other than through a third party, Mavexar). Specifically, Respondent did not have direct communication with the owner until October 10, 2022, which was about 20 months after the signing of the engagement agreement.

9. Approximately 7 months before Mellaconic entered into its engagement with Sand, Sebolt & Wernow, Mellaconic entered into a consulting agreement with Mavexar. The consulting agreement outlined the relationship between Mellaconic and Mavexar on matters such as provision of litigation-consulting services, division of proceeds, management of counsel, and payment of litigation costs. Pursuant to the terms of the consulting agreement, Mellaconic agreed to pay Mavexar a percentage of net proceeds in an amount as agreed by Mellaconic and Mavexar. Mavexar received 95% of the net proceeds and Mellaconic received 5%, but 100% of the litigation costs and expenses fell on Mellaconic, wherein the costs and expenses were advanced by Mavexar on a recourse basis.

10. Mellaconic's consulting agreement with Mavexar expressly states that Mavexar is "not a fiduciary of Client, and will act as an independent contractor."

11. The consulting agreement stated that "Client [Mellaconic] is the sole owner and final decision maker on any and all decisions relating, either directly or indirectly, to the prosecution, litigation, licensing, and, more generally, monetization of the Patents." The consulting agreement also granted to Mavexar the authority to "select ...counsel; and ... manage counsel as necessary during the course of litigation and licensing efforts."

12. Respondent's representation of Mellaconic was also informed by Respondent's prior representation of a number of other LLCs that were also owned by the same individual who owned Mellaconic. The individual owner of Mellaconic was thus already well acquainted with Respondent's law firm. The owner of Mellaconic had a long-standing and consistent practice of using Mavexar as an intermediary for retaining counsel and providing all of the other related services in the Consulting Agreement.

13. Neither Respondent nor Sand, Sebolt & Wernow was retained by Mellaconic to consult on the Mavexar consulting agreement.

14. Upon being engaged as Mellaconic's counsel, Respondent did not explain to Mellaconic's owner that the consulting agreement gave Mavexar authority over Respondent's and Sand, Sebolt & Wernow's handling of patent litigation filed on Mellaconic's behalf. Respondent did not explain to the owner the implications of Mellaconic's relationship with Mavexar.

15. Respondent informed OED that Mellaconic's owner had previously been referred to Sand, Sebolt & Wernow to handle other matters for other entities before retaining Sand, Sebolt & Wernow to represent Mellaconic. Respondent did not inform Mellaconic's owner that IP Edge/Mavexar had referred hundreds of matters to Sand, Sebolt & Wernow or that the firm had a longstanding relationship with IP Edge/Mavexar.

16. Respondent also did not explain to Mellaconic's owner that the most Mellaconic could possibly receive was 5% of the proceeds of the patent litigation.

17. Respondent did not explain to Mellaconic's owner that Mellaconic would be responsible for 100% of the costs and expenses of the patent litigation.

18. Respondent did not explain to Mellaconic's owner that, per the terms of the Mavexar-Mellaconic consulting agreement, Mavexar was not a fiduciary, nor did he explain the potential consequences to Respondent's handling of legal matters for Mellaconic of Mavexar not being a fiduciary.

19. The Consulting Agreement stated that Mellaconic and Mavexar shared a common legal interest and "a community of interest [] exists between them with respect to the services provided under this Agreement" and stated the confidential nature of their relationship.

20. Prior to filing patent infringement lawsuits on Mellaconic's behalf, Respondent did not communicate with Mellaconic's owner regarding whether doing so was in the owner's or Mellaconic's best interest and did not communicate with Mellaconic's owner regarding the risks of patent litigation.

21. Respondent did not directly communicate with Mellaconic's owner prior to the filing of patent infringement lawsuits on Mellaconic's behalf in the United States District Court for the District of Delaware in the following matters: *Mellaconic v. Frontpoint Security Solutions, LLC*, 1:21-CV-00447 (Mar. 26, 2021); *Mellaconic v. Wyze Labs*, 1:21-CV-00448 (Mar. 26, 2021); *Mellaconic v. Monitronics*, 1:21-CV-00574 (Apr. 26, 2021); *Mellaconic v. Central Security Group-Nationwide, Inc.*, 1:21-CV-00573 (Apr. 26, 2021); *Mellaconic v. Fantasia Trading LLC*, 1:21-CV-00945 (Jun. 29, 2021); *Mellaconic v. Canary Connect, Inc.*, 1:21-CV-00944 (Jun. 29, 2021).

22. Respondent represents that the sole owner of Mellaconic has expressed satisfaction with the representation provided by Respondent and has not registered any complaints or concerns regarding the manner in which the legal representation was conducted.

Additional Considerations

23. Respondent has acknowledged his actions, demonstrated genuine contrition, and accepted responsibility for his acts and omissions.
24. Respondent cooperated with OED's investigation, *e.g.*, by providing informative, supplemental responses to his original responses to requests for information.
25. Respondent represents that he has not been previously disciplined by any federal or state court, bar, or administrative agency in his over 12 years of practicing law.
26. To ensure that future communications with similarly-situated clients are fully compliant with a practitioner's obligations under the USPTO Rules of Professional Conduct, Respondent represents that he and his firm have implemented new procedures ensuring direct communication with such clients.

Joint Legal Conclusions

27. Respondent acknowledges that, based on the information contained in the joint stipulated facts, above, that Respondent's acts and omissions violated the following provisions of the USPTO Rules of Professional Conduct:
 - a. 37 C.F.R. § 11.102(a) (practitioner shall abide by a client's decisions concerning the objectives of representation and shall consult with the client as to the means by which they are to be pursued) by consulting with an entity client through a non-fiduciary agent instead of directly consulting with Mellaconic through its sole owner regarding the objectives of the representation and the means by which those objectives were to be pursued;
 - b. 37 C.F.R. § 11.104(a)(1) (practitioner shall promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required) by informing an entity client through a non-fiduciary agent instead of informing Mellaconic through its sole owner that Respondent's firm received hundreds of referrals from IP Edge/Mavexar and that Sand, Sebolt & Wernow had a longstanding relationship with IP Edge and Mavexar;
 - c. 37 C.F.R. § 11.104(a)(2) (practitioner shall reasonably consult with the client about the means by which the client's objectives are to be accomplished) by consulting with an entity client through a non-fiduciary agent instead of consulting with Mellaconic through its sole owner about its litigation objectives prior to the filing of litigation on Mellaconic's behalf;
 - d. 37 C.F.R. § 11.104(a)(3) (practitioner shall keep the client reasonably informed about the status of the matter) by informing an entity client through a non-fiduciary agent instead of informing Mellaconic's sole owner that litigation was filed on Mellaconic's behalf and failing to directly communicate with the

owner regarding the status of the litigation;

- e. 37 C.F.R. § 11.104(b) (practitioner shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation) by (i) communicating with an entity client through a non-fiduciary agent instead of communicating with Mellaconic's sole owner regarding the risks of filing patent infringement litigation as well as failing to explain the implications of Mellaconic's relationship with Mavexar and (ii) not disclosing that Sand, Sebolt and Wernow had a longstanding relationship with IP Edge/Mavexar and received hundreds of referrals from IP Edge/Mavexar; and
- f. 37 C.F.R. § 11.201 (practitioner shall exercise independent professional judgment and render candid advice) by communicating with an entity client through a non-fiduciary agent instead of communicating directly with Mellaconic.

Agreed-Upon Sanction

28. Based on the foregoing, it is hereby ORDERED, that:

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

Notice of Reprimand

This notice concerns Howard L. Wernow of Canton, Ohio, who is a registered patent attorney (Registration Number 69,825). Howard Wernow is hereby reprimanded for violating 37 C.F.R. §§ 11.102, 11.104, and

11.201. The violations are predicated on Mr. Wernow's failure to directly communicate with the owner of an organizational client.

Mr. Wernow and his firm were approached by IP Edge LLC ("IP Edge")/Mavexar LLC ("Mavexar") regarding the opportunity to represent a small limited liability company, Mellaconic, LLC ("Mellaconic").

Mellaconic is a solely owned LLC. Mr. Wernow agreed to represent Mellaconic in patent infringement litigation.

Mr. Wernow did not directly consult, advise, or communicate with Mellaconic's sole owner at two critical times during the attorney-client relationship: (1) at the time Mr. Wernow entered into an engagement agreement with Mellaconic and (2) prior to the filing of patent infringement lawsuits naming Mellaconic as the plaintiff. Instead, at these two times, Mr. Wernow communicated with Mavexar, pursuant to Mr. Wernow's engagement agreement and a consulting agreement between Mellaconic and Mavexar. The consulting agreement with Mavexar expressly states that Mavexar is not a fiduciary. The consulting agreement stated that Mellaconic and Mavexar share a common legal interest and "a community of interest [] exists between them with respect to the services provided under this Agreement" and emphasized the confidential nature of their relationship.

Mr. Wernow's actions violated ethical rules regarding allocation of authority between client and practitioner, client communication, and independent professional judgment of the practitioner.

This action is the result of a settlement agreement between Howard L. Wernow and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26. Disciplinary decisions involving practitioners are posted for public reading at the Office of Enrollment and Discipline Reading Room accessible at: <https://foiadocuments.uspto.gov/oed/>;

- d. Nothing herein shall prevent the Office from considering the record of this disciplinary proceeding, including this Final Order: (1) when addressing any further complaint or evidence of the same or similar misconduct concerning Respondent brought to the attention of the Office and (2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed, and/or (ii) to rebut any statement or representation by or on Respondent's behalf;
- e. Respondent waives all rights to seek reconsideration of this Final Order under 37 C.F.R. § 11.56, waives the right to have this Final Order reviewed under 37 C.F.R. § 11.57, and waives the right otherwise to appeal or challenge this Final Order in any manner; and

- f. Directs that each party shall each bear its own costs incurred to date and in carrying out the terms of this Final Order.

Users, Choe, Tricia
Tricia

Digitally signed by Users,
Choe, Tricia
Date: 2025.03.24
09:37:59 -04'00'

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

Date

on delegated authority by

Coke Morgan Stewart
Acting Under Secretary of Commerce for Intellectual Property and
Acting Director of the United States Patent and Trademark Office

CERTIFICATE OF SERVICE

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

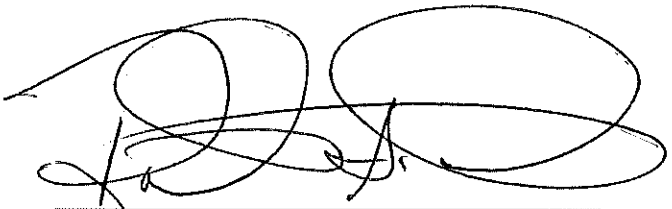
Via e-mail:

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3/24/2025
Date



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