

PROSECUTION ETHICS

By: Robert C. Faber  
Ostrolenk Faber LLP  
New York  
December, 2009

There are two time periods in the life of a United States patent when opposite ethical rules apply, during prosecution of a patent application, under the jurisdiction of the United States Patent and Trademark Office, and after grant of the patent, under the jurisdiction of a Court. This inconsistency prevents a party challenging a patent in Court from obtaining complete information about the prosecution of the application and as to whether the duty of candor and good faith imposed on the patentee and his attorneys by Rule 37 C.F.R. §1.56 of the Office was satisfied.

An attorney registered to practice before the United States Patent and Trademark Office or a Patent Agent so registered is subject to the Patent and Trademark Office Code of Professional Responsibility, Part 10 of the Rules of the Patent and Trademark Office, 37 C.F.R., Part 10. Of relevance to prosecution ethics is the prohibition in Section

{00880059.1}

10.23(b)(4): A practitioner shall not... “engage in conduct involving dishonesty, fraud, deceit or misrepresentation.”

Under Section 10.85, a practitioner must act within the law, and under subsection (b)(i) must report if “a client has, in the course of representation, perpetrated a fraud upon a person or tribunal [, the practitioner] shall promptly call upon the client to rectify the same, and if the client refuses or is unable to do so, the practitioner shall reveal the fraud to the affected person or tribunal.” These Rules require ethical behavior.

Under Patent Office Rule 37 C.F.R. § 1.56, “the practitioner, as well as the client representative, each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the [Patent and Trademark] Office which includes a duty to disclose to the Office all information known to that individual to be material to the patentability as defined in this section....There is no duty to submit information which is not material to the patentability of any

{00880059.1}

existing claim....however, no patent will be granted on an application in connection with which fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or misconduct.” MPEP 2001, et seq. describes that duty.

In apparent contradiction, the practitioner is required under Section 10.57 to preserve confidences, that is, attorney-client privileged materials, and secrets of a client, that is, information a client requests not be revealed. If a client reveals a fraud or information material to examination of the application, it is not privileged under the Patent Office Rules §§ 1.56, 10.23 and 10.85.

An attorney is under the long standing obligation to protect the confidences of his client, not only under a Patent and Trademark Office Rule but under the Code of Professional Conduct of each state where an attorney is admitted to practice law. See the American Bar Association

{00880059.1}

Model Rules of Professional Conduct, Rule 1.6. The Rule does permit an attorney to reveal information reasonably necessary to prevent a client from committing a fraud.

Where adopted, this code may excuse an attorney revealing material information to the Patent and Trademark Office, as detailed below. Unless excused by a state Rule, an attorney revealing his client's confidences might be disciplined by his state's bar.

A privileged communication is one between attorney and client which is made in confidence, where the client requests advice and counsel and the attorney is provided with information so that he may give his client advice. If an attorney is required to reveal, in any public forum, information that was provided by his client, such as information required by the Patent and Trademark Office, or the attorney will effectively betray a confidence of the client by revealing information, the important purpose of the attorney-client privilege is vitiated. The client cannot freely

{00880059.1}

and without adverse consequence provide the attorney with all of the relevant information needed for the attorney to assess the client's situation, question or problem, or to give good advice. Knowing that the attorney has an obligation to disclose material information to the Patent and Trademark Office, the client may withhold some information, perhaps unaware of the effect of his failure to disclose it, because he is more immediately concerned with his confidences being revealed. In several situations, this has led to a client knowingly withholding information from the attorney preparing or prosecuting its patent application or led to the attorney withholding information, the later discovery of that withholding during patent enforcement litigation through its discovery process, and the ultimate finding that the party or its attorney was guilty of inequitable conduct by failing to disclose material information to its attorney and to the Patent and Trademark Office. Hence, the requirement of the duty of candor and good faith and disclosure of material information to the Patent and Trademark Office make attorneys less

effective in prosecuting patent applications because they do not receive full information from their clients or because they themselves do not reveal all material information. Perhaps this has deprived clients of legal advice from professionals from whom they should reasonably expect good advice.

However, Sec. 10.1 of the Rules of the Patent and Trademark Office is clear:

“This part [of the Rules] governs solely the practice of patent...law before the Patent and Trademark Office. Nothing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary for the Patent and Trademark Office to accomplish its Federal objectives.”

This section is confirmed in *Sperry v. Florida*, 383 U.S. 379, 137 U.S.P.Q. (BNA 578) (1963).

Thus, it appears that these Patent and Trademark Office Rules preempt each state's disciplinary rules. As a result, there should be no disciplinary action by a state resulting from a patent attorney following the Patent and Trademark Office Rules of candor and good faith. This view is not universally accepted. As Federal Circuit Judge Newman said in her concurring opinion in *Molins PLC v. Textron, Inc.*, 48 F. 3d 1172, 1192 (Fed. Cir. 1995), "an attorney's ethical obligation to each client is not erased when a possible conflict occurs in the USPTO. That privilege is the client's, not the lawyer's. The USPTO rules can not be interpreted to require otherwise."

One alternative is for the attorney, who is asked by his client not to reveal a confidence, to instead advise his client he must provide confidential information to the Patent and Trademark Office, and to withdraw as attorney if the client objects to the disclosure. But, no one is aided by that course of action. The client will be suspected of inequitable

conduct, his successor attorney will want to know what had occurred, and the withdrawing attorney still is subject to the Rules stating his duty of candor and good faith, or he may face possible disciplinary action.

37 C.F.R. § 1.56 (b) and § 1.98 detail the information which an attorney or practitioner and his client must reveal in an Information Disclosure Statement to the Patent and Trademark Office, which means to the Examiner examining the application. That would be non-cumulative information that either establishes, alone or in combination with other information, a prima facie case of unpatentability of a claim or refutes or is inconsistent with a position the Applicant took in arguing for patentability or opposing an argument of unpatentability relied on by the Patent and Trademark Office. The level of detail required, particularly as to a prior art patent or publication, requires revealing that which may cause the applicant/client to not obtain the patent protection it believes it is entitled to.

{00880059.1}



A natural tendency of a client is to withhold certain information from an attorney if the client knows it can be used against the client. See *Nobelpharma AB v. Implant Innovations, Inc.*, 930 F. Supp. 1241, 1254 (ND Ill. 1996). As a result, there have been cases finding inequitable conduct for the withholding of material information that should have been revealed to the attorney.

The test of materiality is whether the information would be material to a reasonable Examiner. *Digital Control v. Charles Machine Works*, 437 F.3d 1309 (Fed. Cir. 2006); *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1367 (Fed. Cir. 2008).

Material information is not limited to relevant patents and publications, but it has been expanded in MPEP 2001, et seq. and in numerous litigated cases, some of which are discussed below, to cover other types of information. These

{00880059.1}

may be admissions or declarations against the interest of the client. Yet, the patent attorney must participate in those disclosures, because failure to do so not only places the application and the patent involved at risk, but jeopardizes the attorney's satisfaction of his duty to the Patent and Trademark Office, and his failure could result in his being disciplined by that Office, even though he was protecting his client's rights.

Under 37 C.F.R. § 1.105, during the course of examination of an application, the Patent and Trademark Office, that is, an Examiner, may require the submission from individuals identified in Rule 56, especially the Assignee or the Attorney, of information which is not readily available to the Examiner, but which might affect the examination of an application. These include § 105 (a)(1)(i) relevant commercial databases, (ii) information about any prior art search that was performed, (iii) non-patent or patent literature relating to the invention, (iv) what preexisting

{00880059.1}

materials were used in preparation of the application and also (v) in the process of making the invention, (vi) over what the invention is an improvement, (vii) earlier use of the invention and (viii) technical information known to the Applicant.

Some of this information may be in a privileged communication between the attorney and client, some of it may be work product of the applicant or his attorney that was prepared in contemplation of a litigation on the patent or for other purposes. In other contexts, like litigation, that information would be protected against public disclosure. Yet, the Patent and Trademark Office Rules require revealing that information on penalty of patent invalidation or unenforceability and, as to the attorney, disciplinary action.

United States Courts considering validity and enforceability of granted patents have not been forgiving of Applicant and attorney omissions in supplying information during application prosecution, and this has resulted in holdings of unenforceability of patents based on inequitable

{00880059.1}

conduct and created risk of possible disciplinary action by the Patent and Trademark Office. There is no information about the Patent and Trademark Office having disciplined an attorney due to a Court's finding of inequitable conduct in a litigation over an issued patent.

On the other hand, consider the position of the Patent and Trademark Office, as compared to a Court in a litigation where the privilege and work product doctrines have evolved. In Court, each party itself or usually through an attorney presents an affirmative case. Other opposing parties may challenge that affirmative case and present a contrary case. The litigation process also involves extensive pre-trial discovery. In this adversary system, each side vigorously advocates its own party's case and other than being guilty of outright deceit, each party is not required to voluntarily reveal to the other or to the Court facts and information which are unfavorable to it, because the opposing party will at least have the opportunity to find and bring them out. In

{00880059.1}

this environment, the attorney-client privilege and the work product privilege do not interfere with the ultimate ability of the Court to render justice.

In the Patent and Trademark Office, on the other hand, proceedings for prosecuting a patent application are conducted ex parte, between the applicant and the Applicant's attorney and representative on the one hand and an Examiner on the other hand. It is the Examiner's duty to search for information material to patentability, to receive such information from the Applicant and his attorney and to make a determination based on the information the Examiner finds and receives. The Examiner receives information only from one interested party, the Applicant. There is no interested opposing party who is able and has the resources to supply correction or contrary information. There is a risk that the Examiner will be presented with misinformation or that material information will be withheld because no other party is participating who might supply correct or complete

{00880059.1}

information. The opportunity to misinform and the incentive to do so in order to gain patent protection in many cases would be significant. In order to protect the process and to make an ex parte examination meaningful, the Examiner should be provided with as much material information as is available at least to the Applicant and his attorney, beyond that information which the Examiner could find with his limited resources at the Patent and Trademark Office and the limited time the Office recommends the Examiner devote to examining one application. Consequently, the Patent and Trademark Office has found it necessary to make the requirement embodied in Rule 56, the obligation of candor and good faith, to provide material information for the examination. This is understandable, but may sometimes conflict with traditional principles of confidentiality, privilege and preserving secrets.

The Patent and Trademark Office does not investigate patent applications or to find material information for

{00880059.1}

determining patentability, as the Patent and Trademark Office and its Examiners cannot cross-examine witnesses or handle live testimony. A patent attorney is in a unique position of being both an attorney for a client and a patent prosecutor before the Patent and Trademark Office. The attorney has both a duty of confidentiality to his client and a duty of candor and good faith to the Office. Intentionally withholding and misrepresenting material information concerning patentability from the Patent and Trademark Office is a breach of the duty of candor and good faith and of the duty of disclosure and is inequitable conduct.

The Patent and Trademark Office duty of disclosure Rules were apparently tailored for ex parte prosecution. But the Rules concern Patent and Trademark Office proceedings, which include inter parties proceedings, such as interferences and to some extent inter partes reexaminations. Interference are adversarial, like litigation, with each party having an opportunity to conduct pretrial discovery. There seems less

{00880059.1}

reason for the duty of candor and good faith in inter partes proceedings. But, compliance with the Patent and Trademark Office Rules probably aids the persons deciding the issues.

Numerous failures to provide different forms of information to Patent and Trademark Office Examiner have been found by Courts to have been inequitable conduct. Many of these involved information that an Applicant for patent might impart to their patent attorney or might withhold if they feel that the attorney will simply reveal the information, despite the client's expectation that the information should be privileged. But, the duty of candor and good faith to the Patent and Trademark Office is imposed on any person or company who are associated with the filing and prosecution of a United States Patent application, including the inventor, the patent Assignee, the legal representatives, including the Patent Attorney or Patent Agent in the United States, and the representatives in other countries, at least if the latter are involved in the United

{00880059.1}



States patent prosecution process or in that process for a corresponding non-U.S. application or who send information or communicate with the Applicant to elicit or supply information relevant to their application. That duty of candor and good faith is breached when an affirmative misrepresentation of material fact, failure to disclose material information or submission of false information occurs.

The materiality of the information that was not provided to the Examiner is considered. That consideration is coupled with determining whether or not there was an intent to mislead or deceive the U.S. Patent and Trademark Office. *Molins PLC v. Textron Inc.*, 48 F. 3d 1172 (Fed. Cir. 1995). Both materiality of the accused act and intent to mislead must be shown by clear and convincing evidence. *Kingsdown Med. Consultants Ltd. v. Hollister, Inc.*, 863 F.2d 867 (Fed. Cir. 1988).

Recently, the Federal Circuit has required that the party alleging inequitable conduct allege the specific facts with the particularity that one must use when alleging a fraud. *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 91 U.S.P.Q.2d 1656 (Fed. Cir. 2009). See *Central Admixture v. Adv. Cardiac Solutions*, 482 F.3d 1347 (Fed. Cir. 2007).

The affirmative duty of disclosure was first promulgated in an earlier version of Rule 56 in 1977 and in its present version in 1992. The amended definition of materiality is when the information establishes, by itself or in combination with other information, a prima facie case of unpatentability of the claims, or is inconsistent with the position the Applicant takes either in opposing an argument of unpatentability relied upon by the Patent and Trademark Office or in asserting an argument of patentability. Only duplicative or cumulative information that has already been

presented to the Patent and Trademark Office is deemed not material.

With respect to intent, since direct evidence of intent is usually not available, inferential evidence of the circumstances surrounding the inequitable conduct will suffice.

The test of intent obviously takes in knowing, intentional withholding of material information by one who has the duty to supply it. But, while negligence and even gross negligence by the attorney or other in not supplying information had not been considered intentional, *Kingsdown Med. Consultants, Ltd. v. Hollister, Inc.*, supra, the current requirement for inequitable conduct stated by the Federal Circuit is that the party who withheld should have known of the materiality of the information. *Ferring B.V. v. Barr Labs, Inc.*, 437 F.3d 1181 (Fed. Cir. 2006).

Materiality and intent are balanced, such that for higher materiality, a lesser showing of intent may suffice, and vice versa. *Digital Control v. Charles Machine Works*, 437 F.3d 1309 (Fed. Cir. 2006); *Purdue Pharma L.P. v. Boehringer Ingelheim GmbH*, 237 F.3d 1339, 1366 (Fed. Cir. 2001); *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1367 (Fed. Cir. 2008).

There are numerous examples of the type of information that should have been disclosed and for which a finding of inequitable conduct may be made. Many are mentioned below.

In *Dayco Prod., Inc. v. Total Containment Inc.*, 329 F.3d 1358 (Fed. Cir. 2003), the patent attorney did not disclose the co-pendency of a related patent application being handled by another Examiner during prosecution of the patent in suit. The claims in the continuations were similar to the claims in the parent, and the Examiner of the parent had

{00880059.1}

rejected those claims as obvious over prior art. The same patent attorney on all of the applications did not inform the Examiner of the continuation application, of the obviousness rejection and of references cited against the parent application. The Federal Circuit found materiality and inequitable conduct, which means they also found sufficient intent, even if the attorney had accidentally not disclosed the co-pendent applications.

In *Molins PLC v. Textron Inc.*, 48 F.3d 1172 (Fed. Cir. 1995), Molins filed U.S. and foreign applications for an automated machine tool. During the foreign prosecution, Molins' patent attorney became aware of a materially related German reference patent but did not disclose that reference to the Patent and Trademark Office. The German reference was material enough information that Molins abandoned the pending foreign applications, but not the U.S. application. The Federal Circuit said that there was no direct evidence of an intent to deceive but they inferred the intent from the

{00880059.1}

attorneys' knowledge of the German reference and from his work on the foreign cases during the pendency of the U.S. application.

Another ground of inequitable conduct asserted in *Molins*, which the Federal Circuit did not specifically decide, was *Molins*' U.S. attorney's failure to disclose another patent application which he was simultaneously prosecuting for a different client. The District Court had said that failure was inequitable conduct because it was information material to patentability of the *Molins* invention. The Federal Circuit reversed, saying that the other patent application was not material because it was cumulative, not material information like the German reference. Had the other application not been found to be cumulative, it is unclear what the Court would have decided concerning the failure to cite it.

In *Ferring B.V. v. Barr Laboratories, Inc.* 437 F.3d 1181, 1189 (Fed. Cir. 2006) n.9, the attorney submitted

{00880059.1}

affidavits to the Examiner that failed to disclose the prior dealings or relationships between the affiant and the patent applicant, as the attorney should have known of such relationship and the failure was not excusable.

In *Kingsdown Med. Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867 (Fed. Cir. 1988), some claims in a parent application were allowed after amendment, while others remained rejected. A continuation was filed with additional amendments to the rejected claims and also with the allowed claims from the parent. In prosecuting the continuation, Kingsdown's attorney asserted that claim 43 corresponded to allowed claim 50 from the parent. But there had been an inadvertent error in copying claims, so unamended claim 50 from the parent was carried forward to the continuation, although that claim had been rejected in the parent. Claim 43 of the continuation was allowed on the representation of the attorney that it had been allowed in the parent. The District Court found the misrepresentation material because it caused

{00880059.1}

allowance of the claim and held that the Kingsdown patent attorney had been willfully negligent or had the intent to deceive and the patent was unenforceable for inequitable conduct. The Federal Circuit reversed because there was insufficient proof of intent to deceive. Kingsdown's failure to notice the mistake did not warrant the finding of intent. There were errors in transfer of claims from one application to another. Gross negligence is not necessarily sufficient for an inference of an intent to deceive. However, subsequent to Kingsdown, the test is what the attorney should have known, perhaps eliminating the defense to the claim of inequitable conduct that the attorney was only grossly negligent. An intent to deceive is needed, and an error should not be held against the party as inequitable conduct, unless the attorney or party should have known of the information and of its materiality. Failure to exercise due care may be enough to find inequitable conduct. Consequently, the attorney should be forthcoming in providing any information, privileged or otherwise.

{00880059.1}



McKesson Information Solutions, Inc. v. Bridge Medical, Inc., 487 F.3d 897 (Fed. Cir. 2007), found inequitable conduct for the attorney failing to tell the Examiner of rejections of co-pending patent claims in another application the same attorney was handling and also failing to tell the Examiner about the Examiner having allowed similar claims in a co-pending application. The Court said it is not required that a showing of substantial similarity of the claims be made since substantial similarity is not necessary to prove materiality. The disclosure was required. See Dayco Prod., Inc. v. Total Containment Inc., 329 F.3d 1358, 1367 (Fed. Cir. 2003). In Li Second Family LP v. Toshiba Corp., 231 F.3d 1373 (Fed. Cir. 2000), the attorney made inconsistent arguments to two Examiners about a reference.

Praxair, Inc. v. ATMI, Inc. 543 F.3d 1306 (Fed. Cir. 2008), concerned the withholding of a reference.

{00880059.1}

Larson Mfg. Co. v. AluminaArt Prods., 559 F.3d 1317, 90 U.S.P.Q. 2d 1257 (Fed. Cir. 2009) held that failure to report a relevant Office Action in one U.S. application to an Examiner in another application (the latter here being a Reexamination) was inequitable conduct. Although this case concerned a U.S. Office Action, the author hereof believes that the same conclusion will be reached if the Office Action was issued by a foreign Patent Office.

A finding of inequitable conduct has a devastating effect. For example, inequitable conduct as to a single claim will affect all claims and make the entire patent unenforceable. Fox Industries, inc. v. Structural Preservation Sys., inc., 922 F.2d 801, 804 (Fed. Cir. 1990). Therefore, even a patent claim that is of no interest with respect to an infringement claim can make a critical patent claim unenforceable.

Not only may inequitable conduct and unenforceability of the patent in suit be found, if the inequitable conduct affects claims in another generation in a chain of applications, inequitable conduct may taint the claims of the other application and the resulting patent may be unenforceable. This happened with a divisional application in *Baxter International v. McGraw, Inc.*, 149 F.3d 1321 (Fed. Cir. 1998).

There are numerous other precedents dealing with different actions being considered for a finding of inequitable conduct, as described below.

To avoid inequitable conduct, the applicant's attorney should make sure that all of the following are satisfied, by speaking to the client and the inventor and having the client provide all of the requested information to the attorney conducting an investigation.

- a. Research any details of inventors and collaboration among possible or other inventors.
- b. Proof of inventorship confirming the inventors;
- c. Origin of the invention;
- d. What distinguishes the invention from the prior art and from prior art known to the inventors and to the applicant or assignee company.
- e. Details regarding the best mode of practicing of the invention.
- f. Materials such as sales brochures, examples in public use, drawings, etc.
- g. Relevant test data and test results for the invention.
- h. Dates of initial public use and sale.
- i. Experimental use of the invention by customers or outside parties prior to filing.
- j. Any prior art or prior activity that may possibly be material to the examination and that is not clearly cumulative with information of record.

- k. Provide a full translation, not a partial translation, of foreign language publications and prior art. If a partial translation is provided, check that the untranslated portions are immaterial.
- l. Avoid long lists of prior art to avoid an inference of attempting to bury a material reference, or else highlight the relevant references.
- m. Be sure that the prior art cited in the specification or in an Information Disclosure Statement was properly described.
- n. Affidavits and declarations under 37 C.F.R. § 1.131 and 1.132 must be truthful and not misleading.
- o. The patent applicants' assignee's filing status as a small entity, if claimed.
- p. Patentability rejections including corresponding prior art references for related and co-pending applications.
- q. Material information about foreign prosecutions of corresponding applications.

- r. Material information about litigations involving the subject matter of the application.

Several published articles concerning inequitable conduct and providing examples of such conduct have been reviewed. Individual case reports dealing with individual situations are described in such publications, “Reforming Inequitable Conduct to Improve Patent Quality” by Kevin Mack, 21 Berkeley Tech. J. 147 (2006); “Lessons for Avoiding Inequitable Conduct...” by Robert A. Migliorini, 46 IDEA 221 (2006), which is a publication named the Intellectual Property Law Review; “Where the Bodies Are: Current Examples of Inequitable Conduct and How to Avoid Them” by David Hricik, 12 Tex. Intell. Prop. L.J. 287 (2004). “Controlling the ‘Plague’; Reforming the Doctrine of Inequitable Conduct” by Christian E. Mammen, (2009) (online). These publications describe examples of inequitable conduct such as

- 1) failure to disclose prior art of which the Applicant or his attorney are aware;
- 2) burying the material information in a long list of less relevant information, e.g. supplying a long list of patents of which only a few are more relevant;
- 3) intentionally mischaracterizing a reference, although an Examiner is assumed to be able to read a reference and himself determine whether a characterization is correct;
- 4) providing a misleading translation of a foreign language reference or publication, although applicants do not have an obligation to obtain a translation, but if they have one, they have an obligation to present it;
- 5) submitting a partial translation that omits material aspects of the reference;
- 6) mischaracterizing the entire reference based on a partial translation or based upon only an abstract of the reference or a single claim of the reference;

- 7) submitting misleading test data, incomplete test data, or failing to supply data on all tests, both favorable and unfavorable;
- 8) misleading statements in either a 37 CFR 1.32 declaration or affidavit in support of patentability or a 37 CFR §1.131 declaration or affidavit to establish an invention date earlier than a filing date;
- 9) failure to inform an Examiner of a co-pending application of the same client wherein activity in the other application, such as claim rejection or claim amendment, may be material to patentability of the claims in the present application;
- 10) a clear ethical question whether the attorney for one applicant, who possesses information about an application of another applicant for which that attorney is working, (assuming there would be no conflict of interest as the subjects of the applications are sufficiently different);



- 11) reporting information concerning clients of and applications of other attorneys of the same law firm, if known to the Applicant's attorney;
- 12) rejection of substantially similar claims in another application by another Examiner;
- 13) prosecution of and rejection of or amendment of a corresponding application in any other country;
- 14) existence of either past or ongoing litigation that may be relevant to the claims of the present application, such as a parent application when the continuation or division is involved in suit, or a parent application in suit when there is a continuation;
- 15) information included in the patent application at the time of filing including misidentification of inventors named in the application;
- 16) information as to the best mode of practicing in the invention when the applicant or attorney is aware of another mode;

- 17) information concerning prior sales and prior public use of the invention especially before the one year statutory bar date of 35 USC §102(b);
- 18) sales of a supposedly non-commercial experimental nature earlier than the statutory bar date or
- 19) inadequate investigation concerning any relevant activity or
- 20) any other representations made in the application or in connection with the filing and prosecution of the application.

It is believed that this list is complete, but other instances may appear in some precedents and other instances may arise in the future. A good checklist could cover not only what would be material to examination by the Examiner, but what information a defense attorney in a subsequent infringement litigation would be happy to hear and will assert should have been provided by the Applicant and his attorney. Using the foregoing criteria may cause the

{00880059.1}

patent attorney to broaden the scope of the information he provides.

When prosecuting a patent application, the prosecuting attorney must be sure to obtain as much information as he can from a perhaps reticent client and inventors as to all of the points noted above in the checklist and any other unique points in the situation being handled. The attorney should obtain that information before preparing the application and before filing the application, or as soon as the information becomes available, so that the information can be revealed or used during preparation of the application, filing of the application, at an appropriate time during the prosecution, for example, for response to particular questions or an Office Action, for inclusion in Declarations, etc. Anything stated in the application filed by an attorney by the Applicant must be truthful. If it refers to performance characteristics, tests, etc., they must either be inherent in the invention per se and logically understood to always occur or

{00880059.1}

they should be verifiable by testing. If the statement is important to the invention or is the subject of a claim, the specification should speak of it in the future tense if one hopes it happens and speak of it in the past tense only if in fact it has been shown or tested and there is evidence that the test has been done. This applies not only to statements in the specification but other statements concerning the invention including inventorship or any other issues where the supposed facts are presented which should be verified or verifiable. During the prosecution, the attorney should continue to inquire about prior art publications and any of the other items on the checklist which either were unclear at filing or have occurred afterwards, such as discovery of prior art, or that evolved or might have evolved since the filing. In an adversarial system, it is virtually certain that a party challenging a patent will look for something in its prosecution to support a claim of inequitable conduct. Since hindsight review is often more likely to find problem areas than predictive foresight when an application is being

prosecuted, the prosecuting attorney and, to the extent the attorney can convince them, the client must be vigilant and constantly careful that all material information is disclosed.

The attorney defending against an infringement claim or litigation has the duty to investigate every aspect of the preparation, filing and prosecution of the patent application to look for any failure on any point and see whether it might be a basis for invalidating the patent and/or might be a basis for claiming inequitable conduct. Courts lament the high proportion of patent infringement litigations which include inequitable conduct defense. But the high pay back for success, namely patent unenforceability, and the wide variety of areas where failures could lead to a finding of inequitable conduct encourage the assertion of that defense on some ground, even if the particular facts are not compelling. Except for completely unfounded claims of inequitable conduct, there is no penalty for making and trying to prove

the claim, no separate award of attorneys' fees as punishment for a marginal quality claim, and so those claims will persist.

The defending attorney should take discovery on every possible aspect of invalidity of the patent and unenforceability and inequitable conduct as well. This may involve extra depositions and discovery, will almost certainly require depositions of the attorney who prosecuted the application, possibly of other attorneys or prosecutors, such as foreign attorneys who participated in the prosecution of corresponding foreign applications, and additional areas of questioning of the inventor, Applicant and Assignee, those who assisted the inventor, representatives of the client, etc. The time and cost of discovery will be increased by the need to investigate possible inequitable conduct and the associated discovery and, ultimately at trial, the cost of presenting the separate inequitable conduct defense.

Normally in discovery, communications between attorney and client are privileged. The attorney defending an infringement action can expect to receive objections to many areas of discovery and inquiry relating to the supply of information to the prosecuting attorney and communications between the Applicant and the attorney. As there is an apparent contradiction between the attorney's obligation to hold client information and client communications confidential, in courts and during litigation on the one hand, as contrasted with the obligation of candor and good faith in supplying material information to the Patent and Trademark Office which requires revealing information that would otherwise be held in confidence or privileged on the other hand, there should be a corresponding obligation to reveal such information during discovery in the defense against a patent infringement claim. A patent attorney should not be able to communicate with his client, obtain information, and decide whether it should be supplied to the Patent and Trademark Office under the duty of candor and good faith on

the one hand, and then be able to hide from another attorney challenging the patent the application prosecuting attorney's inquiries that were made to obtain the information, the information obtained and the decision process in supplying or not supplying that information. In effect, if the Patent and Trademark Office Rules effectively suspend the attorney/client privilege as to certain information, then the Court rules should correspondingly suspend that privilege during enforcement litigation. The attorney defending the patent infringement claim should make the effort to obtain the information, confidential communications concerning information and learn the decision process used from the Applicant and from the Applicant's attorney and the assertion of privilege should be turned aside. As appropriate, the infringement litigation Court should be asked to issue an order permitting such discovery and partial waiver of privilege.



This writer has seen an example of this conflict between what was required by the Patent and Trademark Office and what was discoverable in Court in a later litigation on a patent. During prosecution of the application, an Applicant and his attorney were required to supply information material to the examination. Yet, during the subsequent patent infringement litigation, questions about the information that had been supplied to the attorney during the examination and the manner in which it had been supplied to him were not answered as they were asserted to be privileged or work product. Therefore, effective inquiry into what information was supplied, how it was supplied to the attorney and what may have been withheld by the Applicant was unavailable and undiscoverable. The Rules of the Patent and Trademark Office seek full disclosure of information, yet the following Court proceeding on the patent that issued on the application inhibits investigation of whether the Patent and Trademark Office Rules were complied with and whether the Examiner had received full information. It seems to this

{00880059.1}

writer that if the Patent and Trademark Office was supposed to be supplied with certain material information, then during subsequent litigation over the issued patent, the party requiring disclosure to make its case should be able to inquire about that information supplied, so that communications between the Applicant and his attorney during the prosecution stage, concerning supplying information which perhaps should have been provided to the Patent and Trademark Office, should be available to a party who is opposing the patent. Otherwise, not only may an invalid patent be found valid, but inequitable conduct may be protected because it was not discovered during the prosecution and it was effectively concealed by a later assertion of a privilege.

Although there have been decisions, including at least one early decision, that the attorney-client privilege did not apply to litigation investigation of compliance with the duty of candor and good faith in *Jack Winter, Inc. v. KoraTron*

Co., 50 F.R.D. 225, 166 U.S.P.Q. 295 (N.D. Cal. 1990), that Jack Winter decision was in part criticized because the duty applies to material information, while the privilege applies to information immaterial to prosecution, as explained in *Knogo Corp. v. United States*, 213 U.S.P.Q. 936 (Ct. Cl. 1980). The Jack Winter decision was expressly overruled by the Federal Circuit in *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 53 U.S.P.Q.2d 1747 (Fed. Cir. 2000).

There are precedents supporting both opposite viewpoints. For precedents supporting Jack Winter, see *Golden Valley Microwave Foods, Inc. v. Weaver Popcorn Co.*, 132 F.R.D. 204, 212, 18 U.S.P.Q.2d 1867 (N.D. Ind. 1990); *Quantum Corp. v. W. Digital Corp.*, 15 U.S.P.Q.2d 1062, 1064 (N.D. Cal. 1990); and *Hercules, Inc. v. Exxon Corp.*, 434 F.Supp. 136, 196 U.S.P.Q. 401 (D. Del. 1977). For precedents supporting Knogo, see *Rohm & Haas Co. v. Brotech Corp.*, 815 F. Supp, 793, 26 U.S.P.Q. 2d 1800 (D. Del. 1990), *aff'd*, 19 F.3d 41 (Fed. Cir. 1994); *Ball Corp. v.*

Am Nat'l. Can Co., 27 U.S.P.Q. 2d 1958 (S.D. Ind. 1993).

But, as patent litigation is appealed to the Federal Circuit, Spalding will control.

More recent reported Court opinions have uniformly favorably commented on or upheld the assertion of privilege as to communications between the Applicant and the attorney during the earlier application stage. See *Datapoint Corp. v. Picturatel Corp.*, 1999 US App LEXIS 15786 (Fed. Cir. 1999); *Brassler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F. 2d 1370 (Fed. Cir. 2001);

Claiming the privilege is not always beneficial, as it may deprive the Court of evidence it might find helpful in deciding if there had been inequitable conduct. *Levenger Co. v. Feldman*, 2007 U.S. Dist. LEXIS 70071 (S.D. Fla. 2007).

There may be a possible waiver of the privilege as to some document or communication. But, a court may limit

{00880059.1}

the waiver to specifically what was disclosed, and not find a general waiver of privilege as to attorney/client communications during prosecution. *Fort James Corp. v. Solo Cup Co.*, 412 F. 2d 1340 (Fed. Cir. 2005). In *eSpeed, Inc. v. BrokerTec USA, LLC*, 480 f.3D 1129 (Fed. Cir. 2007), the Court held that submission of an inventor's declaration during prosecution waived the privilege with respect to discussions between the attorney and the inventors regarding the system in the patent.

If there was a fraud on the Patent Office, that might be an exception to the privilege. *Nobelpharma AB v. Implant Innovations, Inc.*, 930 F. Supp. 1241 (N.D. Il. 1996). But a claim of inequitable conduct will probably not exceed a minimum, colorable basis for claiming fraud and would not prevent being able to invoke the privilege.

Final advice: Be thorough in your pre-application and during prosecution investigations forthcoming in

{00880059.1}

disclosing everything and your client's patent should emerge unscathed from an inequitable conduct investigation or trial.

**CONSOLIDATED PATENT  
RULES**  
**Title 37 - Code of Federal  
Regulations Patents, Trademarks,  
and Copyrights**

**§ 1.56 Duty to disclose information material to patentability.**

(a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective patent examination occurs when, at the time an application is being examined, the Office is aware of and evaluates the teachings of all information material to patentability. Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability as defined in this section. The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned. Information material to the patentability of a claim that is cancelled or withdrawn from consideration need not be submitted if the information is not material to the patentability of any claim remaining under consideration in the application. There is no duty to submit information which is not material to the patentability of any existing claim. The duty to disclose all information known to be material to patentability is deemed to be satisfied if all information known to be material to patentability of any claim issued in a patent was cited by the Office or submitted to the Office in the manner prescribed by §§ 1.97(b)-(d) and 1.98. However, no patent will be granted on an application in connection with which fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct. The Office encourages applicants to carefully examine:

(1) Prior art cited in search reports of a foreign patent office in a counterpart application, and

{00880059.1}

(2)The closest information over which individuals associated with the filing or prosecution of a patent application believe any pending claim patentably defines, to make sure that any material information contained therein is disclosed to the Office.

(b)Under this section, information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and

(1)It establishes, by itself or in combination with other information, a *prima facie* case of unpatentability of a claim; or

(2)It refutes, or is inconsistent with, a position the applicant takes in:

(i)Opposing an argument of unpatentability relied on by the Office, or

(ii)Asserting an argument of patentability.

A *prima facie* case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(c)Individuals associated with the filing or prosecution of a patent application within the meaning of this section are:

(1)Each inventor named in the application;

(2)Each attorney or agent who prepares or prosecutes the application; and

(3)Every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application.

(d)Individuals other than the attorney, agent or inventor may comply with this section by disclosing information to the attorney, agent, or inventor.

(e)In any continuation-in-part application, the duty under this section includes the duty to disclose to the Office all information known to the person to be material to patentability, as defined in paragraph (b) of this section, which became available between the filing date of the prior application and the national or PCT international filing date of the continuation-in-part application.



[42 FR 5593, Jan. 28, 1977; paras. (d) & (e) - (i), 47 FR 21751, May 19, 1982, effective July 1, 1982; para. (c), 48 FR 2710, Jan. 20, 1983, effective Feb. 27, 1983; paras. (b) and (j), 49 FR 554, Jan. 4, 1984, effective Apr. 1, 1984; paras. (d) and (h), 50 FR 5171, Feb. 6, 1985, effective Mar. 8, 1985; para. (e), 53 FR 47808, Nov. 28, 1988, effective Jan. 1, 1989; 57 FR 2021, Jan. 17, 1992, effective Mar. 16, 1992; para. (e) added, 65 FR 54604, Sept. 8, 2000, effective Nov. 7, 2000]

## **PATENT AND TRADEMARK OFFICE CODE OF PROFESSIONAL RESPONSIBILITY**

### **§ 10.20 Canons and Disciplinary Rules.**

(a) Canons are set out in §§ 10.21, 10.30, 10.46, 10.56, 10.61, 10.76, 10.83, 10.100, and 10.110. Canons are statements of axiomatic norms, expressing in general terms the standards of professional conduct expected of practitioners in their relationships with the public, with the legal system, and with the legal profession.

(b) Disciplinary Rules are set out in §§ 10.22-10.24, 10.31-10.40, 10.47-10.57, 10.62-10.68, 10.77, 10.78, 10.84, 10.85, 10.87-10.89, 10.92, 10.93, 10.101-10.103, 10.111, and 10.112. Disciplinary Rules are mandatory in character and state the minimum level of conduct below which no practitioner can fall without being subjected to disciplinary action.

[Added 50 FR 5175, Feb. 6, 1985, effective Mar. 8, 1985]

### **§ 10.21 Canon 1.**

A practitioner should assist in maintaining the integrity and competence of the legal profession.

[Added 50 FR 5175, Feb. 6, 1985, effective Mar. 8, 1985] § 10.22  
CONSOLIDATED PATENT RULES April 2010 R-234

### **§ 10.22 Maintaining integrity and competence of the legal profession.**

(a) A practitioner is subject to discipline if the practitioner has made a materially false statement in, or if the practitioner has deliberately failed to disclose a material fact requested in connection with, the practitioner's application for registration or

{00880059.1}

membership in the bar of any United States court or any State court or his or her authority to otherwise practice before the Office in trademark and other non-patent cases.

(b) A practitioner shall not further the application for registration or membership in the bar of any United States court, State court, or administrative agency of another person known by the practitioner to be unqualified in respect to character, education, or other relevant attribute.

[Added 50 FR 5175, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.23 Misconduct.**

(a) A practitioner shall not engage in disreputable or gross misconduct.

(b) A practitioner shall not:

(1) Violate a Disciplinary Rule.

(2) Circumvent a Disciplinary Rule through actions of another.

(3) Engage in illegal conduct involving moral turpitude.

(4) Engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.

(5) Engage in conduct that is prejudicial to the administration of justice.

(6) Engage in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office.

(c) Conduct which constitutes a violation of paragraphs (a) and (b) of this section includes, but is not limited to:

(1) Conviction of a criminal offense involving moral turpitude, dishonesty, or breach of trust.

(2) Knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information, to:

(i) A client in connection with any immediate, prospective, or pending business before the Office.

(ii) The Office or any employee of the Office.

(3) Misappropriation of, or failure to properly or timely remit, funds received by a practitioner or the practitioner's firm from a client to pay a fee which the client is required by law to pay to the Office.

(4) Directly or indirectly improperly influencing, attempting to improperly influence, offering or agreeing to improperly influence, or attempting to offer or agree to improperly influence an official action of any employee of the Office by:

(i) Use of threats, false accusations, duress, or coercion,

{00880059.1}

- (ii) An offer of any special inducement or promise of advantage, or
  - (iii) Improperly bestowing of any gift, favor, or thing of value.
- (5) Suspension or disbarment from practice as an attorney or agent on ethical grounds by any duly constituted authority of a State or the United States or, in the case of a practitioner who resides in a foreign country or is registered under § 11.6(c), by any duly constituted authority of:
- (i) A State,
  - (ii) The United States, or
  - (iii) The country in which the practitioner resides.
- (6) Knowingly aiding or abetting a practitioner suspended or excluded from practice before the Office in engaging in unauthorized practice before the Office under § 11.58.
- (7) Knowingly withholding from the Office information identifying a patent or patent application of another from which one or more claims have been copied. See § 41.202(a)(1) of this title.
- (8) Failing to inform a client or former client or failing to timely notify the Office of an inability to notify a client or former client of correspondence received from the Office or the client's or former client's opponent in an *inter partes* proceeding before the Office when the correspondence (i) could have a significant effect on a matter pending before the Office, (ii) is received by the practitioner on behalf of a client or former client and (iii) is correspondence of which a reasonable practitioner would believe under the circumstances the client or former client should be notified.
- (9) Knowingly misusing a "Certificate of Mailing or Transmission" under § 1.8 of this chapter. CONSOLIDATED PATENT RULES § 10.23 R-235 April 2010
- (10) Knowingly violating or causing to be violated the requirements of § 1.56 or § 1.555 of this subchapter.
- (11) Except as permitted by § 1.52(c) of this chapter, knowingly filing or causing to be filed an application containing any material alteration made in the application papers after the signing of the accompanying oath or declaration without identifying the alteration at the time of filing the application papers.
- (12) Knowingly filing, or causing to be filed, a frivolous complaint alleging a violation by a practitioner of the Patent and Trademark Office Code of Professional Responsibility.

(13) Knowingly preparing or prosecuting or providing assistance in the preparation or prosecution of a patent application in violation of an undertaking signed under § 11.10(b).

(14) Knowingly failing to advise the Director in writing of any change which would preclude continued registration under § 11.6.

(15) Signing a paper filed in the Office in violation of the provisions of § 11.18 or making a scandalous or indecent statement in a paper filed in the Office.

(16) Willfully refusing to reveal or report knowledge or evidence to the Director contrary to § 10.24 or § 11.22(b).

(17) Representing before the Office in a patent case either a joint venture comprising an inventor and an invention developer or an inventor referred to the registered practitioner by an invention developer when (i) the registered practitioner knows, or has been advised by the Office, that a formal complaint filed by a Federal or State agency, based on any violation of any law relating to securities, unfair methods of competition, unfair or deceptive acts or practices, mail fraud, or other civil or criminal conduct, is pending before a Federal or State court or Federal or State agency, or has been resolved unfavorably by such court or agency, against the invention developer in connection with invention development services and (ii) the registered practitioner fails to fully advise the inventor of the existence of the pending complaint or unfavorable resolution thereof prior to undertaking or continuing representation of the joint venture or inventor. "Invention developer" means any person, and any agent, employee, officer, partner, or independent contractor thereof, who is not a registered practitioner and who advertises invention development services in media of general circulation or who enters into contracts for invention development services with customers as a result of such advertisement. "Invention development services" means acts of invention development required or promised to be performed, or actually performed, or both, by an invention developer for a customer. "Invention development" means the evaluation, perfection, marketing, brokering, or promotion of an invention on behalf of a customer by an invention developer, including a patent search, preparation of a patent application, or any other act done by an invention developer for consideration toward the end of procuring or attempting to procure a license, buyer, or patent for an invention. "Customer" means any individual who has made an invention and who enters into a contract for invention development services with an

{00880059.1}

invention developer with respect to the invention by which the inventor becomes obligated to pay the invention developer less than \$5,000 (not to include any additional sums which the invention developer is to receive as a result of successful development of the invention). “Contract for invention development services” means a contract for invention development services with an invention developer with respect to an invention made by a customer by which the inventor becomes obligated to pay the invention developer less than \$5,000 (not to include any additional sums which the invention developer is to receive as a result of successful development of the invention).

(18) In the absence of information sufficient to establish a reasonable belief that fraud or inequitable conduct has occurred, alleging before a tribunal that anyone has committed a fraud on the Office or engaged in inequitable conduct in a proceeding before the Office.

(19) Action by an employee of the Office contrary to the provisions set forth in § 11.10(d).

(20) Knowing practice by a Government employee contrary to applicable Federal conflict of interest laws, or regulations of the Department, agency, or commission employing said individual.

(d) A practitioner who acts with reckless indifference to whether a representation is true or false is chargeable with knowledge of its falsity. Deceitful statements of half-truths or concealment of material

**§10.24 CONSOLIDATED PATENT RULES April 2010 R-236**

facts shall be deemed actual fraud within the meaning of this part.

[Added 50 FR 5175, Feb. 6, 1985, effective Mar. 8, 1985; amended 50 FR 25073, June 17, 1985; 50 FR 25980, June 24, 1985; paras. (c)(13), (19) & (20), 53 FR 38950, Oct. 4, 1988, effective Nov. 4, 1988; corrected 53 FR 41278, Oct. 20, 1988; paras. (c)(10) & (c)(11), 57 FR 2021, Jan. 17, 1992, effective Mar. 16, 1992; para. (c)(9) amended, 58 FR 54494, Oct. 22, 1993, effective Nov. 22, 1993; para. (c)(9) amended, 61 FR 56439, Nov. 1, 1996, effective Dec. 2, 1996; para. (c)(15) amended, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997; para. (c)(11) revised, 65 FR 54604, Sept. 8, 2000, effective Nov. 7, 2000; para (c)(7) revised, 69 FR 49959, Aug. 12, 2004, effective Sept. 13, 2004; paras. (c)(5), (c)(6), (c)(13) through (c)(16), and (c)(19) revised, 73 FR 59513, Oct. 9, 2008, effective Oct. 9, 2008]

**§ 10.24 Disclosure of information to authorities.**

(a) A practitioner possessing unprivileged knowledge of a violation of a Disciplinary Rule shall report such knowledge to the Director.

(b) A practitioner possessing unprivileged knowledge or evidence concerning another practitioner, employee of the Office, or a judge shall reveal fully such knowledge or evidence upon proper request of a tribunal or other authority empowered to investigate or act upon the conduct of practitioners, employees of the Office, or judges.

[Added 50 FR 5176, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.25 - 10.29 [Reserved]**

**§ 10.30 Canon 2.**

A practitioner should assist the legal profession in fulfilling its duty to make legal counsel available.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.31 Communications concerning a practitioner's services.**

(a) No practitioner shall with respect to any prospective business before the Office, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any prospective applicant or other person having immediate or prospective business before the Office.

(b) A practitioner may not use the name of a Member of either House of Congress or of an individual in the service of the United States in advertising the practitioner's practice before the Office.

(c) Unless authorized under § 11.14(b), a non-lawyer practitioner shall not hold himself or herself out as authorized to practice before the Office in trademark cases.

(d) Unless a practitioner is an attorney, the practitioner shall not hold himself or herself out:

(1) To be an attorney or lawyer or

(2) As authorized to practice before the Office in non-patent and trademark cases.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985; para. (c) revised, 73 FR 59513, Oct. 9, 2008, effective Oct. 9, 2008]

**§ 10.32 Advertising.**

(a) Subject to § 10.31, a practitioner may advertise services through public media, including a telephone directory, legal directory,

{00880059.1}

newspaper, or other periodical, radio, or television, or through written communications not involving solicitation as defined by § 10.33.

(b) A practitioner shall not give anything of value to a person for recommending the practitioner's services, except that a practitioner may pay the reasonable cost of advertising or written communication permitted by this section and may pay the usual charges of a not-for-profit lawyer referral service or other legal service organization.

(c) Any communication made pursuant to this section shall include the name of at least one practitioner responsible for its content.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.33 Direct contact with prospective clients.**

A practitioner may not solicit professional employment from a prospective client with whom the practitioner has no family or prior professional relationship, by mail, in-person, or otherwise, when a significant motive for the practitioner's doing so is the practitioner's pecuniary gain under circumstances evidencing undue influence, intimidation, or overreaching. The CONSOLIDATED PATENT RULES § 10.37 R-237 April 2010

term "solicit" includes contact in person, by telephone or telegraph, by letter or other writing, or by other communication directed to a specific recipient, but does not include letters addressed or advertising circulars distributed generally to persons not specifically known to need legal services of the kind provided by the practitioner in a particular matter, but who are so situated that they might in general find such services useful.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.34 Communication of fields of practice.**

A registered practitioner may state or imply that the practitioner is a specialist as follows:

(a) A registered practitioner who is an attorney may use the designation "Patents," "Patent Attorney," "Patent Lawyer," "Registered Patent Attorney," or a substantially similar designation.

(b) A registered practitioner who is not an attorney may use the designation "Patents," "Patent Agent," "Registered Patent Agent," or a substantially similar designation, except that any practitioner who was registered prior to November 15, 1938, may refer to himself or herself as a "patent attorney."

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.35 Firm names and letterheads.**

(a) A practitioner shall not use a firm name, letterhead, or other professional designation that violates § 10.31. A trade name may be used by a practitioner in private practice if it does not imply a current connection with a government agency or with a public or charitable legal services organization and is not otherwise in violation of § 10.31.

(b) Practitioners may state or imply that they practice in a partnership or other organization only when that is the fact.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.36 Fees for legal services.**

(a) A practitioner shall not enter into an agreement for, charge, or collect an illegal or clearly excessive fee.

(b) A fee is clearly excessive when, after a review of the facts, a practitioner of ordinary prudence would be left with a definite and firm conviction that the fee is in excess of a reasonable fee. Factors to be considered as guides in determining the reasonableness of a fee include the following:

(1) The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly.

(2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the practitioner.

(3) The fee customarily charged for similar legal services.

(4) The amount involved and the results obtained.

(5) The time limitations imposed by the client or by the circumstances.

(6) The nature and length of the professional relationship with the client.

(7) The experience, reputation, and ability of the practitioner or practitioners performing the services.

(8) Whether the fee is fixed or contingent.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.37 Division of fees among practitioners.**

(a) A practitioner shall not divide a fee for legal services with another practitioner who is not a partner in or associate of the practitioner's law firm or law office, unless:



(1)The client consents to employment of the other practitioner after a full disclosure that a division of fees will be made.

(2)The division is made in proportion to the services performed and responsibility assumed by each.

(3)The total fee of the practitioners does not clearly exceed reasonable compensation for all legal services rendered to the client.

(b)This section does not prohibit payment to a former partner or associate pursuant to a separation or retirement agreement.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]§ 10.38  
CONSOLIDATED PATENT RULES April 2010 R-238

**§ 10.38 Agreements restricting the practice of a practitioner.**

(a)A practitioner shall not be a party to or participate in a partnership or employment agreement with another practitioner that restricts the right of a practitioner to practice before the Office after the termination of a relationship created by the agreement, except as a condition to payment of retirement benefits.

(b)In connection with the settlement of a controversy or suit, a practitioner shall not enter into an agreement that restricts the practitioner's right to practice before the Office.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.39 Acceptance of employment.**

A practitioner shall not accept employment on behalf of a person if the practitioner knows or it is obvious that such person wishes to:

(a)Bring a legal action, commence a proceeding before the Office, conduct a defense, assert a position in any proceeding pending before the Office, or otherwise have steps taken for the person, merely for the purpose of harassing or maliciously injuring any other person.

(b)Present a claim or defense in litigation or any proceeding before the Office that it is not warranted under existing law, unless it can be supported by good faith argument for an extension, modification, or reversal of existing law.

[Added 50 FR 5177, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.40 Withdrawal from employment.**

(a)A practitioner shall not withdraw from employment in a proceeding before the Office without permission from the Office (see §§ 1.36 and 2.19 of this subchapter). In any event, a practitioner shall not withdraw from employment until the practitioner has taken reasonable steps to avoid foreseeable

{00880059.1}

prejudice to the rights of the client, including giving due notice to his or her client, allowing time for employment of another practitioner, delivering to the client all papers and property to which the client is entitled, and complying with applicable laws and rules. A practitioner who withdraws from employment shall refund promptly any part of a fee paid in advance that has not been earned.

(b)*Mandatory withdrawal.* A practitioner representing a client before the Office shall withdraw from employment if:

(1)The practitioner knows or it is obvious that the client is bringing a legal action, commencing a proceeding before the Office, conducting a defense, or asserting a position in litigation or any proceeding pending before the Office, or is otherwise having steps taken for the client, merely for the purpose of harassing or maliciously injuring any person;

(2)The practitioner knows or it is obvious that the practitioner's continued employment will result in violation of a Disciplinary Rule;

(3)The practitioner's mental or physical condition renders it unreasonably difficult for the practitioner to carry out the employment effectively; or

(4)The practitioner is discharged by the client.

(c)*Permissive withdrawal.* If paragraph (b) of this section is not applicable, a practitioner may not request permission to withdraw in matters pending before the Office unless such request or such withdrawal is because:

(1)The petitioner's client:

(i)Insists upon presenting a claim or defense that is not warranted under existing law and cannot be supported by good faith argument for an extension, modification, or reversal of existing law;

(ii)Personally seeks to pursue an illegal course of conduct;

(iii)Insists that the practitioner pursue a course of conduct that is illegal or that is prohibited under a Disciplinary Rule;

(iv)By other conduct renders it unreasonably difficult for the practitioner to carry out the employment effectively;

(v)Insists, in a matter not pending before a tribunal, that the practitioner engage in conduct that is contrary to the judgment and advice of the practitioner but not prohibited under the Disciplinary Rule; or

(vi) Has failed to pay one or more bills rendered by the practitioner for an unreasonable period of time or has failed to honor an agreement to pay a retainer in advance of the performance of legal services. CONSOLIDATED PATENT RULES § 10.57 R-239 April 2010

(2) The practitioner's continued employment is likely to result in a violation of a Disciplinary Rule;

(3) The practitioner's inability to work with co-counsel indicates that the best interests of the client likely will be served by withdrawal;

(4) The practitioner's mental or physical condition renders it difficult for the practitioner to carry out the employment effectively;

(5) The practitioner's client knowingly and freely assents to termination of the employment; or

(6) The practitioner believes in good faith, in a proceeding pending before the Office, that the Office will find the existence of other good cause for withdrawal.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985]

#### **§ 10.41 - 10.45 [Reserved]**

#### **§ 10.46 Canon 3.**

A practitioner should assist in preventing the unauthorized practice of law.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985]

#### **§ 10.47 Aiding unauthorized practice of law.**

(a) A practitioner shall not aid a non-practitioner in the unauthorized practice of law before the Office.

(b) A practitioner shall not aid a suspended or excluded practitioner in the practice of law before the Office.

(c) A practitioner shall not aid a non-lawyer in the unauthorized practice of law.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985]

#### **§ 10.48 Sharing legal fees.**

A practitioner or a firm of practitioners shall not share legal fees with a non-practitioner except that:

(a) An agreement by a practitioner with the practitioner's firm, partner, or associate may provide for the payment of money, over a

reasonable period of time after the practitioner's death, to the practitioner's estate or to one or more specified persons.

(b)A practitioner who undertakes to complete unfinished legal business of a deceased practitioner may pay to the estate of the deceased practitioner that proportion of the total compensation which fairly represents the services rendered by the deceased practitioner.

(c)A practitioner or firm of practitioners may include non-practitioner employees in a compensation or retirement plan, even though the plan is based in whole or in part on a profit-sharing arrangement, providing such plan does not circumvent another Disciplinary Rule.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985; para. (b) revised, 58 FR 54511, Oct. 22, 1993, effective June 3, 1994]

**§ 10.49 Forming a partnership with a non-practitioner.**

A practitioner shall not form a partnership with a nonpractitioner if any of the activities of the partnership consist of the practice of patent, trademark, or other law before the Office.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.50 - 10.55 [Reserved]**

**§ 10.56 Canon 4.**

A practitioner should preserve the confidences and secrets of a client.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.57 Preservation of confidences and secrets of a client.**

(a)“Confidence” refers to information protected by the attorney-client or agent-client privilege under applicable law. “Secret” refers to other information gained in the professional relationship that the client has requested be held inviolate or the disclosure of which would be embarrassing or would be likely to be detrimental to the client.

(b)Except when permitted under paragraph (c) of this section, a practitioner shall not knowingly:

**§ 10.58 - 10.60 CONSOLIDATED PATENT RULES** April 2010 R-240

(1)Reveal a confidence or secret of a client.

(2) Use a confidence or secret of a client to the disadvantage of the client.

(3) Use a confidence or secret of a client for the advantage of the practitioner or of a third person, unless the client consents after full disclosure.

(c) A practitioner may reveal:

(1) Confidences or secrets with the consent of the client affected but only after a full disclosure to the client.

(2) Confidences or secrets when permitted under Disciplinary Rules or required by law or court order.

(3) The intention of a client to commit a crime and the information necessary to prevent the crime.

(4) Confidences or secrets necessary to establish or collect the practitioner's fee or to defend the practitioner or the practitioner's employees or associates against an accusation of wrongful conduct.

(d) A practitioner shall exercise reasonable care to prevent the practitioner's employees, associates, and others whose services are utilized by the practitioner from disclosing or using confidences or secrets of a client, except that a practitioner may reveal the information allowed by paragraph (c) of this section through an employee.

[Added 50 FR 5178, Feb. 6, 1985, effective Mar. 8, 1985]

#### **§ 10.58 - 10.60 [Reserved]**

#### **§ 10.61 Canon 5.**

A practitioner should exercise independent professional judgment on behalf of a client.

[Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

#### **§ 10.62 Refusing employment when the interest of the practitioner may impair the practitioner's independent professional judgment.**

(a) Except with the consent of a client after full disclosure, a practitioner shall not accept employment if the exercise of the practitioner's professional judgment on behalf of the client will be or reasonably may be affected by the practitioner's own financial, business, property, or personal interests.

(b) A practitioner shall not accept employment in a proceeding before the Office if the practitioner knows or it is obvious that the

{00880059.1}

practitioner or another practitioner in the practitioner's firm ought to sign an affidavit to be filed in the Office or be called as a witness, except that the practitioner may undertake the employment and the practitioner or another practitioner in the practitioner's firm may testify:

- (1) If the testimony will relate solely to an uncontested matter.
  - (2) If the testimony will relate solely to a matter of formality and there is no reason to believe that substantial evidence will be offered in opposition to the testimony.
  - (3) If the testimony will relate solely to the nature and value of legal services rendered in the case by the practitioner or the practitioner's firm to the client.
  - (4) As to any matter, if refusal would work a substantial hardship on the client because of the distinctive value of the practitioner or the practitioner's firm as counsel in the particular case.
- [Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.63 Withdrawal when the practitioner becomes a witness.**

(a) If, after undertaking employment in a proceeding in the Office, a practitioner learns or it is obvious that the practitioner or another practitioner in the practitioner's firm ought to sign an affidavit to be filed in the Office or be called as a witness on behalf of a practitioner's client, the practitioner shall withdraw from the conduct of the proceeding and the practitioner's firm, if any, shall not continue representation in the proceeding, except that the practitioner may continue the representation and the practitioner or another practitioner in the practitioner's firm may testify in the circumstances enumerated in paragraphs (1) through (4) of § 10.62(b).

(b) If, after undertaking employment in a proceeding before the Office, a practitioner learns or it is obvious that the practitioner or another practitioner in the practitioner's firm may be asked to sign an affidavit to be filed in the Office or be called as a witness other than on behalf of the practitioner's client, the CONSOLIDATED PATENT RULES § 10.67 R-241 April 2010 practitioner may continue the representation until it is apparent that the practitioner's affidavit or testimony is or may be prejudicial to the practitioner's client.

[Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.64 Avoiding acquisition of interest in litigation or proceeding before the Office.**

(a) A practitioner shall not acquire a proprietary interest in the subject matter of a proceeding before the Office which the practitioner is conducting for a client, except that the practitioner may:

- (1) Acquire a lien granted by law to secure the practitioner's fee or expenses; or
- (2) Contract with a client for a reasonable contingent fee; or
- (3) In a patent case, take an interest in the patent as part or all of his or her fee.

(b) While representing a client in connection with a contemplated or pending proceeding before the Office, a practitioner shall not advance or guarantee financial assistance to a client, except that a practitioner may advance or guarantee the expenses of going forward in a proceeding before the Office including fees required by law to be paid to the Office, expenses of investigation, expenses of medical examination, and costs of obtaining and presenting evidence, provided the client remains ultimately liable for such expenses. A practitioner may, however, advance any fee required to prevent or remedy an abandonment of a client's application by reason of an act or omission attributable to the practitioner and not to the client, whether or not the client is ultimately liable for such fee.

[Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.65 Limiting business relations with a client.**

A practitioner shall not enter into a business transaction with a client if they have differing interests therein and if the client expects the practitioner to exercise professional judgment therein for the protection of the client, unless the client has consented after full disclosure.

[Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.66 Refusing to accept or continue employment if the interests of another client may impair the independent professional judgment of the practitioner.**

(a) A practitioner shall decline proffered employment if the exercise of the practitioner's independent professional judgment in behalf of a client will be or is likely to be adversely affected by the acceptance of the proffered employment, or if it would be likely to

{00880059.1}

involve the practitioner in representing differing interests, except to the extent permitted under paragraph (c) of this section.

(b) A practitioner shall not continue multiple employment if the exercise of the practitioner's independent professional judgment in behalf of a client will be or is likely to be adversely affected by the practitioner's representation of another client, or if it would be likely to involve the practitioner in representing differing interests, except to the extent permitted under paragraph (c) of this section.

(c) In the situations covered by paragraphs (a) and (b) of this section, a practitioner may represent multiple clients if it is obvious that the practitioner can adequately represent the interest of each and if each consents to the representation after full disclosure of the possible effect of such representation on the exercise of the practitioner's independent professional judgment on behalf of each.

(d) If a practitioner is required to decline employment or to withdraw from employment under a Disciplinary Rule, no partner, or associate, or any other practitioner affiliated with the practitioner or the practitioner's firm, may accept or continue such employment unless otherwise ordered by the Director or Commissioner.

[Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.67 Settling similar claims of clients.**

A practitioner who represents two or more clients shall not make or participate in the making of an aggregate settlement of the claims of or against the practitioner's clients, unless each client has consented to the settlement after being advised of the existence and nature of all the claims involved in the proposed settlement, of the total amount of the settlement, and of the participation of each person in the settlement. § 10.68 CONSOLIDATED PATENT RULES April 2010 R-242

[Added 50 FR 5179, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.68 Avoiding influence by others than the client.**

(a) Except with the consent of the practitioner's client after full disclosure, a practitioner shall not:

(1) Accept compensation from one other than the practitioner's client for the practitioner's legal services to or for the client.

{00880059.1}



(2) Accept from one other than the practitioner's client any thing of value related to the practitioner's representation of or the practitioner's employment by the client.

(b) A practitioner shall not permit a person who recommends, employs, or pays the practitioner to render legal services for another, to direct or regulate the practitioner's professional judgment in rendering such legal services.

(c) A practitioner shall not practice with or in the form of a professional corporation or association authorized to practice law for a profit, if a non-practitioner has the right to direct or control the professional judgment of a practitioner.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.69 - 10.75 [Reserved]**

**§ 10.76 Canon 6.**

A practitioner should represent a client competently.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.77 Failing to act competently.**

A practitioner shall not:

(a) Handle a legal matter which the practitioner knows or should know that the practitioner is not competent to handle, without associating with the practitioner another practitioner who is competent to handle it.

(b) Handle a legal matter without preparation adequate in the circumstances.

(c) Neglect a legal matter entrusted to the practitioner.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.78 Limiting liability to client.**

A practitioner shall not attempt to exonerate himself or herself from, or limit his or her liability to, a client for his or her personal malpractice.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.79 - 10.82 [Reserved]**

**§ 10.83 Canon 7.**

A practitioner should represent a client zealously within the bounds of the law.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

{00880059.1}

**§ 10.84 Representing a client zealously.**

(a) A practitioner shall not intentionally:

(1) Fail to seek the lawful objectives of a client through reasonable available means permitted by law and the Disciplinary Rules, except as provided by paragraph (b) of this section. A practitioner does not violate the provisions of this section, however, by acceding to reasonable requests of opposing counsel which do not prejudice the rights of the client, by being punctual in fulfilling all professional commitments, by avoiding offensive tactics, or by treating with courtesy and consideration all persons involved in the legal process.

(2) Fail to carry out a contract of employment entered into with a client for professional services, but a practitioner may withdraw as permitted under §§ 10.40, 10.63, and 10.66.

(3) Prejudice or damage a client during the course of a professional relationship, except as required under this part.

(b) In representation of a client, a practitioner may:

(1) Where permissible, exercise professional judgment to waive or fail to assert a right or position of the client.

(2) Refuse to aid or participate in conduct that the practitioner believes to be unlawful, even CONSOLIDATED PATENT RULES § 10.89 R-243 April 2010

though there is some support for an argument that the conduct is legal.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.85 Representing a client within the bounds of the law.**

(a) In representation of a client, a practitioner shall not:

(1) Initiate or defend any proceeding before the Office, assert a position, conduct a defense, delay a trial or proceeding before the Office, or take other action on behalf of the practitioner's client when the practitioner knows or when it is obvious that such action would serve merely to harass or maliciously injure another.

(2) Knowingly advance a claim or defense that is unwarranted under existing law, except that a practitioner may advance such claim or defense if it can be supported by good faith argument for an extension, modification, or reversal of existing law.

(3) Conceal or knowingly fail to disclose that which the practitioner is required by law to reveal.

(4) Knowingly use perjured testimony or false evidence.

- (5) Knowingly make a false statement of law or fact.
  - (6) Participate in the creation or preservation of evidence when the practitioner knows or it is obvious that the evidence is false.
  - (7) Counsel or assist a client in conduct that the practitioner knows to be illegal or fraudulent.
  - (8) Knowingly engage in other illegal conduct or conduct contrary to a Disciplinary Rule.
  - (b) A practitioner who receives information clearly establishing that:
    - (1) A client has, in the course of the representation, perpetrated a fraud upon a person or tribunal shall promptly call upon the client to rectify the same, and if the client refuses or is unable to do so the practitioner shall reveal the fraud to the affected person or tribunal.
    - (2) A person other than a client has perpetrated a fraud upon a tribunal shall promptly reveal the fraud to the tribunal.
- [Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.86 [Reserved]**

**§ 10.87 Communicating with one of adverse interest.**

During the course of representation of a client, a practitioner shall not:

- (a) Communicate or cause another to communicate on the subject of the representation with a party the practitioner knows to be represented by another practitioner in that matter unless the practitioner has the prior consent of the other practitioner representing such other party or is authorized by law to do so. It is not improper, however, for a practitioner to encourage a client to meet with an opposing party for settlement discussions.
- (b) Give advice to a person who is not represented by a practitioner other than the advice to secure counsel, if the interests of such person are or have a reasonable possibility of being in conflict with the interests of the practitioner's client.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.88 Threatening criminal prosecution.**

A practitioner shall not present, participate in presenting, or threaten to present criminal charges solely to obtain an advantage in any prospective or pending proceeding before the Office.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.89 Conduct in proceedings.**

(a) A practitioner shall not disregard or advise a client to disregard any provision of this Subchapter or a decision of the Office made in the course of a proceeding before the Office, but the practitioner may take appropriate steps in good faith to test the validity of such provision or decision.

(b) In presenting a matter to the Office, a practitioner shall disclose:  
 (1) Controlling legal authority known to the practitioner to be directly adverse to the position of the client and which is not disclosed by opposing counsel or an employee of the Office.

**§ 10.90 - 10.91 CONSOLIDATED PATENT RULES** April 2010 R-244

(2) Unless privileged or irrelevant, the identities of the client the practitioner represents and of the persons who employed the practitioner.

(c) In appearing in a professional capacity before a tribunal, a practitioner shall not:

(1) State or allude to any matter that the practitioner has no reasonable basis to believe is relevant to the case or that will not be supported by admissible evidence.

(2) Ask any question that the practitioner has no reasonable basis to believe is relevant to the case and that is intended to degrade a witness or other person.

(3) Assert the practitioner's personal knowledge of the facts in issue, except when testifying as a witness.

(4) Assert the practitioner's personal opinion as to the justness of a cause, as to the credibility of a witness, as to the culpability of a civil litigant, or as to the guilt or innocence of an accused; but the practitioner may argue, on the practitioner's analysis of the evidence, for any position or conclusion with respect to the matters stated herein.

(5) Engage in undignified or discourteous conduct before the Office (see § 1.3 of the subchapter).

(6) Intentionally or habitually violate any provision of this subchapter or established rule of evidence.

[Added 50 FR 5180, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.90 - 10.91 [Reserved]**

**§ 10.92 Contact with witnesses.**

(a) A practitioner shall not suppress any evidence that the practitioner or the practitioner's client has a legal obligation to reveal or produce.

(b) A practitioner shall not advise or cause a person to be sequestered or to leave the jurisdiction of a tribunal for the purpose of making the person unavailable as a witness therein.

(c) A practitioner shall not pay, offer to pay, or acquiesce in payment of compensation to a witness contingent upon the content of the witness' affidavit, testimony or the outcome of the case. But a practitioner may advance, guarantee, or acquiesce in the payment of:

(1) Expenses reasonably incurred by a witness in attending, testifying, or making an affidavit.

(2) Reasonable compensation to a witness for the witness' loss of time in attending, testifying, or making an affidavit.

(3) A reasonable fee for the professional services of an expert witness.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.93 Contact with officials.**

(a) A practitioner shall not give or lend anything of value to a judge, official, or employee of a tribunal under circumstances which might give the appearance that the gift or loan is made to influence official action.

(b) In an adversary proceeding, including any *inter partes* proceeding before the Office, a practitioner shall not communicate, or cause another to communicate, as to the merits of the cause with a judge, official, or Office employee before whom the proceeding is pending, except:

(1) In the course of official proceedings in the cause.

(2) In writing if the practitioner promptly delivers a copy of the writing to opposing counsel or to the adverse party if the adverse party is not represented by a practitioner.

(3) Orally upon adequate notice to opposing counsel or to the adverse party if the adverse party is not represented by a practitioner.

(4) As otherwise authorized by law.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.94 - 10.99 [Reserved]**

**§ 10.100 Canon 8.**

A practitioner should assist in improving the legal system.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985] CONSOLIDATED PATENT RULES § 10.112 R-245 April 2010

**§ 10.101 Action as a public official.**

(a) A practitioner who holds public office shall not:

(1) Use the practitioner's public position to obtain, or attempt to obtain, a special advantage in legislative matters for the practitioner or for a client under circumstances where the practitioner knows or it is obvious that such action is not in the public interest.

(2) Use the practitioner's public position to influence, or attempt to influence, a tribunal to act in favor of the practitioner or of a client.

(3) Accept any thing of value from any person when the practitioner knows or it is obvious that the offer is for the purpose of influencing the practitioner's action as a public official.

(b) A practitioner who is an officer or employee of the United States shall not practice before the Office in patent cases except as provided in § 10.10(c) and (d).

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985; para. (b) amended, 54 FR 6520, Feb. 13, 1989]

**§ 10.102 Statements concerning officials.**

(a) A practitioner shall not knowingly make false statements of fact concerning the qualifications of a candidate for election or appointment to a judicial office or to a position in the Office.

(b) A practitioner shall not knowingly make false accusations against a judge, other adjudicatory officer, or employee of the Office.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.103 Practitioner candidate for judicial office.**

A practitioner who is a candidate for judicial office shall comply with applicable provisions of law.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.104 - 10.109 [Reserved]**

**§ 10.110 Canon 9.**

A practitioner should avoid even the appearance of professional impropriety.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.111 Avoiding even the appearance of impropriety.**

(a) A practitioner shall not accept private employment in a matter upon the merits of which he or she has acted in a judicial capacity.

(b) A practitioner shall not accept private employment in a matter in which he or she had personal responsibility while a public employee.

(c) A practitioner shall not state or imply that the practitioner is able to influence improperly or upon irrelevant grounds any tribunal, legislative body, or public official.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985]

**§ 10.112 Preserving identity of funds and property of client.**

(a) All funds of clients paid to a practitioner or a practitioner's firm, other than advances for costs and expenses, shall be deposited in one or more identifiable bank accounts maintained in the United States or, in the case of a practitioner having an office in a foreign country or registered under § 11.6(c), in the United States or the foreign country.

(b) No funds belonging to the practitioner or the practitioner's firm shall be deposited in the bank accounts required by paragraph (a) of this section except as follows:

(1) Funds reasonably sufficient to pay bank charges may be deposited therein.

(2) Funds belonging in part to a client and in part presently or potentially to the practitioner or the practitioner's firm must be deposited therein, but the portion belonging to the practitioner or the practitioner's firm may be withdrawn when due unless the right of the practitioner or the practitioner's firm to receive it is disputed by the client, in which event the disputed portion shall not be withdrawn until the dispute is finally resolved.

(c) A practitioner shall:

(1) Promptly notify a client of the receipt of the client's funds, securities, or other properties.

(2) Identify and label securities and properties of a client promptly upon receipt and place them

**§ 10.113 - 10.170 CONSOLIDATED PATENT RULES** April 2010 R-246  
in a safe deposit box or other place of safekeeping as soon as practicable.

(3) Maintain complete records of all funds, securities, and other properties of a client coming into the possession of the practitioner and render appropriate accounts to the client regarding the funds, securities, or other properties.

(4) Promptly pay or deliver to the client as requested by a client the funds, securities, or other properties in the possession of the practitioner which the client is entitled to receive.

[Added 50 FR 5181, Feb. 6, 1985, effective Mar. 8, 1985; para. (a) revised, 70 FR 56119, Sept. 26, 2005, effective Nov. 25, 2005]