

**DEPARTMENT OF COMMERCE****Patent and Trademark Office****37 CFR Parts 1, 2, 7, 10, 11 and 41**

[Docket No. PTO-C-2012-0034]

RIN 0651-AC81

**Changes to Representation of Others Before The United States Patent and Trademark Office****AGENCY:** United States Patent and Trademark Office, Commerce.**ACTION:** Final rule.

**SUMMARY:** The United States Patent and Trademark Office (Office or USPTO) is adopting the new USPTO Rules of Professional Conduct (USPTO Rules), which are based on the American Bar Association's (ABA) Model Rules of Professional Conduct (ABA Model Rules), which were published in 1983, substantially revised in 2003 and updated through 2012. The Office has also revised the existing procedural rules governing disciplinary investigations and proceedings. These changes will enable the Office to better protect the public while also providing practitioners with substantially uniform disciplinary rules across multiple jurisdictions.

**DATES:** *Effective Date:* May 3, 2013.**FOR FURTHER INFORMATION CONTACT:** William R. Covey, Deputy General Counsel for Enrollment and Discipline and Director of the Office of Enrollment and Discipline, by telephone at 571-272-4097.**SUPPLEMENTARY INFORMATION:****Executive Summary**

Pursuant to 35 U.S.C. 2(b)(2)(D), the Office governs "the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office." The Office also has the authority to suspend or exclude from practice before the Office any practitioner who is "shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 2(b)(2)(D) of this title." 35 U.S.C. 32. Pursuant to the authority provided in sections 2(b)(2)(D) and 32 of Title 35, practitioners representing parties in patent, trademark, and other non-patent matters presently are required to conform to the Patent and Trademark Office Code of Professional Responsibility (USPTO Code) set forth in 37 CFR 10.20 through 10.112. These rules have been in place since 1985 and are based on the ABA Model Code of Professional Responsibility. See 50 FR

5158 (Feb. 6, 1985). Since that time, the vast majority of State bars in the United States have adopted substantive disciplinary rules based on the newer ABA Model Rules. As noted below, the Office believes individuals representing others before the Office will benefit from modernization of the regulations governing professional conduct before the Office and harmonization of these regulations with corresponding rules adopted by bars in the States and the District of Columbia.

On October 18, 2012, the Office published *Changes to the Representation of Others Before the United States Patent and Trademark Office*, a Notice of Proposed Rulemaking in the **Federal Register** (77 FR 64190) proposing the new USPTO Rules. The changes from the existing USPTO Code are intended to bring standards of ethical practice before the Office into closer conformity with the professional responsibility rules adopted by nearly all States and the District of Columbia, while addressing circumstances particular to practice before the Office. By adopting professional conduct rules consistent with the ABA Model Rules and the professional responsibility rules of 50 U.S. jurisdictions, the USPTO is providing attorneys with consistent professional conduct standards, and large bodies of both case law and opinions written by disciplinary authorities that have adopted the ABA Model Rules. At this time, approximately 41,000 individuals are registered practitioners, of whom at least 75% are attorneys. The registered patent attorneys have offices located in all fifty States, the District of Columbia, and more than forty foreign countries. In addition to registered patent attorneys, any attorney who is a member in good standing of the bar of the highest court of a State, territory or possession of the United States is eligible to practice before the Office in trademark and other non-patent matters, without becoming a registered practitioner. 5 U.S.C. 500(b); 37 CFR 11.14. Attorneys who appear before the Office in non-patent matters are subject to these rules as well. 37 CFR 11.19.

A body of precedent specific to practice before the USPTO will develop as disciplinary matters brought under the USPTO Rules progress through the USPTO and the federal courts. In the absence of USPTO-specific precedent, practitioners may refer to various sources for useful information. For example, precedent based on the USPTO Code will assist interpretation of professional conduct standards under the USPTO Rules. The USPTO Rules fundamentally carry forward the

existing and familiar requirements of the USPTO Code. A practitioner also may refer to the Comments and Annotations to the ABA Model Rules, as amended through August 2012, for useful information as to how to interpret the equivalent USPTO Rules. Additionally, relevant information may be provided by opinions issued by State bars and disciplinary decisions based on similar professional conduct rules in the States. Such decisions and opinions are not binding precedent relative to USPTO Rules, but may provide useful tools in interpreting the Rules while a larger body of USPTO-specific precedent is established.

This rulemaking benefits and reduces costs for most practitioners by clarifying and streamlining their professional responsibility obligations. The USPTO is adopting professional conduct rules consistent with the ABA Model Rules and the professional responsibility rules already followed by 50 U.S. jurisdictions, *i.e.*, the District of Columbia and 49 States, excluding California. Further, these changes are not a significant deviation from the professional responsibility rules for practitioners that are already required by the Office.

Table 1 shows the principal sources of the USPTO Rules. In general, the numbering of the USPTO Rules largely tracks the numbering of the ABA Model Rules. For example, USPTO Rule 11.101 parallels ABA Model Rule 1.1; USPTO Rule 11.102 parallels ABA Model Rule 1.2; USPTO Rule 11.201 parallels ABA Model Rule 2.1; et cetera. The discussion below highlights instances where the USPTO Rules diverge from the ABA Model Rules.

This rulemaking reserves or declines to implement certain provisions set forth in the ABA Model Rules. For example, the ABA Model Rules set forth specific provisions concerning domestic relations or criminal practice that do not appear in the USPTO Rules. See, *e.g.*, sections 11.102, 11.105(d), 11.108(g), 11.108(j), 11.301, 11.303(a)(3), 11.306, 11.308 and 11.704(c). Conduct that would violate an unadopted provision might nevertheless also violate an adopted provision (*e.g.*, the conduct might also violate the broader obligations under section 11.804 of the USPTO Rules). In addition, a licensed attorney is subject to the professional conduct rules of appropriate State licensing authorities, as well as of any courts before which the attorney practices. Failure to comply with those rules may lead to disciplinary action against the practitioner by the appropriate State bar or court and, in turn, possible reciprocal action against

the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h).

In August 2012, the ABA House of Delegates approved revisions to the ABA Model Rules recommended by the ABA Commission on Ethics 20/20. See [http://www.americanbar.org/content/dam/aba/administrative/ethics\\_2020/20120808\\_house\\_action\\_compilation\\_redline\\_105a-f.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/administrative/ethics_2020/20120808_house_action_compilation_redline_105a-f.authcheckdam.pdf). The Notice of Proposed Rulemaking, published on October 18, 2012, solicited comments as to whether those changes should be incorporated into the USPTO Rules. Based upon the feedback the Office received, the Office has incorporated some technical revisions into these final rules.

The Office did not change the preamble to section 11.1. This preamble provides in part: "This part governs solely the practice of patent, trademark, and other law before the United States 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 United States Patent and Trademark Office to accomplish its Federal objectives." Attorneys who practice before the Office are subject to professional conduct rules established by the Office as well as the appropriate State bars.

The Office adopted rules governing the conduct of disciplinary investigations in 2008. See 73 FR 47650 (Aug. 14, 2008). Experience under these rules has demonstrated areas in which the rules could be clarified. Accordingly, the Office also revised existing rules set forth at 37 CFR 11.19, 11.20, 11.22, 11.32, 11.34, 11.35 and 11.54. Finally, the Office is incorporating the survey rule, currently set forth at 37 CFR 10.11, as section 11.11(a)(2).

#### Discussion of Specific Rules

Section 1.4(d)(4) is corrected by deleting the reference to § 11.804(b)(9), which does not exist.

Section 1.21(a)(7) and (a)(8) is deleted since the annual practitioner maintenance fee is removed by this rule. The Office published a Final Rule, *Setting and Adjusting Patent Fees*, 78 FR 4212 (Jan. 18, 2013), wherein the practitioner maintenance fee is set at \$120, but also noting that the Office has not collected those fees since 2009, making total collections \$0. The Office is removing this practitioner maintenance fee, which is set forth in 11.8(d).

Section 2.2(c) is revised to delete the reference to part 10 of this chapter, which is removed and reserved.

Section 7.25(a) is revised to delete the reference to part 10 of this chapter, which is removed and reserved.

Part 10 is removed and reserved.

Section 11.1 defines terms used in the USPTO Rules. The definitions of *mandatory disciplinary rule* and *matter* are deleted; the definitions of *fraud* or *fraudulent* and *practitioner* are revised; and the terms *confirmed in writing*, *firm* or *law firm*, *informed consent*, *law-related services*, *partner*, *person*, *reasonable belief* or *reasonably believes*, *reasonably should know*, *screened*, *tribunal*, and *writing or written* are defined. The definition of *practitioner* is updated to refer to section 11.14 rather than section 10.14, and to refer to § 11.14(a), (b) and (c) rather than § 11.14(b), (c) and (e). The new definitions generally comport to definitions set forth in the ABA Model Rules. However, the definition of *fraud* or *fraudulent* used in the ABA Model Rules is not adopted. Instead, the Office believes a uniform definition based on common law should apply to all individuals subject to the USPTO Rules. Accordingly, the definition is based on the definition of common law fraud discussed by the United States Court of Appeals for the Federal Circuit. See *Unitherm Food Systems, Inc. v. Swift-Ekrich, Inc.*, 375 F.3d 1341, 1358 (Fed. Cir. 2004); *In re Spalding Sports Worldwide, Inc.*, 203 F.3d 800, 807 (Fed. Cir. 2000). Further, in the definition of *tribunal*, the reference to "the Office" includes those persons or entities acting in an adjudicative capacity.

Section 11.2(c) is revised to delete redundant language.

Section 11.2(d) is revised to clarify that a party dissatisfied with a final decision of the Office of Enrollment and Discipline (OED) Director regarding enrollment or recognition must exhaust administrative remedies before seeking judicial review.

Section 11.2(e) is revised to clarify that an action or notice of the OED Director is not a final agency decision under the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* A party dissatisfied with an action or notice of the OED Director, during or at the conclusion of a disciplinary investigation, must exhaust administrative remedies before seeking judicial review.

Section 11.8(d) is reserved. The USPTO is deleting reference to an annual practitioner maintenance fee.

Section 11.9(b) is revised to change the language "Bureau of Citizenship and Immigration Services" to "United States Government." This minor change is necessary to comport with the current practice of granting limited recognition,

when appropriate, to individuals issued employment authorizations by other United States Government agencies, such as the Department of State. The Office does not expect this rule to increase or decrease the grant of limited recognition by the Office.

Section 11.11 is revised to change the language "registered attorney or agent" to "registered practitioner" and add the term "registered" as appropriate.

Section 11.11(a) and (b) is revised to substantially incorporate the provisions currently set forth in 37 CFR 10.11. Specifically, the provisions of § 11.11(a) appear as § 11.11(a)(1) and the provisions of § 10.11 of the USPTO Code appear as § 11.11(a)(2). Additionally, § 11.11(b) is revised to provide that a practitioner failing to comply with § 11.11(a)(2) would be placed on administrative suspension, rather than removed from the register as set forth in section 10.11 of the USPTO Code. Additionally, § 11.11(b)(1) is revised to delete reference to § 11.8(d). Also, section 11.11(b)(4) is reserved since an annual practitioner maintenance fee is deleted by this final rule.

Section 11.11(c) is revised to change the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct." Section 11.11(c) is further revised to delete reference to an annual practitioner maintenance fee.

Section 11.11(d) is revised by updating the previous reference to section 10.40 to refer to § 11.116, which includes provisions related to withdrawal from representation. Section 11.11(d) is also revised to delete reference to an annual practitioner maintenance fee. Paragraphs (d)(2) and (d)(4) are deleted and reserved since they were directed to an annual practitioner maintenance fee.

Section 11.11(e) is revised to update the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct."

Section 11.11(f) is revised to remove reference to § 1.21(a)(7)(i) and (a)(8)(i), which provided for an annual practitioner maintenance fee.

Section 11.19(a) is revised to expressly provide jurisdiction over a person not registered or recognized to practice before the Office if the person provides or offers to provide any legal services before the Office. This change is consistent with the USPTO's statutory and inherent authority to regulate practice before the Office, and it is consistent with the second sentence of ABA Model Rule 8.5(a). Nothing in this change or in part 11 limits the Office from continuing to exercise

independent authority to exclude non-practitioners from proceedings before the Office, or to deny or revoke public access to electronic systems maintained by the Office, as warranted.

*Section 11.20(a)(4)* is revised to clarify that disciplinary sanctions that may be imposed upon revocation of probation are not necessarily limited to the remainder of the probation period.

*Section 11.20(b)* is revised to more clearly set forth conditions that may be imposed with discipline.

*Section 11.21* is revised to update the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct."

*Section 11.22* is revised to change the title to "Disciplinary Investigations" for clarity.

*Section 11.22(f)(2)* is revised to update the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct."

*Section 11.22(i)* is revised to correct a technical error in the heading. Specifically, the reference to a warning letter in the heading could mistakenly have been viewed as indicating that issuance of a warning means at least one of the conditions set forth in that section apply. Indeed, a warning may be issued in situations where, for example, there is sufficient evidence to conclude that there is probable cause to believe that grounds exist for discipline. However, in a situation where a potential violation of the disciplinary rules is minor in nature or was not willful, it often is in the interest of the Office, practitioners, and the public to resolve the matter with a warning rather than a formal disciplinary action.

*Section 11.24(e)* is revised to make a technical correction. Specifically, the previous reference to 37 CFR 10.23 is updated to refer to § 11.804.

*Section 11.25(a)* is revised to update the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct."

*Section 11.32* is revised to clarify that the OED Director has the authority to exercise discretion in referring matters to the Committee on Discipline and in recommending settlement or issuing a warning in matters where the Committee on Discipline has made a probable cause determination. The section is also revised to make a technical correction by deleting the reference to sections 11.19(b)(3) through (5), which do not exist.

*Section 11.34* is revised to incorporate several technical corrections. Specifically, section 11.34(a) is revised to eliminate an erroneous reference to § 11.25(b)(4). The requirements set forth in § 11.34 apply to complaints filed in

disciplinary proceedings under sections 11.24, 11.25, and 11.32. The revision to § 11.34(a)(1) clarifies that an individual other than a "practitioner" may be a respondent. The revision to § 11.34(b) updates the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct."

*Section 11.35(a)(2)(ii)* and *(a)(4)(ii)* is revised by changing the term "a nonregistered practitioner" to "not registered." The section now specifies the service address for an individual subject to the Office's disciplinary jurisdiction who does not meet the definition of "practitioner" set forth in § 11.1.

*Section 11.54(a)(2)* and *(b)* is revised to clarify that an initial decision of the hearing officer may impose conditions deemed appropriate under the circumstances, and should explain the reason for probation and any conditions imposed with discipline.

*Section 11.58(b)(2)* is revised to update the reference to § 10.40 to refer to § 11.116.

*Section 11.58(f)(1)(ii)* is revised to update the reference to the "Mandatory Disciplinary Rules" to read "USPTO Rules of Professional Conduct" and to delete reference to § 10.20(b).

*Section 11.61* is deleted and reserved. In its place, a savings clause is added at the end of part 11.

#### USPTO Rules of Professional Conduct

*Section 11.101* addresses the requirement that practitioners provide competent representation to a client. Consistent with the provisions of 37 CFR 11.7, this rule acknowledges that competent representation in patent matters requires scientific and technical knowledge, skill, thoroughness and preparation as well as legal knowledge, skill, thoroughness and preparation, and otherwise corresponds to ABA Model Rule 1.1.

*Section 11.102* provides for the scope of representation of a client by a practitioner and the allocation of authority between the client and the practitioner. This section corresponds to ABA Model Rule 1.2. However, the USPTO is declining to enact the substance of the last sentence of ABA Model Rule 1.2(a) as the USPTO does not regulate criminal law practice. Nonetheless, a patent attorney who engages in the practice of criminal law is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a

specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate general provisions of the USPTO Rules.

*Section 11.102(b)* is reserved as the USPTO has declined to enact a specific rule regarding a practitioner's endorsement of a client's view or activities. However, the USPTO does not imply that a practitioner's representation of a client constitutes an endorsement of the client's political, economic, social, or moral views or activities.

*Section 11.103* addresses the practitioner's duty to act with reasonable diligence and promptness in representing a client. This rule corresponds to ABA Model Rule 1.3.

*Section 11.104* addresses the practitioner's duty to communicate with the client. This rule corresponds to ABA Model Rule 1.4. As in § 10.23(c)(8), under this rule a practitioner should not fail to timely and adequately inform a client or former client of correspondence received from the Office in a proceeding before the Office or from 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.

*Section 11.105* addresses the practitioner's responsibilities regarding fees. This rule corresponds to ABA Model Rule 1.5. Nothing in paragraph (c) should be construed to prohibit practitioners gaining proprietary interests in patents under section 11.108(i)(3).

*Section 11.105(d)* is reserved as the USPTO has declined to enact a specific rule regarding contingent fee arrangements for domestic relations and criminal matters.

*Section 11.106* addresses the practitioner's responsibilities regarding maintaining confidentiality of information. This section generally corresponds to ABA Model Rule 1.6, but it includes exceptions in the case of inequitable conduct before the Office, in addition to crimes and fraud.

*Section 11.106(b)(3)* states that a practitioner may reveal information relating to the representation of a client to the extent the practitioner reasonably believes necessary to prevent, mitigate, or rectify substantial injury to the financial interests or property of another that is reasonably certain to result or has

resulted from inequitable conduct before the Office.

*Section 11.106(c)* provides that a practitioner is required to disclose to the Office all information necessary to comply with the duty of disclosure rules of this subchapter in practice before the Office. Solely for the purposes of enforcement under 37 CFR part 11 (Representation of Others Before The United States Patent and Trademark Office), if a practitioner has a conflict of interest in a given matter, arising from a different client, timely withdrawal by the practitioner from the given matter would generally result in OED not seeking discipline for conflicts of interest under part 11.

*Section 11.107* prohibits a practitioner from representing a client if the representation involves a concurrent conflict of interest. This rule corresponds to ABA Model Rule 1.7. See also 37 CFR 10.66.

*Section 11.108* addresses conflicts of interest for current clients and specific rules, including rules regarding practitioners entering into business transactions with clients, the use of information by a practitioner relating to representation of a client, gifts between the practitioner and a client, literary rights based on information relating to representation of a client, a practitioner's provision of financial assistance to the client, compensation for services by a third party, aggregate settlement of claims where the practitioner represents two or more clients in a similar matter, agreements between the client and practitioner limiting liability of the practitioner, and the practitioner's acquiring a proprietary interest in the matter. This rule corresponds to ABA Model Rule 1.8.

*Section 11.108(e)* provides that a practitioner shall not provide financial assistance to a client in connection with pending or contemplated litigation or proceeding before the Office, except that a practitioner may advance court or tribunal costs and expenses of litigation. However, a practitioner representing an indigent client may pay court or tribunal costs and expenses of litigation or a proceeding before the Office on behalf of the client. *Section 11.108(e)(3)* also provides that a practitioner may advance costs and expenses in connection with a proceeding before the Office provided the client remains ultimately liable for such costs and expenses. *Section 11.108(e)(4)* provides that a practitioner may also 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. See 37 CFR 10.64(b).

*Section 11.108(g)* differs from ABA Model Rule 1.8(g) in that the USPTO has declined to enact the portion of the rule relating to representation of clients in criminal matters and the corresponding regulation of multiple clients agreeing to an aggregated agreement as to guilty or nolo contendere pleas.

*Section 11.108(i)* differs from ABA Model Rule 1.8(i) in that the USPTO provides that a practitioner may, in a patent case, take an interest in the patent or patent application as part or all of his or her fee. See 37 CFR 10.64(a)(3). However, practitioners who take an interest in a patent or patent application as part of or all of their fee remain subject to the conflict of interest provisions of § 11.108.

*Section 11.108(j)* is reserved. The USPTO has declined to enact a rule that specifically addresses sexual relations between practitioners and clients. Because of the fiduciary duty to clients, combining a professional relationship with any intimate personal relationship may raise concerns about conflict of interest and impairment of the judgment of both practitioner and client. To the extent warranted, such conduct may be investigated under general provisions of the USPTO Rules. See § 11.804.

*Section 11.109* addresses conflicts of interest and duties to former clients. This rule corresponds to ABA Model Rule 1.9.

*Section 11.110* addresses the imputation of conflicts of interest for practitioners in the same firm. This rule differs from ABA Model Rule 1.10 in that paragraph (a)(2)(iii) has not been incorporated.

*Section 11.111* addresses former or current Federal Government employees. This rule deals with practitioners who leave public office and enter private employment. It applies to judges and their law clerks as well as to practitioners who act in other capacities. The USPTO has declined to enact ABA Model Rule 1.11 and is instead enacting its own rule regarding successive government and private employment, namely, that a practitioner who is a former or current Federal Government employee shall not engage in any conduct which is contrary to applicable Federal ethics laws, including conflict of interest statutes and regulations of the department, agency, or commission formerly or currently employing said practitioner. See, e.g., 18 U.S.C. 207.

A practitioner representing a United States Government agency, whether employed or specially retained by the

United States Government, is subject to the USPTO Rules, including the prohibition against representing adverse interests stated in section 11.107 and the protections afforded former clients in section 11.109. In addition, such a practitioner is subject to this section and to statutes and regulations, as well as government policies, concerning conflicts of interest and other Federal ethics requirements.

*Section 11.112* provides specific rules regarding the imputation of conflicts of interest for practitioners who are former judges, arbitrators, mediators or third-party neutrals. This rule corresponds to ABA Model Rule 1.12.

*Section 11.113* provides specific rules regarding a practitioner's responsibilities when representing an organization as a client. This rule corresponds to ABA Model Rule 1.13.

*Section 11.114* provides specific rules regarding a practitioner's responsibilities when representing a client with diminished capacity. This rule corresponds to ABA Model Rule 1.14.

*Section 11.115* provides specific rules regarding a practitioner's responsibilities regarding safekeeping of client property and maintenance of financial records. This rule corresponds to ABA Model Rule 1.15.

*Section 11.115(a)* requires that funds be kept in a separate client or third person account maintained in the state where the practitioner's office is situated, or elsewhere with the consent of the client or third person. Some practitioners are located outside of the United States. The USPTO Rules require that where the practitioner's office is situated in a foreign country, funds shall be kept in a separate account maintained in that foreign country or elsewhere with the consent of the client or third person. See also 37 CFR 10.112.

*Section 11.115(b)-(e)* corresponds to ABA Model Rule 1.15(b)-(e).

*Section 11.115(f)* requires that the type of records specified by section 11.115(a) be consistent with (i) The ABA Model Rules for Client Trust Account Records; (ii) for lawyer practitioners, the types of records that are maintained meet the recordkeeping requirements of a state in which the lawyer is licensed and in good standing, the recordkeeping requirements of the state where the lawyer's principal place of business is located, or the recordkeeping requirements of this section; and/or (iii) for patent agents and persons granted limited recognition who are employed in the United States by a law firm, the recordkeeping requirements of the state where at least one lawyer of the law firm is licensed

and in good standing, the recordkeeping requirements of the state where the law firm's principal place of business is located, or the recordkeeping requirements of this section. According to the ABA Standing Committee on Client Protection, the ABA Model Rules for Client Trust Account Records responds to a number of changes in banking and business practices that may have left lawyers "inadvertently running afoul of their jurisdiction's rules of professional conduct." The new rule addresses recordkeeping requirements after electronic transfers and clarifies who can authorize such transfers. The rule also accounts for the Check Clearing for the 21st Century Act, which allows banks to substitute electronic images of checks for canceled checks. The rule also addresses the increasing prevalence of electronic banking and wire transfers or electronic transfers of funds, for which banks do not routinely provide specific confirmation. The rule acknowledges those issues, addressing recordkeeping requirements after electronic transfers and clarifying who can authorize such transfers, record maintenance, and safeguards required for electronic record storage systems. The rule also details minimum safeguards practitioners must implement when they allow non-practitioner employees to access client trust accounts; addresses partner responsibilities for storage of and access to client trust account records when partnerships are dissolved or when a practice is sold; and allows practitioners to maintain client trust account records in electronic, photographic, computer or other media or paper format, either at the practitioner's office or at an off-site storage facility, but requires that records stored off-site be readily accessible to the practitioner and that the practitioner be able to produce and print them upon request.

Section 11.115(f) requires a practitioner to maintain the same records as the practitioner must currently maintain to comply with § 10.112(c)(3), which required a practitioner to "maintain complete records of all funds, securities and other properties of a client coming into the possession of the practitioner." Section 10.112(c)(3) is substantially the same as DR 9-102(b)(3) of the Model Code of Professional Responsibility of the American Bar Association, which was adopted by numerous states. It has been long recognized that compliance with the Code's rule requires maintenance of, *inter alia*, a cash receipts journal, a cash disbursements journal, and a subsidiary ledger, as well as periodic trial balances,

and insufficient fund check reporting. See *Wright v. Virginia State Bar*, 357 S.E.2d 518, 519 (Va. 1987); *In re Librizzi*, 569 A.2d 257, 258-59 (N.J. 1990); *In re Heffernan*, 351 N.W.2d 13, 14 (Minn. 1984); *In re Austin*, 333 N.W.2d 633, 634 (Minn. 1983); and *In re Kennedy*, 442 A.2d 79, 84-85 (Del. 1982). Thus, § 11.115(f) clarifies recordkeeping requirements that apply to all practitioners through § 10.112(c)(3).

Section 11.116 provides rules regarding a practitioner's responsibilities in declining or terminating representation of a client. This rule corresponds to ABA Model Rule 1.16.

Section 11.117 provides rules regarding a practitioner's responsibilities when buying or selling a law practice or an area of law practice, including goodwill. This rule corresponds to ABA Model Rule 1.17.

Section 11.117(b) differs from ABA Model Rule 1.17(b) in that, to the extent the practice or the area of practice to be sold involves patent proceedings before the Office, the practice or area of practice may be sold only to one or more registered practitioners or law firms that include at least one registered practitioner.

Section 11.118 provides rules regarding a practitioner's responsibilities to prospective clients. This rule corresponds to ABA Model Rule 1.18.

Sections 11.119-11.200 are reserved.

Section 11.201 provides a rule addressing the practitioner's role in providing advice to a client and corresponds to ABA Model Rule 2.1.

Section 11.202 is reserved. ABA Model Rule 2.2 was deleted in 2002 as the ABA no longer treats intermediation and the conflict-of-interest issues it raises separately from any other multi-representation conflicts. Issues relating to practitioners acting as intermediaries are dealt with under § 11.107 in this final rule.

Section 11.203 articulates the ethical standards for circumstances where a practitioner provides an evaluation of a matter affecting a client for use by a third party. This rule corresponds to ABA Model Rule 2.3. It should be noted that with respect to evaluation information under § 11.203 a practitioner is required to disclose information in compliance with the duty of disclosure provisions of this subchapter subject to disclosure to the USPTO pursuant to § 11.106(c).

Section 11.204 addresses the practitioner's role in serving as a third-party neutral, whether as an arbitrator, a mediator, or in such other capacity,

and corresponds to ABA Model Rule 2.4.

Sections 11.205-11.300 are reserved.

Section 11.301 requires that a practitioner present well-grounded positions. The advocate has a duty to use legal procedure for the fullest benefit of the client's cause. The advocate also has a duty not to abuse the legal process. This rule corresponds to ABA Model Rule 3.1, however, the USPTO is declining to enact the ABA Model Rule requirement that a lawyer for the defendant in a criminal proceeding may defend the proceeding by requiring that every element of the case be established. The USPTO did not adopt the specific reference because it is a professional conduct rule limited to the practice of criminal law. Nonetheless, a patent attorney who engages in the practice of criminal law is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate general provisions of the USPTO Rules.

Section 11.302 requires that practitioners diligently pursue litigation and Office proceedings. This rule corresponds to ABA Model Rule 3.2, adding that a practitioner shall make reasonable efforts to expedite proceedings before the Office as well as in litigated matters.

Section 11.303 corresponds to ABA Model Rule 3.3. Section 11.303(a)(2) sets forth the duty to disclose to the tribunal legal authority in the controlling jurisdiction known to the practitioner to be directly adverse to the position of the client and not disclosed by opposing counsel in an *inter partes* proceeding. It also sets forth this duty for an *ex parte* proceeding before the Office where the legal authority is not otherwise disclosed. All decisions made by the Office in patent and trademark matters affect the public interest. See *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). Many of the decisions made by the Office are made *ex parte*. Accordingly, practitioners must cite to the Office known authority that is contrary, *i.e.*, directly adverse, to the position being taken by the practitioner in good faith. Section 11.303(a)(3) does not include a reference to testimony of a defendant in a criminal matter, as set forth in ABA Model Rule 3.3(a)(3) as the

USPTO does not regulate criminal law practice.

*Section 11.303(e)* specifies that in a proceeding before the Office, a practitioner must disclose information necessary to comply with the duty of disclosure provisions of this subchapter in practice before the Office. The practitioner's responsibility to present the client's case with persuasive force is qualified by the practitioner's duty of candor to the tribunal. *See Lipman v. Dickinson*, 174 F.3d 1363 (Fed. Cir. 1999).

*Section 11.304* contemplates that evidence be marshaled fairly in a case before a tribunal, including in *ex parte* and *inter partes* proceedings before the Office. This rule corresponds to ABA Model Rule 3.4, but it clarifies that the duties of the practitioner are not limited to trial matters, but also apply to any proceeding before a tribunal.

*Section 11.305* requires that practitioners act with impartiality and decorum in *ex parte* and *inter partes* proceedings. This rule corresponds to ABA Model Rule 3.5, but clarifies that it is improper to seek to improperly influence a hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, employee, or officer of the Office. This rule does not prohibit *ex parte* communication that is authorized by law, rule, or court order, in an *ex parte* proceeding.

*Section 11.305(c)* is reserved as the USPTO is declining to enact a specific rule regarding a practitioner's communication with a juror or prospective juror. Nonetheless, a practitioner who engages in the practice of improper communication with a juror or prospective juror is subject to criminal laws and the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those laws and rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. *See* 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules (e.g., § 11.804).

*Section 11.306* specifies conduct regarding trial publicity. This rule corresponds to ABA Model Rule 3.6. However, the USPTO is declining to enact paragraph (b)(7) of ABA Model Rule 3.6 regarding what a lawyer may state in a criminal case as the USPTO does not regulate criminal law practice.

*Section 11.307* generally proscribes a practitioner from acting as an advocate

in a proceeding before the Office in which the practitioner is likely to be a necessary witness. Combining the roles of advocate and witness can prejudice the opposing party and can involve a conflict of interest between the practitioner and client. This rule corresponds to ABA Model Rule 3.7.

*Section 11.308* is reserved. ABA Model Rule 3.8 addresses the "Special Responsibilities of a Prosecutor" in the context of criminal proceedings. Because practice before the Office does not involve criminal proceedings, the content of ABA Model Rule 3.8 is not being adopted. Nevertheless, an attorney who is both a practitioner before the Office and a criminal prosecutor may be subject to both the Office and other professional conduct rules. Discipline by a duly constituted authority of a State, the United States, or the country in which a practitioner resides may lead to reciprocal disciplinary action by the Office. *See* 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate general provisions of the USPTO Rules.

*Section 11.309* regulates a practitioner's conduct when he or she is representing a client in a non-adjudicative proceeding before an administrative agency, such as the Office. This rule corresponds to ABA Model Rule 3.9.

*Sections 11.310–11.400* are reserved.

*Section 11.401* requires a practitioner to be truthful when dealing with others on a client's behalf. This rule corresponds to ABA Model Rule 4.1.

*Section 11.402* provides a standard for communicating with a represented party. *Section 11.402(a)* corresponds to ABA Model Rule 4.2. *Section 11.402(a)* differs from ABA Model Rule 4.2 in that the USPTO Rule adds that in addition to a practitioner being authorized to communicate with a represented party when the practitioner is authorized by law or a court order, a practitioner may communicate with a represented party when the practitioner is authorized by rule to do so.

*Section 11.402(b)* is based on District of Columbia Rule of Professional Conduct 4.2(b) and recognizes that special considerations come into play when the Federal Government, including the Office, is involved in a lawsuit. It permits communications with those in Government having the authority to redress such grievances (but not with other Government personnel), without the prior consent of the practitioner representing the Government in such cases. However, a

practitioner making such a communication without the prior consent of the practitioner representing the Government must make the disclosures required by § 11.402(b) in the case of communications with non-party employees.

*Section 11.402(b)* does not permit a practitioner to bypass counsel representing the government on every issue that may arise in the course of disputes with the government. It is intended to provide practitioners access to decision makers in government with respect to genuine grievances, such as to present the view that the government's basic policy position with respect to a dispute is faulty, or that government personnel are conducting themselves improperly with respect to aspects of the dispute. It is not intended to provide direct access on routine disputes such as ordinary discovery disputes, extensions of time or other scheduling matters, or similar routine aspects of the resolution of disputes.

*Section 11.403* provides a standard for communicating with an unrepresented person, particularly one not experienced in dealing with legal matters. This rule corresponds to ABA Model Rule 4.3.

*Section 11.404* requires a practitioner to respect the rights of third parties. Responsibility to a client requires a practitioner to subordinate the interests of others to those of the client, but that responsibility does not imply that a practitioner may disregard the rights of third persons. The rule also provides helpful information to practitioners regarding the receipt of inadvertently sent documents and electronically stored information. This rule corresponds to ABA Model Rule 4.4.

*Sections 11.405–11.500* are reserved.

*Section 11.501* sets forth the responsibilities of a partner or supervisory practitioner. This rule corresponds to ABA Model Rule 5.1.

*Section 11.502* sets forth the ethical and professional conduct responsibilities of a subordinate practitioner. This rule corresponds to ABA Model Rule 5.2.

*Section 11.503* sets forth a practitioner's responsibilities regarding non-practitioner assistance. Practitioners generally employ assistants in their practice, including secretaries, technical advisors, student associates, draftspersons, investigators, law student interns, and paraprofessionals. This rule specifies the practitioner's responsibilities in supervising non-practitioner assistants and corresponds to ABA Model Rule 5.3.

*Section 11.504* protects the professional independence of a

practitioner by providing traditional limitations on sharing fees with non-practitioners. This rule corresponds to ABA Model Rule 5.4. See also 37 CFR 10.48, 10.49, 10.68.

Section 11.504(a)(4) is based upon the District of Columbia Rule of Professional Conduct 5.4(a)(5), rather than the ABA Model Rule. Section 11.504(a)(4) permits a practitioner to share legal fees with a nonprofit organization that employed, retained, or recommended employment of the practitioner in the matter. A practitioner may decide to contribute all or part of legal fees recovered from the opposing party to the nonprofit organization. Such a contribution may or may not involve fee-splitting, but when it does, the prospect that the organization will obtain all or part of the practitioner's fees does not inherently compromise the practitioner's professional independence, whether the practitioner is employed by the organization or was only retained or recommended by it. A practitioner who has agreed to share legal fees with such an organization remains obligated to exercise professional judgment solely in the client's best interests. Moreover, fee-splitting in these circumstances may promote the financial viability of such nonprofit organizations and facilitate their public interest mission. Unlike the corresponding provision of the ABA Model Rules, this provision is not limited to sharing of fees awarded by a court, because that restriction would significantly interfere with settlement of cases outside of court without significantly advancing the purpose of the exception. To prevent abuse, it applies only if the nonprofit organization has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Section 11.505 proscribes practitioners from engaging in or aiding the unauthorized practice of law. The rule notes that a practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so. The USPTO is another jurisdiction for the purposes of this rule. See, e.g., *In re Peirce*, 128 P.3d 443, 444 (Nev. 2006) (concluding that "another jurisdiction" includes the USPTO). In addition, the Office notes the express prohibition against holding oneself out as recognized to practice before the Office if not recognized by the Office to do so. See 35 U.S.C. 33. This rule corresponds to ABA Model Rule 5.5(a). The USPTO declines to adopt the remainder of ABA Model Rule

5.5 including those provisions regarding multijurisdictional practice of law.

Limiting the practice of patent law before the Office to those recognized to practice protects the public against rendition of legal services by unqualified persons or organizations. A patent application is recognized as being a legal document and registration to practice before the USPTO sanctions "the performance of those services which are reasonably necessary and incident to the preparation and prosecution of patent applications." *Sperry v. Florida*, 373 U.S. 379, 386 (1963). Thus, a registered practitioner may practice in patent matters before the Office regardless of where they reside within the United States.

It is noted that the USPTO registers individuals, not law firms or corporations, to practice in patent matters before the Office. Thus, a corporation is not authorized to practice law and render legal services. Instead, upon request and for a fee, the corporation could cause a patent application to be prepared by a registered practitioner. See *Lefkowitz v. Napatco, Inc.*, 415 N.E.2d 916 (N.Y. 1980). There are numerous cases and ethics opinions wherein attorneys have been found to have aided lay organizations in the unauthorized practice of law by agreeing to accept referrals from a non-lawyer engaged in unauthorized practice of law. For example, an attorney was found to have aided the unauthorized practice of law by permitting a non-attorney operating as a business to gather data from estate planning clients for preparation of legal documents and forward the data to the attorney who thereafter prepared the documents (including a will, living trust, living will, and powers of attorney). The attorney, without having personally met or corresponded with the client, forwarded the documents to the non-attorney for the client to execute. See *Wayne County Bar Ass'n. v. Naumoff*, 660 N.E.2d 1177 (Ohio 1996). See also *Comm. on Prof'l Ethics & Conduct v. Baker*, 492 N.W.2d 695 (Iowa 1992); *People v. Laden*, 893 P.2d 771 (Colo. 1995); *People v. Macy*, 789 P.2d 188 (Colo. 1990); *People v. Boyls*, 591 P.2d 1315 (Colo. 1979); *In re Discipio*, 645 N.E.2d 906 (Ill. 1994); *In re Komar*, 532 N.E.2d 801 (Ill. 1988); Formal Opinion 705, Committee on Professional Ethics of the Illinois State Bar Association (1982); Formal Opinion 1997-148, Standing Committee on Professional Responsibility and Conduct (California); Formal Opinion 87, Ethics Committee of the Colorado State Bar (1991).

Section 11.506 prohibits agreements restricting rights to practice. This rule corresponds to ABA Model Rule 5.6.

Section 11.507 provides that a practitioner is subject to the USPTO Rules if the practitioner provides law-related services. This rule corresponds to ABA Model Rule 5.7. The definition of "law-related service" is set forth in § 11.1.

Sections 11.508-11.600 are reserved.

Sections 11.601-11.700 are reserved. The USPTO declines to adopt ABA Model Rules regarding public service. The USPTO recognizes that every practitioner, regardless of professional prominence or professional workload, has a responsibility to provide legal services to those unable to pay and that every practitioner should support all proper efforts to meet this need for legal services. However, attorney practitioners' individual state ethics rules should provide useful information regarding their respective duties to provide voluntary pro bono service, accept court appointed representation, and serve as members of legal service and legal reform organizations. The USPTO declines to add an increased regulatory requirement on attorney practitioners.

Section 11.701 governs all communications about a practitioner's services, including advertising, and corresponds to ABA Model Rule 7.1.

Section 11.702 provides for advertising by practitioners. This section corresponds to ABA Model Rule 7.2. However, the USPTO is declining to enact the substance of ABA Model Rule 7.2(b)(2), as the USPTO does not currently regulate and does not anticipate regulating lawyer referral services.

Section 11.703 addresses the direct contact by a practitioner with a prospective client known to need legal services. This section corresponds to ABA Model Rule 7.3.

Section 11.704 permits a practitioner to indicate areas of practice in communications about the practitioner's services. Section 11.704(a) corresponds to ABA Model Rule 7.4(a).

Section 11.704(b), as with § 10.34, continues the long-established policy of the USPTO for the designation of practitioners practicing before the Office.

Section 11.704(c) is reserved as the USPTO is declining to regulate the communication of specialization in Admiralty practice.

Section 11.704(d) corresponds to ABA Model Rule 7.4(d).

Section 11.704(e) permits an individual granted limited recognition under § 11.9 to use the designation

“Limited Recognition” to indicate in communications about the individual’s services that the individual, while not a “registered practitioner,” is authorized to practice before the USPTO in patent matters subject to the limitations in the individual’s grant of limited recognition under § 11.9.

Section 11.705 regulates firm names and letterheads. This section corresponds to ABA Model Rule 7.5.

Section 11.705(b) is reserved as the USPTO is declining to enact a specific rule regarding law firms with offices in more than one jurisdiction, since the USPTO encompasses one Federal jurisdiction. However, the USPTO is not implying that a law firm with offices in more than one jurisdiction may violate a State authority regulating this conduct. Nonetheless, a practitioner who engages in the improper use of firm names and letterhead is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the USPTO Rules. See 37 CFR 11.804.

Section 11.705(d) is deleted. The USPTO declines to adopt ABA Model Rule 7.5(d) providing that practitioners may state or imply that they practice in a partnership or other organization only when that is the fact. However, the USPTO is not implying that practitioners may state or imply that they practice in a partnership or other organization if that is not the fact. Nonetheless, a practitioner who engages in the improper use of firm names and letterhead is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the general provisions of the USPTO Rules. See 37 CFR 11.804.

Section 11.706 is reserved as the USPTO declines to enact a specific rule regarding political contributions to obtain legal engagements or appointments by judges. However, the USPTO is not implying that a practitioner or law firm may accept a

government legal engagement or an appointment by a judge if the practitioner or law firm makes a political contribution or solicits political contributions for the purpose of obtaining or being considered for that type of legal engagement or appointment. Nonetheless, a practitioner who engages in this type of practice is subject to the disciplinary rules of the appropriate State and Court authorities. Failure to comply with those rules may lead to disciplinary action against the practitioner and, in turn, possible reciprocal action against the practitioner by the USPTO. See 37 CFR 11.24 and 11.804(h). Moreover, the lack of a specific disciplinary rule concerning particular conduct should not be viewed as suggesting that the conduct would not violate one or more of the general provisions of the USPTO Rules. See 37 CFR 11.804.

Sections 11.707–11.800 are reserved.

Section 11.801 provides that an applicant for registration or recognition to practice before the Office is under the same duty of disclosure as a person seeking admission to a bar. This section generally corresponds to ABA Model Rule 8.1. This section clarifies that it pertains to applicants for registration or an applicant for recognition to practice before the Office and conforms to current USPTO practice in §§ 11.6, 11.7, 11.9, 11.14 and 11.58.

If a person makes a material false statement in connection with an application for registration or recognition, it may be the basis for subsequent disciplinary action if the person is admitted, and in any event it may be relevant in a subsequent application. The duty imposed by § 11.801 applies to a practitioner’s own admission or discipline as well as that of others. Thus, it is a separate professional offense for a practitioner to knowingly make a misrepresentation or omission in connection with a disciplinary investigation of the practitioner’s own conduct. Section 11.801 also requires affirmative clarification of any misunderstanding on the part of the admissions or disciplinary authority of which the person involved becomes aware. Moreover, Section 11.801(b) requires practitioners to cooperate with OED in an investigation of any matter before it and continues the practice set forth under § 10.131(b).

Section 11.802 requires that a practitioner not make a statement that the practitioner knows to be false or with reckless disregard as to its truth or falsity concerning the qualifications or integrity of a judge, adjudicatory officer or public legal officer, or of a candidate

for election or appointment to judicial or legal office. This section corresponds to ABA Model Rule 8.2. Government employees and officers such as administrative patent judges, administrative trademark judges, patent examiners, trademark examining attorneys, and petitions examiners, perform judicial and quasi-judicial functions. See, e.g., *United States v. Morgan*, 313 U.S. 409 (1941); *Western Elec. Co. v. Piezo Tech., Inc.*, 860 F.2d 428 (Fed. Cir. 1988) (“Patent examiners are quasi-judicial officials.”); see also *Butterworth v. United States ex rel. Hoe*, 112 U.S. 50, 67 (1884) (“That it was intended that the commissioner of patents, in issuing or withholding patents \* \* \* should exercise quasi-judicial functions, is apparent from the nature of the examinations and decision he is required to make.”); *Chamberlin v. Ison*, 779 F.2d 522, 524 (9th Cir. 1985) (“[I]t has long been recognized that PTO employees perform a ‘quasi-judicial’ function in examining patent applications.”) Such employees and officers are considered adjudicatory officers.

Section 11.803 requires reporting a violation of the USPTO Rules. This section corresponds to ABA Model Rule 8.3.

Self-regulation of the legal profession requires that members of the profession seek a disciplinary investigation when they know of a violation of the USPTO Rules. Consistent with § 10.24(a), a report about misconduct may not be required where it would involve violation of § 11.106(a). However, a practitioner should encourage a client to consent to disclosure where prosecution would not substantially prejudice the client’s interests. Section 11.803(c) does not require disclosure of information otherwise protected by § 11.106, or information gained while participating in an approved lawyers assistance program. It should be noted that the USPTO does not sanction any lawyer’s assistance programs and the reference thereto in § 11.803 is a reference to lawyer’s assistance programs approved by a relevant state authority.

The appropriate authority to report misconduct depends on the situation and jurisdiction. If a violation is found that is within the jurisdiction of OED, it must be reported in writing to the Director of OED. See 35 U.S.C. 11.19(a) (disciplinary jurisdiction); 37 CFR 1.1(a)(5) (contact information); see also ABA Model Rule 8.3, cmt. 3 (2012) (applying similar considerations for judicial misconduct as for attorney misconduct whereby “[a] report should be made to the bar disciplinary agency unless some other agency, such as a

peer review agency, is more appropriate in the circumstances.”).

*Section 11.804* provides for discipline involving a variety of acts constituting misconduct. *Section 11.804(a)–(f)* corresponds to ABA Model Rule 8.4(a)–(f), respectively. It is noted that § 10.23(c) of the USPTO Code set forth specific examples of misconduct that constitute a violation of the rules. These examples generally continue to be violations under the new USPTO Rules.

*Section 11.804(g)* specifically provides that it is misconduct to knowingly assist an officer or employee of the Office in conduct that is a violation of applicable rules of conduct or other law.

*Section 11.804(h)* clearly sets forth that it is misconduct for a practitioner to be publicly disciplined on ethical grounds by any duly constituted authority of (1) a State, (2) the United States, or (3) the country in which the practitioner resides. See 37 CFR 11.24.

*Section 11.804(i)* sets forth that it continues to be misconduct for a practitioner to engage in conduct that adversely reflects on the practitioner's fitness to practice before the Office.

*Section 11.805* is reserved. The USPTO declines to adopt the ABA Model Rule regarding disciplinary authority and choice of law. The disciplinary jurisdiction of the Office is set forth in § 11.19. The USPTO Director has statutory, under 35 U.S.C. 2(b)(2)(D) and 35 U.S.C. 32, and inherent authority to adopt rules regulating the practice of attorneys and other persons before the USPTO in patent, trademark, and non-patent law. The USPTO, like other Government agencies, has inherent authority to regulate who may practice before it as practitioners, including the authority to discipline practitioners. See *Goldsmith v. U.S. Board of Tax Appeals*, 270 U.S. 117 (1926); *Herman v. Dulles*, 205 F.2d 715 (D.C. Cir. 1953); and *Koden v. U.S. Department of Justice*, 564 F.2d 228 (7th Cir. 1977). Courts have affirmed that Congress, through the Administrative Procedure Act, 5 U.S.C. 500, did not limit the inherent power of agencies to discipline professionals who appear or practice before them. See *Polydoroff v. ICC*, 773 F.2d 372 (D.C. Cir. 1985); *Touche Ross & Co. v. SEC*, 609 F.2d 570 (2d Cir. 1979).

*Sections 11.806–11.900* are reserved.

*Section 11.901* contains the following savings clauses: (a) A disciplinary proceeding based on conduct engaged in prior to the effective date of these regulations may be instituted subsequent to such effective date, if such conduct would continue to justify disciplinary sanctions under the

provisions of this part; and (b) No practitioner shall be subject to a disciplinary proceeding under this part based on conduct engaged in before the effective date hereof if such conduct would not have been subject to disciplinary action before such effective date.

*Section 41.5* is revised to make a technical correction. Specifically, the previous reference to § 10.40 has been updated to refer to § 11.116.

#### Response to Comments

The Office received 19 responses commenting on the Notice of Proposed Rulemaking. Some comments received were not related to the proposed changes. Those comments have been forwarded to the appropriate department for further consideration and will not be addressed herein. The Office is always interested to hear feedback from the public. The comments germane to the USPTO Rules and the Office's responses to the comments follow:

*Comment 1:* Many comments supported the new rules and their alignment with State bar standards.

*Response to Comment 1:* The Office appreciates the commenters' support.

*Comment 2:* Two commenters suggested that changing the USPTO Code to the USPTO Rules, which are based on the ABA Model Rules, was not necessary because the USPTO Code was adequate and adopting the new ethics rules would make these rules subject to changes from a remote entity, *i.e.*, the ABA. Further, the comments noted that rule changes should be considered on a rule-by-rule basis by an internal authority.

*Response to Comment 2:* The Office appreciates the comments. Following the ABA Model Rules, with some modifications, allows for conformity with ethical standards already present in most other U.S. jurisdictions. Further, the new USPTO Rules reflect timely updates of the legal landscape, including advancements in technology and legal practices, which have changed since the 1985 adoption of the USPTO Code. The Office has independently considered whether to adopt each ABA Model Rule into the new USPTO Rules. The Office is not required to adopt the ABA Model Rules in whole or in part. The Office may adopt future changes to the ABA Model Rules as needed, necessary, or relevant to practice before the Office.

*Comment 3:* A comment suggested that the USPTO does not have any mechanism for enforcement of ethical standards.

*Response to Comment 3:* Consistent with existing practice, attorneys and agents will continue to be subject to discipline for not complying with USPTO regulations. See 35 U.S.C. 32; see also *Bender v. Dudas*, 490 F.3d 1361, 1368 (Fed. Cir. 2007) (35 U.S.C. 2(b)(2)(D) and 32 authorize the USPTO to discipline individuals who engage in misconduct related to “service, advice, and assistance in the prosecution or prospective prosecution of applications.”). “The OED Director is authorized to investigate possible grounds for discipline.” 37 CFR 11.22(a). An investigation may be initiated pursuant to “a grievance, information or evidence from any source suggesting possible grounds for discipline.” *Id.* The USPTO aims to protect the public by maintaining the ethical integrity of practitioners practicing before the Office. Additionally, persons not registered or recognized to practice before the Office are subject to the disciplinary authority of the Office if they provide or offer to provide any legal services before the Office.

*Comment 4:* A comment questioned the decision not to establish a Continuing Legal Education (“CLE”) requirement, noting that most patent attorneys are subject to CLE requirements through their State bars whereas patent agents are not.

*Response to Comment 4:* The Office appreciates the comment and understands that some agents may lack the formal training that attorney practitioners routinely obtain through CLE. The Office notes that all practitioners, including agents, are required under § 11.101 to provide competent representation to clients and to do so in compliance with the ethical and professional conduct requirements of these rules. Competent representation requires the legal, scientific, and technical knowledge, skill, thoroughness, and preparation reasonably necessary for the representation. *Id.* To maintain competence, all practitioners should keep abreast of changes in the legal landscape. To that end, attending CLE courses may be helpful, but the Office is not instituting a mandatory CLE reporting requirement at this time. Further, these rule changes are not a deviation from the approach in the USPTO Code. The Office will continue to assess the need for CLE reporting requirements and may revisit this issue in the future.

*Comment 5:* A comment noted that the USPTO does not provide for or enforce CLE requirements on practitioners, and suggested that the

CLE requirements are therefore in the exclusive jurisdiction of the States.

*Response to Comment 5:* The Office appreciates the comment and confirms that it is not implementing a CLE reporting requirement at this time. However, a practitioner must maintain competence and be informed of updates in the law. See § 11.101; see also ABA Model Rule 1.1, cmts. 5 and 8 (2012). To maintain competence, the completion of CLE courses may be helpful.

*Comment 6:* Two commenters noted that the Office should adopt the August 2012 changes to the ABA Model Rules.

*Response to Comment 6:* The Office appreciates the comments and is adopting some of the ABA's August 2012 Model Rule changes. The Office examined each of the ABA Model Rule August 2012 changes individually and decided to adopt only the minor technical changes at this time. The Office did not adopt substantive changes as most States have not yet done so. The Office will continue to evaluate the ABA Model Rule changes and adopt them as appropriate. These technical changes are reflected in §§ 11.1 (changing "email" to "electronic communications" in the definition of "writing"), 11.404 (adding "or electronically stored information" to paragraph (b)), and 11.503 (changing "Assistants" to "Assistance" in the heading).

*Comment 7:* A comment compared a particular State's Rules of Professional Conduct with the USPTO Rules and noted differences between them.

*Response to Comment 7:* The Office indicated in the preamble to the Notice of Proposed Rulemaking that the USPTO Rules are not identical to every State's rules because each State adopts its own ethics rules.

*Comment 8:* A comment noted that the Office should present a "default jurisdiction" that would provide a body of case law for guidance since not all States have adopted all of the ABA Model Rules and thus some states may have differences in case law.

*Response to Comment 8:* The Office appreciates the comment's suggestion to specify a "default jurisdiction" since many States may have different interpretations of the ABA Model Rules based upon whether they were adopted in whole or part, or for other reasons. However, the Office declines to choose a State as a "default jurisdiction" as Congress has bestowed upon the Office the authority to govern the recognition and conduct of agents, attorneys and others before the Office and so the Office is its own jurisdiction. See 35 U.S.C. 2(b)(2)(D) and 32; see also *In re Peirce*, 128 P.3d 443, 444 (Nev. 2006)

(concluding that the USPTO is "another jurisdiction"). The Office relies on the provisions adopted, and also refers practitioners to helpful information provided by the ABA Model Rule Comments and Annotations.

Additionally, opinions and case law from adopting jurisdictions may be a useful tool in interpreting the rules while a larger body of USPTO-specific precedent is established. State case law and opinions are not binding precedent on the Office.

*Comment 9:* A comment suggested that the term "law firm" be changed to "practitioner's firm" in § 11.503(c)(2) because patent agents may not be able to form "law firms" under State law.

*Response to Comment 9:* The Office is not adopting this suggestion as the definition of "firm" or "law firm" in § 11.1 currently includes, among other things, patent agents practicing patent law in a professional corporation or other association.

*Comment 10:* Commenters suggested that the Office should adopt the ABA Model Rule Comments and Annotations as binding to interpret the USPTO Rules, noting that four jurisdictions have adopted their own unique comments, six have declined to adopt comments, and the rest have adopted the ABA Model Rule Comments.

*Response to Comment 10:* The Office appreciates the comment and notes that the Office has recognized the ABA Model Rule Comments and Annotations as useful information for practitioners.

*Comment 11:* A comment noted that several generally understood terms should be explicitly defined.

*Response to Comment 11:* The Office has reviewed the suggested terms and is not defining terms that are generally understood. In addition, the Office has left certain terms, such as "highest authority," as used in § 11.113, undefined because the definition is fact-specific and depends on the structure of the organization. Practitioners may refer to the Comments and Annotations to the ABA Model Rules for useful information.

*Comment 12:* Comments requested clarification as to why ABA Model Rule 6.1 (Voluntary Pro Bono Publico Service) and ABA Model Rule 6.5 (Nonprofit and Court Annexed Limited Legal Services Programs), both covering pro bono legal services, were not included in this proposal.

*Response to Comment 12:* While the Office encourages practitioners to provide pro bono services, the Office has declined to adopt ABA Model Rules 6.1 and 6.5. As many practitioners are members of their respective State bars, many of them will continue to provide

low and no cost services to the public. The Leahy-Smith America Invents Act ("AIA") encourages the USPTO Director to "work with and support intellectual property law associations across the country in the establishment of pro bono programs designed to assist financially under-resourced independent inventors and small businesses." AIA, Public Law 112-29, § 32, 125 Stat. 340, § 32 (2011). The USPTO established a Patent Ombudsman Program to provide support and services to small businesses and independent inventors in patent filing. The program assists applicants or their representatives with issues that arise during patent application prosecution and is available at <http://www.uspto.gov/patents/ombudsman.jsp>. The Office has also worked with multiple local bar associations across the United States and assisted in the development of a portal that serves as a "clearinghouse" for pro bono services and is operated by the Federal Circuit Bar Association. More information about this program is available at <http://www.fedcirbar.org/olc/pub/LVFC/cpages/misc/pto.jsp>. In addition, inventors are able to seek pro bono services from particular law schools that have been accepted into the USPTO Law School Clinic Certification Pilot Program. More information about this program is available at [http://www.uspto.gov/ip/boards/oeo/practitioner/agents/law\\_school\\_pilot.jsp](http://www.uspto.gov/ip/boards/oeo/practitioner/agents/law_school_pilot.jsp). Thus, the Office already broadly supports and encourages pro bono services and does not see a need at this time to adopt a mandatory requirement for practitioners.

*Comment 13:* A comment suggested that § 11.1 should be amended to include a definition for "material fraud" to determine the USPTO's obligations under the AIA.

*Response to Comment 13:* The Office is not adopting the suggestion to add a definition of "material fraud" as the term does not appear in this final rule.

*Comment 14:* A comment suggested that § 11.1 should be amended so that the definition of "practitioner" includes quasi-judicial officials.

*Response to Comment 14:* Section 11.1 defines "practitioner" as: "(1) An attorney or agent registered to practice before the Office in patent matters, (2) An individual authorized under 5 U.S.C. 500(b), or otherwise as provided by § 11.14(a), (b), and (c) of this subchapter, to practice before the Office in trademark matters or other non-patent matters, or (3) An individual authorized to practice before the Office in a patent case or matters under

§ 11.9(a) or (b).” The changes to the definition of “practitioner” clarify what has been the practice before the Office and the Office does not propose to expand the current use of the term. The Office is not adopting the comment’s suggestion, as examiners and other persons in quasi-judicial roles who do not represent others before the Office are not automatically considered practitioners under the USPTO Rules merely because of their quasi-judicial role.

*Comment 15:* A comment suggested removing the intent requirement from the definition of a “signed” writing.

*Response to Comment 15:* The Office is not adopting this suggestion as a signature requires intent. *See* 1 U.S.C. 1 (“signature” or “subscription” includes a mark when the person making the same intended it as such”).

*Comment 16:* A comment requested clarification as to whether USPTO employees who have registration numbers are considered practitioners.

*Response to Comment 16:* The definition of “practitioner” under § 11.1 includes USPTO employees who are registered to practice before the Office, or otherwise meet the definition under paragraph (2) or (3), and are administratively inactive. Such practitioners are subject to the disciplinary jurisdiction of the Office. 37 CFR 11.19(a). This is not a change from the current rules.

*Comment 17:* A comment noted that certain practitioners may be absolved of responsibility merely because of their status as a principal and not a partner.

*Response to Comment 17:* The Office appreciates the opportunity to clarify this situation by noting that a “partner,” as defined in the rules, includes “a member of a partnership, a shareholder in a law firm organized as a professional corporation, or a member of an association authorized to practice law.” Under § 11.501, practitioners with managerial authority within a firm are to make reasonable efforts to establish internal policies and procedures designed to provide reasonable assurance that all practitioners in the firm will conform to the USPTO Rules. This includes lawyers who have intermediate managerial responsibilities in a firm. *See, e.g.,* ABA Model Rule 5.1, cmt. 1 (2012).

*Comment 18:* A comment suggested that the use of the term “party” in § 11.2(e) would include third parties. Under this definition, the commenter suggested that a grievant may be able to claim party status and participate in disciplinary investigations or petition for review of decisions.

*Response to Comment 18:* The Office disagrees with this comment. In keeping with other jurisdictions and the practice of the Office, a person who files a grievance about a practitioner is not considered a party to any resulting disciplinary matter. *See, e.g., In re Request for Investigation of Attorney*, 867 NE.2d 323 (Mass. 2007) (holding that a grievant has no cause of action arising out of disciplinary counsel’s decision to close file). The Office amends the preamble language for § 11.2(e) to provide further clarification.

*Comment 19:* A comment suggested that § 11.32 should be amended to include specific language about the OED Director’s discretionary authority in recommending settlement and issuing warnings.

*Response to Comment 19:* The Office is not adopting the suggested changes as they would limit the OED Director’s discretion in actions after the Committee on Discipline has made a probable cause determination. In addition, the disposition authority of the OED Director is presently listed in § 11.22(h). The Office is adopting the rule as proposed which allows the OED Director discretion to recommend settlement, take no action, issue warnings, or take other actions as appropriate.

*Comment 20:* A comment suggested the adoption of ABA Model Rule 1.2(b) regarding a practitioner’s endorsement of a client’s views or activities.

*Response to Comment 20:* The Office is declining to enact a rule concerning the endorsement of a client’s view as the Office believes the addition of such language in the rule is unnecessary. By declining to adopt this Rule, the USPTO is not implying that a practitioner’s representation of a client constitutes an endorsement of the client’s political, economic, social, or moral views or activities.

*Comment 21:* A comment stated that § 11.104 should be amended to include a provision that would allow a client to opt-out of receiving notifications of Office communications and solely rely on the practitioner’s judgment.

*Response to Comment 21:* The Office appreciates this comment. Section 11.104 requires a practitioner to keep clients reasonably informed of a matter, which allows for flexibility in client information exchanges. What is reasonable will depend on the circumstances, including the client’s request.

*Comment 22:* Several commenters raised concerns about the interaction of the duty of disclosure provisions, such as 37 CFR 1.56, and a practitioner’s duty of confidentiality under § 11.106.

Specifically, the comments raised concerns about the balance between the practitioner’s duty to disclose information to the Office and the duty to protect confidential information of third parties, including that of other clients.

*Response to Comment 22:* The Office appreciates the comment. Sections 11.106(a) and (b) generally permit a practitioner to reveal confidential information under certain circumstances. *See, e.g.,* ABA Model Rule 1.6, cmt. 12 (2012) (if other law supersedes the rule, (b)(6) permits disclosure necessary to comply with the law); *see also* ABA Model Rule 1.6 annot. subsection (b)(6) (“the required-by-law exception may be triggered by statutes and administrative agency regulations”); N.C. Ethics Op. 2005–9 (2006) (lawyer for public company may reveal confidential information about corporate misconduct to SEC under permissive-disclosure regulation authorized by Sarbanes-Oxley Act, even if disclosure would otherwise be prohibited by state’s ethics rules). Additionally, Section 11.106(c) states that “[a] practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions” and is provided to make clear that the duty of disclosure is mandatory, not optional. Section 11.106(c) merely continues the current duty of disclosure provision set forth in 37 CFR 10.23(c)(10). *See, e.g.,* Manual of Patent Examining Procedure, 8th Ed., Rev. 9 (Aug. 2012) Ch. 2000. While paragraph (c) does not impose a new requirement, the express provision may be helpful in responding to any allegation of an ethical violation before a State bar in a situation where the practitioner engaged in particular conduct to comply with this USPTO Rule.

The comments also suggest that a practitioner’s representation of one client could be directly adverse to another client in some circumstances. However, the restrictions on conflicts of interest that may appear between clients would generally prevent a practitioner from accepting clients who may have potentially adverse interests. *See* §§ 11.107, 11.108. In certain situations a practitioner may seek to withdraw from representation under § 11.116 to avoid a conflict of interest.

*Comment 23:* Commenters raised concerns about the elimination of ABA Model Rule 1.8(j) that prohibits a lawyer from having sexual relations with a client.

*Response to Comment 23:* The Office appreciates the comment regarding ABA Model Rule 1.8(j). Because of a

practitioner's fiduciary duties to a client, combining a professional relationship with any intimate personal relationship may violate the USPTO Rules concerning conflict of interest and impairment of the judgment of both practitioner and client. *See, e.g.*, §§ 11.107–11.109.

*Comment 24:* Commenters noted that the proposed rules delete 37 CFR 10.64, which contained a provision that allowed a practitioner to advance any fee required to prevent or remedy abandonment by reason of an act or omission attributable to the practitioner. Section 11.108(e) mentions “pending or contemplated litigation,” but not “proceedings before the Office” as in § 11.108(i).

*Response to Comment 24:* The Office appreciates the comment and is adding “proceedings before the Office” to § 11.108(e). An added provision, namely § 11.108(e)(4), ensures that a practitioner may advance fees to prevent or remedy abandonment attributable to the practitioner. This is consistent with the intent of § 11.108(e) as set forth in the preamble statements of the Notice of Proposed Rulemaking. *See* 77 FR 64193.

*Comment 25:* A comment suggested that § 11.108(e) should be amended to exclude a non-paying client where a practitioner has already paid an Office fee or cost for such non-paying client.

*Response to Comment 25:* The Office is adopting an amendment to clarify that advancement of Office fees or costs required by law is permissible, in accord with 37 CFR 10.64(b), provided the client remains ultimately liable for such expenses. Also, in accord with 37 CFR 10.64(b), advancement of fees or costs in order to prevent or remedy abandonment of applications by acts or omissions of the practitioner and not the client is also permissible, whether or not the client is ultimately liable for such fees. *See generally* ABA Model Rule 1.8, cmt. 10 (2012).

*Comment 26:* A comment suggested expanding the ability of a practitioner to take an interest in a proceeding by adding to § 11.108(i)(3) the following language: “or accept an interest in an entity that directly or indirectly owns the patent as part or all of his or her fee.”

*Response to Comment 26:* Section 11.108(i)(3) allows practitioners to accept an interest in a patent as part or all of his or her fee. The suggestion of expanding the express allowance to include entities is not adopted as the USPTO Rules already permit certain business transactions with a client. *See* § 11.108. However, many transactions would be subject to other rules and requirements in place to protect clients.

*See* §§ 11.108(a) and (i), 11.105; *see also* ABA Model Rule 1.5, cmt. 4 (2012).

*Comment 27:* A comment suggested expanding § 11.108(i)(3) by adding the phrase “or patent application” to a “practitioner’s interest in a patent” because not all interests are based upon issued patents.

*Response to Comment 27:* The Office appreciates this comment and is adopting this change in § 11.108(i)(3) to better reflect a practitioner’s ability to acquire interests in patent applications.

*Comment 28:* A comment noted that the ability to take an interest in a patent under § 11.108(i)(3) should still subject the practitioner to paragraph (a) of that section.

*Response to Comment 28:* The Office appreciates the comment and notes that practitioners are subject to all of the provisions of § 11.108. The Office is adopting language to clarify that practitioners who take an interest in a patent or patent application, as part of or all of their fee, are still subject to the conflict of interest provisions of § 11.108, which prohibit business transactions adverse to a client unless certain conditions are met.

*Comment 29:* A comment requested clarification as to whether § 11.108(a) would prohibit a practitioner from owning investment vehicles such as mutual funds or IRA holdings which may include stock or securities in a company that competes with the practitioner’s client.

*Response to Comment 29:* The Office appreciates this comment and notes that a practitioner is prohibited from representing a client if the representation will be materially limited by the practitioner’s own interests, unless the practitioner reasonably believes that the representation will not be adversely affected and the client provides informed consent.

§ 11.107(a)(2) and (b). The Office notes, for example, that a diversified mutual fund would ordinarily not be considered an interest adverse to a client under the USPTO Rules. Thus, practitioners would be required to review their holdings and consider whether their duty of loyalty would be compromised, and they may be required to discuss the matter with their clients.

*Comment 30:* A comment suggested that the screening provisions under § 11.110(a)(2) are more extensive than those under § 11.112(c), and thus § 11.112(c) should be adopted for imputed conflicts among practitioners.

*Response to Comment 30:* The Office appreciates the comment and is removing the requirements to provide certifications of compliance from § 11.110(a)(2) by deleting paragraph (iii).

The new language provides less burdensome screening requirements for all practitioners while ensuring proper notice is given to former clients.

*Comment 31:* Commenters stated that the Office should adopt ABA Model Rule 1.11 regarding conflicts of interest for former and current government employees because a special rule is not needed for Federal government employees.

*Response to Comment 31:* The Office appreciates the comments. However, § 11.111 states that “[a] practitioner who is a former or current Federal government employee shall not engage in any conduct which is contrary to applicable Federal ethics laws, including conflict of interest statutes and regulations of the department, agency or commission formerly or currently employing said practitioner.” This section incorporates existing requirements addressing the unique situations affecting Federal government employees. *See, e.g.*, 18 U.S.C. 207. The Office declines to create an additional set of rules for Federal government employees.

*Comment 32:* A comment suggested that the USPTO adopt small deviations from the ABA Model Rules for Client Trust Account Records by not requiring practitioners to maintain copies of cancelled checks.

*Response to Comment 32:* The Office has reviewed each of the ABA Model Rules for Client Trust Account Records individually, along with the proposed changes, and is not adopting the suggested change. The final rule upholds the standards in the ABA Model Rules and is consistent with the Comments and Annotations. Section 11.115 allows a practitioner to maintain physical or electronic equivalents of all cancelled checks. *See, e.g.*, ABA Model Rules for Client Trust Account Records Rule 1, cmt. 2 (2010) (“Most banks now provide electronic images of checks to customers who have access to their accounts on internet-based Web sites. It is the [practitioner’s] responsibility to download electronic images”). As noted in the preamble, records stored off-site must be readily accessible to the practitioner and the practitioner should be able to produce and print them upon request.

*Comment 33:* Several commenters disagreed with the deletion of the latter half of ABA Model Rule 2.1 in § 11.201, which allows practitioners, in rendering advice, to refer not only to law but to other considerations such as moral, economic, social and political factors, that may be relevant to a client’s situation.

*Response to Comment 33:* The Office appreciates the comments. “In rendering legal advice, a [practitioner] may refer not only to law but to other considerations such as moral, economic, social and political factors that may be relevant to the client’s situation.” ABA Model Rule 2.1. The Office agrees with the ABA and is incorporating this provision into the final rule.

*Comment 34:* A comment requested that the Office adopt ABA Model Rule 2.3(c) without modification.

*Response to Comment 34:* The Office appreciates the comment and had proposed to tailor ABA Model Rule 2.3(c) to the specific practice before the Office. In light of the ABA language having the same effect, the Office is adopting ABA Model Rule 2.3(c), without modification, in § 11.203(c).

*Comment 35:* A comment requested that the Office clarify § 11.302 to ensure that seeking extensions of time would not be sanctionable behavior under this rule.

*Response to Comment 35:* The Office appreciates this comment and notes that the Office does not expect a change from the current practice. A practitioner who fails to make reasonable efforts to expedite proceedings, as circumstances may dictate, may be subject to discipline. What efforts may be reasonable depend on the circumstances.

*Comment 36:* A comment requested clarification as to who is referred to as having otherwise disclosed such authority in § 11.303(a)(2) “if such authority is not otherwise disclosed” with respect to *ex parte* proceedings.

*Response to Comment 36:* A practitioner has the duty to disclose legal authority in the controlling jurisdiction known to the practitioner to be directly adverse to the position of the client, unless it has already been disclosed. Awareness of disclosures by the Office or persons acting on behalf of an applicant in an *ex parte* proceeding before the Office, in both the same or related proceedings, may assist practitioners in complying with this provision.

*Comment 37:* Commenters questioned the scope of “directly adverse” as it relates to § 11.303(a)(2).

*Response to Comment 37:* The Office appreciates the comment and notes that the scope of what is directly adverse to the position of the client depends on the facts of each case. *See, e.g.*, ABA Model Rule 3.3, annot. Subsection (a)(2) (2012).

*Comment 38:* Several commenters suggested a revision to the requirement to disclose confidential client information under § 11.303(e) to address

concerns about unknowingly violating the duty of disclosure provisions.

*Response to Comment 38:* The Office appreciates the comment but is not amending the language. The rule carries forward a practitioner’s duty of disclosure requirements. *See, e.g.*, 37 CFR 1.56, 1.555(a), 1.740(a)(13), 1.765(c) and (d), 1.933(a), Manual of Patent Examining Procedure, 8th Ed., Rev. 9 (Aug. 2012) Ch. 2000; *see also* 37 CFR 10.23(c)(10).

*Comment 39:* A comment suggested clarification as to whether *ex parte* communication, in the course of patent prosecution, with USPTO examiners and other officials, would be prohibited by § 11.305.

*Response to Comment 39:* The Office appreciates this comment. Nothing in this rule would prevent *ex parte* communication that is authorized by law, rule or court order, in an *ex parte* proceeding.

*Comment 40:* A comment urges the adoption of ABA Model Rule 3.6 with regard to trial publicity.

*Response to Comment 40:* The Office appreciates this comment and is adopting ABA Model Rule 3.6 as § 11.306 except for the provisions related to criminal cases.

*Comment 41:* A comment noted that § 11.307 should be amended to allow a practitioner who is an inventor to act as an advocate in a proceeding where he would likely be called as a witness.

*Response to Comment 41:* The Office appreciates this comment. Consistent with existing practice, a co-inventor, who is also a practitioner, would not be disqualified from representing other co-inventors before the Office if the removal would cause the client substantial hardship, or if the testimony relates to an uncontested issue. However, a practitioner who is an inventor of a patent involved in litigation, and who might be called as a witness, should generally not act as an advocate in the matter.

*Comment 42:* Several commenters suggested that the ability for a practitioner to be called as a witness under § 11.307 could create problems between the practitioner and client when the testimony relates to a duty of disclosure.

*Response to Comment 42:* The Office appreciates the comment and will follow the ABA Model Rule by deleting paragraph (a)(4). A practitioner’s submission of information disclosure statements and associated certifications ordinarily would fall under the exceptions in paragraphs (a)(1) or (a)(3).

*Comment 43:* A comment suggested that § 11.504 would prohibit a law firm that includes both lawyer-practitioners

and lawyers who do not practice before the USPTO.

*Response to Comment 43:* The Office appreciates this comment and notes that § 11.504 does not prohibit the formation of a law firm that includes both lawyer-practitioners and lawyers who do not practice before the USPTO. The definition of “practitioner” includes individuals who are members in good standing of the bar of the highest court of a State. *See* § 11.1; 5 U.S.C. 500(b). Thus, firms consisting of lawyers who do not practice before the USPTO and practitioners are permitted under the USPTO Rules. This is not a departure from current practice.

*Comment 44:* A comment noted that the language of § 11.505(c), which discusses the unauthorized practice of law, may inadvertently cause confusion as to members of the bar who are placed on inactive status, but not suspended.

*Response to Comment 44:* The Office appreciates the comment and is amending the rule to more closely follow ABA Model Rule 5.5(a) by simplifying the language. The Office believes that the ABA Model Rule encompasses the language of § 11.505(b) through (f), as proposed, and makes clear these activities are a violation of the rule. The Office therefore concludes that expressly listing these activities in the final rule is unnecessary. The final rule states that a practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so. For purposes of this rule, the USPTO is a jurisdiction. *See, e.g., In re Peirce*, 128 P.3d 443, 444 (Nev. 2006) (concluding that “another jurisdiction” includes the USPTO). Courts have long held that registered practitioners who practice before the Office are practicing law. *See, e.g., Sperry v. Florida*, 373 U.S. 379 (1963); *Sperti Prods., Inc. v. Coca-Cola Co.*, 262 F. Supp. 148 (D. Del. 1966). In addition, the Office notes that those not recognized to practice before the Office are expressly prohibited from holding themselves out as so recognized. *See* 35 U.S.C. 33.

*Comment 45:* One comment indicated that § 11.703(d), which allows practitioners to participate with a prepaid or group legal service plan operated by an organization that uses in-person or telephone solicitation of memberships or subscriptions, may result in harm to the public because it could provide an advantage to certain non-practitioner entities over competent professionals. The comment reasoned that law firms are prohibited by the constraints of § 11.107(a) while certain non-practitioner entities are not. The

comment suggested that the rules reflect the “opposite approach” which would protect the public from unskilled and underpaid novice practitioners employed by such non-practitioner entities. The comment suggested that uninformed potential clients could be swayed by the advertising of such non-practitioner entities and may receive poor quality representation by such inexperienced practitioners.

*Response to Comment 45:* The Office appreciates the comment regarding § 11.703(d), which is wholly based on ABA Model Rule 7.3. The Office declines to alter the proposed rule in light of this comment. The regulation of non-practitioner entities that do not appear before the Office is outside the scope of these rules. The Office notes that practitioners of all experience levels should exercise diligence and professional judgment when associating with a non-practitioner entity operating a group or prepaid legal services plan to ensure that plan sponsors operate a legal services plan that does not cause the practitioner to violate applicable ethics rules, including § 11.107(a). *See, e.g.,* ABA Model Rule 7.3, cmts. 7 and 9 (2012).

*Comment 46:* The Office received statements about § 11.801(d) from four commenters. One commenter expressed that § 11.801(d) is not part of the ABA Model Rules and does not define “failure to cooperate.” The commenter also urged the Office to clarify whether the assertion of constitutional or other privileges might be considered a failure to cooperate. Another commenter believed that § 11.801(d) fails to provide appropriate protections for client confidences and further stated that the rule appears unnecessary in light of § 11.801(c). Another commenter requested further explanation of the activities covered and prohibited by § 11.801(d) that are not already covered by the other parts of the rule. The commenter also asked whether a different standard is intended for § 11.801(d) than for the other parts of the rule, and suggested that § 11.801(d) be deleted as unnecessarily duplicative if a single standard is intended. The final commenter noted that neither the ABA Model Rules nor the jurisdiction where the practitioner is licensed to practice non-patent law imposed the requirement set forth under § 11.801(d) and asked questions regarding the scope of the rule.

*Response to Comment 46:* The Office appreciates these comments and the chance to clarify that the duty to cooperate with OED is not new. Section 11.801(d), now included in 11.801(b), returns the duty to cooperate to its

correct location in the Office’s substantive ethics rules. 37 CFR 10.131 expressly included the duty to cooperate, and 37 CFR 10.23(c)(16) explained it was a violation of the USPTO Code to fail to do so. Section 11.801(b) makes certain that practitioners are aware of their duty to cooperate with OED.

The Office disagrees that the scope of updated § 11.801(b) needs to be revised. The requirements of the rule are not new and practitioners may review Final Orders where the USPTO Director imposed discipline for a failure to cooperate under the Office’s previous iteration of its rules. *See, e.g., In re Lawrence Y.D. Ho*, Proceeding No. D09–04 (USPTO, Jan. 30, 2009). In addition, because there are at least seven jurisdictions that adopted the ABA Model Rules and that have ethics rules regarding cooperating with the respective jurisdiction’s disciplinary authority, disciplinary decisions from those jurisdictions (Louisiana, Massachusetts, New Mexico, Ohio, Oregon, Virginia, and Wisconsin) can be helpful to practitioners. Hence, pursuant to § 11.801(b), a practitioner will be obligated to respond to a request to explain information submitted; to permit the inspection of business records, files, accounts, and other things; and to furnish written releases or authorizations if needed by OED to obtain documents or information from third parties.

A practitioner’s duty to cooperate fully with OED is vital to maintaining the integrity of the legal profession, which is an important duty owed by a practitioner to the public, the bar, the profession, and the Office. *See, e.g., In re Riddle*, 857 P.2d 1233, 1235–36 (Ariz. 1993) (“Respondent’s failure to cooperate with self-regulating disciplinary system of legal profession violates one of attorney’s most fundamental duties as professional to maintain integrity of profession.”); *In re Watt*, 701 A.2d 1011, 1012 (R.I. 1997) (an attorney’s failure to cooperate with the Office of Disciplinary Counsel “has a corrosive effect on the confidence that the public must have in the legal profession’s ability to regulate the conduct of its members”). A failure to cooperate with the OED adversely reflects on a practitioner’s fitness to practice before the Office and is prejudicial to the administration of justice. *See, e.g., In re Lawrence Y.D. Ho*, Proceeding No. D09–04 (USPTO, Jan. 30, 2009) (Respondent disciplined for conduct adversely reflecting on his fitness to practice before the Office and conduct prejudicial to the administration of justice predicated, in

part, on not cooperating with OED investigation of his alleged misconduct); *accord, e.g., State Bar of Nevada v. Watkins*, 655 P.2d 529, 530–531 (Nev. 1982) (“It is also the duty of an attorney to cooperate in investigations of alleged professional misconduct, and it may be deemed an adverse reflection on his fitness to practice law, and conduct prejudicial to the administration of justice when he refuses to answer letters from Disciplinary personnel or otherwise fails to cooperate.”). A practitioner’s compliance with the duty to cooperate has recently become even more essential to maintaining the integrity of the profession in light of the shorter statutory time allowed for the OED Director to complete a full and fair investigation of a practitioner’s alleged misconduct. *See* 37 CFR 11.34(d) (disciplinary complaints are to be filed within one year after the date on which the OED Director receives a grievance forming the basis of the complaint).

The aforementioned examples are illustrative, not exhaustive, of the activities covered under § 11.801(b). Those examples also support the Office’s disagreement with comments stating that § 11.801(b) is unnecessary because the other provisions of § 11.801(b) include the duty to cooperate with the OED. Including this prohibition in the USPTO Rules leaves no question about a practitioner’s duty to cooperate. Section 11.801(b) is consistent with § 11.106(b) regarding when a practitioner may reveal information relating to the representation of a client. Nothing in § 11.801(b) should be read to diminish any privilege or constitutional protections afforded to a practitioner in a USPTO disciplinary proceeding. Practitioners are to recognize, however, that while a privilege against self-incrimination may generally apply to attorney disciplinary proceedings, *see Spevack v. Klein*, 385 U.S. 511 (1967), an adverse inference for refusing to cooperate or testify may be drawn in non-criminal proceedings, *see Baxter v. Palmigiano*, 425 U.S. 308, 316 (1976). USPTO disciplinary proceedings are non-criminal proceedings. Thus, § 11.801 has been organized to provide some clarity, however the text of the final rule is the same as that of the proposed rule.

*Comment 47:* A comment requested clarification as to the appropriate authority under 37 CFR 11.803(b) for reporting violations of judicial conduct rules.

*Response to Comment 47:* The Office appreciates this comment and notes that the appropriate authority to report judicial misconduct would depend on

the situation and jurisdiction. If such violations are within the jurisdiction of OED, they must be reported in writing to the OED Director. See 35 U.S.C. 11.19(a) (disciplinary jurisdiction); 37 CFR 1.1(a)(5) (contact information); see also ABA Model Rule 8.3, cmt. 3 (2012) (applying similar considerations for judicial misconduct as for attorney misconduct whereby “[a] report should be made to the bar disciplinary agency unless some other agency, such as a peer review agency, is more appropriate in the circumstances”). Practitioners should also consult their State bar rules and other authorities for additional reporting obligations that may apply.

*Comment 48:* A comment suggested that the Office remove § 11.804(h) as overreaching beyond the scope of the Office’s jurisdiction.

*Response to Comment 48:* The Office appreciates the comment and has preserved the current requirements under 37 CFR 10.23(c)(5), through which it currently pursues reciprocal discipline against practitioners, in § 11.804(h) and has pursued reciprocal discipline proceedings against practitioners. See, e.g., *In re Tholstrup*, Proceeding No. D2012–33 (USPTO, Nov. 15, 2012). OED does not automatically seek reciprocal discipline and the USPTO does not automatically impose reciprocal discipline. Practitioners may challenge the imposition of reciprocal discipline as set forth in 37 CFR 11.24. Additionally, trademark attorneys are required to maintain good standing in at least one State bar. 37 CFR 11.14(a). The Office believes that failure to maintain good standing in a State bar, among other requirements, creates a need to recognize public discipline in other jurisdictions. Other federal jurisdictions also recognize the importance of reciprocal discipline. See generally *Gadda v. Ashcroft*, 377 F.3d 934 (9th Cir. 2004). The Office further notes that many rules were reserved in favor of the ability to institute reciprocal discipline based upon other jurisdictions.

*Comment 49:* The Office received two comments about § 11.804(i). One commenter recommended that the Office consider adopting explanatory and illustrative comments identical to the ABA Model Rule Comments. The commenter also stated that § 11.804(i) provides practitioners with no specific guidance about what is conduct that adversely reflects on the fitness to practice and recommended deleting the rule in the absence of adoption of the explanatory comment. A second commenter expressed that § 11.804(i) is vague and appears to be overreaching and recommended that it be removed.

*Response to Comment 49:* Section 11.804(i) is included in the new USPTO Rules so that practitioners know it continues to be misconduct to engage in conduct that adversely reflects on the practitioner’s fitness to practice before the Office. The Office believes that § 11.804(i), which is based upon 37 CFR 10.23(b)(6), covers more than illegal conduct and that there is sufficient guidance available to practitioners concerning the scope of § 11.804(i). For example, practitioners may review Final Orders where the USPTO Director imposed discipline based on a violation of 37 CFR 10.23(b)(6) for information regarding their obligations under § 11.804(i). Additionally, at least five states (Alabama, Kansas, Massachusetts, New York, and Ohio) that adopted the ABA Model Rules also adopted rules similar to § 11.804(i) that specifically proscribe engaging in other conduct that adversely reflects on the attorney’s fitness to practice. The disciplinary decisions from those jurisdictions also provide useful information. Finally, the Office has recognized the ABA Model Rule Comments and Annotations as useful information.

TABLE 1—PRINCIPAL SOURCE OF SECTIONS 11.101 THROUGH 11.804

Section	Principal source
§ 11.101	MRPC 1.1.
§ 11.102	MRPC 1.2.
§ 11.103	MRPC 1.3.
§ 11.104	MRPC 1.4.
§ 11.105	MRPC 1.5.
§ 11.106(a), (b)	MRPC 1.6(a)–(b).
§ 11.106(c)	USPTO.
§ 11.107	MRPC 1.7.
§ 11.108	MRPC 1.8, USPTO.
§ 11.109	MRPC 1.9.
§ 11.110	MRPC 1.10.
§ 11.111	USPTO.
§ 11.112	MRPC 1.12.
§ 11.113	MRPC 1.13.
§ 11.114	MRPC 1.14.
§ 11.115(a)–(e)	MRPC 1.15(a)–(e).
§ 11.115(f)(1)	MRCTAR Rule 1.
§ 11.115(f)(2)	MRCTAR Rule 2.
§ 11.115(f)(3)	MRCTAR Rule 3.
§ 11.115(f)(4), (5)	USPTO.
§ 11.116	MRPC 1.16.
§ 11.117	MRPC 1.17, USPTO.
§ 11.118	MRPC 1.18.
§ 11.201	MRPC 2.1.
§ 11.203	MRPC 2.3.
§ 11.204	MRPC 2.4.
§ 11.301	MRPC 3.1.
§ 11.302	MRPC 3.2.
§ 11.303	MRPC 3.3, USPTO.
§ 11.304	MRPC 3.4.
§ 11.305	MRPC 3.5.
§ 11.306	MRPC 3.6.
§ 11.307	MRPC 3.7.
§ 11.309	MRPC 3.9.
§ 11.401	MRPC 4.1.
§ 11.402(a)	MRPC 4.2(a).

TABLE 1—PRINCIPAL SOURCE OF SECTIONS 11.101 THROUGH 11.804—Continued

Section	Principal source
§ 11.402(b)	DCRPR 4.2(b).
§ 11.403	MRPC 4.3.
§ 11.404	MRPC 4.4.
§ 11.501	MRPC 5.1.
§ 11.502	MRPC 5.2.
§ 11.503	MRPC 5.3.
§ 11.504	MRPC 5.4; DCRPR 5.4(a)(5).
§ 11.505	MRPC 5.5(a).
§ 11.506	MRPC 5.6.
§ 11.507	MRPC 5.7.
§ 11.701	MRPC 7.1.
§ 11.702	MRPC 7.2.
§ 11.703	MRPC 7.3.
§ 11.704(a)	MRPC 7.4(a).
§ 11.704(b)	37 CFR 10.34.
§ 11.704(d)	MRPC 7.4(d).
§ 11.704(e)	USPTO.
§ 11.705	MRPC 7.5.
§ 11.801	MRPC 8.1, USPTO.
§ 11.802	MRPC 8.2.
§ 11.803	MRPC 8.3.
§ 11.804(a)–(f)	MRPC 8.4(a)–(f).
§ 11.804(g)	37 CFR 10.23(c)(19), 10.23(c)(20), 11.10(d).
§ 11.804(h)	37 CFR 10.23(c)(5), 11.24.
§ 11.804(i)	37 CFR 10.23(b)(6).
§ 11.901	USPTO.

**Abbreviations:**  
DCRPR means the District of Columbia Court of Appeals Rules of Professional Conduct (2007).  
MRPC means the Model Rules of Professional Conduct of the American Bar Association (2011).  
MRCTAR means the Model Rules for Client Trust Account Records of the American Bar Association (2010).

**Rulemaking Considerations**

*Regulatory Flexibility Act:* The Deputy General Counsel for General Law, United States Patent and Trademark Office, has certified to the Chief Counsel for Advocacy, Small Business Administration, that the changes in this final rule will not have a significant economic impact on a substantial number of small entities (Regulatory Flexibility Act, 5 U.S.C. 605(b)). There were no public comments on the certification included with the proposed rule.

The primary effect of this rulemaking is not economic, but rather is to govern the conduct of practitioners in their interactions with their clients and with the Office.

The provisions of this rulemaking that may have a slight economic effect, such as record-keeping requirements, requirements to segregate client funds, and rules governing representation of

multiple entities, are consistent with the USPTO's former rules. The former USPTO Code and the new USPTO Rules apply to the approximately 41,000 registered patent practitioners currently appearing before the Office, as well as licensed attorneys practicing in trademark and other non-patent matters before the Office.

These conduct rules continue the fundamental requirements of the Office's prior conduct rules. The former rules have many broad canons and obligations that the rules fundamentally continue, though with greater specificity and clarity, and with some reorganization. The rules also have greater specificity and clarity as to allowed conduct. These final rules, like the former rules, codify many obligations that already apply to the practice of law under professional and fiduciary duties owed to clients. Because the provisions most likely to have an economic effect are already in place, these provisions do not contribute to the economic impact of this rulemaking.

Furthermore, for most practitioners, this rulemaking will reduce the economic impact of complying with the Office's professional responsibility requirements. Approximately 75 percent of registered practitioners are attorneys. The state bars of 50 U.S. jurisdictions, *i.e.*, the District of Columbia and 49 States, excluding California, have adopted rules based on the same ABA Model Rules on which USPTO Rules are based. Therefore, for most current and prospective practitioners, the USPTO Rules provide practitioners greater uniformity and familiarity with the professional conduct obligations before the Office and harmonize the requirements to practice law before the Office and other jurisdictions.

Moreover, for some provisions of this rulemaking, such as the record-keeping requirements in § 11.115(f)(4) and (f)(5), the rules explicitly state that an attorney or agent (employed in the U.S. by a law firm) that complies with the state in which he or she practices will be deemed in compliance with the Office's requirements as well. Accordingly, this rulemaking streamlines many practitioners' obligations and thus reduces the administrative burden of compliance.

Accordingly, this rulemaking does not have a significant economic effect on a substantial number of small entities.

*Executive Order 12866:* This final rule has been determined not to be significant for purposes of Executive Order 12866 (Sept. 30, 1993).

*Executive Order 13563 (Improving Regulation and Regulatory Review):* The

Office has complied with Executive Order 13563. Specifically, the Office has, to the extent feasible and applicable: (1) Made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector and the public as a whole, and provided on-line access to the rulemaking docket; (7) attempted to promote coordination, simplification and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

*Executive Order 13132:* This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

*Executive Order 13175 (Tribal Consultation):* This rulemaking will not: (1) Have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

*Executive Order 13211 (Energy Effects):* This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

*Executive Order 12988 (Civil Justice Reform):* This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

*Executive Order 13045 (Protection of Children):* This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

*Executive Order 12630 (Taking of Private Property):* This rulemaking will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

*Congressional Review Act:* Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the final rule and other required information to the U.S. Senate, the U.S. House of Representatives and the Comptroller General of the Government Accountability Office. The changes in this rule are not expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this action is not expected to result in a "major rule" as defined in 5 U.S.C. 804(2).

*Unfunded Mandates Reform Act of 1995:* The changes in this action do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. *See* 2 U.S.C. 1501 *et seq.*

*National Environmental Policy Act:* This rulemaking will not have any effect on the quality of environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. *See* 42 U.S.C. 4321 *et seq.*

*National Technology Transfer and Advancement Act:* The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

*Paperwork Reduction Act:* This rulemaking involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995

(PRA) (44 U.S.C. 3501 *et seq.*). Collection of information activities involved in this rulemaking have been reviewed and approved by OMB under OMB control number 0651–0017. There were no public comments received on the PRA information provided with the proposed rule.

The title, description, and respondent description of the currently approved information collection 0651–0017 are shown below with an estimate of the annual reporting burdens. Included in this estimate is the time for gathering and maintaining the data needed, and completing and reviewing the collection of information. The principal impact of the changes in this rulemaking is to registered practitioners and attorneys practicing before the Office in trademark and other non-patent matters.

OMB Number: 0651–0017

Title: Practitioner Records Maintenance and Disclosure Before the Patent and Trademark Office.

Form Numbers: None.

Affected Public: Individuals or households, businesses or other for-profit, not-for-profit institutions, Federal Government, and state, local, or tribal governments.

Estimated Number of Likely

Respondents: 10,766.

Estimated Total Annual Burden

Hours: 11,926 hours.

Needs and Uses: The information in this collection is necessary for the United States Patent and Trademark Office to implement Federal statutes and regulations. See 35 U.S.C. 2(b)(2)(D) and 35 U.S.C. 32. These rules require that registered practitioners and attorneys who appear before the Office maintain complete records of clients, including all funds, securities and other properties of clients coming into his/her possession, and render appropriate accounts to the client regarding such records, as well as report violations of the rules to the Office. Practitioners are mandated by the rules to maintain proper documentation so that they can fully cooperate with an investigation in the event of a report of an alleged violation and that violations are prosecuted as appropriate. The Office has determined that the record keeping and maintenance of such records are excluded from any associated PRA burden as these activities are usual and customary for practitioners representing clients. 5 CFR 1320.3(b)(2).

Additionally, in the case of most attorney practitioners, any requirements for collection of information are not presumed to impose a Federal burden as these requirements are also required by a unit of State or local government, namely State bar(s), and would be

required even in the absence of any Federal requirement. 5 CFR 1320.3(b)(3). These rules also require, in certain instances, that written consents or certifications be provided. Such consents or certifications have been determined not to constitute information under 5 CFR 1320.3(h)(1).

First, the Office estimates that it will take an individual or organization approximately three hours, on average, to gather, prepare and submit an initial grievance alleging and supporting a violation of professional conduct. The Office estimates that approximately 200 grievances will be received annually from such respondents. The requirements of 5 CFR part 1320 do not apply to collections of information by the Office during the conduct of an investigation involving a potential violation of Office professional conduct rules. 5 CFR 1320.4(a)(2). Second, the Office estimates that non-attorney practitioners may, on average, incur a total of thirty minutes of annual burden to notify senders of documents relating to the representation of a client that were inadvertently sent. § 11.404(b). Third, the Office estimates that non-attorney practitioners, may, on average, incur a total of thirty minutes of annual burden to comply with the § 11.703(c) disclosure requirements relating to soliciting professional employment. Of the approximately 41,000 registered practitioners, 10,526 are non-attorneys and therefore considered likely respondents under the PRA for purposes of this information collection. Fourth, the Office estimates that suspended and excluded practitioners will be subject to approximately 20 hours of burden in complying with the record keeping maintenance requirements. The Office estimates that approximately 40 practitioners will be subject to these record keeping maintenance requirements.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

**List of Subjects**

*37 CFR Part 1*

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

*37 CFR Parts 2 and 7*

Administrative practice and procedure, Trademarks.

*37 CFR Part 10*

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

*37 CFR Part 11*

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

*37 CFR Part 41*

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, under the authority of 35 U.S.C. 2(b)(2)(A) and (D), and 35 U.S.C. 32, the United States Patent and Trademark Office amends 37 CFR parts 1, 2, 7, 10, 11, and 41 as follows:

**PART 1—RULES OF PRACTICE IN PATENT CASES**

■ 1. The authority citation for 37 CFR part 1 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), unless otherwise noted.

■ 2. Section 1.4 is amended to revise paragraph (d)(4)(i) to read as follows:

**§ 1.4 Nature of correspondence and signature requirements.**

\* \* \* \* \*

(d) \* \* \*

(4) *Certifications*—(i) *Section 11.18 certifications*. The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification under § 11.18(b) of this subchapter. Violations of § 11.18(b)(2) of this subchapter by a party, whether a practitioner or non-practitioner, may result in the imposition of sanctions under § 11.18(c) of this subchapter. Any practitioner violating § 11.18(b) of this subchapter may also be subject to disciplinary action. See § 11.18(d) of this subchapter.

\* \* \* \* \*

■ 3. Section 1.21 is amended to remove and reserve paragraphs (a)(7) and (a)(8) to read as follows:

**§ 1.21 Miscellaneous fees and charges.**

\* \* \* \* \*

(a) \* \* \*

(7)–(8) [Reserved]

\* \* \* \* \*

**PART 2—RULES OF PRACTICE IN TRADEMARK CASES**

■ 4. The authority citation for 37 CFR Part 2 continues to read as follows:

**Authority:** 15 U.S.C. 1123, 35 U.S.C. 2, unless otherwise noted.

■ 5. Section 2.2 is amended to revise paragraph (c) to read as follows:

**§ 2.2 Definitions.**

\* \* \* \* \*

(c) *Director* as used in this chapter, except for part 11, means the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

\* \* \* \* \*

**PART 7—RULES OF PRACTICE IN FILINGS PURSUANT TO THE PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS**

■ 6. The authority citation for 37 CFR Part 7 continues to read as follows:

**Authority:** 15 U.S.C. 1123, 35 U.S.C. 2, unless otherwise noted.

■ 7. Section 7.25 is amended to revise paragraph (a) to read as follows:

**§ 7.25 Sections of part 2 applicable to extension of protection.**

(a) Except for §§ 2.22–2.23, 2.130–2.131, 2.160–2.166, 2.168, 2.173, 2.175, 2.181–2.186 and 2.197, all sections in part 2 and all sections in part 11 of this chapter shall apply to an extension of protection of an international registration to the United States, including sections related to proceedings before the Trademark Trial and Appeal Board, unless otherwise stated.

\* \* \* \* \*

**PART 10 [Removed and reserved]**

■ 8. Part 10 is removed and reserved.

**PART 11—REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE**

■ 9. The authority citation for 37 CFR part 11 continues to read as follows:

**Authority:** 5 U.S.C. 500, 15 U.S.C. 1123, 35 U.S.C. 2(b)(2), 32, 41.

■ 10. Amend § 11.1 to remove the definitions of “mandatory disciplinary rule” and “matter;” revise the definitions of “fraud or fraudulent” and “practitioner;” and add in alphabetical order the definitions of “confirmed in writing,” “firm or law firm,” “informed

consent,” “law-related services,” “partner,” “person,” “reasonable belief or reasonably believes,” “reasonable should know,” “screened,” “tribunal” and “writing or written” as follows:

**§ 11.1 Definitions.**

\* \* \* \* \*

*Confirmed in writing*, when used in reference to the informed consent of a person, means informed consent that is given in writing by the person or a writing that a practitioner promptly transmits to the person confirming an oral informed consent. If it is not feasible to obtain or transmit the writing at the time the person gives informed consent, then the practitioner must obtain or transmit it within a reasonable time thereafter.

\* \* \* \* \*

*Firm or law firm* means a practitioner or practitioners in a law partnership, professional corporation, sole proprietorship or other association authorized to practice law; or practitioners employed in a legal services organization or the legal department of a corporation or other organization.

\* \* \* \* \*

*Fraud or fraudulent* means conduct that involves a misrepresentation of material fact made with intent to deceive or a state of mind so reckless respecting consequences as to be the equivalent of intent, where there is justifiable reliance on the misrepresentation by the party deceived, inducing the party to act thereon, and where there is injury to the party deceived resulting from reliance on the misrepresentation. Fraud also may be established by a purposeful omission or failure to state a material fact, which omission or failure to state makes other statements misleading, and where the other elements of justifiable reliance and injury are established.

\* \* \* \* \*

*Informed consent* means the agreement by a person to a proposed course of conduct after the practitioner has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct.

\* \* \* \* \*

*Law-related services* means services that might reasonably be performed in conjunction with and in substance are related to the provision of legal services, and that are not prohibited as unauthorized practice of law when provided by a non-lawyer.

\* \* \* \* \*

*Partner* means a member of a partnership, a shareholder in a law firm organized as a professional corporation, or a member of an association authorized to practice law.

*Person* means an individual, a corporation, an association, a trust, a partnership, and any other organization or legal entity.

*Practitioner* means:

(1) An attorney or agent registered to practice before the Office in patent matters,

(2) An individual authorized under 5 U.S.C. 500(b), or otherwise as provided by § 11.14(a), (b), and (c), to practice before the Office in trademark matters or other non-patent matters, or

(3) An individual authorized to practice before the Office in a patent case or matters under § 11.9(a) or (b).

\* \* \* \* \*

*Reasonable belief or reasonably believes* when used in reference to a practitioner means that the practitioner believes the matter in question and that the circumstances are such that the belief is reasonable.

*Reasonably should know* when used in reference to a practitioner means that a practitioner of reasonable prudence and competence would ascertain the matter in question.

\* \* \* \* \*

*Screened* means the isolation of a practitioner from any participation in a matter through the timely imposition of procedures within a firm that are reasonably adequate under the circumstances to protect information that the isolated practitioner is obligated to protect under these USPTO Rules of Professional Conduct or other law.

\* \* \* \* \*

*Tribunal* means the Office, a court, an arbitrator in a binding arbitration proceeding or a legislative body, administrative agency or other body acting in an adjudicative capacity. A legislative body, administrative agency or other body acts in an adjudicative capacity when a neutral official, after the presentation of evidence or legal argument by a party or parties, will render a binding legal judgment directly affecting a party’s interests in a particular matter.

\* \* \* \* \*

*Writing or written* means a tangible or electronic record of a communication or representation, including handwriting, typewriting, printing, photostating, photography, audio or video recording and electronic communications. A “signed” writing includes an electronic sound, symbol or process attached to or logically associated with a writing and

executed or adopted by a person with the intent to sign the writing.

■ 11. Revise § 11.2(c), (d) and (e) to read as follows:

**§ 11.2 Director of the Office of Enrollment and Discipline.**

\* \* \* \* \*

(c) *Petition to OED Director regarding enrollment or recognition.* Any petition from any action or requirement of the staff of OED reporting to the OED Director shall be taken to the OED Director accompanied by payment of the fee set forth in § 1.21(a)(5)(i) of this chapter. Any such petition not filed within sixty days from the mailing date of the action or notice from which relief is requested will be dismissed as untimely. The filing of a petition will neither stay the period for taking other action which may be running, nor stay other proceedings. The petitioner may file a single request for reconsideration of a decision within thirty days of the date of the decision. Filing a request for reconsideration stays the period for seeking review of the OED Director's decision until a final decision on the request for reconsideration is issued.

(d) *Review of OED Director's decision regarding enrollment or recognition.* A party dissatisfied with a final decision of the OED Director regarding enrollment or recognition shall seek review of the decision upon petition to the USPTO Director accompanied by payment of the fee set forth in § 1.21(a)(5)(ii) of this chapter. By filing such petition to the USPTO Director, the party waives any right to seek reconsideration from the OED Director. Any petition not filed within thirty days after the final decision of the OED Director may be dismissed as untimely. Briefs or memoranda, if any, in support of the petition shall accompany the petition. The petition will be decided on the basis of the record made before the OED Director. The USPTO Director in deciding the petition will consider no new evidence. Copies of documents already of record before the OED Director shall not be submitted with the petition. An oral hearing will not be granted except when considered necessary by the USPTO Director. Any request for reconsideration of the decision of the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision. Only a decision of the USPTO Director regarding denial of a petition constitutes a final decision for the purpose of judicial review.

(e) *Petition to USPTO Director in disciplinary matters.* A party dissatisfied with any action or notice of

any employee of the Office of Enrollment and Discipline during or at the conclusion of a disciplinary investigation shall seek review of the action or notice upon petition to the OED Director. A petition from any action or notice of the staff reporting to the OED Director shall be taken to the OED Director. A party dissatisfied with the OED Director's final decision shall seek review of the final decision upon petition to the USPTO Director to invoke the supervisory authority of the USPTO Director in appropriate circumstances in disciplinary matters. Any petition under this paragraph must contain a statement of the facts involved and the point or points to be reviewed and the action requested. Briefs or memoranda, if any, in support of the petition must accompany the petition. Where facts are to be proven, the proof in the form of affidavits or declarations (and exhibits, if any) must accompany the petition. The OED Director may be directed by the USPTO Director to file a reply to the petition to the USPTO Director, supplying a copy to the petitioner. An oral hearing on petition taken to the USPTO Director will not be granted except when considered necessary by the USPTO Director. The filing of a petition under this paragraph will not stay an investigation, disciplinary proceeding, or other proceedings. Any petition under this part not filed within thirty days of the mailing date of the action or notice from which relief is requested may be dismissed as untimely. Any request for reconsideration of the decision of the OED Director or the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision. Only a decision of the USPTO Director regarding denial of a petition constitutes a final decision for the purpose of judicial review.

■ 12. Remove and reserve § 11.8(d) to read as follows:

**§ 11.8 Oath and registration fee.**

\* \* \* \* \*

(d) [Reserved]

■ 13. Revise § 11.9(b) to read as follows:

**§ 11.9 Limited Recognition in patent matters.**

\* \* \* \* \*

(b) A nonimmigrant alien residing in the United States and fulfilling the provisions of § 11.7(a) and (b) may be granted limited recognition if the nonimmigrant alien is authorized by the United States Government to be employed or trained in the United States in the capacity of representing a patent applicant by presenting or

prosecuting a patent application. Limited recognition shall be granted for a period consistent with the terms of authorized employment or training. Limited recognition shall not be granted or extended to a non-United States citizen residing abroad. If granted, limited recognition shall automatically expire upon the nonimmigrant alien's departure from the United States.

■ 14. Revise § 11.11(a), (b), and (c), remove and reserve paragraphs (d)(2) and (d)(4), and revise paragraphs (d)(5), (d)(6), (e) and (f)(1) to read as follows:

**§ 11.11 Administrative suspension, inactivation, resignation, and readmission.**

(a) *Contact information.* (1) A registered practitioner must notify the OED Director of his or her postal address for his or her office, up to three email addresses where he or she receives email, and a business telephone number, as well as every change to any of said addresses or telephone number within thirty days of the date of the change. A registered practitioner shall, in addition to any notice of change of address and telephone number filed in individual patent applications, separately file written notice of the change of address or telephone number to the OED Director. A registered practitioner who is an attorney in good standing with the bar of the highest court of one or more States shall provide the OED Director with the State bar identification number associated with each membership. The OED Director shall publish from the roster a list containing the name, postal business addresses, business telephone number, registration number, and registration status as an attorney or agent of each registered practitioner recognized to practice before the Office in patent cases.

(2) A letter may be addressed to any registered practitioner, at the address of which separate notice was last received by the OED Director, for the purpose of ascertaining whether such practitioner desires to remain on the register. Any registered practitioner failing to reply and give any information requested by the OED Director within a time limit specified will be subject to administrative suspension under paragraph (b) of this section.

(b) *Administrative suspension.* (1) Whenever it appears that a registered practitioner or a person granted limited recognition under § 11.9(b) has failed to comply with § 11.8(d) or paragraph (a)(2) of this section, the OED Director shall publish and send a notice to the registered practitioner or person granted limited recognition advising of the noncompliance, the consequence of

being administratively suspended under paragraph (b)(5) of this section if noncompliance is not timely remedied, and the requirements for reinstatement under paragraph (f) of this section. The notice shall be published and sent to the registered practitioner or person granted limited recognition by mail to the last postal address furnished under paragraph (a) of this section or by email addressed to the last email addresses furnished under paragraph (a) of this section. The notice shall demand compliance and payment of a delinquency fee set forth in § 1.21(a)(9)(i) of this subchapter within sixty days after the date of such notice.

(2) In the event a registered practitioner or person granted limited recognition fails to comply with the notice of paragraph (b)(1) of this section within the time allowed, the OED Director shall publish and send in the manner provided for in paragraph (b)(1) of this section to the registered practitioner or person granted limited recognition a Rule to Show Cause why his or her registration or recognition should not be administratively suspended, and he or she no longer be permitted to practice before the Office in patent matters or in any way hold himself or herself out as being registered or authorized to practice before the Office in patent matters. The OED Director shall file a copy of the Rule to Show Cause with the USPTO Director.

(3) Within 30 days of the OED Director's sending the Rule to Show Cause identified in paragraph (b)(2) of this section, the registered practitioner or person granted limited recognition may file a response to the Rule to Show Cause with the USPTO Director. The response must set forth the factual and legal bases why the person should not be administratively suspended. The registered practitioner or person granted limited recognition shall serve the OED Director with a copy of the response at the time it is filed with the USPTO Director. Within ten days of receiving a copy of the response, the OED Director may file a reply with the USPTO Director that includes documents demonstrating that the notice identified in paragraph (b)(1) of this section was published and sent to the practitioner in accordance with paragraph (b)(1) of this section. A copy of the reply by the OED Director shall be served on the registered practitioner or person granted limited recognition. When acting on the Rule to Show Cause, if the USPTO Director determines that there are no genuine issues of material fact regarding the Office's compliance with the notice requirements under this section or the failure of the person to pay the requisite

fees, the USPTO Director shall enter an order administratively suspending the registered practitioner or person granted limited recognition. Otherwise, the USPTO Director shall enter an appropriate order dismissing the Rule to Show Cause. Nothing herein shall permit an administratively suspended registered practitioner or person granted limited recognition to seek a stay of the administrative suspension during the pendency of any review of the USPTO Director's final decision.

(4) [Reserved]

(5) An administratively suspended registered practitioner or person granted limited recognition is subject to investigation and discipline for his or her conduct prior to, during, or after the period he or she was administratively suspended.

(6) An administratively suspended registered practitioner or person granted limited recognition is prohibited from practicing before the Office in patent cases while administratively suspended. A registered practitioner or person granted limited recognition who knows he or she has been administratively suspended under this section will be subject to discipline for failing to comply with the provisions of this paragraph (b).

(c) *Administrative inactivation.* (1) Any registered practitioner who shall become employed by the Office shall comply with § 11.116 for withdrawal from the applications, patents, and trademark matters wherein he or she represents an applicant or other person, and notify the OED Director in writing of said employment on the first day of said employment. The name of any registered practitioner employed by the Office shall be endorsed on the roster as administratively inactive. Upon separation from the Office, the administratively inactive practitioner may request reactivation by completing and filing an application, Data Sheet, signing a written undertaking required by § 11.10, and paying the fee set forth in § 1.21(a)(1)(i) of this subchapter. An administratively inactive practitioner remains subject to the provisions of the USPTO Rules of Professional Conduct and to proceedings and sanctions under §§ 11.19 through 11.58 for conduct that violates a provision of the USPTO Rules of Professional Conduct prior to or during employment at the Office. If, within 30 days after separation from the Office, the registered practitioner does not request active status or another status, the registered practitioner will be endorsed on the roster as voluntarily inactive and be subject to the provisions of paragraph (d) of this section.

(2) Any registered practitioner who is a judge of a court of record, full-time court commissioner, U.S. bankruptcy judge, U.S. magistrate judge, or a retired judge who is eligible for temporary judicial assignment and is not engaged in the practice of law may request, in writing, that his or her name be endorsed on the roster as administratively inactive. Upon acceptance of the request, the OED Director shall endorse the name of the practitioner as administratively inactive. Following separation from the bench, the practitioner may request restoration to active status by completing and filing an application, Data Sheet, and signing a written undertaking required by § 11.10.

(d) \* \* \*

(2) [Reserved]

\* \* \* \* \*

(4) [Reserved]

(5) A registered practitioner in voluntary inactive status is prohibited from practicing before the Office in patent cases while in voluntary inactive status. A registered practitioner in voluntary inactive status will be subject to discipline for failing to comply with the provisions of this paragraph. Upon acceptance of the request for voluntary inactive status, the practitioner must comply with the provisions of § 11.116.

(6) Any registered practitioner whose name has been endorsed as voluntarily inactive pursuant to paragraph (d)(1) of this section and is not under investigation and not subject to a disciplinary proceeding may be restored to active status on the register as may be appropriate provided that the practitioner files a written request for restoration, a completed application for registration on a form supplied by the OED Director furnishing all requested information and material, including information and material pertaining to the practitioner's moral character and reputation under § 11.7(a)(2)(i) during the period of inactivation, a declaration or affidavit attesting to the fact that the practitioner has read the most recent revisions of the patent laws and the rules of practice before the Office, and pays the fees set forth in § 1.21(a)(7)(iii) and (iv) of this subchapter.

(e) *Resignation.* A registered practitioner or a practitioner recognized under § 11.14(c), who is not under investigation under § 11.22 for a possible violation of the USPTO Rules of Professional Conduct, subject to discipline under §§ 11.24 or 11.25, or a practitioner against whom probable cause has been found by a panel of the Committee on Discipline under § 11.23(b), may resign by notifying the

OED Director in writing that he or she desires to resign. Upon acceptance in writing by the OED Director of such notice, that registered practitioner or practitioner under § 11.14 shall no longer be eligible to practice before the Office in patent matters but shall continue to file a change of address for five years thereafter in order that he or she may be located in the event information regarding the practitioner's conduct comes to the attention of the OED Director or any grievance is made about his or her conduct while he or she engaged in practice before the Office. The name of any registered practitioner whose resignation is accepted shall be removed from the register, endorsed as resigned, and notice thereof published in the Official Gazette. Upon acceptance of the resignation by the OED Director, the registered practitioner must comply with the provisions of § 11.116.

(f) *Administrative reinstatement.* (1) Any registered practitioner who has been administratively suspended pursuant to paragraph (b) of this section, or who has resigned pursuant to paragraph (e) of this section, may be reinstated on the register provided the practitioner has applied for reinstatement on an application form supplied by the OED Director, demonstrated compliance with the provisions of § 11.7(a)(2)(i) and (iii), and paid the fees set forth in § 1.21(a)(9)(i) and (a)(9)(ii) of this subchapter. Any person granted limited recognition who has been administratively suspended pursuant to paragraph (b) of this section may have their recognition reactivated provided the practitioner has applied for reinstatement on an application form supplied by the OED Director, demonstrated compliance with the provisions of § 11.7(a)(2)(i) and (iii), and paid the fees set forth in § 1.21(a)(9)(i) and (a)(9)(ii) of this subchapter. A practitioner who has resigned or was administratively suspended for two or more years before the date the Office receives a completed application from the person who resigned or was administratively suspended must also pass the registration examination under § 11.7(b)(1)(ii). Any reinstated practitioner is subject to investigation and discipline for his or her conduct that occurred prior to, during, or after the period of his or her administrative suspension or resignation.

\* \* \* \* \*

■ 15. Revise § 11.19(a) and (b)(1)(iv) to read as follows:

**§ 11.19 Disciplinary jurisdiction; Jurisdiction to transfer to disability inactive status.**

(a) All practitioners engaged in practice before the Office; all practitioners administratively suspended; all practitioners registered to practice before the Office in patent cases; all practitioners inactivated; all practitioners authorized under § 11.6(d) to take testimony; and all practitioners transferred to disability inactive status, reprimanded, suspended, or excluded from the practice of law by a duly constituted authority, including by the USPTO Director, are subject to the disciplinary jurisdiction of the Office. Practitioners who have resigned shall also be subject to such jurisdiction with respect to conduct undertaken prior to the resignation and conduct in regard to any practice before the Office following the resignation. A person not registered or recognized to practice before the Office is also subject to the disciplinary authority of the Office if the person provides or offers to provide any legal services before the Office.

(b) \* \* \*  
(1) \* \* \*

(iv) Violation of any USPTO Rule of Professional Conduct; or

\* \* \* \* \*

■ 16. Revise § 11.20(a)(4) and (b) to read as follows:

**§ 11.20 Disciplinary sanctions; Transfer to disability inactive status.**

(a) \* \* \*

(4) *Probation.* Probation may be imposed *in lieu* of or in addition to any other disciplinary sanction. Any conditions of probation shall be stated in writing in the order imposing probation. The order shall also state whether, and to what extent, the practitioner shall be required to notify clients of the probation. Violation of any condition of probation shall be cause for imposition of the disciplinary sanction. Imposition of the disciplinary sanction predicated upon violation of probation shall occur only after an order to show cause why the disciplinary sanction should not be imposed is resolved adversely to the practitioner.

(b) *Conditions imposed with discipline.* When imposing discipline, the USPTO Director may condition reinstatement upon the practitioner making restitution, successfully completing a professional responsibility course or examination, or any other condition deemed appropriate under the circumstances.

\* \* \* \* \*

■ 17. Revise § 11.21 to read as follows:

**§ 11.21 Warnings.**

A warning is neither public nor a disciplinary sanction. The OED Director may conclude an investigation with the issuance of a warning. The warning shall contain a brief statement of facts and USPTO Rules of Professional Conduct relevant to the facts.

■ 18. In § 11.22 revise the section heading, paragraph (f)(2), and the introductory text of paragraph (i) to read as follows:

**§ 11.22 Disciplinary investigations.**

\* \* \* \* \*

(f) \* \* \*

(2) The OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from a non-grieving client either after obtaining the consent of the practitioner or upon a finding by a Contact Member of the Committee on Discipline, appointed in accordance with § 11.23(d), that good cause exists to believe that the possible ground for discipline alleged has occurred with respect to non-grieving clients. Neither a request for, nor disclosure of, such information shall constitute a violation of any USPTO Rules of Professional Conduct.

\* \* \* \* \*

(i) *Closing investigation.* The OED Director shall terminate an investigation and decline to refer a matter to the Committee on Discipline if the OED Director determines that:

\* \* \* \* \*

■ 19. Revise § 11.24(e) to read as follows:

**§ 11.24 Reciprocal discipline.**

\* \* \* \* \*

(e) *Adjudication in another jurisdiction or Federal agency or program.* In all other respects, a final adjudication in another jurisdiction or Federal agency or program that a practitioner, whether or not admitted in that jurisdiction, has been guilty of misconduct shall establish a prima facie case by clear and convincing evidence that the practitioner has engaged in misconduct under § 11.804.

\* \* \* \* \*

■ 20. Revise § 11.25(a) to read as follows:

**§ 11.25 Interim suspension and discipline based upon conviction of committing a serious crime.**

(a) *Notification of OED Director.* Upon being convicted of a crime in a court of the United States, any State, or a foreign country, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing

of the same within thirty days from the date of such conviction. Upon being advised or learning that a practitioner subject to the disciplinary jurisdiction of the Office has been convicted of a crime, the OED Director shall make a preliminary determination whether the crime constitutes a serious crime warranting interim suspension. If the crime is a serious crime, the OED Director shall file with the USPTO Director proof of the conviction and request the USPTO Director to issue a notice and order set forth in paragraph (b)(2) of this section. The OED Director shall in addition, without Committee on Discipline authorization, file with the USPTO Director a complaint against the practitioner complying with § 11.34 predicated upon the conviction of a serious crime. If the crime is not a serious crime, the OED Director shall process the matter in the same manner as any other information or evidence of a possible violation of any USPTO Rule of Professional Conduct coming to the attention of the OED Director.

\* \* \* \* \*

■ 21. Revise § 11.32 to read as follows:

**§ 11.32 Instituting a disciplinary proceeding.**

If after conducting an investigation under § 11.22(a), the OED Director is of the opinion that grounds exist for discipline under § 11.19(b), the OED Director, after complying where necessary with the provisions of 5 U.S.C. 558(c), may convene a meeting of a panel of the Committee on Discipline. If convened, the panel of the Committee on Discipline shall then determine as specified in § 11.23(b) whether there is probable cause to bring disciplinary charges. If the panel of the Committee on Discipline determines that probable cause exists to bring charges, the OED Director may institute a disciplinary proceeding by filing a complaint under § 11.34.

■ 22. In § 11.34 revise the introductory text of paragraph (a), and paragraphs (a)(1) and (b) to read as follows:

**§ 11.34 Complaint.**

(a) A complaint instituting a disciplinary proceeding shall:

(1) Name the person who is the subject of the complaint who may then be referred to as the “respondent”;

\* \* \* \* \*

(b) A complaint will be deemed sufficient if it fairly informs the respondent of any grounds for discipline, and where applicable, the USPTO Rules of Professional Conduct that form the basis for the disciplinary

proceeding so that the respondent is able to adequately prepare a defense.

\* \* \* \* \*

■ 23. Revise § 11.35(a)(2)(ii) and (a)(4)(ii) to read as follows:

**§ 11.35 Service of complaint.**

(a) \* \* \*

(2) \* \* \*

(ii) A respondent who is not registered at the last address for the respondent known to the OED Director.

\* \* \* \* \*

(4) \* \* \*

(ii) A respondent who is not registered at the last address for the respondent known to the OED Director.

\* \* \* \* \*

■ 24. In § 11.54 revise paragraph (a)(2) and the introductory text of paragraph (b) to read as follows:

**§ 11.54 Initial decision of hearing officer.**

(a) \* \* \*

(2) An order of default judgment, of suspension or exclusion from practice, of reprimand, of probation or an order dismissing the complaint. The order also may impose any conditions deemed appropriate under the circumstances. The hearing officer shall transmit a copy of the decision to the OED Director and to the respondent. After issuing the decision, the hearing officer shall transmit the entire record to the OED Director. In the absence of an appeal to the USPTO Director, the decision of the hearing officer, including a default judgment, will, without further proceedings, become the decision of the USPTO Director thirty days from the date of the decision of the hearing officer.

(b) The initial decision of the hearing officer shall explain the reason for any default judgment, reprimand, suspension, exclusion, or probation, and shall explain any conditions imposed with discipline. In determining any sanction, the following four factors must be considered if they are applicable:

\* \* \* \* \*

■ 25. In § 11.58 revise the introductory text of paragraph (b)(2) and paragraph (f)(1)(ii) to read as follows:

**§ 11.58 Duties of disciplined or resigned practitioner, or practitioner on disability inactive status.**

\* \* \* \* \*

(b) \* \* \*

(2) Within forty-five days after entry of the order of suspension, exclusion, or of acceptance of resignation, the practitioner shall file with the OED Director an affidavit of compliance certifying that the practitioner has fully complied with the provisions of the

order, this section, and with § 11.116 for withdrawal from representation.

Appended to the affidavit of compliance shall be:

\* \* \* \* \*

(f) \* \* \*

(1) \* \* \*

(ii) Shows by clear and convincing evidence that the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status has complied with the provisions of this section and all USPTO Rules of Professional Conduct; and

\* \* \* \* \*

**§ 11.61 [Removed and reserved]**

■ 26. Section 11.61 is removed and reserved.

■ 27. Subpart D is added to Part 11 to read as follows:

**Subpart D—USPTO Rules of Professional Conduct**

Sec.

11.100 [Reserved]

**Client-Practitioner Relationship**

11.101 Competence.

11.102 Scope of representation and allocation of authority between client and practitioner.

11.103 Diligence.

11.104 Communication.

11.105 Fees.

11.106 Confidentiality of information.

11.107 Conflict of interest; Current clients.

11.108 Conflict of interest; Current clients; Specific rules.

11.109 Duties to former clients.

11.110 Imputation of conflicts of interest; General rule.

11.111 Former or current Federal Government employees.

11.112 Former judge, arbitrator, mediator or other third-party neutral.

11.113 Organization as client.

11.114 Client with diminished capacity.

11.115 Safekeeping property.

11.116 Declining or terminating representation.

11.117 Sale of law practice.

11.118 Duties to prospective client.

11.119–11.200 [Reserved]

**Counselor**

11.201 Advisor.

11.202 [Reserved]

11.203 Evaluation for use by third persons.

11.204 Practitioner serving as third-party neutral.

11.205–11.300 [Reserved]

**Advocate**

11.301 Meritorious claims and contentions.

11.302 Expediting proceedings.

11.303 Candor toward the tribunal.

11.304 Fairness to opposing party and counsel.

11.305 Impartiality and decorum of the tribunal.

11.306 Trial publicity.

11.307 Practitioner as witness.

- 11.308 [Reserved]  
 11.309 Advocate in nonadjudicative proceedings.  
 11.310–11.400 [Reserved]

#### Transactions With Persons Other Than Clients

- 11.401 Truthfulness in statements to others.  
 11.402 Communication with person represented by a practitioner.  
 11.403 Dealing with unrepresented person.  
 11.404 Respect for rights of third persons.  
 11.405–11.500 [Reserved]

#### Law Firms and Associations

- 11.501 Responsibilities of partners, managers, and supervisory practitioners.  
 11.502 Responsibilities of a subordinate practitioner.  
 11.503 Responsibilities regarding non-practitioner assistance.  
 11.504 Professional independence of a practitioner.  
 11.505 Unauthorized practice of law.  
 11.506 Restrictions on right to practice.  
 11.507 Responsibilities regarding law-related services.  
 11.508–11.700 [Reserved]

#### Information About Legal Services

- 11.701 Communications concerning a practitioner's services.  
 11.702 Advertising.  
 11.703 Direct contact with prospective clients.  
 11.704 Communication of fields of practice and specialization.  
 11.705 Firm names and letterheads.  
 11.706–11.800 [Reserved]

#### Maintaining the Integrity of the Profession

- 11.801 Registration, recognition and disciplinary matters.  
 11.802 Judicial and legal officials.  
 11.803 Reporting professional misconduct.  
 11.804 Misconduct.  
 11.805–11.900 [Reserved]  
 11.901 Savings clause.

#### Subpart D—USPTO Rules of Professional Conduct

##### § 11.100 [Reserved]

#### Client-Practitioner Relationship

##### § 11.101 Competence.

A practitioner shall provide competent representation to a client. Competent representation requires the legal, scientific, and technical knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

##### § 11.102 Scope of representation and allocation of authority between client and practitioner.

(a) Subject to paragraphs (c) and (d) of this section, a practitioner shall abide by a client's decisions concerning the objectives of representation and, as required by § 11.104, shall consult with the client as to the means by which they

are to be pursued. A practitioner may take such action on behalf of the client as is impliedly authorized to carry out the representation. A practitioner shall abide by a client's decision whether to settle a matter.

(b) [Reserved]

(c) A practitioner may limit the scope of the representation if the limitation is reasonable under the circumstances and the client gives informed consent.

(d) A practitioner shall not counsel a client to engage, or assist a client, in conduct that the practitioner knows is criminal or fraudulent, but a practitioner may discuss the legal consequences of any proposed course of conduct with a client and may counsel or assist a client to make a good-faith effort to determine the validity, scope, meaning or application of the law.

##### § 11.103 Diligence.

A practitioner shall act with reasonable diligence and promptness in representing a client.

##### § 11.104 Communication.

(a) A practitioner shall:

(1) Promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required by the USPTO Rules of Professional Conduct;

(2) Reasonably consult with the client about the means by which the client's objectives are to be accomplished;

(3) Keep the client reasonably informed about the status of the matter;

(4) Promptly comply with reasonable requests for information from the client; and

(5) Consult with the client about any relevant limitation on the practitioner's conduct when the practitioner knows that the client expects assistance not permitted by the USPTO Rules of Professional Conduct or other law.

(b) A practitioner shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

##### § 11.105 Fees.

(a) A practitioner shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered 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 in the locality 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; and

(8) Whether the fee is fixed or contingent.

(b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the practitioner will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.

(c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by law. A contingent fee agreement shall be in a writing signed by the client and shall state the method by which the fee is to be determined, including the percentage or percentages that shall accrue to the practitioner in the event of settlement, trial or appeal; litigation and other expenses to be deducted from the recovery; and whether such expenses are to be deducted before or after the contingent fee is calculated. The agreement must clearly notify the client of any expenses for which the client will be liable whether or not the client is the prevailing party. Upon conclusion of a contingent fee matter, the practitioner shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.

(d) [Reserved]

(e) A division of a fee between practitioners who are not in the same firm may be made only if:

(1) The division is in proportion to the services performed by each practitioner or each practitioner assumes joint responsibility for the representation;

(2) The client agrees to the arrangement, including the share each practitioner will receive, and the agreement is confirmed in writing; and

(3) The total fee is reasonable.

**§ 11.106 Confidentiality of information.**

(A) A practitioner shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation, the disclosure is permitted by paragraph (b) of this section, or the disclosure is required by paragraph (c) of this section.

(b) A practitioner may reveal information relating to the representation of a client to the extent the practitioner reasonably believes necessary:

(1) To prevent reasonably certain death or substantial bodily harm;

(2) To prevent the client from engaging in inequitable conduct before the Office or from committing a crime or fraud that is reasonably certain to result in substantial injury to the financial interests or property of another and in furtherance of which the client has used or is using the practitioner's services;

(3) To prevent, mitigate or rectify substantial injury to the financial interests or property of another that is reasonably certain to result or has resulted from the client's commission of a crime, fraud, or inequitable conduct before the Office in furtherance of which the client has used the practitioner's services;

(4) To secure legal advice about the practitioner's compliance with the USPTO Rules of Professional Conduct;

(5) To establish a claim or defense on behalf of the practitioner in a controversy between the practitioner and the client, to establish a defense to a criminal charge or civil claim against the practitioner based upon conduct in which the client was involved, or to respond to allegations in any proceeding concerning the practitioner's representation of the client; or

(6) To comply with other law or a court order.

(c) A practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions.

**§ 11.107 Conflict of interest; Current clients.**

(a) Except as provided in paragraph (b) of this section, a practitioner shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:

(1) The representation of one client will be directly adverse to another client; or

(2) There is a significant risk that the representation of one or more clients will be materially limited by the

practitioner's responsibilities to another client, a former client or a third person or by a personal interest of the practitioner.

(b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a) of this section, a practitioner may represent a client if:

(1) The practitioner reasonably believes that the practitioner will be able to provide competent and diligent representation to each affected client;

(2) The representation is not prohibited by law;

(3) The representation does not involve the assertion of a claim by one client against another client represented by the practitioner in the same litigation or other proceeding before a tribunal; and

(4) Each affected client gives informed consent, confirmed in writing.

**§ 11.108 Conflict of interest; Current clients; Specific rules.**

(a) A practitioner shall not enter into a business transaction with a client or knowingly acquire an ownership, possessory, security or other pecuniary interest adverse to a client unless:

(1) The transaction and terms on which the practitioner acquires the interest are fair and reasonable to the client and are fully disclosed and transmitted in writing in a manner that can be reasonably understood by the client;

(2) The client is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the advice of independent legal counsel in the transaction; and

(3) The client gives informed consent, in a writing signed by the client, to the essential terms of the transaction and the practitioner's role in the transaction, including whether the practitioner is representing the client in the transaction.

(b) A practitioner shall not use information relating to representation of a client to the disadvantage of the client unless the client gives informed consent, except as permitted or required by the USPTO Rules of Professional Conduct.

(c) A practitioner shall not solicit any substantial gift from a client, including a testamentary gift, or prepare on behalf of a client an instrument giving the practitioner or a person related to the practitioner any substantial gift unless the practitioner or other recipient of the gift is related to the client. For purposes of this paragraph, related persons include a spouse, child, grandchild, parent, grandparent or other relative or individual with whom the practitioner

or the client maintains a close, familial relationship.

(d) Prior to the conclusion of representation of a client, a practitioner shall not make or negotiate an agreement giving the practitioner literary or media rights to a portrayal or account based in substantial part on information relating to the representation.

(e) A practitioner shall not provide financial assistance to a client in connection with pending or contemplated litigation or a proceeding before the Office, except that:

(1) A practitioner may advance court costs and expenses of litigation, the repayment of which may be contingent on the outcome of the matter;

(2) A practitioner representing an indigent client may pay court costs and expenses of litigation or a proceeding before the Office on behalf of the client;

(3) A practitioner may advance costs and expenses in connection with a proceeding before the Office provided the client remains ultimately liable for such costs and expenses; and

(4) A practitioner may also 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.

(f) A practitioner shall not accept compensation for representing a client from one other than the client unless:

(1) The client gives informed consent;

(2) There is no interference with the practitioner's independence of professional judgment or with the client-practitioner relationship; and

(3) Information relating to representation of a client is protected as required by § 11.106.

(g) A practitioner who represents two or more clients shall not participate in making an aggregate settlement of the claims of or against the clients, unless each client gives informed consent, in a writing signed by the client. The practitioner's disclosure shall include the existence and nature of all the claims involved and of the participation of each person in the settlement.

(h) A practitioner shall not:

(1) Make an agreement prospectively limiting the practitioner's liability to a client for malpractice unless the client is independently represented in making the agreement; or

(2) Settle a claim or potential claim for such liability with an unrepresented client or former client unless that person is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the

advice of independent legal counsel in connection therewith.

(i) A practitioner shall not acquire a proprietary interest in the cause of action, subject matter of litigation, or a proceeding before the Office which the practitioner is conducting for a client, except that the practitioner may, subject to the other provisions in this section:

(1) Acquire a lien authorized by law to secure the practitioner's fee or expenses;

(2) Contract with a client for a reasonable contingent fee in a civil case; and

(3) In a patent case or a proceeding before the Office, take an interest in the patent or patent application as part or all of his or her fee.

(j) [Reserved]

(k) While practitioners are associated in a firm, a prohibition in paragraphs (a) through (i) of this section that applies to any one of them shall apply to all of them.

#### **§ 11.109 Duties to former clients.**

(a) A practitioner who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client gives informed consent, confirmed in writing.

(b) A practitioner shall not knowingly represent a person in the same or a substantially related matter in which a firm with which the practitioner formerly was associated had previously represented a client:

(1) Whose interests are materially adverse to that person; and

(2) About whom the practitioner had acquired information protected by §§ 11.106 and 11.109(c) that is material to the matter; unless the former client gives informed consent, confirmed in writing.

(c) A practitioner who has formerly represented a client in a matter or whose present or former firm has formerly represented a client in a matter shall not thereafter:

(1) Use information relating to the representation to the disadvantage of the former client except as the USPTO Rules of Professional Conduct would permit or require with respect to a client, or when the information has become generally known; or

(2) Reveal information relating to the representation except as the USPTO Rules of Professional Conduct would permit or require with respect to a client.

#### **§ 11.110 Imputation of conflicts of interest; General rule.**

(a) While practitioners are associated in a firm, none of them shall knowingly represent a client when any one of them practicing alone would be prohibited from doing so by §§ 11.107 or 11.109, unless:

(1) The prohibition is based on a personal interest of the disqualified practitioner and does not present a significant risk of materially limiting the representation of the client by the remaining practitioners in the firm; or

(2) The prohibition is based upon § 11.109(a) or (b), and arises out of the disqualified practitioner's association with a prior firm, and

(i) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(ii) Written notice is promptly given to any affected former client to enable the former client to ascertain compliance with the provisions of this section, which shall include a description of the screening procedures employed; a statement of the firm's and of the screened practitioner's compliance with the USPTO Rules of Professional Conduct; a statement that review may be available before a tribunal; and an agreement by the firm to respond promptly to any written inquiries or objections by the former client about the screening procedures.

(b) When a practitioner has terminated an association with a firm, the firm is not prohibited from thereafter representing a person with interests materially adverse to those of a client represented by the formerly associated practitioner and not currently represented by the firm, unless:

(1) The matter is the same or substantially related to that in which the formerly associated practitioner represented the client; and

(2) Any practitioner remaining in the firm has information protected by §§ 11.106 and 11.109(c) that is material to the matter.

(c) A disqualification prescribed by this section may be waived by the affected client under the conditions stated in § 11.107.

(d) The disqualification of practitioners associated in a firm with former or current Federal Government lawyers is governed by § 11.111.

#### **§ 11.111 Former or current Federal Government employees.**

A practitioner who is a former or current Federal Government employee shall not engage in any conduct which is contrary to applicable Federal ethics law, including conflict of interest

statutes and regulations of the department, agency or commission formerly or currently employing said practitioner.

#### **§ 11.112 Former judge, arbitrator, mediator or other third-party neutral.**

(a) Except as stated in paragraph (d) of this section, a practitioner shall not represent anyone in connection with a matter in which the practitioner participated personally and substantially as a judge or other adjudicative officer or law clerk to such a person or as an arbitrator, mediator or other third-party neutral, unless all parties to the proceeding give informed consent, confirmed in writing.

(b) A practitioner shall not negotiate for employment with any person who is involved as a party or as practitioner for a party in a matter in which the practitioner is participating personally and substantially as a judge or other adjudicative officer or as an arbitrator, mediator or other third-party neutral. A practitioner serving as a law clerk to a judge or other adjudicative officer may negotiate for employment with a party or practitioner involved in a matter in which the clerk is participating personally and substantially, but only after the practitioner has notified the judge, or other adjudicative officer.

(c) If a practitioner is disqualified by paragraph (a) of this section, no practitioner in a firm with which that practitioner is associated may knowingly undertake or continue representation in the matter unless:

(1) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(2) Written notice is promptly given to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this section.

(d) An arbitrator selected as a partisan of a party in a multimember arbitration panel is not prohibited from subsequently representing that party.

#### **§ 11.113 Organization as client.**

(a) A practitioner employed or retained by an organization represents the organization acting through its duly authorized constituents.

(b) If a practitioner for an organization knows that an officer, employee or other person associated with the organization is engaged in action, intends to act or refuses to act in a matter related to the representation that is a violation of a legal obligation to the organization, or a violation of law that reasonably might be imputed to the organization, and that is likely to result in substantial injury to the organization, then the practitioner

shall proceed as is reasonably necessary in the best interest of the organization. Unless the practitioner reasonably believes that it is not necessary in the best interest of the organization to do so, the practitioner shall refer the matter to higher authority in the organization, including, if warranted by the circumstances, to the highest authority that can act on behalf of the organization as determined by applicable law.

(c) Except as provided in paragraph (d) of this section, if

(1) Despite the practitioner's efforts in accordance with paragraph (b) of this section the highest authority that can act on behalf of the organization insists upon or fails to address in a timely and appropriate manner an action, or a refusal to act, that is clearly a violation of law, and

(2) The practitioner reasonably believes that the violation is reasonably certain to result in substantial injury to the organization, then the practitioner may reveal information relating to the representation whether or not § 11.106 permits such disclosure, but only if and to the extent the practitioner reasonably believes necessary to prevent substantial injury to the organization.

(d) Paragraph (c) of this section shall not apply with respect to information relating to a practitioner's representation of an organization to investigate an alleged violation of law, or to defend the organization or an officer, employee or other constituent associated with the organization against a claim arising out of an alleged violation of law.

(e) A practitioner who reasonably believes that he or she has been discharged because of the practitioner's actions taken pursuant to paragraphs (b) or (c) of this section, or who withdraws under circumstances that require or permit the practitioner to take action under either of those paragraphs, shall proceed as the practitioner reasonably believes necessary to assure that the organization's highest authority is informed of the practitioner's discharge or withdrawal.

(f) In dealing with an organization's directors, officers, employees, members, shareholders, or other constituents, a practitioner shall explain the identity of the client when the practitioner knows or reasonably should know that the organization's interests are adverse to those of the constituents with whom the practitioner is dealing.

(g) A practitioner representing an organization may also represent any of its directors, officers, employees, members, shareholders or other constituents, subject to the provisions of

§ 11.107. If the organization's consent to the dual representation is required by § 11.107, the consent shall be given by an appropriate official of the organization other than the individual who is to be represented, or by the shareholders.

**§ 11.114 Client with diminished capacity.**

(a) When a client's capacity to make adequately considered decisions in connection with a representation is diminished, whether because of minority, mental impairment or for some other reason, the practitioner shall, as far as reasonably possible, maintain a normal client-practitioner relationship with the client.

(b) When the practitioner reasonably believes that the client has diminished capacity, is at risk of substantial physical, financial or other harm unless action is taken and cannot adequately act in the client's own interest, the practitioner may take reasonably necessary protective action, including consulting with individuals or entities that have the ability to take action to protect the client and, in appropriate cases, seeking the appointment of a guardian ad litem, conservator or guardian.

(c) Information relating to the representation of a client with diminished capacity is protected under § 11.106. When taking protective action pursuant to paragraph (b) of this section, the practitioner is impliedly authorized under § 11.106(a) to reveal information about the client, but only to the extent reasonably necessary to protect the client's interests.

**§ 11.115 Safekeeping property.**

(a) A practitioner shall hold property of clients or third persons that is in a practitioner's possession in connection with a representation separate from the practitioner's own property. Funds shall be kept in a separate account maintained in the state where the practitioner's office is situated, or elsewhere with the consent of the client or third person. Where the practitioner's office is situated in a foreign country, funds shall be kept in a separate account maintained in that foreign country or elsewhere with the consent of the client or third person. Other property shall be identified as such and appropriately safeguarded. Complete records of such account funds and other property shall be kept by the practitioner and shall be preserved for a period of five years after termination of the representation.

(b) A practitioner may deposit the practitioner's own funds in a client trust account for the sole purpose of paying bank service charges on that account,

but only in an amount necessary for that purpose.

(c) A practitioner shall deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the practitioner only as fees are earned or expenses incurred.

(d) Upon receiving funds or other property in which a client or third person has an interest, a practitioner shall promptly notify the client or third person. Except as stated in this section or otherwise permitted by law or by agreement with the client, a practitioner shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full accounting regarding such property.

(e) When in the course of representation a practitioner is in possession of property in which two or more persons (one of whom may be the practitioner) claim interests, the property shall be kept separate by the practitioner until the dispute is resolved. The practitioner shall promptly distribute all portions of the property as to which the interests are not in dispute.

(f) All separate accounts for clients or third persons kept by a practitioner must also comply with the following provisions:

(1) *Required records.* The records to be kept include:

(i) Receipt and disbursement journals containing a record of deposits to and withdrawals from client trust accounts, specifically identifying the date, source, and description of each item deposited, as well as the date, payee and purpose of each disbursement;

(ii) Ledger records for all client trust accounts showing, for each separate trust client or beneficiary, the source of all funds deposited, the names of all persons for whom the funds are or were held, the amount of such funds, the descriptions and amounts of charges or withdrawals, and the names of all persons or entities to whom such funds were disbursed;

(iii) Copies of retainer and compensation agreements with clients;

(iv) Copies of accountings to clients or third persons showing the disbursement of funds to them or on their behalf;

(v) Copies of bills for legal fees and expenses rendered to clients;

(vi) Copies of records showing disbursements on behalf of clients;

(vii) The physical or electronic equivalents of all checkbook registers, bank statements, records of deposit, pre-numbered canceled checks, and

substitute checks provided by a financial institution;

(viii) Records of all electronic transfers from client trust accounts, including the name of the person authorizing transfer, the date of transfer, the name of the recipient and confirmation from the financial institution of the trust account number from which money was withdrawn and the date and the time the transfer was completed;

(ix) Copies of monthly trial balances and quarterly reconciliations of the client trust accounts maintained by the practitioner; and

(x) Copies of those portions of client files that are reasonably related to client trust account transactions.

(2) *Client trust account safeguards.* With respect to client trust accounts required by paragraphs (a) through (e) of this section:

(i) Only a practitioner or a person under the direct supervision of the practitioner shall be an authorized signatory or authorize transfers from a client trust account;

(ii) Receipts shall be deposited intact and records of deposit should be sufficiently detailed to identify each item; and

(iii) Withdrawals shall be made only by check payable to a named payee and not to cash, or by authorized electronic transfer.

(3) *Availability of records.* Records required by paragraph (f)(1) of this section may be maintained by electronic, photographic, or other media provided that they otherwise comply with paragraphs (f)(1) and (f)(2) of this section and that printed copies can be produced. These records shall be readily accessible to the practitioner.

(4) *Lawyers.* The records kept by a lawyer are deemed to be in compliance with this section if the types of records that are maintained meet the recordkeeping requirements of a state in which the lawyer is licensed and in good standing, the recordkeeping requirements of the state where the lawyer's principal place of business is located, or the recordkeeping requirements of this section.

(5) *Patent agents and persons granted limited recognition who are employed in the United States by a law firm.* The records kept by a law firm employing one or more registered patent agents or persons granted limited recognition under § 11.9 are deemed to be in compliance with this section if the types of records that are maintained meet the recordkeeping requirements of the state where at least one practitioner of the law firm is licensed and in good standing, the recordkeeping

requirements of the state where the law firm's principal place of business is located, or the recordkeeping requirements of this section.

**§ 11.116 Declining or terminating representation.**

(a) Except as stated in paragraph (c) of this section, a practitioner shall not represent a client, or where representation has commenced, shall withdraw from the representation of a client if:

(1) The representation will result in violation of the USPTO Rules of Professional Conduct or other law;

(2) The practitioner's physical or mental condition materially impairs the practitioner's ability to represent the client; or

(3) The practitioner is discharged.

(b) Except as stated in paragraph (c) of this section, a practitioner may withdraw from representing a client if:

(1) Withdrawal can be accomplished without material adverse effect on the interests of the client;

(2) The client persists in a course of action involving the practitioner's services that the practitioner reasonably believes is criminal or fraudulent;

(3) The client has used the practitioner's services to perpetrate a crime or fraud;

(4) A client insists upon taking action that the practitioner considers repugnant or with which the practitioner has a fundamental disagreement;

(5) The client fails substantially to fulfill an obligation to the practitioner regarding the practitioner's services and has been given reasonable warning that the practitioner will withdraw unless the obligation is fulfilled;

(6) The representation will result in an unreasonable financial burden on the practitioner or has been rendered unreasonably difficult by the client; or

(7) Other good cause for withdrawal exists.

(c) A practitioner must comply with applicable law requiring notice to or permission of a tribunal when terminating a representation. When ordered to do so by a tribunal, a practitioner shall continue representation notwithstanding good cause for terminating the representation.

(d) Upon termination of representation, a practitioner shall take steps to the extent reasonably practicable to protect a client's interests, such as giving reasonable notice to the client, allowing time for employment of other counsel, surrendering papers and property to which the client is entitled and refunding any advance payment of fee or expense that has not been earned

or incurred. The practitioner may retain papers relating to the client to the extent permitted by other law.

**§ 11.117 Sale of law practice.**

A practitioner or a law firm may sell or purchase a law practice, or an area of law practice, including good will, if the following conditions are satisfied:

(a) The seller ceases to engage in the private practice of law, or in the area of practice that has been sold, in a geographic area in which the practice has been conducted;

(b)(1) Except as provided in paragraph (b)(2) of this section, the entire practice, or the entire area of practice, is sold to one or more lawyers or law firms;

(2) To the extent the practice or the area of practice involves patent proceedings before the Office, that practice or area of practice may be sold only to one or more registered practitioners or law firms that include at least one registered practitioner;

(c)(1) The seller gives written notice to each of the seller's clients regarding:

(i) The proposed sale;

(ii) The client's right to retain other counsel or to take possession of the file; and

(iii) The fact that the client's consent to the transfer of the client's files will be presumed if the client does not take any action or does not otherwise object within ninety (90) days after receipt of the notice.

(2) If a client cannot be given notice, the representation of that client may be transferred to the purchaser only upon entry of an order so authorizing by a court having jurisdiction. The seller may disclose to the court in camera information relating to the representation only to the extent necessary to obtain an order authorizing the transfer of a file; and

(d) The fees charged clients shall not be increased by reason of the sale.

**§ 11.118 Duties to prospective client.**

(a) A person who discusses with a practitioner the possibility of forming a client-practitioner relationship with respect to a matter is a prospective client.

(b) Even when no client-practitioner relationship ensues, a practitioner who has had discussions with the prospective client shall not use or reveal information learned in the consultation, except as § 11.109 would permit with respect to information of a former client.

(c) A practitioner subject to paragraph (b) of this section shall not represent a client with interests materially adverse to those of a prospective client in the same or a substantially related matter if the practitioner received information

from the prospective client that could be significantly harmful to that person in the matter, except as provided in paragraph (d) of this section. If a practitioner is disqualified from representation under this paragraph, no practitioner in a firm with which that practitioner is associated may knowingly undertake or continue representation in such a matter, except as provided in paragraph (d) of this section.

(d) When the practitioner has received disqualifying information as defined in paragraph (c) of this section, representation is permissible if:

(1) Both the affected client and the prospective client have given informed consent, confirmed in writing; or

(2) The practitioner who received the information took reasonable measures to avoid exposure to more disqualifying information than was reasonably necessary to determine whether to represent the prospective client; and

(i) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and

(ii) Written notice is promptly given to the prospective client.

#### §§ 11.119–11.200 [Reserved]

#### Counselor

##### § 11.201 Advisor.

In representing a client, a practitioner shall exercise independent professional judgment and render candid advice. In rendering advice, a practitioner may refer not only to law but to other considerations such as moral, economic, social and political factors that may be relevant to the client's situation.

##### § 11.202 [Reserved]

##### § 11.203 Evaluation for use by third persons.

(a) A practitioner may provide an evaluation of a matter affecting a client for the use of someone other than the client if the practitioner reasonably believes that making the evaluation is compatible with other aspects of the practitioner's relationship with the client.

(b) When the practitioner knows or reasonably should know that the evaluation is likely to affect the client's interests materially and adversely, the practitioner shall not provide the evaluation unless the client gives informed consent.

(c) Except as disclosure is authorized in connection with a report of an evaluation, information relating to the evaluation is otherwise protected by § 11.106.

##### § 11.204 Practitioner serving as third-party neutral.

(a) A practitioner serves as a third-party neutral when the practitioner assists two or more persons who are not clients of the practitioner to reach a resolution of a dispute or other matter that has arisen between them. Service as a third-party neutral may include service as an arbitrator, a mediator or in such other capacity as will enable the practitioner to assist the parties to resolve the matter.

(b) A practitioner serving as a third-party neutral shall inform unrepresented parties that the practitioner is not representing them. When the practitioner knows or reasonably should know that a party does not understand the practitioner's role in the matter, the practitioner shall explain the difference between the practitioner's role as a third-party neutral and a practitioner's role as one who represents a client.

#### §§ 11.205–11.300 [Reserved]

#### Advocate

##### § 11.301 Meritorious claims and contentions.

A practitioner shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis in law and fact for doing so that is not frivolous, which includes a good-faith argument for an extension, modification or reversal of existing law.

##### § 11.302 Expediting proceedings.

A practitioner shall make reasonable efforts to expedite proceedings before a tribunal consistent with the interests of the client.

##### § 11.303 Candor toward the tribunal.

(a) A practitioner shall not knowingly:

(1) Make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the practitioner;

(2) Fail to disclose to the tribunal legal authority in the controlling jurisdiction known to the practitioner to be directly adverse to the position of the client and not disclosed by opposing counsel in an *inter partes* proceeding, or fail to disclose such authority in an *ex parte* proceeding before the Office if such authority is not otherwise disclosed; or

(3) Offer evidence that the practitioner knows to be false. If a practitioner, the practitioner's client, or a witness called by the practitioner, has offered material evidence and the practitioner comes to know of its falsity, the practitioner shall take reasonable remedial measures,

including, if necessary, disclosure to the tribunal. A practitioner may refuse to offer evidence that the practitioner reasonably believes is false.

(b) A practitioner who represents a client in a proceeding before a tribunal and who knows that a person intends to engage, is engaging or has engaged in criminal or fraudulent conduct related to the proceeding shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.

(c) The duties stated in paragraphs (a) and (b) of this section continue to the conclusion of the proceeding, and apply even if compliance requires disclosure of information otherwise protected by § 11.106.

(d) In an *ex parte* proceeding, a practitioner shall inform the tribunal of all material facts known to the practitioner that will enable the tribunal to make an informed decision, whether or not the facts are adverse.

(e) In a proceeding before the Office, a practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions.

##### § 11.304 Fairness to opposing party and counsel.

A practitioner shall not:

(a) Unlawfully obstruct another party's access to evidence or unlawfully alter, destroy or conceal a document or other material having potential evidentiary value. A practitioner shall not counsel or assist another person to do any such act;

(b) Falsify evidence, counsel or assist a witness to testify falsely, or offer an inducement to a witness that is prohibited by law;

(c) Knowingly disobey an obligation under the rules of a tribunal except for an open refusal based on an assertion that no valid obligation exists;

(d) Make a frivolous discovery request or fail to make a reasonably diligent effort to comply with a legally proper discovery request by an opposing party;

(e) In a proceeding before a tribunal, allude to any matter that the practitioner does not reasonably believe is relevant or that will not be supported by admissible evidence, assert personal knowledge of facts in issue except when testifying as a witness, or state a personal opinion as to the justness of a cause, the credibility of a witness, the culpability of a civil litigant or the guilt or innocence of an accused; or

(f) Request a person other than a client to refrain from voluntarily giving relevant information to another party unless:

(1) The person is a relative or an employee or other agent of a client; and

(2) The practitioner reasonably believes that the person's interests will not be adversely affected by refraining from giving such information.

**§ 11.305 Impartiality and decorum of the tribunal.**

A practitioner shall not:

(a) Seek to influence a judge, hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, juror, prospective juror, employee or officer of the Office, or other official by means prohibited by law;

(b) Communicate *ex parte* with such a person during the proceeding unless authorized to do so by law, rule or court order; or

(c) [Reserved]

(d) Engage in conduct intended to disrupt any proceeding before a tribunal.

**§ 11.306 Trial publicity.**

(a) A practitioner who is participating or has participated in the investigation or litigation of a matter shall not make an extrajudicial statement that the practitioner knows or reasonably should know will be disseminated by means of public communication and will have a substantial likelihood of materially prejudicing an adjudicative proceeding in the matter.

(b) Notwithstanding paragraph (a) of this section, a practitioner may state:

(1) The claim, offense or defense involved and, except when prohibited by law, the identity of the persons involved;

(2) Information contained in a public record;

(3) That an investigation of a matter is in progress;

(4) The scheduling or result of any step in litigation;

(5) A request for assistance in obtaining evidence and information necessary thereto; and

(6) A warning of danger concerning the behavior of a person involved, when there is reason to believe that there exists the likelihood of substantial harm to an individual or to the public interest.

(c) Notwithstanding paragraph (a) of this section, a practitioner may make a statement that a reasonable practitioner would believe is required to protect a client from the substantial undue prejudicial effect of recent publicity not initiated by the practitioner or the practitioner's client. A statement made pursuant to this paragraph shall be limited to such information as is necessary to mitigate the recent adverse publicity.

(d) No practitioner associated in a firm or government agency with a

practitioner subject to paragraph (a) of this section shall make a statement prohibited by paragraph (a).

**§ 11.307 Practitioner as witness.**

(a) A practitioner shall not act as advocate at a proceeding before a tribunal in which the practitioner is likely to be a necessary witness unless:

(1) The testimony relates to an uncontested issue;

(2) The testimony relates to the nature and value of legal services rendered in the case; or

(3) Disqualification of the practitioner would work substantial hardship on the client.

(b) A practitioner may act as advocate in a proceeding before a tribunal in which another practitioner in the practitioner's firm is likely to be called as a witness unless precluded from doing so by §§ 11.107 or 11.109.

**§ 11.308 [Reserved]**

**§ 11.309 Advocate in nonadjudicative proceedings.**

A practitioner representing a client before a legislative body or administrative agency in a nonadjudicative proceeding shall disclose that the appearance is in a representative capacity and shall conform to the provisions of §§ 11.303(a) through (c), 11.304(a) through (c), and 11.305.

**§§ 11.310—11.400 [Reserved]**

**Transactions With Persons Other Than Clients**

**§ 11.401 Truthfulness in statements to others.**

In the course of representing a client, a practitioner shall not knowingly:

(a) Make a false statement of material fact or law to a third person; or

(b) Fail to disclose a material fact to a third person when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by § 11.106.

**§ 11.402 Communication with person represented by a practitioner.**

(a) In representing a client, a practitioner shall not communicate about the subject of the representation with a person the practitioner knows to be represented by another practitioner in the matter, unless the practitioner has the consent of the other practitioner or is authorized to do so by law, rule, or a court order.

(b) This section does not prohibit communication by a practitioner with government officials who are otherwise represented by counsel and who have the authority to redress the grievances of

the practitioner's client, provided that, if the communication relates to a matter for which the government official is represented, then prior to the communication the practitioner must disclose to such government official both the practitioner's identity and the fact that the practitioner represents a party with a claim against the government.

**§ 11.403 Dealing with unrepresented person.**

In dealing on behalf of a client with a person who is not represented by a practitioner, a practitioner shall not state or imply that the practitioner is disinterested. When the practitioner knows or reasonably should know that the unrepresented person misunderstands the practitioner's role in the matter, the practitioner shall make reasonable efforts to correct the misunderstanding. The practitioner shall not give legal advice to an unrepresented person, other than the advice to secure counsel, if the practitioner knows or reasonably should know that the interests of such a person are or have a reasonable possibility of being in conflict with the interests of the client.

**§ 11.404 Respect for rights of third persons.**

(a) In representing a client, a practitioner shall not use means that have no substantial purpose other than to embarrass, delay, or burden a third person, or use methods of obtaining evidence that violate the legal rights of such a person.

(b) A practitioner who receives a document or electronically stored information relating to the representation of the practitioner's client and knows or reasonably should know that the document or electronically stored information was inadvertently sent shall promptly notify the sender.

**§§ 11.405—11.500 [Reserved]**

**Law Firms and Associations**

**§ 11.501 Responsibilities of partners, managers, and supervisory practitioners.**

(a) A practitioner who is a partner in a law firm, and a practitioner who individually or together with other practitioners possesses comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that all practitioners in the firm conform to the USPTO Rules of Professional Conduct.

(b) A practitioner having direct supervisory authority over another

practitioner shall make reasonable efforts to ensure that the other practitioner conforms to the USPTO Rules of Professional Conduct.

(c) A practitioner shall be responsible for another practitioner's violation of the USPTO Rules of Professional Conduct if:

(1) The practitioner orders or, with knowledge of the specific conduct, ratifies the conduct involved; or

(2) The practitioner is a partner or has comparable managerial authority in the law firm in which the other practitioner practices, or has direct supervisory authority over the other practitioner, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

**§ 11.502 Responsibilities of a subordinate practitioner.**

(a) A practitioner is bound by the USPTO Rules of Professional Conduct notwithstanding that the practitioner acted at the direction of another person.

(b) A subordinate practitioner does not violate the USPTO Rules of Professional Conduct if that practitioner acts in accordance with a supervisory practitioner's reasonable resolution of an arguable question of professional duty.

**§ 11.503 Responsibilities regarding non-practitioner assistance.**

With respect to a non-practitioner assistant employed or retained by or associated with a practitioner:

(a) A practitioner who is a partner, and a practitioner who individually or together with other practitioners possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the practitioner;

(b) A practitioner having direct supervisory authority over the non-practitioner assistant shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the practitioner; and

(c) A practitioner shall be responsible for conduct of such a person that would be a violation of the USPTO Rules of Professional Conduct if engaged in by a practitioner if:

(1) The practitioner orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or

(2) The practitioner is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory

authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

**§ 11.504 Professional independence of a practitioner.**

(a) A practitioner or law firm shall not share legal fees with a non-practitioner, except that:

(1) 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;

(2) A practitioner who purchases the practice of a deceased, disabled, or disappeared practitioner may, pursuant to the provisions of § 11.117, pay to the estate or other representative of that practitioner the agreed-upon purchase price;

(3) A practitioner or law firm 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; and

(4) A practitioner may share legal fees, whether awarded by a tribunal or received in settlement of a matter, with a nonprofit organization that employed, retained or recommended employment of the practitioner in the matter and that qualifies under Section 501(c)(3) of the Internal Revenue Code.

(b) A practitioner shall not form a partnership with a non-practitioner if any of the activities of the partnership consist of the practice of law.

(c) 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.

(d) A practitioner shall not practice with or in the form of a professional corporation or association authorized to practice law for a profit, if:

(1) A non-practitioner owns any interest therein, except that a fiduciary representative of the estate of a practitioner may hold the stock or interest of the practitioner for a reasonable time during administration;

(2) A non-practitioner is a corporate director or officer thereof or occupies the position of similar responsibility in any form of association other than a corporation; or

(3) A non-practitioner has the right to direct or control the professional judgment of a practitioner.

**§ 11.505 Unauthorized practice of law.**

A practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so.

**§ 11.506 Restrictions on right to practice.**

A practitioner shall not participate in offering or making:

(a) A partnership, shareholders, operating, employment, or other similar type of agreement that restricts the right of a practitioner to practice after termination of the relationship, except an agreement concerning benefits upon retirement; or

(b) An agreement in which a restriction on the practitioner's right to practice is part of the settlement of a client controversy.

**§ 11.507 Responsibilities regarding law-related services.**

A practitioner shall be subject to the USPTO Rules of Professional Conduct with respect to the provision of law-related services if the law-related services are provided:

(a) By the practitioner in circumstances that are not distinct from the practitioner's provision of legal services to clients; or

(b) In other circumstances by an entity controlled by the practitioner individually or with others if the practitioner fails to take reasonable measures to assure that a person obtaining the law-related services knows that the services are not legal services and that the protections of the client-practitioner relationship do not exist.

**§§ 11.508—11.700 [Reserved]**

**Information About Legal Services**

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

A practitioner shall not make a false or misleading communication about the practitioner or the practitioner's services. A communication is false or misleading if it contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.

**§ 11.702 Advertising.**

(a) Subject to the requirements of §§ 11.701 and 11.703, a practitioner may advertise services through written, recorded or electronic communication, including public media.

(b) A practitioner shall not give anything of value to a person for recommending the practitioner's services except that a practitioner may:

(1) Pay the reasonable costs of advertisements or communications permitted by this section;

(2) [Reserved]

(3) Pay for a law practice in accordance with § 11.117; and

(4) Refer clients to another practitioner or a non-practitioner professional pursuant to an agreement not otherwise prohibited under the USPTO Rules of Professional Conduct that provides for the other person to refer clients or customers to the practitioner, if:

(i) The reciprocal referral agreement is not exclusive, and

(ii) The client is informed of the existence and nature of the agreement.

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

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

(a) A practitioner shall not by in-person, live telephone or real-time electronic contact solicit professional employment from a prospective client when a significant motive for the practitioner's doing so is the practitioner's pecuniary gain, unless the person contacted:

(1) Is a practitioner; or

(2) Has a family, close personal, or prior professional relationship with the practitioner.

(b) A practitioner shall not solicit professional employment from a prospective client by written, recorded or electronic communication or by in-person, telephone or real-time electronic contact even when not otherwise prohibited by paragraph (a) of this section, if:

(1) The prospective client has made known to the practitioner a desire not to be solicited by the practitioner; or

(2) The solicitation involves coercion, duress or harassment.

(c) Every written, recorded or electronic communication from a practitioner soliciting professional employment from a prospective client known to be in need of legal services in a particular matter shall include the words "Advertising Material" on the outside envelope, if any, and at the beginning and ending of any recorded or electronic communication, unless the recipient of the communication is a person specified in paragraphs (a)(1) or (a)(2) of this section.

(d) Notwithstanding the prohibitions in paragraph (a) of this section, a practitioner may participate with a prepaid or group legal service plan operated by an organization not owned

or directed by the practitioner that uses in-person or telephone contact to solicit memberships or subscriptions for the plan from persons who are not known to need legal services in a particular matter covered by the plan.

**§ 11.704 Communication of fields of practice and specialization.**

(a) A practitioner may communicate the fact that the practitioner does or does not practice in particular fields of law.

(b) A registered practitioner who is an attorney may use the designation "Patents," "Patent Attorney," "Patent Lawyer," "Registered Patent Attorney," or a substantially similar designation. A registered practitioner who is not an attorney may use the designation "Patents," "Patent Agent," "Registered Patent Agent," or a substantially similar designation. Unless authorized by § 11.14(b), a registered patent agent shall not hold himself or herself out as being qualified or authorized to practice before the Office in trademark matters or before a court.

(c) [Reserved]

(d) A practitioner shall not state or imply that a practitioner is certified as a specialist in a particular field of law, unless:

(1) The practitioner has been certified as a specialist by an organization that has been approved by an appropriate state authority or that has been accredited by the American Bar Association; and

(2) The name of the certifying organization is clearly identified in the communication.

(e) An individual granted limited recognition under § 11.9 may use the designation "Limited Recognition."

**§ 11.705 Firm names and letterheads.**

(a) A practitioner shall not use a firm name, letterhead or other professional designation that violates § 11.701. A trade name may be used by a practitioner in private practice if it does not imply a connection with a government agency or with a public or charitable legal services organization and is not otherwise in violation of § 11.701.

(b) [Reserved]

(c) The name of a practitioner holding a public office shall not be used in the name of a law firm, or in communications on its behalf, during any substantial period in which the practitioner is not actively and regularly practicing with the firm.

**§§ 11.706–11.800 [Reserved]**

**Maintaining the Integrity of the Profession**

**§ 11.801 Registration, recognition and disciplinary matters.**

An applicant for registration or recognition to practice before the Office, or a practitioner in connection with an application for registration or recognition, or a practitioner in connection with a disciplinary or reinstatement matter, shall not:

(a) Knowingly make a false statement of material fact; or

(b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, fail to cooperate with the Office of Enrollment and Discipline in an investigation of any matter before it, or knowingly fail to respond to a lawful demand or request for information from an admissions or disciplinary authority, except that the provisions of this section do not require disclosure of information otherwise protected by § 11.106.

**§ 11.802 Judicial and legal officials.**

(a) A practitioner shall not make a statement that the practitioner knows to be false or with reckless disregard as to its truth or falsity concerning the qualifications or integrity of a judge, adjudicatory officer or public legal officer, or of a candidate for election or appointment to judicial or legal office.

(b) A practitioner who is a candidate for judicial office shall comply with the applicable provisions of the Code of Judicial Conduct.

**§ 11.803 Reporting professional misconduct.**

(a) A practitioner who knows that another practitioner has committed a violation of the USPTO Rules of Professional Conduct that raises a substantial question as to that practitioner's honesty, trustworthiness or fitness as a practitioner in other respects, shall inform the OED Director and any other appropriate professional authority.

(b) A practitioner who knows that a judge, hearing officer, administrative law judge, administrative patent judge, or administrative trademark judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the individual's fitness for office shall inform the appropriate authority.

(c) The provisions of this section do not require disclosure of information otherwise protected by § 11.106 or information gained while participating in an approved lawyers assistance program.

**§ 11.804 Misconduct.**

It is professional misconduct for a practitioner to:

(a) Violate or attempt to violate the USPTO Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another;

(b) Commit a criminal act that reflects adversely on the practitioner's honesty, trustworthiness or fitness as a practitioner in other respects;

(c) Engage in conduct involving dishonesty, fraud, deceit or misrepresentation;

(d) Engage in conduct that is prejudicial to the administration of justice;

(e) State or imply an ability to influence improperly a government agency or official or to achieve results by means that violate the USPTO Rules of Professional Conduct or other law;

(f) Knowingly assist a judge, hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law;

(g) Knowingly assist an officer or employee of the Office in conduct that is a violation of applicable rules of conduct or other law;

(h) Be publicly disciplined on ethical or professional misconduct grounds by any duly constituted authority of:

(1) A State,

(2) The United States, or

(3) The country in which the practitioner resides; or

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

**§§ 11.805–11.900 [Reserved]****§ 11.901 Savings clause.**

(a) A disciplinary proceeding based on conduct engaged in prior to the effective date of these regulations may be instituted subsequent to such effective date, if such conduct would continue to justify disciplinary sanctions under the provisions of this part.

(b) No practitioner shall be subject to a disciplinary proceeding under this part based on conduct engaged in before the effective date hereof if such conduct would not have been subject to

disciplinary action before such effective date.

**PART 41—PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD**

■ 28. The authority citation for 37 CFR part 41 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), 3(a)(2)(A), 21, 23, 32, 41, 134 and 135.

■ 29. Revise § 41.5(c) to read as follows:

**§ 41.5 Counsel.**

\* \* \* \* \*

(c) *Withdrawal.* Counsel may not withdraw from a proceeding before the Board unless the Board authorizes such withdrawal. *See* § 11.116 of this subchapter regarding conditions for withdrawal.

\* \* \* \* \*

Dated: March 25, 2013.

**Teresa Stanek Rea,**

*Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office.*

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