



Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

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~U.S. Patent Attorney/Patent Agent Liability~

by
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❖ Focus:

- IP professional conduct issues relating to patent practice
- Rules that apply
- Where disputes brought
- Most common issues
- Prevention efforts

- ❖ New laws and regulations complicate an already complex legal practice
- ❖ Expansion of IP work in general and in foreign IP work in particular
- ❖ Continued proliferation of patent infringement suits and massive damages awards

- ❖ Leahy-Smith America Invents Act (September 2011)
 - Two sets of laws and rules in effect for many years to come
- ❖ New USPTO Rules of Professional Conduct (USPTO Rules)(May 2013)

Rules Covering Patent Professionals' Conduct

- ❖ USPTO Rules – govern practitioners who practice before the USPTO (both attorneys-at-law and patent agents)
(www.uspto.gov/ip/boards/oed/ethics.jsp)
- ❖ Disciplinary Authority: USPTO Office of Enrollment and Discipline (OED)
- ❖ Remedies: Preclusion/suspension from practice before the USPTO, public reprimand, warning letter

Rules Covering Patent Professionals' Conduct (cont'd)

- ❖ Model Rules of Professional Conduct of the American Bar Association, versions adopted by 49 states (not California) and the District of Columbia, govern attorneys-at-law (www.americanbar.org)
- ❖ Disciplinary Authority:
 - Courts: Patent malpractice litigation (usually State courts, not Federal courts)
 - Remedies: Monetary damages

Rules Covering Patent Professionals' Conduct (cont'd)

- ❖ Model Rules of Professional Conduct (cont'd)
- ❖ Disciplinary Authority (cont'd):
 - Ethics Boards of State Bar Associations:
Ethical violations based on the State's Rules of Professional Conduct
 - Remedies: Disbarment, suspension, public censure

USPTO Discipline Issues

- ❖ Top 10 ethics violations resulting in OED discipline (2012 study by T. Ward and K. Peterka):
 1. Neglecting a Legal Matter
 2. Reciprocal Discipline with State Ethics Board Rulings
 3. Misappropriation of Funds
 4. Conduct involving Deceit
 5. Aiding Non-practitioner in Unauthorized Practice of Law

USPTO Discipline Issues (cont'd)

❖ Top 10 ethics violations resulting in OED discipline (cont'd):

6. Representing Clients with Conflicts of Interest
7. Failure to make Reasonable Inquiry before Signing and Filing
8. Handling Legal Matter without Adequate Preparation
9. Gross misconduct
10. Failure to Disclose Information Material to Patentability

Patent Malpractice Litigation Claims

❖ Major Causes of Patent Malpractice Claims

➤ Untimely filings –

- Types: Prosecution, foreign filings, litigation
- Reasons: Large dockets, busy lawyers; client demands/delays – time pressures, budgetary restrictions; miscommunications; docketing errors; reliance on subordinates

Patent Malpractice Litigation Claims (cont'd)

❖ Major Causes of Patent Malpractice Claims (cont'd)

➤ Conflicts of Interest –

- Types: Multiple clients, subject matter, prior work
- Reasons: Too many to cover here

➤ Negligent advice, drafting of patent applications

❖ Untimely filings –

- Good office practices – set up and follow protocols, check lists, second attorney reviews
- Careful, documented communications – clients, foreign counsel, third parties
- Supervision of subordinates
- Communicate with colleagues
- Allow time for trouble resolution

❖ Conflicts of Interest –

- Clearly identify who is and is not the client
- New client/matter induction process
- In-firm review process
- Reassess periodically

- ❖ Negligent advice, drafting –
 - Appropriate personnel on project
 - Second attorney review
 - Continuing legal education
 - Attorney/agent periodic evaluation

❖ What NOT to do:

- Not immediately act on the problem
- Try to remedy the problem by yourself
- Discuss it with others – except firm's management/loss prevention personnel
- Communicate in writing – no social media, emails, voice mails, or otherwise

❖ What TO Do:

- Report in person or by phone (no voice mail or email) to firm's management/loss prevention personnel any
 - Malpractice threat
 - Potential mistake
 - Sanctions threatened

❖ What To Do (cont'd):

- Report to firm's management/loss prevention personnel (cont'd)
 - Alleged violation of law or procedural rule
 - Disciplinary or conflicts inquiry
 - Fee complaint
 - Any formal or informal discovery request

❖ Disclaimer

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THANK YOU

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