

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

In the Matter of:)
)
Phillip T. Golden) **Proceeding No. D07-09**
)
Respondent)

INITIAL DECISION ON DEFAULT

On October 12, 2007, Harry I. Moatz, Director, Office of Enrollment and Discipline (OED) of the United States Patent and Trademark Office (PTO), instituted this disciplinary proceeding under 35 U.S.C. § 32 and the regulations promulgated thereunder at 37 C.F.R. Part 10 (Rules), against Phillip T. Golden (Respondent), an attorney registered to practice before the PTO (Registration No. 37,631). The Complaint in this matter charges Respondent with ten counts of violating the Rules. Specifically, Respondent is alleged to have willfully failed to inform his client of Office Actions and Notice of Abandonment, in violation of 37 C.F.R. §§ 10.23(c)(8) and 10.23(b)(5); failed to respond to an Office Action and Notice of Abandonment, in violation of 37 C.F.R. § 10.77(c); failed to respond to his client's request for information regarding matters entrusted to him, in violation of 37 C.F.R. § 10.77(c); and failed to return his client's patent application materials, render accounts to his client regarding advance fees paid, and pay promptly his client certain funds to which he is entitled, in violation of 37 C.F.R. § 10.112(c)(4). For these violations, the Complaint seeks entry of an order suspending or excluding Respondent from practice before the PTO pursuant to PTO Rule 10.154 (37 C.F.R. §10.154).

No Answer to the Complaint having been received from the Respondent, the Director filed and served on Respondent a Motion for Default Judgment on March 21, 2008.

A. Service

PTO Rule 10.135 provides in pertinent part that -

- (a) A complaint may be served on a respondent in any of the following methods:
- (1) By handing a copy of the complaint personally to the respondent
 - (2) By mailing a copy of the complaint by "Express Mail" or first-class mail to:
 - (i) A registered practitioner at the address for which separate notice was last received by the Director . . .

* * *

(b) If a complaint served by mail under paragraph (a)(2) of this section is returned by the U.S. Postal Service, the Director shall mail a second copy of the complaint to the respondent. If the second copy of the complaint is also returned by the U.S. Postal Service, the Director shall serve the respondent by publishing an appropriate notice in the Official Gazette for four consecutive weeks, in which case the time for answer shall be at least thirty days from the fourth publication of the notice.

37 C.F.R. §10.135.

In the Motion for Default, OED indicates that on October 12, 2007, it initially attempted to serve Respondent with the Complaint by sending it by certified mail to Respondent at the address for which separate notice was last received by the Director, specifically P.O. Box 2128, Bellaire, Texas 77402. On October 31, 2007, the U.S. Postal Service returned to OED the Complaint with the envelope marked "RETURN TO SENDER - UNDELIVERABLE AS ADDRESSED." Motion for Default, Exhibit A. On November 14, 2007, OED mailed a second copy of the Complaint to the Respondent at the same address, pursuant to 37 C.F.R. §10.135(b). On December 10, 2007, the U.S. Postal Service returned the Complaint with the envelope marked "BOX CLOSED - UNABLE TO FORWARD - RETURN TO SENDER." Motion for Default, Exhibit B. As a result, for four consecutive weeks, specifically on January 29, February 5, February 12, and February 19, 2008, the Director published an appropriate notice of the pending Complaint in the Official Gazette. Motion for Default, Exhibits C through F.

On the basis of the foregoing, and 37 C.F.R. §10.135, I find that adequate service of process of the Complaint upon Respondent has been made.

B. Default

In accordance with 37 C.F.R. §10.135, the time for Respondent to file an Answer to the Complaint was 30 days from the fourth publication of the notice, or until March 20, 2008. The Motion for Default indicates that Respondent has not served OED with an Answer to the Complaint. To date, this Tribunal has not received an Answer from Respondent.

The certificate of service on the Motion for Default states that OED mailed a copy of the Motion for Default to Respondent on March 21, 2008 at the same address to which the Complaint was addressed, and sent a copy on March 21 to an e-mail address Respondent provided to OED counsel on March 20, 2008. To date, although a month has passed, no response to the Motion for Default has been received by this Tribunal.

In the Motion for Default, OED states that Respondent and counsel for OED exchanged e-mail messages about the Complaint, and OED counsel received an e-mail on March 21, 2008 from Respondent stating that Respondent will take the next twenty days to review the Complaint,

investigate the allegations, and determine his next course of action. Motion at 2-3.

It is noted that the regulations provide at 37 C.F.R. § 10.143 that “[t]he administrative law judge will determine on a case-by-case basis the time period for response to a motion” However, in the context of a motion for default, where the respondent has not answered the complaint or otherwise appeared in the proceeding, it is not necessary to allow an extended period of time for a response to the motion. The Rules provide that “Failure to timely file an answer *will* constitute an admission of the allegations in the complaint.” 37 C.F.R. § 10.136(d) (emphasis added). The Rules do not require, for default to be entered, that a motion for default be filed, and thus do not require that any period be provided to respond to any such motion.

Therefore, for his failure to file a timely Answer, Respondent is hereby found in default, and is deemed to have admitted all of the allegations in the Complaint. Accordingly, the following findings and conclusions are rendered based upon the allegations in the Complaint.

C. Rules

The following Rules are relevant to the allegations of violation in the Complaint:

§ 10.23 Misconduct

* * *

(b) A practitioner shall not:

* * *

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

* * *

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

* * *

(8) Failing to inform a client or former client or failing to timely notify the Office of an inability to notify a client or former client of correspondence received from the Office or the client’s or former client’s opponent in an inter partes proceeding before the Office when the correspondence (i) could have a significant effect on a matter pending before the Office, (ii) is received by the practitioner on behalf of a client or former client and (iii) is correspondence of which a reasonable practitioner would believe under the circumstances the client or former client should be notified.

37 C.F.R. §10.23.

§ 10.77 Failing to act competently.

A practitioner shall not:

* * *

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

37 C.F.R. § 10.77(c).

§ 10.112 Preserving identity of funds and property of client.

* * *

(c) A practitioner shall:

* * *

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

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

37 C.F.R. § 10.112(c)(4).

D. Findings and Conclusions

1. In July 2003, Respondent received payment to prepare a design patent application for an invention by Dale Paul Duke ("Duke" or the "client"), and to file it with the PTO, and on December 3, 2007, Duke executed a declaration and power of attorney appointing Respondent as the attorney with authority to prosecute Duke's patent application and to transact all business with PTO on Duke's behalf, and requesting that all future correspondence concerning the patent application be addressed to Respondent at "Golden & Rhodes, LLP, P.O. Box 2128, Bellaire, Texas 77402-2128" ("the Bellaire address"). By letter dated November 19, 2003, Respondent informed Duke as to the status of the patent application and advised Duke on the "best route to take" regarding the patent application, namely: to file the patent application, prepare and file a second application as a continuance-in-part application, and claim priority on the second application based on the first application.

2. In March 2004, Respondent filed Duke's patent application with the PTO, which assigned it application number 29/200,885 ("885 application").

3. By letter dated May 17, 2004, Respondent informed Duke that Respondent received the official filing receipt for the '885 application and provided a copy of it to Duke, and the letter stated "I will let you know when I hear anything further related to your application."

4. On or about May 28, 2005, Duke sent Respondent a check in the amount of \$2,000 for advance attorney's fees to be incurred in connection with Respondent's work on a continuation-in-part patent for the '885 application and on another provisional patent application for a new version of the invention on which Duke was working.

5. On or about June 3, 2005, Respondent negotiated Duke's \$2,000 check.

6. On at least 16 occasions from June 27, 2005 through February 21, 2006, Duke telephoned Respondent and left messages asking Respondent to provide Duke with the status of the '885 application, the continuation-in-part patent, and the second provisional patent application.
7. Respondent responded to only two of Duke's telephone calls, but his response was limited to saying that he was not able to speak with Duke at the time and that he promised to telephone Duke back the next day.
8. Respondent did not telephone Duke back, and did not provide Duke with meaningful information about the status of the '885 application, the continuation-in-part patent, or the second provisional patent application.
9. On June 22, 2005, the PTO mailed to Respondent at the Bellaire address an "Office Action" noting the examiner's rejection of the '885 application, setting forth the basis for the rejection, and advising Respondent of a three-month period for replying to the Office Action.
10. The Office Action was a correspondence from PTO having a significant effect on the '885 application.
11. Respondent received the June 22, 2005 Office Action, but did not inform Duke about it.
12. A reasonable practitioner would believe that Respondent should have notified Duke of the June 22, 2005 Office Action.
13. By failing to inform Duke of the June 22, 2005 Office Action, Respondent willfully violated 37 C.F.R. § 10.23(c)(8), as alleged in Count 1 of the Complaint.
14. By failing to inform Duke of the June 22, 2005 Office Action, Respondent willfully engaged in conduct that is prejudicial to the administration of justice, in violation of 37 C.F.R. § 10.23(b)(5), as alleged in Count 2 of the Complaint.
15. On February 6, 2006, PTO mailed to Respondent at the Bellaire address a "Notice of Abandonment" for the '885 application based on the failure to reply to the June 22, 2005 Office Action.
16. Respondent received the February 6, 2006 Notice of Abandonment, but did not inform Duke about it.
17. Duke did not intend that the '885 application be abandoned, nor instruct Respondent to allow it to become abandoned.
18. A reasonable practitioner would believe that Respondent should have notified Duke of the Notice of Abandonment.

19. By failing to inform Duke of the February 6, 2006 Notice of Abandonment, Respondent willfully violated 37 C.F.R. § 10.23(c)(8), as alleged in Count 3 of the Complaint.
20. By failing to inform Duke of the February 6, 2006 Notice of Abandonment, Respondent willfully engaged in conduct that is prejudicial to the administration of justice, in violation of 37 C.F.R. § 10.23(b)(5), as alleged in Count 4 of the Complaint.
21. Duke entrusted Respondent to handle the '885 application, the continuation-in-part patent, and the second provisional patent application.
22. Respondent did not respond to the June 22, 2005 Office Action, and by failing to respond, Respondent willfully neglected a legal matter entrusted to Respondent, in violation of 37 C.F.R. § 10.77(c), as alleged in Count 5 of the Complaint.
23. Respondent did not respond to the February 6, 2006 Notice of Abandonment, and by failing to respond, Respondent willfully neglected a legal matter entrusted to Respondent, in violation of 37 C.F.R. § 10.77(c), as alleged in Count 6 of the Complaint.
24. Respondent did not respond at all or in a meaningful way to any of the telephone calls or telephone messages made by Duke to Respondent from June 27, 2005 through February 21, 2006.
25. Respondent willfully failed to respond to his client's request for information regarding matters entrusted to him, namely the '885 application, the continuation-in-part patent, and the second provisional patent application, in violation of 37 C.F.R. § 10.77(c), as alleged in Count 7 of the Complaint.
26. By letter dated May 5, 2006, Duke asked Respondent to: (a) return the patent application materials that Duke delivered to Respondent in connection with the '885 application, the continuation-in-part patent, and the second provisional patent application, (b) provide Respondent with a detailed explanation of all actions taken by Respondent on Duke's behalf, and (c) return all money paid by Duke to Respondent.
27. Respondent has not returned Duke's patent application materials, and therefore willfully failed to promptly deliver to the client as requested by the client the properties in possession of the practitioner which the client is entitled to receive, in violation of 37 C.F.R. § 10.112(c)(4), as alleged in Count 8 of the Complaint.
28. Respondent has not responded to Duke's request for an accounting of the services rendered. By willfully failing to render appropriate accounts to Duke regarding the advance fees that Duke paid to him as alleged in Count 8 of the Complaint, Respondent is in violation of 37 C.F.R. §

10.112(c)(3).¹

29. Duke is entitled to the return of the \$2000 he paid to Respondent on or about May 28, 2005, and Respondent has not refunded Duke the \$2000.

30. By willfully failing to pay promptly to Duke the \$2000 he requested, Respondent is in violation of 37 C.F.R. § 10.112(c)(4), as alleged in Count 8 of the Complaint.

E. Penalty

As to the penalty for these violations, OED requests issuance of an initial decision excluding Respondent from practice before the PTO. In the alternative, OED requests that default judgment be entered and that this matter proceed solely for the purpose of assessing the sanction to be imposed against Respondent.

Rule 10.154(b) provides that in determining any penalty the following factors be taken into consideration:

- (1) The public interest;
- (2) The seriousness of the violation of the Disciplinary Rule;
- (3) The deterrent effects deemed necessary;
- (4) The integrity of the legal profession; and
- (5) Any extenuating circumstances.

37 C.F.R. § 10.154.

There has not been a record developed respecting all of the circumstances surrounding the professional misconduct. The Respondent's default has prevented such an inquiry. Proceeding to submission of evidence and testimony as to the sanction to be imposed, however, would result in unnecessary expenditure of government resources on a case in which Respondent has chosen not to participate. Therefore, exclusion from practice before the PTO is an appropriate sanction.

¹ As to Count 9, the Complaint (§ 66) alleges, "By failing to render appropriate accounts to Duke regarding the advance fees that Duke paid to him, Respondent violated 37 C.F.R. § 10.112(c)(4)." This citation appears to be a typographical error, and should read 30 C.F.R. § 10.112(c)(3). The facts underlying the violation and the violation with which Respondent is charged are clear from the text of the Complaint, and therefore the typographical error does not render invalid the allegation of violation in Count 9. *Walters v. President & Fellows of Harvard College*, 616 F. Supp. 471, 473-74 (D. Mass. 1985)(complaint's citation to wrong sections of statute where sufficient notice of factual basis of claim was stated, does not support motion to dismiss).

ORDER

After careful and deliberate consideration of the above facts and conclusions as well as the factors identified in 37 C.F.R. § 10.154(b),

IT IS HEREBY ORDERED that Respondent, **Phillip T. Golden**, P.O. Box 2128, Bellaire, Texas 77402-2128, PTO Registration No. 37,631, be **excluded** from practice before the Patent and Trademark Office.

The Respondent's attention is directed to 37 C.F.R. § 10.158 regarding responsibilities in the case of exclusion, and 37 C.F.R. § 10.160 concerning petition for reinstatement.

The facts and circumstances of this proceeding shall be fully published in the Patent and Trademark Office's official publication.



Susan L. Biro
Chief Administrative Law Judge²

Dated: April 21, 2008
Washington, D.C.

Pursuant to 37 C.F.R. § 10.155, any appeal by the Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.154, must be filed in duplicate with the Director, Office of Enrollment and Discipline, U.S. Patent and Trademark Office, P.O. Box 16116, Arlington, Va. 22215, within 30 days of the date of this Decision. Such appeal must include exception to the Administrative Law Judge's Decision. Failure to file such an appeal in accordance with § 10.155, above, will be deemed to be both an acceptance by the Respondent of the Initial Decision and that party's waiver of rights to further administrative and judicial review.

² This decision is issued by the Chief Administrative Law Judge of the United States Environmental Protection Agency. The Administrative Law Judges of the Environmental Protection Agency are authorized to hear cases pending before the United States Department of Commerce, Patent and Trademark Office, pursuant to an Interagency Agreement effective for a period beginning March 22, 1999.