

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

In the Matter of)
)
Stephen R. Greiner)
) Proceeding No. D2011-01
Respondent)
_____)

Final Order

Office of Enrollment and Discipline Director Harry I. Moatz ("OED Director") and Stephen R. Greiner ("Respondent") have submitted a Proposed Settlement Agreement to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office ("USPTO Director") or his designee for approval.

The OED Director and Respondent's Proposed Settlement Agreement sets forth certain stipulated facts, legal conclusions, and sanctions to which the OED Director and Respondent have agreed in order to resolve voluntarily a disciplinary complaint against Respondent.

The Proposed Settlement Agreement, which satisfies the requirements of 37 C.F.R. § 11.26, resolves all disciplinary action by the United States Patent and Trademark Office ("USPTO" or "Office") arising from the stipulated facts set forth below.

Pursuant to such Proposed Settlement Agreement, this Final Order sets forth the parties' stipulated facts, legal conclusions, and agreed upon discipline.

Jurisdiction

At all times relevant hereto, Respondent of Bethesda, Maryland, has been an attorney registered to practice before the Office and is subject to the Disciplinary Rules of the USPTO Code of Professional Responsibility set forth at 37 C.F.R. § 10.20 *et seq.*

The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. § 2(b)(2)(D) and 37 CFR §§ 11.20(a)(3) and 11.26.

Stipulated Facts

1. At all times relevant hereto, Respondent has been registered as an attorney to practice before the Office and is subject to the Disciplinary Rules of the USPTO Code of Professional Responsibility. Respondent's registration number is 36,817. Respondent has been admitted to practice as an attorney in the State of Maryland since April 19, 1993.

2. OED received information from the USPTO Office of Finance that Respondent had issued six (6) checks that were returned for insufficient funds. As further

discussed below, each of these checks was submitted for payment of required fees on behalf of six (6) different clients in six (6) patent and trademark applications between June 18, 2009 and September 2, 2009 in an aggregate amount of \$3,544.

U.S. Patent Application No. XX/XXX,503

3. The first dishonored check, number 7007, was payable to USPTO, in connection with Application number XX/XXX,503, in the amount of \$245 where the check was dated June 18, 2009, and signed by Respondent and tendered to the Office on that same date in payment of a two month extension. The check was drawn against SunTrust Bank, account number 20960423, in the account name of "Greiner Law Offices, P.C.", and bore the notation that it was for "3978.01". The application was declared abandoned on September 2, 2009 for failure to timely respond to the Office action dated February 4, 2009. The time for response had expired May 4, 2009. The Petition for Extension of Time, dated June 22, 2009, was not approved because the check was dishonored. While Respondent discussed with the applicant the merits of reviving the application, applicant decided to file a divisional application on a related copending application. The applicant was not charged for the surcharge and the divisional application filing fee. The application is pending for examination.

U.S. Patent Application No. XX/XXX,986

4. The next dishonored instrument, numbered 7029, was drawn against the same bank and upon the same account and was signed by Respondent dated August 18, 2009, bearing a memo notation "#3997.04" and made in the amount of \$230 payable to USPTO in connection with Application number XX/XXX,986 filed on that same date. Subsequently, Respondent paid the \$230 fee along with a \$50 return check surcharge to the Office. The application is pending before the design examining group.

U.S. Trademark Application No. XX/XXX,290

5. The third check returned for insufficient funds, numbered 7031, and dated August 19, 2009, was drawn against the same account in the same bank and was signed by Respondent and payable to USPTO in the amount of \$375 in connection with Trademark Application number XX/XXX,290 filed on September 2, 2009. A Notice of Incomplete Trademark issued September 18, 2009 informing Respondent that the application was being returned "because the check submitted to cover the application filing fees was returned to the Office unpaid." The Notice also informed Respondent that, as a consequence, the client would not receive a filing date. Once aware of the dishonored check, Respondent notified the client and immediately refiled the trademark application without charge to the client.

U.S. Patent Application No. XX/XXX,519

6. The fourth of the dishonored checks, numbered 7033, was also drawn against the same bank and named account and was signed by Respondent payable in the amount

of \$545 to the USPTO. The check, dated August 12, 2009, was filed in regards to Application number XX/XXX,519, which was filed on August 14, 2009. The check was dishonored for insufficient funds. The failure to pay the filing fee (due to the NSF check #7033) prompted a Notice to File Missing Parts on September 2, 2009 which indicated that a total due was \$610, broken down as: \$165 basic filing fee; \$65 surcharge \$270 search fee; and \$110 examination fee for a small entity, which all was to be paid within two months period or else the application would go abandoned. Respondent responded to the Notice to File Missing Parts, paid the designated fees along with the \$50 surcharge fee for the dishonored check. The applicant was not charged for the surcharge and the application is pending for examination.

U.S. Patent Application No. XX/XXX,491

7. The fifth dishonored check, numbered 7045, was drawn against the same bank and named account and was signed by Respondent payable in the amount of \$1085 to the USPTO. The check, dated September 1, 2009, was filed in regard to Application number XX/XXX,491, filed on February 2, 2007. The check for \$1,085 was in payment of the Issue Fee and Publication Fee that was required to be paid within three months from the date of mailing the Notice of Allowance of that application. The date of the Notice of Allowance was June 2, 2009, and the tendered fees were dishonored for insufficient funds at the deadline for payment, which statutory period is unable to be extended. A petition to revive application and for delayed payment of the issue and publication fees was filed on October 15, 2009. The petition included the issue and publication fees as well as the \$50 surcharge fee. The Office mistakenly denied the petition on the ground that Respondent did not include the \$50 surcharge with the issue and publication fees. However, Respondent requested reconsideration and pointed out the \$50 surcharge was included. The Office admitted its oversight and subsequently granted the petition for delayed payment. The applicant was not charged for the petition to revive and the returned check surcharge. The application should be forwarded to the Office of Publications.

U.S. Patent Application No. XX/XXX,586

8. The sixth check dishonored for insufficient funds, numbered 7053, was drawn against the SunTrust Bank, account number 20960423, in the account name of "Greiner Law Offices, P.C.", and was signed by Respondent payable in the amount of \$1,064 to the USPTO. The check, dated September 2, 2009 was tendered in regards to Application number XX/XXX,586, which was filed on May 19, 2006, and was dishonored for insufficient funds. The check for \$1,085 was in payment of the Issue Fee and Publication Fee that was required to be paid within three months from the date of mailing the Notice of Allowance of that application. The date of the Notice of Allowance was June 23, 2009, and the tendered fees were dishonored for insufficient funds at the deadline for payment, which statutory period is unable to be extended. Upon receiving a notice from the Office that the check had been dishonored, Respondent paid the issue fee along with the \$50 surcharge for the returned check and the application issued as U.S. Patent 7,611,178. The applicant was not charged for the returned check surcharge.

CLIENT I - APPLICATION No. XX/XXX,503

9. Client I was charged \$1,675 to cover the fee (\$1,410) for preparing a response to the office action dated February 4, 2009, a petition for extension of time (\$200) and the fee for a one month extension (\$65) which was paid and deposited in Respondent's operating account and credited on May 27, 2009. In an attempt to draw upon those funds, Respondent issued check number 7007 in the amount of \$245 dated June 18, 2009, which was dishonored but went without notice by Respondent until he received a Notice of Abandonment dated September 2, 2009. Respondent did not maintain an escrow account during this period and did not regularly reconcile or even maintain a running balance in his operating account, nor did he utilize any form of ledger for clients. The check was dishonored when presented for collection and was returned for insufficient funds.

10. The services for which Respondent was paid \$1,430 on May 27, 2009, were not yet performed and the unearned portion of that payment was commingled in Respondent's operating account.

11. The portion of the \$245 that represented the advanced payment of costs and expenses were permitted, by Patent and Trademark Office Code of Professional Responsibility, to be deposited in the operating account. Nonetheless, the funds advanced for costs were impermissibly invaded and depleted by the time the check was presented for collection.

CLIENT II - APPLICATION No. XX/XXX,986

12. On June 5, 2009, Client II paid \$730 via electronic payment to Respondent. The amount paid covered the fee for preparing a design application for a monitor cover design in Application XX/XXX,986 (\$500) and the filing fee (\$230). In an attempt to draw upon those funds, Respondent issued check number 7029 dated August 18, 2009 in the amount of \$230 which was dishonored but went without notice by Respondent until he received a Notice of Missing Parts dated September 23, 2009. Respondent did not maintain an escrow account during this period and did not regularly reconcile or even maintain a running balance in his operating account, nor did he utilize any form of ledger for clients. The check was dishonored when presented for collection and was returned for insufficient funds.

13. The services for which Respondent was paid \$500 on June 5, 2009 were not yet performed and the unearned portion of that payment was commingled in Respondent's operating account.

14. The \$230 that represented the advanced payment of costs and expenses were permitted, by Patent and Trademark Office Code of Professional Responsibility, to be deposited in the operating account. Nonetheless, the funds advanced for costs were impermissibly invaded and depleted by the time the check was presented for collection.

CLIENT III - APPLICATION No. XX/XXX,290

15. On July 17, 2009, Client III paid \$2365 via a credit card transaction and the amount was credited to Respondent's operating account. The amount paid covered the fee for preparing the application (\$500), the filing fee (\$375) with the balance of the amount paid being for other matters. The trademark application was filed on September 2, 2009. In an attempt to draw upon those funds, Respondent issued check number 7031 in the amount of \$375 which was dishonored but went without notice by Respondent until he received a Notice of Incomplete Trademark Application dated September 18, 2009. Respondent did not maintain an escrow account during this period and did not regularly reconcile or even maintain a running balance in his operating account, nor did he utilize any form of ledger for clients. The check was dishonored when presented for collection and was returned for insufficient funds.

16. The services for which Respondent was paid \$500 on July 17, 2009 were not yet performed and the unearned portion of that payment was commingled in Respondent's operating account.

17. The \$375 that represented the advanced payment of costs and expenses were permitted, by Patent and Trademark Office Code of Professional Responsibility, to be deposited in the operating account. Nonetheless, the funds advanced for costs were impermissibly invaded and depleted by the time the check was presented for collection.

CLIENT IV - APPLICATION No. XX/XXX,519

18. On March 4, 2009, a check from Client IV in the amount of \$3,742.50 was received and deposited in the firm operating account in partial payment of a fee quoted as \$7,845 for preparing and filing three utility patent applications. The balance due of \$3,742.50 was paid on July 6, 2009, and deposited in the operating account on July 13, 2009. In an attempt to draw upon those funds, Respondent issued check number 7033 dated August 18, 2009, in the amount of \$545 as payment for the filing fee for one of the applications, XX/XXX,519. Check 7033 was dishonored but that fact went without notice by Respondent until he received a Notice of Missing Parts dated September 2, 2009. Respondent did not maintain an escrow account during this period and did not regularly reconcile or even maintain a running balance in his operating account, nor did he utilize any form of ledger for clients.

19. The services for which Respondent was paid \$3,742.50 on March 4, 2009, and \$3,742.50 on July 6, 2009, were not yet performed and the unearned portion of that payment was commingled in Respondent's operating account.

20. The \$545 that represented the advanced payment of costs and expenses attributable to application number XX/XXX,519 was permitted, by Patent and Trademark Office Code of Professional Responsibility, to be deposited in the operating account.

Nonetheless, the funds advanced for those costs were impermissibly invaded and depleted by the time the check was presented for collection.

CLIENT V - APPLICATION No. XX/XXX,491

21. Application XX/XXX,491 was allowed on June 2, 2009. The issue fee was due on September 2, 2009, and Client V was notified by letter dated June 15, 2009 that \$1,455 was due (\$1,055 PTO issue fee and \$400 attorney fee). Client V paid the fee by check that was deposited in the operating account on July 2, 2009. Check 7045 was drawn against that account on September 1, 2009, for \$1,085 to cover the payment of the issue fee (\$1,055) and 30 copies of the patent to be issued at \$3 each (\$30). Check 7045 was dishonored but that fact went unnoticed by Respondent until he received a Notice of Abandonment dated September 22, 2009. Respondent did not maintain an escrow account during this period and did not regularly reconcile or even maintain a running balance in his operating account, nor did he utilize any form of ledger for clients.

22. The services for which Respondent was paid \$400 attorney fee on June 2, 2009, were not yet performed and the unearned portion of that payment was commingled in Respondent's operating account.

23. The \$1,085 that represented the issue fee and copies of patent attributable to application number XX/XXX,491 was permitted, by Patent and Trademark Office Code of Professional Responsibility, to be deposited in the operating account. Nonetheless, the funds advanced for those costs were impermissibly invaded and depleted by the time the check was presented for collection.

CLIENT VI - APPLICATION No. XX/XXX,586

24. Application XX/XXX,586 was allowed on June 23, 2009. The issue fee was due on September 23, 2009. A check for \$1,414 was received from Client VI to cover the USPTO issue fee (\$1,055), attorney fees (\$400) and copies of patents (\$9) and was deposited in the operating account on August 13, 2009. In an attempt to draw upon those funds, Respondent issued check number 7053 dated September 2, 2009, in the amount of \$1,064 as payment for the issue fee for applications, XX/XXX,586. Check 7053 was dishonored but that fact went unnoticed by Respondent until he received a Notice of Returned Payment dated September 23, 2009. Respondent did not maintain an escrow account during this period and did not regularly reconcile or even maintain a running balance in his operating account, nor did he utilize any form of ledger for clients.

25. The services for which Respondent was paid \$400 attorney fee on June 23, 2009, were not yet performed and the unearned portion of that payment was commingled in Respondent's operating account.

26. The \$1,064 that represented the issue fee and copies of patent attributable to application number XX/XXX,586 was permitted, by Patent and Trademark Office Code of

Professional Responsibility, to be deposited in the operating account. Nonetheless, the funds advanced for those costs were impermissibly invaded and depleted by the time the check was presented for collection.

Mitigating Factors

27. Respondent has paid all the fees for which the checks were originally presented, as well as fees arising from the untimely payment of the USPTO fees due. Respondent paid to the Office, from his own funds, all outstanding fees required by 37 C.F.R. § 1.21(m) for the processing of dishonored checks. Respondent has not submitted any checks drawn on an account having insufficient funds since September 2, 2009.

28. Respondent has acknowledged the wrongfulness of his conduct and undertaken efforts to correct his deficiencies and specifically has opened, and is properly using, an escrow account.

Legal Conclusion

29. Based on the information contained in paragraphs 1 through 26, above, Respondent acknowledges that his conduct violated 37 C.F.R. § 10.112(b) by commingling funds belonging to the practitioner or the practitioner's firm with advanced funds belonging to a client, and by failing to deposit unearned client funds in a sequestered account and commingling his personal and business funds with funds of his clients; and 37 C.F.R. §§ 10.23(b)(4), 10.23(b)(6), and 10.23(c)(3) by failing to properly or timely remit funds received by a practitioner or the practitioner's firm from a client to pay a fee which the client is required by law to pay to the Office, and by filing checks with the Office drawn on Respondent's operating bank account and failing to maintain sufficient funds in the account for when the checks were presented for collection; and 37 C.F.R. § 10.77(c) by failing to timely pay fees to the Office for which the client had advanced funds to Respondent.

Sanctions

30. Respondent agreed, and it is ORDERED that:

- a. Respondent be, and hereby is, (i) suspended from practicing patent, trademark, and other non-patent law before the USPTO for two (2) years commencing on the date the Final Order is signed, and (ii) the execution of the term of suspension shall be stayed immediately and remain stayed for so long as Respondent serves and successfully completes the two (2) year probationary period under the following terms and conditions:

- (1) Respondent shall, during the period of his probation, not conduct himself in any fashion that would constitute misconduct in violation of the United States Patent and Trademark Office Code of Professional Responsibility;

(2) Respondent shall timely, completely and successfully comply with the directions of the Final Order;

(3) Respondent shall prepare and submit a report to the OED Director certifying his compliance with proper recordkeeping procedures and also file escrow account reconciliations for each month within the period at six months, 12 months, 18 months and 24 months after the date of the Final Order. The report shall indicate whether Respondent is in compliance with the USPTO Rules of Professional Responsibility regarding: (a) maintaining funds he receives from his clients in IOLTA accounts, (b) managing his law practice trust and operating accounts, and (c) maintaining and utilizing both an electronic and manual calendaring system to assist in the timely rendering of legal services. If Respondent is not in compliance, the report shall identify each disciplinary rule implicated and briefly explain the manner in which Respondent's conduct does not comply therewith and the reason for any departure from the requirements of the USPTO Rules of Professional Responsibility; and

(4) Respondent shall enroll in, and successfully complete, the three credit hour course in Legal Ethics at University of Maryland University College in either the Legal Studies Program or the Paralegal Studies Program where the course is listed as LGST 204 or PLGL 204. Respondent is to provide the OED Director with evidence of successful completion for a passing grade within one year of the date of the Final Order;

- b. Respondent shall be permitted to practice patent, trademark, and non-patent law before the USPTO during his probationary period unless the stay of the suspension is lifted by order of the USPTO Director or his designee;
- c. 37 C.F.R. §§ 11.58 and 11.60 do not apply unless the USPTO Director or his designee lift the stay of the suspension;
- d. If the stay of the suspension is not lifted by order of the USPTO Director or his designee by the end of Respondent's two (2) year probationary period, Respondent is not required to serve the suspension;
- e. (1) In the event that the OED Director is of the opinion that Respondent, during the two (2) year probationary period, failed to comply with any provision of the Final Order or any Disciplinary Rule of the USPTO Code of Professional Responsibility, the OED Director shall:
 - (a) issue to Respondent an Order to Show Cause why the

USPTO Director or his designee should not order that the stay of the suspension be lifted and Respondent be immediately suspended for two years for the violations set forth in paragraph 29, above;

(b) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director pursuant to 37 C.F.R. § 11.11(a); and

(c) grant Respondent fifteen (15) days to respond to the Order to Show Cause;

and

(2) In the event after the 15-day period for response and consideration of the response, if any, received from Respondent, the OED Director continues to be of the opinion that Respondent, during the two-year probationary period, failed to comply with any provision of the Final Order or to any Disciplinary Rule of the USPTO Code of Professional Responsibility, the OED Director shall:

(a) deliver to the USPTO Director or his designee: (i) the Order to Show Cause, (ii) Respondent's response to the Order to Show Cause, and (iii) evidence causing the OED Director to be of the opinion that Respondent failed to comply with any Disciplinary Rule of the USPTO Code of Professional Responsibility during the probationary period, and

(b) request that the USPTO Director or his designee immediately lift the stay of the suspension and suspend Respondent for two (2) years for the violations set forth in paragraph 29, above;

- f. In the event that the USPTO Director or his designee lifts the stay of the suspension and Respondent seeks a review of the USPTO Director's decision to lift the stay, any such review shall not operate to postpone or otherwise hold in abeyance the immediate suspension of Respondent;
- g. In the event that the USPTO Director or his designee lifts the stay of the suspension, Respondent shall comply with 37 C.F.R. §11.58;

- h. In the event that the USPTO Director or his designee lifts the stay of the suspension, the OED Director shall disseminate information in accordance with 37 C.F.R. § 11.59;
- i. Nothing in the proposed Settlement Agreement or the Final Order shall prevent the Office from seeking discipline against Respondent in accordance with the provisions of 37 C.F.R. §§ 11.34 through 11.57 for the misconduct that caused the stay of the suspension to be lifted;
- j. The OED Director shall publish the Final Order at the Office of Enrollment and Discipline's Reading Room electronically;
- k. The OED Director shall publish the following Notice of Stayed Suspension in the *Official Gazette*:

Notice of Stayed Suspension

Stephen R. Greiner of Bethesda, Maryland, is a registered patent attorney (Registration Number 36,817). Mr. Greiner has been suspended for twenty-four (24) months with the entirety of the suspension stayed and placed on probation for a period of twenty-four (24) months by the United States Patent and Trademark Office (Office) for violating 37 C.F.R. §§ 10.23(b)(4), for conduct involving dishonesty, fraud, deceit or misrepresentation; 10.23(b)(6), for conduct reflecting adversely on a practitioner's fitness to practice before the Office; 10.23(c)(3), for misappropriating or failing to properly or timely remit funds received by a practitioner or the practitioner's law firm from a client to pay a fee which the client is required to pay to the Office; 10.77(c), for neglecting entrusted legal matters; and 10.112(b) for commingling funds. Mr. Greiner is permitted to practice before the Office during his probation unless the stay of the suspension is lifted.

Mr. Greiner submitted checks to the Office drawn on his operating account, but he failed to maintain sufficient funds in the account when the checks were presented for payment. Although the Office's Code of Professional Responsibility permits payments of costs and expenses advanced by a client to be deposited in an operating account, he had a fiduciary responsibility for preserving those funds such that the funds could not be impermissibly invaded and depleted. Mr. Greiner failed to timely pay fees to the USPTO for which the client had given money and for failed to timely file a Statement of Use after Notice in a Trademark application so that the application went abandoned. He commingled funds belonging to the practitioner or the practitioner's firm with advanced funds

belonging to a client by failing to deposit unearned client fees in a sequestered account and commingled the unearned client funds with his personal and business funds. Mr. Greiner, however, immediately undertook remedial action upon receipt of notice of the investigation of his handling of client funds to ensure that the conduct herein would never reoccur and to pay all outstanding fees.

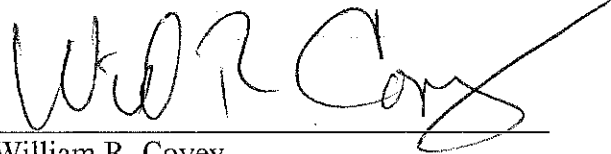
This action is the result of a settlement agreement between Mr. Greiner and the OED Director pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 CFR §§ 11.20 and 11.26 and 11.59. Disciplinary decisions involving practitioners are posted for public reading at the Office of Enrollment and Discipline's Reading Room located at:
<http://des.uspto.gov/Foia/OEDReadingRoom.jsp>.

- l. Pursuant to 37 C.F.R. § 11.59, the OED Director shall give notice of the public discipline and the reasons for the discipline to disciplinary enforcement agencies in the state(s) where Respondent is admitted to practice, to courts where Respondent is known to be admitted, and to the public;
- m. Pursuant to 37 C.F.R. § 11.20(a)(4), Respondent shall provide, within 30 days of the date of the Final Order, a copy of the Final Order to clients Client I, Client II, Client III, Client IV, Client VI, and shall file, within 45 days of the date of the Final Order, an affidavit with the OED Director stating that he complied with the requirements of this subparagraph;
- n. The record of this disciplinary proceeding, including the Final Order, shall be considered (i) when addressing any further complaint or evidence of the same or similar misconduct brought to the attention of the Office, and/or (ii) in any future disciplinary proceeding as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or to rebut any statement or representation by or on Respondent's behalf; and
- o. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of this agreement

[signature page follows]

JAN 18 2011

Date

A handwritten signature in black ink, appearing to read "William R. Covey", written over a horizontal line.

William R. Covey
Deputy General Counsel
United States Patent and Trademark Office

on behalf of

David Kappos
Undersecretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office