

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

In the Matter of:

Joseph Stecewycz,

Respondent.

Proceeding No. D2014-15

April 27, 2015

**Appearances:**

Elizabeth Ullmer Mendel, Esq.  
Tracy L. Kepler, Esq.  
*Associate Solicitors*  
United States Patent and Trademark Office

Joseph Stecewycz, Esq.  
*Pro se*

Before: J. Jeremiah MAHONEY, Administrative Law Judge

**INITIAL DECISION AND ORDER**

On May 13, 2014, the Director of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) filed a *Complaint and Notice of Proceedings Under 35 U.S.C. § 32* (“Complaint”) in this matter against Joseph Stecewycz (“Respondent”). The essence of the *Complaint* is that, having received filing fees from his client to file a patent matter, Respondent repeatedly failed to pay the filing fees to the USPTO and, as a consequence, the patent was abandoned. The *Complaint* further alleges that Respondent did not inform his client that he failed to pay the fees and that the patent was abandoned. The OED Director asks that, because of his professional misconduct, Respondent be suspended from practice before the USPTO for one to two years, with reinstatement conditioned upon restitution to his client.

On June 11, 2014, Respondent filed his *Answer to Complaint* (“Answer”), and then filed a *Supplemental Answer to Complaint* (with an attachment consisting of 13 documents) on August 20, 2014. Respondent did not avail himself of the opportunity to submit other exhibits prior to the hearing, nor did he submit a prehearing statement. The hearing was held on December 2, 2014, in the District of Columbia. Respondent was notified well in advance, but he did not attend or send a representative. By *Post-Hearing Order* on December 3, 2014, both parties were afforded the opportunity to file a post-hearing brief within 30 days following receipt of the transcript. The OED Director’s *Post-Hearing Brief* was received on January 20, 2015. Respondent did not file a post-hearing brief.

## APPLICABLE LAW

The USPTO has the “exclusive authority to establish qualifications for admitting persons to practice before it, and to suspend or exclude them from practicing before it.” Kroll v. Finnerty, 242 F.3d 1359, 1364 (Fed. Cir. 2001). The Director of the USPTO may suspend or exclude a person from practice before the Office if the person is “shown to be incompetent or disreputable, or guilty of gross misconduct,” or if the person violates regulations established by the Office.<sup>1</sup> 35 U.S.C. § 32. The OED Director has the burden of proving alleged violations by clear and convincing evidence. 37 C.F.R. § 11.49. Respondent must prove any affirmative defense by clear and convincing evidence. Id.

## FINDINGS OF FACT

Respondent was registered as a patent agent on September 4, 1990, and as a patent attorney on February 9, 1993. Respondent was admitted to the Massachusetts Bar on December 18, 1992.

Respondent’s client, Randal S. Turner, is a resident of Granite Falls, Washington. In 2005, Mr. Turner came up with the idea for his invention—a hollow-ring Torus magnet electricity generator—to be incorporated in a fishing product. At some point prior to September 10, 2010, Mr. Turner filed a U.S. Patent application on his invention. The application number was 12/102,912 (“the ‘912 application”).

Mr. Turner received a communication from the USPTO concerning his patent application, and contacted Respondent through his website ([guru.com](http://guru.com)) to assist in response. He and Respondent corresponded by e-mail and telephone. In September 2010, Mr. Turner retained Respondent to review and continue the prosecution of the ‘912 application. To resolve the issue raised by the USPTO, Respondent agreed to file a continuation-in part (“CIP”) application<sup>2</sup> for Mr. Turner without charging him fees for the legal services, as long as Mr. Turner would pay the applicable USPTO filing fees. Mr. Turner sent the filing fee to Respondent along with his Power of Attorney naming Respondent as his attorney before the USPTO, and directing the USPTO to address all correspondence to Respondent with respect to the CIP application.

On September 27, 2010, Respondent filed the CIP application for the ‘912 application, which became identified as U.S. Patent Application No. 12/891,788 (“the ‘788 application”). On September 28, 2010, Respondent sent a Credit Card Payment Form to the USPTO via facsimile, authorizing a payment of \$462.00 for the filing fees associated with the ‘788 application to be charged to his VISA debit card ending in 8477. On September 28, 2010, the USPTO attempted to process a debit card payment on Respondent’s debit card, but the payment was declined.

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<sup>1</sup> The USPTO Rules of Professional Conduct apply to persons who practice before the Office and became effective May 3, 2013. Previously, the USPTO Code of Professional Responsibility applied to practitioners. The *Complaint* alleges Respondent violations occurring before the May 3, 2013, effective date of the Rules of Professional Conduct. Therefore, the Code of Professional Responsibility is applicable.

<sup>2</sup> A CIP application contains essentially the same content as a previously filed application, except a CIP application contains additional or new matter not found in the previously filed application. The new matter, including any new claims, does not get the priority date from the first application but instead gets the filing date of the CIP application.

On October 14, 2010, the USPTO sent Respondent a “Notice to File Missing Parts” giving the applicant two months to pay the filing fees, plus a surcharge of \$65.00 for late submission of the filing fees. On December 14, 2010, Respondent filed a Response to the Notice to File Missing Parts, which stated that a payment of the fee and the surcharge (totaling \$527.00) was being submitted under separate cover. By facsimile that same day, Respondent sent another Credit Card Payment Form to the USPTO authorizing a \$527.00 charge to the same debit card ending in 8477. Respondent’s debit card payment was declined again, because Respondent did not have sufficient funds in his bank account to cover the attempted debit card payment.

On December 23, 2010, the USPTO sent Respondent a “Notice of Incomplete Reply” giving the applicant two months to pay the filing fees owed, which by then totaled \$592.00. On January 14, 2011, Respondent filed a Response to the Notice to File Missing Parts, which stated that he made multiple attempts to pay the USPTO filing fees. Respondent again submitted the same debit card for payment. However, the card was declined because Respondent still did not have sufficient funds in his bank account to cover the payment of fees on behalf of Mr. Turner.

On January 26, 2011, the USPTO sent Respondent another Notice of Incomplete Reply, again giving the applicant two months to pay the filing fees owed, which then totaled \$772.00. On February 14, 2011, Respondent again submitted the same debit card for payment. However, once more the card was declined, because the balance in Respondent’s account was \$123.61.

As a result of the failure to pay the filing fees associated with the filing of the ‘788 application, the application went abandoned. On October 6, 2011, the USPTO sent Respondent a “Notice of Abandonment” of the ‘788 application, stating that it became abandoned due to a failure to properly reply to the Notice to File Missing Parts mailed on October 14, 2010.

Respondent never communicated with Mr. Turner his multiple failures to pay for the ‘788 application, nor the fact that it was abandoned. In fact, from the time Mr. Turner sent the money to pay the filing fee to Respondent, he had no further communication with Respondent until 2012. In an e-mail dated June 13, 2012, Mr. Turner requested from Respondent the application number for his patent. On June 16, 2012, Respondent replied to Mr. Turner’s e-mail, but did not provide Mr. Turner with the application number. Rather, he stated that he had “a hard copy [he] printed out of the patents but it is in boxes of storage from moving....” Respondent still did not disclose to Mr. Turner that his application had been abandoned. In fact, in numerous e-mail communications between Respondent and Mr. Turner through January 23, 2013, Respondent misrepresented the status of Mr. Turner’s patent application.

For example, on January 9, 2013, in an e-mail to Mr. Turner, Respondent stated that

I am still following up on the status of your application. Right now, it looks like I will probably just be paying an additional fee to the Patent Office for your application, but otherwise, while your application may be behind schedule, it is still on track. This sort of problem pops up now and then.

On January 23, 2013, Mr. Turner contacted the USPTO directly, and learned for the first time that his patent application had been abandoned. On February 12, 2013, Mr. Turner filed a notice with the USPTO revoking the power of attorney granted to Respondent and also filing a Petition to Revive the '788 application. Mr. Turner was required to pay \$945.00 in filing fees to revive the application.

On March 14, 2013, Respondent agreed to reimburse Mr. Turner for the filing fees he had sent, and also for the "late" surcharges that accumulated for filing the Petition to Revive the patent application. Mr. Turner sent Respondent an e-mail stating that if he did not get reimbursed by Respondent, he would have no alternative but to file a grievance with the USPTO. Despite Respondent's e-mail assurances that he was working on sending the funds, at no time between March 14, 2013, and May 20, 2013, did Respondent pay any amount to Mr. Turner. On May 17, 2013, Mr. Turner informed Respondent that he would be filing his grievance with the USPTO, and on May 18, 2013, Mr. Turner sent his grievance regarding Respondent's conduct to the Office of Enrollment and Discipline ("OED"). On May 20, 2013, Mr. Turner received a check from Respondent refunding the \$540.00 that he had sent Respondent.

On June 5, 2013, an OED staff attorney who was investigating Mr. Turner's allegations of misconduct by Respondent sent, via certified mail, a request for information and evidence ["RFI"] to Respondent. The RFI was received, but Respondent did not provide any information within the requested time period of 30 days. Two other requests were sent before September 20, 2013, when Respondent sent a partial response to the RFI and a letter to the OED staff attorney requesting an additional 30 days to respond to a July 25, 2013, letter. On September 30, 2013, the OED staff attorney sent a second RFI to Respondent, asking him to "provide any documentation showing that at all times relevant you maintained sufficient funds in the business account associated with the debit card used to pay fees in the '788 application."

Respondent did not respond fully or within the requested time, but on December 10, 2013, he provided some additional information related to credit card payments he had completed to the USPTO both before and after the '788 application, but did not produce the requested bank records. The OED Director submitted the matter to the Committee on Discipline for a probable cause determination, which led to the *Complaint* in this matter.

In his *Answer*, Respondent twice asserted that he had "verified with the bank that payment had not been made, even though adequate funds were available in the Business Account." Despite numerous requests, Respondent never produced bank records to corroborate his assertion. The bank records admitted into evidence establish the contrary.

## THE COMPLAINT

The *Complaint* contains specific allegations of violations of the USPTO Code of Professional Responsibility, set forth in five Counts:

**Count 1 — Violations of 37 C.F.R. § 10.23(b) via 10.23(c)(3)** Respondent violated 37 C.F.R. § 10.23(b) (proscribing failing to properly or timely remit funds from a client to the Office) by submitting a debit card that was repeatedly declined by his bank for payment, despite having received the required filing fees from his client.

**Count 2 — Violations of 37 C.F.R. § 10.23(b)(4)** Respondent violated 37 C.F.R. § 10.23(b)(4) (proscribing engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation) by repeatedly presenting to the USPTO a form of payment that could not be processed.

**Count 3 — Violation of 37 C.F.R. § 10.23(b)(5)** Respondent violated 37 C.F.R. § 10.23(b)(5) (proscribing engaging in conduct that is prejudicial to the administration of justice) by repeatedly failing to timely submit proper payment of required filing fees to the USPTO, which ultimately resulted in his client's patent application going abandoned.

**Count 4 — Violations of 37 C.F.R. § 10.77(c)** Respondent violated 37 C.F.R. § 10.77(c) (proscribing neglect of a legal matter entrusted to the practitioner) by failing to properly reply to Office actions and/or to ensure timely payment of filing fees, resulting in the abandonment of his client's patent application. Respondent also violated 37 C.F.R. § 10.77(c) by failing to advise his client that filing fees had not been timely paid or that his patent application had been abandoned.

**Count 5 — Violation of 37 C.F.R. § 10.23(b)(6)** Respondent violated 37 C.F.R. § 10.23(b)(6) (proscribing engaging in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office) by otherwise engaging in the acts and omissions described in the Complaint that do not otherwise constitute violations of Counts 1 - 4, above.

## **DISCUSSION**

The Court has considered all issues and examined all evidence contained in the record and presented at hearing. Those issues not discussed here are not addressed because the Court finds they lack materiality or importance to the decision.

Respondent violated the USPTO Code of Professional Responsibility while representing Mr. Turner before the USPTO. As they had agreed, Respondent filed a CIP patent application on behalf of Mr. Turner, but he failed to properly submit payment of the required fees to the Office even though Mr. Turner had pre-paid the fees to him. Respondent proffered payment of the fees by debit card, but his bank repeatedly refused payment due to insufficient funds maintained in Respondent's account. Although other debits were paid on Respondent's account during a period of several months, there were never sufficient funds in the account to honor debit authorizations when they were sent by Respondent to the USPTO. As a result of Respondent's neglect, the client's patent application was abandoned.

The evidence is clear and convincing. Respondent failed to pay the fee for the '788 patent application by repeatedly submitting a debit card authorization with insufficient funds in his account. As a consequence, Respondent violated various USPTO disciplinary rules by submitting a debit card that was repeatedly declined for payment, despite having received the required filing fees from his client, 37 C.F.R. § 10.23(c)(3); by repeatedly presenting to the USPTO a form of payment that could not be processed, 37 C.F.R. § 10.23(b)(4); by repeatedly failing to timely submit proper payment of required filing fees to the USPTO, which ultimately resulted in his client's patent application going abandoned, 37 C.F.R. § 10.23(b)(5).

Additionally, Respondent failed to properly reply to Office Actions and/or to ensure timely payment of filing fees, resulting in the abandonment of his client's patent application, 37 C.F.R. § 10.77(c). Moreover, Respondent failed in his duty to advise his client that filing fees had not been timely paid; and finally, he failed to inform his client that his patent application had been abandoned.

The last Count of the *Complaint* charges Respondent with "otherwise engaging in acts and omissions described in the complaint that do not otherwise constitute other conduct that adversely reflects on the practitioner's fitness to practice before the USPTO by otherwise engaging in the acts and omissions as described in the Complaint," in violation of 37 C.F.R. § 10.23(b)(6). That provision is a "catch all" regulating conduct that does not fall under the subsections immediately preceding it.<sup>3</sup> As a result, any alleged conduct that violates any provision of § 10.23(b)(1) through (b)(5), cannot also violate § 10.23(b)(6). *In re Lane*, No. D2013-07, at 16 (USPTO Mar. 11, 2014); *In re Kelber*, No. 2006-13 at 59 (USPTO Sept. 23, 2008). The *Complaint* does not allege any conduct except what that is encompassed in the first four Counts. Hence, Respondent has not engaged in any other conduct in violation of Count 5.

## SANCTIONS

The four factors for determining an appropriate penalty in a USPTO disciplinary hearing are: (1) whether the practitioner has violated a duty owed to a client, to the public, to the legal system, and/or to the profession; (2) whether the practitioner acted intentionally, knowingly, or negligently; (3) the amount of the actual or potential injury caused by the practitioner's misconduct; and (4) the existence of any aggravating or mitigating factors. 37 C.F.R. § 11.54(b).

1. Respondent breached professional duties owed to his client by failing to remit the filing fees given to him in advance by: neglecting the client's patent application, resulting in its abandonment; failing to notify his client of his failures and their consequences; and misrepresenting the status of the application to his client when he knew that it had been abandoned. Respondent also breached his duty to the legal system and profession by failing to provide relevant information requested by the OED during the investigation and prosecution of this matter and falsely claiming that he had sufficient funds in his account to pay the required fees, implying that the fault was not his, but his bank's.

2. Respondent knew or should have known the amount of funds available in his account before authorizing debit payments to the USPTO on behalf of his client. Nevertheless, he repeatedly authorized payment by debit card despite not having sufficient funds in his account to pay his client's filing fee to the USPTO. With each denied debit card authorization, the USPTO imposed additional fees as a penalty. Moreover, Respondent never told Mr. Turner about the

<sup>3</sup> 37 C.F.R. § 10.23(b) reads in its entirety:

(b) A practitioner shall not:

- (1) Violate a Disciplinary Rule.
- (2) Circumvent a Disciplinary Rule through actions of another.
- (3) Engage in illegal conduct involving moral turpitude.
- (4) Engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.
- (5) Engage in conduct that is prejudicial to the administration of justice.
- (6) Engage in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office.

declined payments or about the resulting Notices to File Missing Parts received by him from the USPTO. And finally, Respondent never informed his client about the ensuing Notice of Abandonment of his client's patent application. Instead, in various subsequent e-mail communications with his client, Respondent intentionally misled him by stating that the application was still pending.

3. Respondent's negligence and deception injured his client by abandoning the very patent matter Respondent was retained to secure. Most tellingly, Respondent made false statements to his client, to whom Respondent subsequently made delayed and incomplete restitution.

4. Respondent's only mitigating claim—that it was his bank's fault—was a knowing falsehood. By way of aggravation, Respondent obstructed the disciplinary process by his repeated failure to comply with the disciplinary investigation. He misidentified the bank from which he claimed to have attempted the payment of the fees, and failed to produce the requested bank records during the investigatory and prosecution phases of the matter, requiring the OED Director to file interrogatories and subpoenas for previously requested information that was readily available to Respondent. Finally, it is noteworthy that Respondent has failed to acknowledge the wrongful nature of his misconduct or show any remorse in this matter.

Courts in other jurisdictions have recognized that an attorney's failure to cooperate in his disciplinary proceeding is a significant aggravating factor demonstrating a lack of professional responsibility. *See, e.g., Matter of Brown*, 910 P.2d 631 (Ariz. 1996); *People v. Reeves*, 766 P.2d 1192 (Colo. 1988); *In re Lea*, 969 A.2d 881 (D.C. 2009); *In re Houdek*, 497 N.E.2d 1169 (Ill. 1986); *In re Brody*, 357 N.E.2d 498 (Ill. 1976).

Providing false information or statements during a disciplinary proceeding has been found to raise a respondent's misconduct to an "extremely serious" level. *See, The Florida Bar v. Rotstein*, 835 So.2d 241, 243 (Fla. 2002); *see also, In re Hanlon*, 110 P.3d 937 (Alaska 2005); *In re Hebert*, 9 So.3d 846 (La. 2009), *In re Disciplinary Proceeding against Rodriguez*, 306 P.3d 893 (Wash. 2013).

A lawyer's duty to communicate honestly with a client is fundamental. "[B]ecause respondent also deliberately concealed his neglect to protect his personal interests, thereby sacrificing his clients' welfare to preserve his own[, w]e view his actions as the equivalent of misappropriating funds from these clients, an offense that, absent sufficiently mitigating circumstances, requires our most severe sanction." *Cincinnati Bar Assn. v. Deaton*, 806 N.E.2d 503, 509 (Ohio 2004) (citations omitted). The USPTO has previously suspended and excluded practitioners who were dishonest with their clients. *See, e.g., In re Goldstein*, Proceeding No. D2014-10 (USPTO Mar. 31, 2014); *In re Gaudio*, Proceeding No. D2012-12 (USPTO Dec. 12, 2012); *In re Shippey*, Proceeding No. D2011-27 (USPTO Oct. 14, 2011); *In re Manghera*, Proceeding No. D2009-43 (USPTO Jun. 10, 2010).

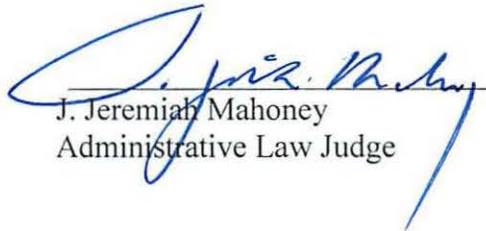
## CONCLUSION

Congress granted the USPTO the authority to govern the conduct of patent practitioners. The primary purpose of imposing professional discipline is not to punish, but to protect the public and preserve the integrity of the profession. To that end an appropriate sanction—short of expulsion from practice—is one that will deter Respondent (and others similarly situated) from committing unprofessional conduct. In the *Post-Hearing Brief* the OED Director asks for an initial decision suspending Respondent from practice before the Office for one to two years, with reinstatement conditioned upon Respondent's restitution of \$945 to Mr. Turner.<sup>4</sup>

## ORDER

Based upon the foregoing findings and discussion, the Court concludes that Respondent committed the professional misconduct alleged in Counts 1 through 4, and that the appropriate sanction for those violations is that Respondent shall pay restitution to Mr. Turner in the amount of \$405, and Respondent shall be suspended from practice before the USPTO for two years.<sup>5</sup>

So ORDERED,



J. Jeremiah Mahoney  
Administrative Law Judge

**Notice of Appeal Rights:** Within thirty (30) days of this initial decision, either party may appeal to the USPTO Director. 37 C.F.R. § 11.55(a).

<sup>4</sup> As indicated in the FINDINGS, after the investigation began in this matter, Respondent refunded the \$540 for filing fees sent to him by Mr. Turner. In turn, Mr. Turner later had to pay \$945 in fees and "late" surcharges to reinstate the abandoned patent application. Even though the patent was later again abandoned, Respondent's neglect caused the imposition of late charges paid by Mr. Turner. Respondent's restitution should be the difference: \$405.

<sup>5</sup> Respondent is directed to 37 C.F.R. § 11.58, which sets forth Respondent's duties while suspended. Respondent shall remain suspended from the practice of patent, trademark, and non-patent law before the USPTO until the OED Director grants a petition reinstating Respondent pursuant to 37 C.F.R. § 11.60(c).




## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing INITIAL DECISION AND ORDER, issued by J. Jeremiah Mahoney, Administrative Law Judge, in D2014-15, were sent to the following parties on this 27<sup>th</sup> day of April, 2015, in the manner indicated:

  
Cinthia Matos, Docket Clerk

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