

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

In the Matter of	)	
	)	
Jay M. Schloff,	)	Proceeding No. D2017-22
	)	
Respondent	)	
_____	)	

**FINAL ORDER**

The Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Mr. Jay M. Schloff (“Respondent”), who is represented by counsel, have submitted a Proposed Settlement Agreement (“Agreement”) to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

The Agreement, which resolves all disciplinary action by the USPTO arising from the stipulated facts set forth below, is hereby approved. This Final Order sets forth the parties’ stipulated facts, legal conclusions, and agreed upon sanctions found in the Agreement.

**Jurisdiction**

1. At all times relevant hereto, Respondent of West Bloomfield, Michigan, has been a patent attorney registered to practice before the Office in patent matters (Registration No. 57,069) and is subject to the USPTO Rules of Professional Conduct, 37 C.F.R. §§ 11.101 through 11.901.
2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

**Joint Stipulated Facts**

3. Respondent became registered as a patent agent on June 13, 2005.
4. Respondent became registered as a patent attorney on November 3, 2005.
5. Respondent’s registration number is 57,069.
6. Respondent is admitted to practice law in Michigan.
7. Respondent provided limited-scope “unbundled” patent services for a client in a particular patent application on a “project basis” instead of providing complete application preparation and prosecution services throughout the pendency of the application.

8. Respondent received a final Office Action in the application dated November 21, 2013, and failed to report the Office Action to the client until May 26, 2015, after the client inquired about the status of the application on May 25, 2015.

9. Respondent also failed to respond to the Office Action prior to the due date, resulting in the application being abandoned for failing to timely respond to the Office Action without the client's knowledge or consent.

10. Respondent also received a Notice of Abandonment dated July 1, 2014, in the application and failed to report the Notice of Abandonment to the client.

11. Respondent did not take any action to revive the abandoned application.

12. Respondent failed to adequately communicate with his client regarding the patent application and Office communications received therein.

13. Respondent also stated that he was providing his services to the client on a limited-scope "project basis" and not continuously throughout the pendency of the application. However, Respondent did not withdraw as the practitioner of record in the application at the termination of the practitioner-client relationship after each "project" and, thus, continued to represent to the USPTO that he was the practitioner of record in the application.

#### **Joint Legal Conclusions**

14. Respondent admits that, based on the above stipulated facts, he violated 37 C.F.R. § 11.102(c) (failing to obtain informed consent for limited-scope representation) by failing to obtain his client's informed consent to limited-scope representation on a "project" basis in the application and failing to withdraw from representation after the limited scope representation was complete.

15. Respondent admits that, based on the above stipulated facts, he violated § 11.104(a)(1)-(3) (failing to promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required, failing to reasonably consult with the client about the means by which the client's objectives are to be accomplished, and failing to keep the client reasonably informed about the status of a matter) by failing to timely provide the client with the final Office Action, failing to respond to the final Office Action without the client's consent, allowing the application to become abandoned without the client's consent, and failing to timely provide the client with the Notice of Abandonment in the application.

16. Respondent admits that, based on the above stipulated facts, he violated 37 C.F.R. § 11.103 (failing to act with reasonable diligence and promptness in representing a client) by failing to timely notify the client of the final Office Action, failing to respond to the Office Action, allowing the application to become abandoned without the client's consent, failing to notify the client of the Notice of Abandonment in the application, and failing to take steps to revive the abandoned application.

17. Respondent admits that, based on the above stipulated facts, he violated 37 C.F.R. § 11.116(a)(3) (failing to withdraw from representation when the practitioner is discharged) by failing to notify the client and the USPTO of his withdrawal from representation after the limited-scope representation of each "project" in the client's application was complete.

18. Respondent admits that, based on the above stipulated facts, he violated 37 C.F.R. § 11.116(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) by failing to notify the client and the USPTO of his withdrawal from representation after the limited-scope representation of each "project" in the client's application was complete and failing to timely provide the client with a copy of the final Office Action and Notice of Abandonment.

### **Additional Considerations**

19. Respondent has accepted responsibility for his misconduct. Respondent recognizes the seriousness of his misconduct and has expressed remorse for it and for its detrimental effect on his former client as well as on the reputation of the legal profession.

20. Respondent has implemented a computer-based docketing system which among other features includes: (a) automatically docketing statutory due dates (including extensions) upon entry of the mailing date of an action, (b) sends email reminders, and (c) for trademark applications, automatically docketing filings and monitors status changes by communicating with the USPTO online systems.

21. Respondent has contracted to have a document retention system to enhance his firm's ability to organize, control and access documents and files and this system is currently being implemented.

22. Respondent has hired a person to perform secretarial/paralegal tasks and anticipates employing someone in this capacity continuously for the foreseeable future.

23. Respondent is willing to reimburse his former client for the petition to revive fee for revival of the application upon determination whether the fee should be paid to the former client or the former client's new law firm. By the date Respondent signs the Agreement, Respondent will have this money held in escrow until he has thereafter determined to whom this money should be paid.

24. Respondent understands that if he enters into a client relationship based on limited-scope representation by project, as he did with the grieving client in this matter, wherein his representation of the client in a matter effectively ends upon completion of a project, he must comply with the requirements of 37 C.F.R. § 11.102(c) and must comply with the requirements of 37 C.F.R. § 11.116.

25. Respondent has provided full and fair disclosures to OED during OED's investigation into his conduct.

#### **Agreed Upon Sanction**

26. Respondent agrees, and it is hereby ORDERED that:

- a. Respondent shall be, and hereby is, publicly reprimanded;
- b. Respondent shall serve a twenty-four (24) month probationary period commencing on the date on which the Final Order is signed;
- c. Respondent shall be permitted to practice before the USPTO in patent, trademark, and other non-patent law before the USPTO during his probationary period, unless his probation is revoked and he is suspended by order of the USPTO Director or otherwise no longer has the authority to practice before the USPTO;
- d. Respondent, during his probationary period, shall submit a report to the OED Director every 12 months (*i.e.*, 12 months and 24 months) commencing from the date the Final Order is signed and shall report the following:
  - (1) Identify by application number each U.S. utility patent application entrusted to Respondent to prosecute in which the Office issued during the probationary period a Notice of Abandonment predicated on the failure to file a timely and/or proper response to any Office communication, including, but not limited to a non-final Office Action, a final Office Action, an Office Advisory, and a Notice of Allowance;
  - (2) State whether, how and when Respondent reported the Office communication to the client prior to the application becoming abandoned;
  - (3) Provide documentary evidence that Respondent reported the Office communication to the client prior to the application becoming abandoned (*e.g.*, copies of the correspondence to the client about the Office communication);
  - (4) State whether, how and when Respondent reported the Notice of Abandonment to the client;
  - (5) State whether, how and when Respondent counseled the client about the abandonment of the application, including whether he counseled the client in adequate time to take appropriate action to avoid abandonment;
  - (6) Provide documentary evidence that Respondent reported the Notice of Abandonment to the client and counseled the client about it (*e.g.*, copies of the correspondence to the client about the Notice of Abandonment);

- (7) For each application where Respondent did not counsel the client about an Office communication in adequate time to take appropriate action to avoid abandonment, identify each application by application number and each client by full name and address and provide a detailed explanation as to why Respondent did not counsel the client about the Office communication in adequate time to take appropriate action to avoid abandonment; and
  - (8) If no applications are reported under paragraph numbers (1)-(7) above in any reporting period, Respondent shall affirmatively report to OED that there are no such applications to report in that period.
- e. (1) If the OED Director is of the opinion that Respondent, during the probationary period, failed to comply with any provision of the Agreement, this Final Order, or any provision of the USPTO Rules of Professional Conduct, the OED Director shall:
- (A) issue to Respondent an Order to Show Cause why the USPTO Director should not enter an order immediately suspending the Respondent for up to twelve (12) months for the violations set forth in the Joint Legal Conclusions, 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 that 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 probationary period, failed to comply with any provision of the Agreement, Final Order, or any provision of the USPTO Rules of Professional Conduct, 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, if any; and (iii) argument and evidence supporting the OED Director's position; and
  - (B) request that the USPTO Director enter an order suspending Respondent from practice before the USPTO for up to twelve (12) months for the violations set forth in the Joint Legal Conclusions, above;

- f. Nothing in the Agreement or this Final Order shall prevent the OED Director from seeking discrete discipline for any misconduct that formed the basis for an Order to Show Cause issued pursuant to the preceding paragraph “e” above;
- g. In the event the Respondent seeks a review of any action taken pursuant to paragraph “e” above, such review shall not operate to postpone or other hold in abeyance such action;
- h. If Respondent is suspended during any portion his twenty-four (24) month probationary period pursuant to the terms of this Final Order, Respondent shall comply with 37 C.F.R. § 11.58;
- i. If Respondent is suspended during any portion his twenty-four (24) month probationary period pursuant to the terms of this Final Order, the OED Director shall comply with 37 C.F.R. § 11.59;
- j. Respondent shall: (1) within six (6) months from the date of the Final Order, enroll, complete and receive Continuing Legal Education credit under the Rules of the Michigan State Bar for at least one course where the primary subject matter is case management (*e.g.*, calendaring and communicating with clients) for small firms and/or solo practitioners; and (2) within seven (7) months from the date of the Final Order, provide the OED Director corroborating proof of successful completion of such a course, including: a) documentary evidence of his attendance and completion of such a case management course, b) a description of the content of the course for which credit was received, and c) a copy of all written materials provided to the course participants or other corroborating proof acceptable to the OED Director;
- k. Nothing in the Agreement or this Final Order shall prevent the Office from seeking discipline against Respondent pursuant to 37 C.F.R. §§ 11.19 through 11.57 for any misconduct engaged in by Respondent prior to, during, or after his probationary period including that which led to the imposition of a suspension pursuant to paragraph “e” above;
- l. The record of this disciplinary proceeding, including this Final Order, shall be considered (1) when addressing any further complaint or evidence of the same or similar conduct brought to the attention of the Office, and/or (2) in any further disciplinary proceeding (a) as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or (b) to rebut any statement or representation by or on Respondent’s behalf;
- m. The OED Director shall electronically publish the Final Order at OED’s electronic FOIA Reading Room, which is publicly accessible at:  
<http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- n. The OED Director shall publish a notice in the *Official Gazette* that is materially consistent with the following:

### **Notice of Public Reprimand and Probation**

This notice concerns Mr. Jay M. Schloff of West Bloomfield, Michigan, who is a registered practitioner (Registration No. 57,069). In settlement of a disciplinary proceeding, the Director of the United States Patent and Trademark Office ("USPTO" or "Office") has publicly reprimanded Mr. Schloff and placed him on probation for twenty-four (24) months from the date of the Final Order for violating 37 C.F.R. §§ 11.102(c) (failing to obtain informed consent for limited-scope representation); 11.104(a)(1)-(3) (failing to promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required, failing to reasonably consult with the client about the means by which the client's objectives are to be accomplished, and failing to keep the client reasonably informed about the status of a matter); 11.103 (failing to act with reasonable diligence and promptness in representing a client); 11.116(a)(3) (failing to withdraw from representation when the practitioner is discharged); and 11.116(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 public reprimand and probation is predicated upon Mr. Schloff's violations of provisions of the USPTO Rules of Professional Conduct in connection with his providing patent services for a client. Mr. Schloff stated that he was providing patent services to a client in a particular application on a limited-scope "project basis" instead of providing complete application preparation and prosecution services throughout the pendency of the application. Mr. Schloff failed to timely report a final Office Action to the client, failed to respond to the final Office Action, allowed the application to become abandoned for failure to timely respond to the Office Action without the client's knowledge or consent, failed to notify the client of the abandonment of the application, failed to report the Notice of Abandonment to the client, and failed to take any action to revive the application. Mr. Schloff also failed to adequately communicate with his client regarding the patent application and the Office communications. Mr. Schloff also stated that he was providing his services to the client on a "project basis" and not continuously throughout the pendency of the application. However, Mr. Schloff did not receive adequate informed consent from the client in a limited-scope representation. Further, Mr. Schloff did not notify the client and the USPTO of his withdrawal from representation in the application after each "project," thereby continuing to represent to the USPTO that he was the attorney of record in the application.

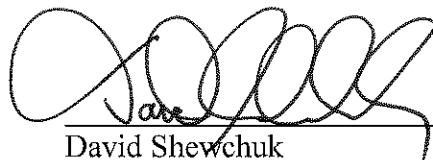
In reaching this settlement, the OED Director considered the following: (i) Mr. Schloff has expressed remorse; (ii) Mr. Schloff has implemented a computer-based docketing system in order timely notify clients of Office

communications; (iii) Mr. Schloff has contracted to install a document management system to enhance his firm's ability to organize, control and access documents and files and this system will be installed in the near future; (iv) Mr. Schloff has hired a person to perform secretarial/paralegal tasks; and (v) Mr. Schloff has provided full and fair disclosures to the Office of Enrollment and Discipline during the investigation of this matter.

This action is the result of a settlement agreement between Mr. Schloff and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.19, 11.20, and 11.26. Disciplinary decisions involving practitioners are posted for public reading at the OED Reading Room, available at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>.

- o. Nothing in the Agreement or this Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order: (1) when addressing any further complaint or evidence of the same or similar misconduct concerning Respondent brought to the attention of the Office; (2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed, and/or (ii) to rebut any statement or representation by or on Respondent's behalf; and/or (3) in connection with any request for reconsideration submitted by Respondent pursuant to 37 C.F.R. § 11.60;
- p. Respondent waives all rights to seek reconsideration of the Final Order under 37 C.F.R. § 11.56, waives the right to have the Final Order reviewed under 37 C.F.R. § 11.57, and waives the right otherwise to appeal or challenge the Final Order in any manner; and
- q. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of the Agreement and this Final Order.

21 July 2017  
Date



David Shewchuk  
Deputy General Counsel for General Law  
United States Patent and Trademark Office

On behalf of

Joseph D. Matal  
Performing the Functions and Duties of the Under  
Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office



cc: OED Director, USPTO

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