

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

In the Matter of:

**Michael I. Kroll,**

Respondent.

Proceeding No. D2016-23

April 10, 2017

**Appearances:**

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United States Patent and Trademark Office

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*Attorney for Respondent*

Before: The Honorable Alexander Fernández, Administrative Law Judge

**INITIAL DECISION AND ORDER**

On April 25, 2016, the Court received a *Complaint and Notice of Proceedings under 35 U.S.C. § 32* (“*Complaint*”) in this matter. In the *Complaint*, the Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO”) requested the exclusion of Michael I. Kroll (“Respondent”) from practice before the USPTO in patent, trademark, and other non-patent matters.

The OED Director alleged that Respondent committed multiple violations of the USPTO Code of Professional Responsibility and the USPTO Rules of Professional Conduct during his representation of various clients.<sup>1</sup> As relevant here, the OED Director alleges that various acts and omissions committed by Respondent during his prosecution of U.S. Patent Application No. [REDACTED] (“the [REDACTED] application”) on behalf of Mr. Charles Neault (“Mr. Neault.”) violate the USPTO’s Code and Rules and, combined with other factors and prior actions, justify the imposition of severe sanctions.<sup>2</sup> Respondent filed his *Answer* on June 16, 2016.

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<sup>1</sup> Effective May 3, 2013, the USPTO Rules of Professional Conduct, 37 C.F.R. §§ 11.101 through 11.901, apply to persons who practice before the Office. Prior to May 3, 2013, the USPTO Code of Professional Responsibility applied to persons practicing before the Office. See 37 C.F.R. §§ 10.20-10.112. Here, Respondent’s alleged misconduct occurred both before and after May 3, 2013, and thus, both the old and the new rules are implicated.

<sup>2</sup> The original *Complaint* also contained additional allegations in Counts I and II against Respondent regarding his representation of Paul dePoo for the U.S. Patent Application No. 12/793,097 (Count I) and Dina Ortner for the U.S. Patent Application No. 13/246,252 (Count II). On July 25, 2016, Respondent filed a *Motion for Summary Judgment*

On August 18, 2016, Respondent filed a *Motion for Entry of Judgment as a Matter of Law*. On the same day, August 18, 2016, the OED Director filed a *Response to Respondent's Motion for the Entry of Judgment as a Matter of Law* and Respondent filed a *Reply Memorandum*. On August 19, 2016, the Court denied Respondent's *Motion for Entry of Judgment as a Matter of Law*.

A hearing in this matter was held on October 26, 2016, in the District of Columbia. Respondent chose not to appear for the hearing. The Government and Respondent each filed *Post-Hearing Briefs* on December 12, 2016. The Government also filed a *Reply Brief* on December 22, 2016.

### **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 USPTO 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. 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. The Respondent must prove any affirmative defense by clear and convincing evidence. Id.

In relevant part, the USPTO Code of Professional Responsibility provided that “[a] practitioner shall not engage in disreputable or gross misconduct” and “shall not... [e]ngage in conduct involving dishonesty, fraud, deceit, or misrepresentation; or ... in conduct that is prejudicial to the administration of justice.” 37 C.F.R. § 10.23(a)-(b) (2012). Moreover, the current USPTO Rules of Professional Conduct continue to proscribe conduct that is prejudicial to the administration of justice. 37 C.F.R. § 11.804(c)-(d) (2016). Conduct proscribed by 37 C.F.R. § 10.23(a)-(b) included, but was not limited to:

Knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information to, a client in connection with any immediate, prospective, or pending business before the Office.

37 C.F.R. § 10.23(c)(2)(i) (2012).

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seeking a ruling as a matter of law as to all counts alleged in the *Complaint*. The OED Director, on August 1, 2016, filed a *Motion to Voluntarily Dismiss* on Counts I and II of the *Complaint*. On August 8, 2016, the Court denied Respondent's *Motion for Summary Judgment*, and granted the Government's *Motion to Voluntarily Dismiss*.

### Findings of Fact

1. Respondent is an active member of the New York State Bar and has been a patent attorney registered with the USPTO since December 6, 1973. Respondent's USPTO registration number is 26,755.
2. Respondent has an extensive disciplinary history, both before the USPTO and the New York State Bar. [Gov. Exs. 14-24] Respondent was sanctioned three times by the OED Director, in 2004, 2010, and 2015, resulting in three-year, five-year, and two-year suspensions, respectively, with the entirety of those suspensions stayed.
3. Respondent received Warning Letters from the OED Director in 2006, 2011, 2014, and 2015.
4. Respondent also received a Letter of Caution from the New York State Grievance Committee in 2002. In 2006, Respondent was publicly censured by the New York State Bar.

### Respondent's Prosecution of the '576 Application and the [REDACTED] Application

5. Around April 19, 2005, Mr. Neault asked Respondent about the patentability of his automotive windshield sun visor invention (the Solar Sun Shield Visor) which was made of a static-cling material.
6. On May 5, 2005, Respondent advised that he could definitely obtain a patent, and he could "offer a full money back guarantee" if he failed to obtain the patent.
7. Mr. Neault hired Respondent and on November 30, 2005, signed a Verified Statement and Declaration and a Power of Attorney related to the patent application.
8. On March 9, 2006, Respondent filed U.S. Patent Application No. 11/371,576 ("the '576 application") for the Solar Sun Shield Visor.
9. Mr. Neault paid Respondent a total of \$10,115.00 in fees and costs for the '576 application.
10. On May 26, 2006, the USPTO issued an Office Action rejecting the patent application because it was anticipated by prior inventions.
11. On August 10, 2006, Respondent submitted an amended '576 application, adding an "attachment guide" specification for aiding in attaching the device to the windshield of a vehicle. By adding this specification, only devices that include such a feature would be found to infringe on the patent.

12. Respondent did not explain the amendment to Mr. Neault, or ask Mr. Neault for permission to modify the application in that way.
13. On January 16, 2007, the USPTO issued U.S. Patent Number 7,163,252 ("the '252 patent") on the amended '576 application.
14. Around June 4, 2007, Respondent assured Mr. Neault that the '252 patent prevents others from producing a static-cling sun shade, but did not tell him the limitations related to the attachment guide feature.
15. Relying on the Respondent's statement, Mr. Neault spent \$30,000 to manufacture and market his Solar Sun Shield Visor invention.
16. In May 2008, Mr. Neault identified a third party who was manufacturing a product similar to his Solar Sun Shield Visor invention and consulted with Respondent regarding a potential cease-and-desist letter.
17. On December 10, 2008, Respondent informed Mr. Neault that the '252 patent only covered a static-cling sun shade with a specific "attachment guide."
18. In June 2009, Mr. Neault asked Respondent whether a device similar to the '252 patent, but with the addition of perforations to provide shade while allowing visibility ([REDACTED]), would be patentable.
19. On November 23, 2009, Respondent advised that the chances of patentability were excellent. On November 26, 2009, Respondent confirmed that he could "offer a full money back guarantee" if he failed to obtain a patent.
20. Respondent did not inform Mr. Neault that the '252 patent had already disclosed a perforated device and that this presented a significant obstacle to obtaining broad patent protections.
21. Mr. Neault hired and paid Respondent a total of \$11,068.00 in fees and costs to prepare, file, and prosecute a patent application for the [REDACTED].
22. On March 10, and April 10, 2010, Respondent sent Mr. Neault draft applications with drawings for the invention showing perforations with parallel walls.
23. After reviewing the original draft, Mr. Neault raised concerns regarding the thickness of material in Figure 7. Respondent reassured Mr. Neault that this was to highlight the perforations in the figure and that this would be fine.
24. Soon thereafter, Respondent told Mr. Neault that he would forward one final draft application, that there would be no material changes to that application, and that Mr. Neault should sign the Declaration in the application and return the documents to Respondent as soon as possible.

25. On June 22, 2010, Respondent sent Mr. Neault a final draft of the patent application for his signature before filing. In this draft, however, the drawings showed diverging/angled perforations instead of parallel walls.
26. Respondent did not seek permission to revise the application or otherwise inform Mr. Neault that he had made changes to the final draft of the application.
27. When Mr. Neault received the document, he did not review it line-by-line.
28. Mr. Neault signed the Declaration stating that "I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above."
29. On September 1, 2010, Respondent filed U.S. Patent Application No. [REDACTED] ("the [REDACTED] application") for the [REDACTED] invention, containing the diverging/angled perforations.
30. On September 5, 2012, the USPTO issued a non-final Office Action on the [REDACTED] application including a rejection based on the '252 patent.
31. On December 31, 2012, Respondent filed a response, noting that the invention was new because it included diverging/angled perforations.
32. On February 4, 2013, the USPTO issued a Final Office action including a rejection of the claims of the [REDACTED] application relying on the '252 patent.
33. On July 3, 2013, Respondent filed a Response to the Final Office Action, which included a further amendment to the [REDACTED] application to emphasize the diverging/angled perforations and arguing that this distinguished the [REDACTED] application from the '252 patent.
34. On November 13, 2013, the USPTO issued a Notice of Allowance for the [REDACTED] application.
35. Respondent reported the Notice of Allowance to Mr. Neault, but again did not mention the addition of the diverging/angled perforations.
36. When Mr. Neault reviewed the Notice of Allowance, he realized for the first time that the diverging/angled perforations had been added to the claims and was the reason for the application's approval.
37. Because of the diverging/angled perforations, Mr. Neault found the device described in the [REDACTED] application to be commercially useless and he did not pay the fees necessary for the patent to be issued.

38. On February 27, 2014, the USPTO issued a Notice of Abandonment in the [REDACTED] application based on the failure to pay the additional fees.

39. Mr. Neault had spent one-half of his retirement income to obtain a patent which eventually became useless due to Respondent's actions.

#### Respondent's Actions to Resolve Mr. Neault's Complaints

40. On October 2, 2012, Mr. Neault sent an email to Respondent to, *inter alia*, express his frustration with Respondent's communication regarding the scope of his claims for the [REDACTED] application. Mr. Neault also referenced Respondent's prior November 26, 2009 promise of a money-back guarantee

41. On October 4, 2012, Respondent responded that "[w]e will refund the fees paid if we are unsuccessful with your patent."

42. On October 5, 2012, Mr. Neault responded to Respondent's October 4, 2012 letter, citing concerns regarding the scope of the November 26, 2009 money-back guarantee and expressing frustration that the scope of the money back guarantee was not covering "all payments." On that same date, Respondent sent an email to Mr. Neault in which he confirmed that "... we agree to refund all fees paid (not only the recently paid response fee) for [the [REDACTED] application] if we are unable to obtain a patent."

43. On October 6, 2012, Mr. Neault told Respondent that he was considering filing an ethical grievance regarding Respondent's representation in connection with the '252 patent.

44. On October 9, 2012, Mr. Neault sent a letter to Respondent addressing the claim scope of the '252 patent and requesting records regarding charges and payments relating to the representation."

45. On October 25, 2012, Mr. Neault obtained an independent opinion confirming that the '252 patent could not be used to prevent others from manufacturing a static-cling sun shade absent the attachment guide feature.

46. On November 21, 2012, Mr. Neault sent the opinion to Respondent with a letter requesting a refund of fees and costs for the '252 patent.

47. On November 22, 2012, Respondent admitted that the '252 patent did not protect Mr. Neault, and offered to refund one-half of the fees paid.

48. On January 9, 2013, Mr. Neault again requested a full refund from Respondent.

49. On January 24, 2013, Mr. Neault and Respondent agreed that Mr. Neault would not file an ethics grievance regarding Respondent's handling of the '252 patent in exchange for

Respondent refunding \$6,000, in \$2,000 installments on January 31, 2013, February 28, 2013, and March 31, 2013.

50. Mr. Neault drafted a document for Respondent's signature memorializing the terms of the agreement reached on the phone. The document also stated "[u]pon satisfaction of the payments and letter, we will tear up any and all paperwork prepared to file any [ethical] complaints."
51. Mr. Neault sent the agreement and Respondent signed the agreement with a few minor changes.
52. On February 16, 2013, March 5, 2013, and April 20, 2013, Mr. Neault received three separate \$2,000 checks from Respondent.
53. Between November 20 and December 9, 2013, Mr. Neault and Respondent discussed the modifications Respondent had made to the [REDACTED] application and Respondent's lack of communication regarding the issue.
54. Respondent asserted that he owed nothing to Mr. Neault, because Mr. Neault had "signed off" on the application.
55. On February 2, 2014, Mr. Neault sought a refund for the mishandling of the [REDACTED] patent application.
56. Respondent again offered to settle with a refund if Mr. Neault would not file an ethics grievance.
57. During February and March of 2014, because Respondent avoided communicating, Mr. Neault had to reach out to Respondent multiple times regarding the settlement agreement.
58. On March 3, 2014, Mr. Neault sent Respondent an email stating that he would be filing an ethics grievance if he did not hear from Respondent in two days.
59. On March 4, 2014, Respondent and Mr. Neault agreed that Respondent would pay a total refund of \$6,000 in six installment payments, and, in exchange, Mr. Neault would not file an ethics grievance regarding the [REDACTED] application.
60. Respondent told Mr. Neault to write up an agreement and send it to him.
61. On March 5, 2014, Mr. Neault sent to Respondent a settlement agreement memorializing their conversation and the terms of their agreement.
62. On March 17, 2014, Respondent confirmed the receipt of the written agreement and Mr. Neault's voice mail messages of March 4 and 17, 2014, and further stated that "[w]e are reviewing the file and will advise."

63. On April 28, 2014, Mr. Neault asked why Respondent had not sent any payment or executed the agreement.
64. Respondent told Mr. Neault that he could not afford to make the payments and could not sign the agreement.
65. On June 6, 2014, Mr. Neault's wife contacted Respondent, and Respondent again agreed to pay Mr. Neault a total of \$6,000, in \$500 monthly increments starting July 17, 2014.
66. On June 17, 2014, Mr. Neault's wife sent an email setting forth the terms of the agreement.
67. Between June 20, 2014 and October 20, 2014, Mr. Neault and his wife contacted Respondent to check on the status of the agreement and payments multiple times.
68. Respondent provided many excuses that he needed more time, that his money was short, that he knew he owed the money, and that he was very busy.
69. Respondent did not sign the agreement Mr. Neault had sent him in March and he did not send refund Mr. Neault any of the fees and costs relating to the [REDACTED] application.
70. On January 5, 2015, the Office of Enrollment and Discipline received Mr. Neault's grievance regarding Respondent's representation of him.

### Discussion

The Court has considered all issues and examined all evidence contained in the record and presented at hearing. For those issues not addressed, the Court concludes they lack materiality or importance to the decision.<sup>3</sup>

The OED Director alleges that Respondent violated the USPTO Code of Professional Responsibility and the Rules of Professional Conduct by: (1) knowingly giving Mr. Neault misleading information regarding the patentability of the [REDACTED] patent application, (2) engaging in conduct involving dishonesty, deceit, and misrepresentation regarding the [REDACTED] application, and (3) prejudicing the administration of justice by offering, and making payments, to Mr. Neault in exchange for his not filing disciplinary complaints against Respondent. The Government contends that these alleged actions violate 37 C.F.R. § 10.23(a) and (b); 37 C.F.R. § 10.23(c)(2)(i); 37 C.F.R. § 10.23(b)(4); 37 C.F.R. § 10.23(b)(5); and 37 C.F.R. § 11.804(d) and (i). Further, the Government argues that these violations warrant Respondent's exclusion from practice before the USPTO.

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<sup>3</sup> Respondent's *Answer* alleged seven affirmative defenses. To the extent that Respondent did not argue these defenses, the Court deems them abandoned.



I. Respondent Violated the USPTO Code by Knowingly Giving Misleading Information and Acting Dishonestly Regarding the [REDACTED] Application.

As set out in further detail below, the Court concludes that Respondent engaged in conduct that violated the USPTO Code. Specifically, Respondent engaged in dishonesty, deceit, and misrepresentation in the preparation and the prosecution of the [REDACTED] application, when he made material amendments to the final draft application and failed to inform his client. Instead, Respondent misled Mr. Neault into thinking that the document had not changed since the earlier draft. Likewise, Respondent knowingly misled Mr. Neault by assuring him that he could obtain a patent for the [REDACTED] with parallel perforations, despite knowing that perforations had already been disclosed in the earlier patent ('252). Finally, Mr. Neault's signature on the [REDACTED] patent application's declaration does not absolve Respondent of his fiduciary responsibilities or negate his violations of the USPTO Code.

A. Respondent Acted Dishonestly in Prosecuting the [REDACTED] Application by Concealing Material Information and Misrepresenting the Existence of Material Changes

An attorney who engages in conduct involving dishonesty, fraud, deceit, or misrepresentation violates the USPTO Code of Professional Conduct. 37 C.F.R. § 10.23(b)(4) (2012). As the Government properly notes, in the absence of codified definitions, this Court has previously looked to common dictionary definitions as useful guidance. See *In re Kelber*, No. 2006-13 at 33 (USPTO Sept. 23, 2008). Dishonesty is "characterized by lack of truth, honesty, or trustworthiness." *MerriamWebster.com*. Merriam-Webster, n.d. Web. 15 Mar. 2017. <http://www.merriam-webster.com/dictionary/dishonest>; see also, *In re Shorter*, 570 A.2d 760, 767-768 (D.C. 1990) (Dishonesty "encompasses conduct evincing a lack of honesty, probity or integrity in principle; [a] lack of fairness and straightforwardness,"). Deceit is defined as "the quality of being dishonest or misleading." *MerriamWebster.com*. Merriam-Webster, n.d. Web. 15 Mar. 2017. <http://www.merriam-webster.com/dictionary/deceit>. A misrepresentation is "[t]he act of making a false or misleading assertion about something, usu[ally] with the intent to deceive," and includes "not just written or spoken words but also any other conduct that amounts to a false assertion." BLACK'S LAW DICTIONARY (9th ed. 2009).

Respondent was hired to, and assured his client that we could, obtain a patent for a device that included perforations with parallel walls. Respondent never discussed any changes of the application with Mr. Neault, including the change from parallel perforations to diverging/angled perforations. He specifically assured Mr. Neault that he would send him the final draft of the application with no changes, and that the Declaration for the application should be signed and returned to Respondent as soon as possible. Mr. Neault did not review the application line-by-line, but rather relied on Respondent's assurances and returned it with the signed Declaration. Respondent never explained the changes to Mr. Neault or asked for Mr. Neault's permission or agreement to include the changes. Respondent's changes were material because Mr. Neault subsequently abandoned the patent because it was not for the device he had sought to patent and producing it was not viable.

The Court concludes that Respondent violated 37 C.F.R. § 10.23(b)(4) because Respondent's actions as a whole, including his nondisclosure of material changes to the application, constitute deceit, dishonesty and misrepresentations.

B. Respondent Knowingly Gave Mr. Neault Misleading Information that He Could Obtain a Patent for the [REDACTED].

As noted above, an attorney who knowingly gives false or misleading information to a client in connection with any business before the USPTO violates the Code. 37 C.F.R. § 10.23(c)(2)(i) (2012). Respondent violated the USPTO Code by knowingly misleading Mr. Neault regarding the [REDACTED] application. Respondent was Mr. Neault's attorney before the USPTO in preparing, filing, and prosecuting the '576 application for the grant of the '252 patent which already disclosed a perforated device. When Mr. Neault realized that the original patent ('252) did not afford him the broad protections he had sought, he again engaged Respondent to prosecute another patent application. Respondent advised Mr. Neault that he could obtain a patent for the device which included perforations with parallel walls and again offered his money-back guarantee. However, Respondent knew that he could not obtain the second patent because the '252 Patent already disclosed perforations. Instead, Respondent made amendments to the final application by substituting diverging/angled perforations for the original parallel perforations, without Mr. Neault's knowledge or consent. When USPTO initially rejected the [REDACTED] application, Respondent filed a response emphasizing that diverging/angled perforation – the change he knew he had to make to differentiate the [REDACTED] application from the '252 patent. Mr. Neault only realized that the description of the device had been materially changed for the first time when he reviewed the USPTO's Notice of Allowance.

The Court concludes that Respondent violated the USPTO Code by “[k]nowingly giving false or misleading information ... in connection with immediate, prospective, or pending business” (i.e., the [REDACTED] application) to Mr. Neault, his client. 37 C.F.R. § 10.23(c)(2)(i).

C. Mr. Neault's Signature on the Declaration Form Does Not Absolve Respondent

Respondent argues that he did not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation, because Mr. Neault had the opportunity to review the '576 application throughout the time of its pendency in the USPTO, Mr. Neault signed a Declaration<sup>4</sup> for the application, and Respondent did not amend the '576 application subsequent to the time that the Declaration was signed.<sup>5</sup> Respondent also contends that Mr. Neault is “legally barred from contradicting” his own sworn statement. The Court rejects Respondent's arguments and finds that Respondent's representations and his client's reasonable reliance upon them, undermine any potential defense.

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<sup>4</sup> The Declaration states in part that “I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above.”

<sup>5</sup> The Court notes that the allegations of misrepresentation in the *Complaint* deal with the [REDACTED] application, not the '576 application.

First and foremost, the practitioner-client relationship is a fiduciary relationship. See Moatz v. Bender, Proceeding No. D00-01 (USPTO Sept. 30, 2003) at 20 (“Respondent owed a fiduciary duty individually to each of his clients....”). As such, this is not a situation where the principle of *caveat emptor* controls or where the client has a duty to determine whether the attorney is engaging in deceit. Rather, the attorney’s fiduciary duty includes communication and disclosure of material information regarding the matter at hand. See 37 C.F.R. § 11.104 (2013); see also ABA MODEL RULE 1.4. Therefore, it is reasonable for a client to rely on his attorney’s verbal assurances and representations and to expect frank communication and full disclosure in this relationship. Despite his duty to do so, when Respondent made amendments to the application, he did not seek permission or concurrence and in no way informed Mr. Neault of the material changes to the patent application. Instead, Respondent assured Mr. Neault that there would be *no changes*, and that Mr. Neault should sign the Declaration in the application and return the documents to Respondent as soon as possible. Mr. Neault reasonably relied upon these representations and quickly complied with Respondent’s instructions.

Therefore, this Court rejects Respondent’s contention that he did not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation because Mr. Neault somehow needed to discover Respondent’s malfeasance before signing the Declaration. The Court finds that Mr. Neault’s reliance on Respondent’s representations to be reasonable and it was Respondent who had the duty of full disclosure. Thus, Mr. Neault’s delay in discovering Respondent’s deceit was due to Respondent’s own actions and must fall squarely on Respondent’s shoulders.

## II. Respondent’s Alleged Misconduct Is Prejudicial to the Administration of Justice

The OED Director alleges that Respondent violated section 10.23(b)(5) of the USPTO Code of Professional Responsibility and section 11.804(d) of the USPTO Rules of Professional Conduct by engaging in conduct that is prejudicial to the administration of justice, when he negotiated two *quid pro quo* arrangements—offering a partial refund payment in exchange for not filing grievances with the USPTO.

Conduct that is prejudicial to the administration of justice is “conduct which impedes or subverts the process of resolving disputes; it is conduct which frustrates the fair balance of interests or ‘justice’ essential to litigation or other proceedings.” In re Friedman, 23 P.3d 620 (Alaska 2001). Generally, an attorney engages in such “when his or her conduct impacts negatively the public’s perception or efficacy of the courts or legal profession.” Attorney Grievance Comm’n v. Rand, 981 A.2d 1234, 1242 (Md. 2009). Procuring a promise not to file a disciplinary complaint is conduct prejudicial to the administration of justice. In re Blackwelder, 615 N.E.2d 106 (Ind. 1993). Allowing attorneys to pay for an agreement not to file a bar complaint seriously undermines the public confidence in the legal profession. In re Wallace, 518 A.2d 740, 743 (N.J. 1986).

The purpose of the USPTO disciplinary system is to protect the public by oversight, regulation, and discipline of its members. Attorneys paying off clients to avoid the filing of a complaint subverts this process. Allowing attorneys to circumvent the attorney disciplinary system impedes its purpose and undermines the legal profession’s ability to self-police its members.

Respondent offered to pay—and did pay—Mr. Neault not to file an ethics grievance in the ‘252 patent matter. He also agreed to make payments, but did not do so, in the [REDACTED] application matter. Such *quid pro quo* arrangements were negotiated at the request of Respondent. It is clear that Respondent suggested the arrangement to avoid additional sanctions and as a way to avoid the full refund and restitution to which the client was likely entitled. Respondent avoided providing the full refund he had promised, and avoided Mr. Neault’s filing of complaints against him. Respondent’s previous disciplinary history means that he knew his duty to Mr. Neault and also the potential impact that two more disciplinary complaints would have on his license to practice before the USPTO.

Respondent argues that because Mr. Neault drafted the agreement, participating in the agreement is not conduct prejudicial to the administration of justice. Respondent also argues that he had no other choice. This is not so. If Respondent was in the wrong, he could have provided the full refund to Mr. Neault regardless of the potential complaints. If Respondent had fully complied with his professional responsibilities, he could have presented evidence of such, rather than blaming his client, Mr. Neault for reasonable reliance on Respondent’s assurances. Respondent has continued to engage in the same improper behavior for which he has disciplined previously—misrepresenting, misleading, miscommunicating and then blaming the client.

For these reasons, the Court concludes that Respondent engaged in conduct prejudicial to the administration of justice in violation of the Code and Rules. Specifically, Respondent misled his client and sought to avoid responsibility through agreements that did not result in full restitution and that also undermine trust and confidence in the legal profession.

### III. Violations of Codes and Rules

After considering all of the evidence in the record, the Court finds as follows:

**Count 1 – Respondent violated of 37 C.F.R. § 10.23(a) and (b) and 10.23(c)(2)(i).**

**Count 2 – Respondent violated 37 C.F.R. § 10.23(b)(4).**

**Count 3 – Respondent violated of 37 C.F.R. § 10.23(b)(5) and 37 C.F.R. § 11.804(d)**

### Sanctions

The Court often looks to the ABA’s Standards for Imposing Lawyer Sanctions (“ABA Standards”) for guidance when determining the proper length and severity of a sanction, or when determining whether aggravating or mitigating factors exist. See In re Chae, Proceeding No. D2013-01, at 4 (USPTO Oct. 21, 2013).

The OED Director requests that the Court sanction Respondent by entering an order excluding Respondent from practice before the USPTO. In determining the appropriate sanctions against Respondent, the Court considers and addresses the following four factors:

- (1) Whether the practitioner has violated a duty owed to a client, to the public, to the legal system, 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 Violated His Duty to His Client, to the Public, and the Legal System and Profession

Respondent was hired to guide Mr. Neault's Solar Sun Shield Visor (the '576 application and the '252 patent) and later on, his [REDACTED] (the [REDACTED] application) through the patent application and approval process. Instead of meeting his fiduciary duty, Respondent engaged in deceit, dishonesty, and misrepresentation by making substantive changes to the final draft of the [REDACTED] application without Mr. Neault's knowledge. Respondent knew that the perforations with parallel walls would be rejected because of the previous '252 patent so he amended the [REDACTED] application to include diverging/angled perforations. Respondent misrepresented to Mr. Neault that there were no changes and otherwise failed to inform him of material changes.

Respondent additionally violated his duty to the public, the legal system, and the legal profession by prejudicing the administration of justice through his efforts to conceal his client's grievances through *quid pro quo* arrangements. As noted above, his actions to avoid full restitution and to hide his malfeasance are contrary to the public's interest in promoting transparency regarding an attorney's professionalism; undermine the legal profession's ability to self-police its membership; and, frustrate the administration of justice by preventing the proper adjudication of ethical complaints.

2. Respondent Acted Intentionally and Knowingly

Respondent has over forty years of experience and acted solely in his own self-interest in the matters at issue here. Specifically, he intentionally and knowingly amended the [REDACTED] application and gave misleading information to Mr. Neault. Respondent changed the drawings submitted with the [REDACTED] application, to avoid rejection based on the '252 patent which already disclosed perforations. This change was made without Mr. Neault's knowledge or permission.

Moreover, the fact that Respondent has an extensive prior history of complaints, indicates that he knowingly tried to hide his latest malfeasances by agreeing to, and actually paying, Mr. Neault, in exchange not filing disciplinary grievances. Respondent has been a patent attorney since 1973, and has successfully secured approximately 2,000 patents from the USPTO. He also has extensive disciplinary history related to obtaining patents lacking proper protections and his failure to fully communicate with clients regarding his actions. The Court finds that these prior acts support the conclusion that Respondent acted knowingly and intentionally.

### 3. Respondent Caused Actual Injury to Mr. Neault

Mr. Neault initially expended substantial funds for the '252 patent and subsequent production of the Solar Sun Shield Visor, a product that did not benefit from the broad protections that Respondent had offered through the patenting process. Likewise, Mr. Neault expended substantial funds for the [REDACTED] application for a patent of the [REDACTED], which, after realizing that the diverging/angled perforations had been added, he abandoned as no longer commercially valuable. Mr. Neault had been using one-half of his retirement income to obtain a patent which eventually became useless due to Respondent's actions. Respondent failed to provide a refund for his mishandling of the [REDACTED] application or otherwise provide restitution to make his client whole. Therefore, Respondent's actions resulted in actual injury to Mr. Neault.

### 4. Aggravating Factors Exist in This Case

A review of the record reveals aggravating factors, but no mitigating factors. The primary aggravating factor is Respondent's extensive disciplinary history, both before the USPTO and the New York State Bar. The instant sanction is his fourth before the OED Director. The previous three resulted in three-year, five-year, and two-year suspensions, with the entirety of those suspensions stayed. The most recent USPTO disciplinary sanction came at the same time that Respondent was engaging in the misconduct at issue here. He also received Warning Letters from the OED Director in 2006, 2011, and 2014. Each of these letters emphasized Respondent's obligation to communicate with his clients and not neglect their legal matters.

In 2002, Respondent received a Letter of Caution from the New York State Grievance Committee warning him to devote proper attention to client matters and to improve his communication with his clients. In 2006, Respondent was publicly censured by the New York State Bar.

The OED Director also asks the Court to consider Respondent's indifference and delay in making payments to his client, Respondent's failure to acknowledge the wrongful nature of his misconduct, and Respondent's 40 years of patent experience as aggravating factors. The Court agrees. Respondent failed to make full restitution and only some payments in one of the *quid pro quo* agreements. Respondent has not admitted wrongdoing and instead has tried to blame his client, Mr. Neault. Lastly, his significant patent experience and past disciplinary history indicate that Respondent was on notice of his fiduciary duty and of the potential pitfalls in the patent application process. The fact that Respondent used prior his experiences and knowledge of patent law and disciplinary procedures to deceive, delay and deny are significant aggravating factors. Because all these factors weigh in favor of significant and severe sanctions, the Court concludes that Respondent's actions warrant exclusion.

### Conclusion

Respondent was already on notice of his professional responsibilities and had the knowledge, experience, and ability to advise Mr. Neault properly on the need to modify the [REDACTED] application and of the resulting limitations of those changes on the patent protections. Instead, he deceived his client, delayed and denied culpability, failed to make restitution, and negotiated

deals to cover up his misdeeds. All these actions occurred against a backdrop where both the USPTO and the New York State Bar had previously concluded that his conduct and actions, including his failure to properly communicate with clients, were unacceptable.

The OED Director now requests that the Court sanction Respondent by excluding him from all practice before the USPTO. After careful and deliberate consideration of the above facts and conclusions as well as the factors identified in 37 C.F.R. § 11.54(b), the Court finds that the appropriate sanction for Respondent's violations in this matter is an exclusion from practice before the USPTO.<sup>6</sup>

**ORDER**

For the reasons set out above, Respondent shall be **EXCLUDED** from practice before the U.S. Patent and Trademark Office in Patent, trademark, and other non-patent matters.

So **ORDERED**,



Alexander Fernández  
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).

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<sup>6</sup> Respondent's attention is directed to 37 C.F.R. § 11.58, which sets forth Respondent's duties in the case of exclusion. Respondent shall remain excluded 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).