

IN THE SUPREME COURT OF FLORIDA

THE FLORIDA BAR,

Complainant,

Case No.: SC18-1279

Fl. Bar File No.: 2019-70, 032 (11J)

v.

JOHN H. FARO,

Respondent.

APPENDIX TO

THE FLORIDA BAR'S

ANSWER BRIEF

John D. Womack
Fl. Bar No. 93318
Bar Counsel
The Florida Bar
444 Brickell Ave., Ste M-100
Miami, FL 33131
(954) 835-0233
jwomack@thefloridabar.org

Eleanor H. Sills, Esq.
Fl. Bar No. 1024668
BANKER LOPEZ GASSLER P.A.
111 North Calhoun Street
Tallahassee, FL 32317
(850) 412-2245
Fax No. (850) 412-2241
esills@bankerlopez.com

Patricia Ann Toro Savitz, Esq.
Fl. Bar No. 559547
Staff Counsel
The Florida Bar
651 E. Jefferson St.
Tallahassee, FL 32399
(850) 561-5600
psavitz@floridabar.org

Chris W. Altenbernd, Esq.
Fl. Bar No. 197394
BANKER LOPEZ GASSLER P.A.
501 E. Kennedy Blvd., Suite 1700
Tampa, FL 33602
(813) 221-1500
Fax No: (813) 222-3066
caltenbernd@bankerlopez.com

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Joshua E. Doyle, Esq.
Fl. Bar No. 25902
Executive Director
The Florida Bar
651 E. Jefferson St.
Tallahassee, FL 32399
(850) 561-5600
jdoyle@floridabar.org

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IN THE SUPREME COURT OF FLORIDA
(Before a Referee)

THE FLORIDA BAR,
Complainant,

v.

JOHN H. FARO,
Respondent.

Supreme Court Case
No. SC18-1279

The Florida Bar File
No. 2019-70,032(11J)

_____ /

REPORT OF REFEREE

I. **SUMMARY OF PROCEEDINGS**

Pursuant to the undersigned being duly appointed as Referee to conduct disciplinary proceedings herein according to Rule 3-7.6, Rules of Discipline, the following proceedings occurred:

On August 3, 2018, The Florida Bar filed its Complaint against Respondent in these proceedings. The instant matter is predicated upon disciplinary proceedings brought against Respondent by the Office of Enrollment and Discipline (OED) of the United States Patent and Trademark Office (USTPO) in proceeding no. D2015-27.

On August 13, 2018, the Honorable Jeri B. Cohen was assigned by the Chief Judge of the Eleventh Judicial Circuit to serve as the Referee in this cause. On September 13, 2018, Respondent filed his Motion to Stay

FLORIDA SUPREME COURT

04/29/2021

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the proceeding based on his appeal of the findings of fact and law in the underlying case. On October 1, 2018, Judge Cohen entered an agreed order granting Respondent's Motion to Stay. On November 2, 2018, the Supreme Court of Florida entered an order staying the proceedings before the Referee until such time as the U.S. District Court for the Eastern District of Virginia had concluded its review of Respondent's appeal, and further directing Respondent to advise the court every ninety days of the status of the federal proceedings, as well as notify the court when the federal court had concluded its review.

On February 5, 2019, Respondent filed a Notice of Status of Judicial Review of Patent Office Director Final Order of Suspension dated February 9, 2018, and Motion of Stay. On February 25, 2019, the Supreme Court of Florida entered an order directing the Bar to file a written response as to why Respondent should not be under current suspension in Florida pending the appeal from the Patent Office Director Final Order of Suspension. On March 12, 2019, the Bar filed its response as ordered by the Court.

On April 2, 2019, the Supreme Court of Florida entered an order granting Respondent's February 5, 2019 Motion to Stay, and further directing Respondent to comply with the same requirements as set forth in

the court's previous order entered on November 2, 2018. Subsequent status reports were filed with the Supreme Court of Florida on July 22, 2019, October 30, 2019, February 28, 2020, and June 17, 2020.

On August 31, 2020, the undersigned was appointed to serve as the new Referee due to the previous Referee's impending retirement. On September 30, 2020, a case management conference was held and it was determined that the appellate review of the U.S. Patent Office discipline order in the underlying proceedings had been concluded, and the instant matter was ready to proceed before the undersigned Referee.

On October 20, 2020, Respondent filed a Motion to Dismiss and Alternatively, For Judgment on the Pleadings. On November 12, 2020, a hearing was held on Respondent's Motion to Dismiss, and Respondent's motion was denied.

On December 4, 2020, The Florida Bar filed its Partial Motion for Summary Judgment, with corresponding exhibits. On December 8, 2020, Respondent filed his Motion for Summary Judgment, with corresponding exhibits. On December 18, 2020, a hearing on The Florida Bar's and Respondent's Motions for Summary Judgment was held. On January 20, 2021, an order was entered granting the Bar's motion and denying Respondent's motion.

On February 1, 2021, the final hearing commenced solely on the issue of discipline. Not having concluded on that date, the final hearing was continued to February 8, 2021; however, due to Respondent having sustained an injury, the continuation of the final hearing was rescheduled to and held on March 12, 2021.

All items properly filed including pleadings, recorded testimony (if transcribed), exhibits in evidence, and the report of Referee constitute the record in this case and are forwarded to the Supreme Court of Florida.

The following persons appeared at the final hearing:

On behalf of The Florida Bar: Arlene Kalish Sankel
Chief Branch Discipline Counsel
444 Brickell Avenue, Suite M-100
Miami, Florida 33131

On behalf of the Respondent: Robert C. Josefsberg, Esq.
One SE Third Avenue, Suite 2300
Miami, Florida 33131

Respondent initially appeared *pro se* and then as co-counsel subsequent to Mr. Josefsberg's filing of his notice of appearance in this proceeding.

II. FINDINGS OF FACT

Jurisdictional Statement. Respondent is, and at all times mentioned during this investigation was, a member of The Florida Bar, subject to the jurisdiction and Disciplinary Rules of the Supreme Court of Florida.

Narrative Summary of Case. In granting the Bar's Motion for Partial Summary Judgment as to four rule violations, the undersigned Referee relied on Rules Regulating the Florida Bar 3-4.6, which states in relevant part:

A final adjudication in a disciplinary proceeding by a court or other authorized disciplinary agency of another jurisdiction, state or federal, that a lawyer licensed to practice in that jurisdiction is guilty of misconduct justifying disciplinary action will be considered as conclusive proof of the misconduct in a disciplinary proceeding under this rule.

Consequently, the proof of undisputed material facts resulted in the undersigned Referee finding Respondent guilty as charged on all rule violations. Those undisputed facts constitute the Referee's findings of fact as follows:

A. This is a reciprocal discipline action based on disciplinary action taken against Respondent by the United States Patent and Trademark Office (USPTO).

B. Respondent became a patent attorney registered to practice before the USPTO on March 3, 1971. On August 2, 2017, Respondent was the subject of a Final Order issued by the USPTO suspending him for a period of eight months and thereafter until passage of the MPRE and reinstatement by the Office of Enrollment and Discipline Director. This Final Order issued following Respondent's appeal of the earlier Initial Decision

issued by Administrative Law Judge J. Jeremiah Mahoney, who concluded that, on the basis of clear and convincing evidence¹, Respondent had violated numerous rules of the USPTO Code of Professional Responsibility.² The August 2, 2017 Final Order affirmed the earlier September 15, 2016 decision by the Administrative Law Judge. The factual findings set forth in the following paragraphs formed the basis for Respondent's suspension from the USPTO and are contained in the August 2, 2017 Final Order.³ They are the findings of the undersigned Referee.

The USPTO Final Order Dated August 2, 2017

C. On September 20, 2002, the USPTO issued a final Office Action ("First Final Rejection") rejecting claims 2 through 22 of a patent application, which had been filed by EPRT Technologies, Inc. ("EPRT") on September 7, 2000.

D. Subsequent to the rejection, and at EPRT's request, Respondent emailed EPRT co-inventor and executive David Estes on

1 Clear and convincing is the same evidentiary standard to be applied in Florida Bar disciplinary proceedings. See *The Florida Bar v. Rayman*, 238 So.2d 594 (Fla. 1970).

2 The hearing before the Administrative Law Judge was conducted on May 10-11, 2016 in Miami and included testimony from EPRT President and CEO Katherine Blake, attorney Meredith Chaiken (EPRT's counsel in the related malpractice case) and respondent, John Faro.

3 In the interest of brevity, the factual findings have been consolidated to some extent from the August 2, 2017 Order.

November 19, 2002 to discuss the application as drafted by prior counsel. Ultimately, Mr. Estes e-mailed Respondent on November 22, 2002, authorizing him to begin work on the application.

E. Respondent submitted to the USPTO a Power of Attorney and Revocation of Prior Powers on December 12, 2002, signed by Katherine Blake, EPRT co-founder and president.

F. On January 30, 2003, the USPTO issued a non-final Office Action in response to a Request for Continued Examination filed by Respondent on January 16, 2003. Respondent filed a response to that Office Action on March 14, 2003, which was rejected in another non-final Office Action issued on June 4, 2003.

G. On November 12, 2003, Respondent filed an amendment to the application; however, after additional pleadings related to the amendment, the USPTO issued a Notice of Non-Responsive Amendment to Respondent on January 8, 2004.

H. After receiving calls from the USPTO patent examiner assigned to the application, Respondent filed a response on February 9, 2004, but it was deemed non-compliant.

I. On August 12, 2004, the USPTO issued a Notice of Abandonment (“First Abandonment”) for the patent application, citing

Respondent's failure to file a compliant response to the January 2004 notice. The First Abandonment stated that the patent examiner had left voice messages for Respondent on July 9, July 19, and July 20, 2004, the last call informing Respondent that the application would be deemed abandoned if he did not contact the examiner by July 23, 2004.

Respondent did not return any messages and the application was deemed abandoned.

J. Respondent filed a Petition to Revive the patent application on October 28, 2004. It stated that the application was unintentionally abandoned because Respondent had not received the January 2004 Notice. The Petition was granted on January 18, 2005.

K. On April 19, 2005, the USPTO issued a final Office Action ("Second Final Rejection") rejecting claims 3, 4, and 23-25 of the application.

L. On June 20, 2005, Respondent sent Ms. Blake and Mr. Estes an e-mail with the subject "Re: Statis [sic] of Patents." The email stated that "the US examiner has issued an office action (non-final rejection) and I shall set up an interview with her shortly" (emphasis in original).

M. Respondent filed a Notice of Appeal (“First Appeal”) on June 30, 2005. On July 27, 2005, he informed Ms. Blake and Keith Wendell, CEO of EPRT, of the appeal.

N. On November 14, 2005, the USPTO issued a final Office Action (“Third Final Rejection”) rejecting claims 23-25 and objecting to claims 3 and 4.

O. The first substantive page of the USPTO Office Action defines the “Period for Reply” and informed Respondent that, in all capital letters, “a shortened statutory period for reply is set to expire 3 month(s) or thirty (30) days, whichever is longer, from the mailing date of this communication.” The same section also stated that the application would become abandoned if a reply was not received within the reply period.

P. On November 29, 2005, Respondent sent Ms. Blake and Mr. Estes an e-mail with the subject “Allowed subject matter,” and related the contents (albeit, inaccurately) of the Third Final Rejection. Respondent’s e-mail did not mention EPRT had three months to file a reply. There is no indication that anyone at EPRT received a copy of the Third Final Review.

Q. Respondent appealed the Third Final Rejection (“Second Appeal”) to the Board of Patent Appeal and Interferences (Board) on

February 2, 2006. The USPTO patent examiner answered the Second Appeal on August 31, 2006.

R. On June 1, 2009, the Board issued its Decision on Appeal (“Board Decision”), affirming the Third Final Rejection’s conclusions as to claims 3,4, and 22-25. The first page of the Board Decision included a foot note announcing the two-month period to file an appeal or initiate a civil case; the final page stated, “no period for taking any subsequent action in connection with this appeal may be extended.” The Board Decision was sent to Respondent’s record bar address.

S. On August 14, 2009, USPTO issued a Notice of Abandonment regarding the patent application because all claims had been rejected, the application had not been amended, and because no appeal was filed within the two-month window. The Notice of Abandonment was sent to Respondent’s record bar address and stated that a message had been left on his answering machine on August 6, 2009.

T. Respondent claims he did not receive the Notice of Abandonment.

U. Beginning in 2010, Ms. Blake contacted Respondent several times to determine the status of the application. Respondent eventually e-

mailed Ms. Blake, stating that he had “attempted to determine the status of the patent [applications] and have yet to hear back from my inquiries.”

V. In March 2011, Ms. Blake contacted Respondent by phone to discuss the application; however, he abruptly ended the call and did not answer when she immediately called him back.

W. Throughout 2011, Ms. Blake sent seven increasingly urgent e-mails to Respondent attempting to learn about the status of the patent application. Each e-mail indicated that she had also tried to reach him by phone. Respondent never responded.

X. Eventually, EPRT hired the Farahmand Law Firm to pursue possible legal action against Respondent. On October 21, 2011, attorney Roger Farahmand sent Respondent a letter requesting the status of the patent application. On October 28, 2011, Respondent responded by faxing a copy of the Board Decision denying the appeal. Respondent did not include a copy of the Notice of Abandonment. EPRT was not aware of the June 1, 2009 Board Decision or abandonment at any time prior to October 28, 2011.

Y. On October 31, 2011, attorney Farahmand wrote Respondent requesting a complete copy of the client’s file, but Respondent did not

provide the file to Mr. Farahmand nor to anyone at EPRT. Finally, EPRT obtained the file by subpoena to Respondent's ex-wife.

Z. Based on the findings set forth above, Respondent was found to have committed multiple violations of the USPTO Code of Professional Responsibility, including 37 C.F.R 10.23(a)⁴ and (b)⁵ via 10.23(c)(8)⁶; 37 C.F.R 10.77(c)⁷; 37 C.F.R 10.84(a)(1) and (2)⁸; and 37 C.F.R 10.112(c)(4)⁹. (See p. 12-13 of Ex. "A".) In sum and substance, these specific rules prohibit a USPTO practitioner from engaging in an array of conduct including, but not limited to lack of communication, lack of diligence, and conduct prejudicial or damaging to the client.

4 37 C.F.R. 10.23(a): A practitioner shall not engage in disreputable or gross misconduct

5 37 C.F.R. 10.23(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 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).

6 37 C.F.R. 10.23(c)(8): Conduct which constitutes a violation . . . includes, but is not limited to: . . . Failing to inform a client or former client or failing to timely notify the Office of an inability to notify a client or former client of correspondence received from the Office or the client or former client's opponent in an inter partes proceeding before the Office when the correspondence (i) could have a significant effect on a matter pending before the Office, (ii) is received by the practitioner on behalf of a client or former client and (iii) is correspondence of which a reasonable practitioner would believe under the circumstances the client or former client should be notified.

7 37 C.F.R. 10.77(c): A practitioner shall not: (c) Neglect a legal matter entrusted to the practitioner.

8 37 C.F.R. 10.84(a): A practitioner shall not intentionally: (1) Fail to seek the lawful objectives of a client through reasonably available means permitted by law and the Disciplinary Rules.... (2) Fail to carry out a contract of employment entered into with a client for professional services.... (3) Prejudice or damage a client during the course of a professional relationship....

9 37 C.F.R. 10.112(c)(4): A practitioner shall:.... Promptly pay or deliver to the client as requested by a client the funds, securities, or other properties in the possession of the practitioner which the client is entitled to receive.

The USPTO Final Order Dated February 9, 2018

AA. Respondent sought reconsideration as to the August 2, 2017 Final Order, resulting in entry of a USPTO Final Order dated February 9, 2018. (See February 9, 2018 Final Order attached as Exhibit “B”.) This “second” Final Order affirmed in its totality the earlier decision of August 2, 2017.

The Federal Court’s Review of Respondent’s USPTO Sanctions Orders

BB. Following entry of the USPTO Final Orders detailed above, Respondent sought review through the federal courts.

CC. To begin, review was sought in the Federal District Court for the Eastern District of Virginia whereupon the earlier decisions of USPTO were affirmed. In rendering its decision to affirm, the Court set forth as its reasons the specific findings entered earlier (and summarized above) by the USPTO. The Court specifically noted that Respondent was provided a hearing before the administrative law judge in Miami, and that he appeared and presented both testimony and other evidence. The Court also addressed the authority under which the USPTO could regulate the conduct of attorneys and other persons appearing before it, as well as their authority to suspend or exclude from practice before them any attorney or person. The Court further concluded that ample substantial evidence

existed in support of the USPTO suspension order. Finally, concluding that the decision of the USPTO to suspend Respondent's license to practice before them was neither arbitrary, capricious, nor an abuse of discretion, the Federal District Court for the Eastern District of Virginia affirmed the earlier Final Order of Suspension of the USPTO.

DD. Following entry of the Federal District Court's Order, Respondent sought review in the United States Court of Appeals for the Federal Circuit. By Judgment dated February 11, 2020, the Federal Appellate Court per curiam affirmed the lower court's decision.

EE. Thereafter, on April 10, 2020, the United States Court of Appeals for the Federal Circuit issued its Mandate. Respondent sought no further review.

III. RECOMMENDATIONS AS TO GUILT.

As indicated in my order granting summary judgment in favor of The Florida Bar, I recommend that Respondent be found guilty of violating the following Rules Regulating The Florida Bar: Rule 4-1.3 (Diligence), Rule 4-1.4 (Communication), Rule 4-1.2(a) (Objective and Scope of Representation – Lawyer to Abide by Client's Decision); and Rule 4-1.16(d) (Declining or Terminating Representation - Protection of Client's Interest).

IV. STANDARDS FOR IMPOSING LAWYER SANCTIONS

I considered the following Standards prior to recommending discipline:

LACK OF DILIGENCE

4.4(b) Suspension is appropriate when a lawyer causes injury or potential injury to a client and: (1) knowingly fails to perform services for a client or (2) engages in a pattern of neglect with respect to client matters.

PRIOR DISCIPLINE ORDERS

8.1(b) Suspension is appropriate when a lawyer has been publicly reprimanded for the same or similar conduct and engages in a further similar act of misconduct that causes injury or potential injury to a client, the public, the legal system, or the profession.

V. CASE LAW

I considered the following case law prior to recommending discipline:

- *The Florida Bar v. Morrison*, 669 So.2d 1040 (Fla. 1996);
- *The Florida Bar v. Jordan*, 705 So.2d 1387 (Fla. 1998);
- *The Florida Bar v. Shoureas*, 892 So.2d 1002 (Fla. 2004);
- *The Florida Bar v. Varner*, 992 So.2d 224 (Fla. 2008); and
- *TFB v. Suarez-Silverio*, Supreme Court Case No. SC17-592 Supreme Court Order dated April 20, 2017

VI. AGGRAVATION AND MITIGATION

Aggravating Factors- I find the following aggravating factors apply in aggravation and specifically accept The Florida Bar's presentation and argument on aggravation.

- 3.2(b)(1) prior disciplinary offenses;

Respondent has previously been disciplined three times: 2018, 2011, and 1995. Further discussion of these priors is set forth below.

- 3.2(b)(3) a pattern of misconduct;

The similarities between Respondent's 2011 and 1995 prior discipline cases with the instant case evidences a pattern of a lack of appropriate and sufficient communication with clients.

Additionally, within the findings in the instant case there is a pattern of lack of communication with both the client and the USPTO, as well as a pattern of neglect.

- 3.2(b)(4) multiple offenses;

Multiple offenses are evidenced by the four distinct rule violations of which Respondent has been found guilty, including lack of diligence and communication (rules 4-1.3 and 4-1.4), failure to protect the client's interest by not returning the client file upon termination (rule 4-1.16(d)), and failing to pursue the client's objectives (rule 401.2(a)).

- 3.2(b)(7) refusal to acknowledge the wrongful nature of the conduct;

Respondent affixes blame on a myriad of persons for his own misconduct, including his ex-wife for not providing him with the client's file, the receptionist at his virtual office for not ferreting his mail, the client for not asking the right questions, and so on. In a Motion for Rehearing to the USPTO, he even accuses the Office of the Executive Director of the USPTO of "palpable misconduct and fraud." He attributes these proceedings to misunderstanding not by himself, but by his former client, the USPTO, the U.S. District Court, and so on. Respondent consistently refuses to accept responsibility for his own misconduct and has exhibited an absolute lack of recognition of his own fault and has shown no remorse. Moreover, this Referee finds that there is also no acceptance of fault nor sorrow by Respondent for his prior misconduct. He is simply unwilling to be held accountable and sees absolutely no wrong in his prior actions that have resulted in disciplinary rulings against him.

- 3.2(b)(8) vulnerability of the victim;

In that the client was necessarily reliant on Respondent for all communications from the USPTO regarding their patent application, I find the client to have been a vulnerable victim.

- 3.2(b)(9) substantial experience in the practice of law;

Respondent was admitted to The Florida Bar in 1976. Prior to that he was admitted to the Massachusetts Bar in 1969, the Delaware Bar in 1970, the Ohio Bar in 1971, and to practice before the USPTO in 1971.

- 3.2(b)(10) indifference to making restitution;

Despite having entered into a settlement agreement in a malpractice case emanating from the same facts underlying the instant disciplinary matter, Respondent failed to abide by the terms of his agreement, the enforcement of which was denied by the court based on the interim loss of jurisdiction. I also find this further evidence of Respondent's lack of remorse.

Finally, I make the following additional findings in support of aggravation:

- a. In the course of settlement discussions in the malpractice case, it is apparent that Respondent endeavored to preclude both the client's corporate representative and her attorney from voluntarily testifying in any disciplinary proceedings against him. I find this to have been a bad faith effort at obstruction of the disciplinary process.
- b. Although unable to quantify the financial loss to the client, I find that Respondent's client was left economically weaker as a result of the Respondent's misconduct.
- c. I find that Respondent's debt to the IRS, as evidenced by tax liens for the years 2004-2015, is further evidence of his pattern of conduct with respect to his failure to honor his financial obligations.

Mitigating Factors: I find the following mitigating factors apply.

- 3.3(b)(2) absence of a dishonest or selfish motive;
- 3.3(b)(11) imposition of other penalties or sanctions.

VII. RECOMMENDATION AS TO DISCIPLINARY MEASURES TO BE APPLIED

I recommend that Respondent be found guilty of misconduct justifying disciplinary measures, and that he be disciplined by:

- A. Suspension for a period of three years. In making this recommendation, I specifically note my lack of confidence that

Respondent would not repeat these same rule violations going forward.

B. Payment of The Florida Bar's costs in these proceedings.

Respondent should eliminate all indicia of Respondent's status as an attorney on social media, telephone listings, stationery, checks, business cards office signs or any other indicia of Respondent's status as an attorney, whatsoever. Respondent will no longer hold himself out as a licensed attorney during the suspension period.

VIII. PERSONAL HISTORY, PAST DISCIPLINARY RECORD

Prior to recommending discipline pursuant to Rule 3-7.6(m)(1)(D), I considered the following:

Personal History of Respondent:

Age: 77

Date admitted to the Bar: January 21, 1986

Prior Discipline:

- Respondent was suspended for ten days by order of the Supreme Court of Florida dated April 27, 1995, in *Supreme Court Case No. 84,351*, for failing to respond to his client's requests for information regarding invoice charges, failing to furnish a final bill with an accounting for unexpended retainers, and failing to remit the balance of such unexpended retainers prior to the filing of a bar grievance.
- Respondent received a public reprimand by order of the Supreme Court of Florida dated July 13, 2011 in *Supreme*

Court Case Nos. SC10-872 and SC11-431, for failing to communicate to the client that certain decisions would result in the abandonment of the client's trademark application.

- Respondent was suspended for a period of 90 days by order of the Supreme Court of Florida dated September 28, 2018, in *Supreme Court Case No. SC16-1408*, for communicating with a person who was represented by counsel.

IX. STATEMENT OF COSTS AND MANNER IN WHICH COSTS SHOULD BE TAXED

The Florida Bar, having been successful in this matter, shall be awarded their necessary taxable costs of this proceeding and shall submit their statement of costs, as well as a motion to assess costs against Respondent.

Dated this 16th day of April, 2021.

/s/ Jason Emilios Dimitris
The Honorable Jason Emilios Dimitris
Circuit Court Judge and Referee
Miami Dade Children's Courthouse
155 NW 3rd Street, Room #14-321
Miami, Florida 33128

Original To:

Clerk of the Supreme Court of Florida; Supreme Court Building; 500 South Duval Street, Tallahassee, Florida 32399-1927

Conformed Copies to:

Robert C. Josefsberg, Attorney for Respondent, rjosefsberg@podhurst.com

John H. Faro, Respondent, johnf75712@aol.com

John Derek Womack, Bar Counsel, jwomack@floridabar.org

Arlene K. Sankel, Chief Branch Discipline Counsel, asankel@floridabar.org

Patricia Ann Toro Savitz, Staff Counsel, psavitz@floridabar.org

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE ADMINISTRATIVE LAW JUDGE

In the Matter of:

John H. Faro,

Respondent.

Proceeding No. D2015-27

September 15, 2016

Appearances:

Tracy L. Kepler, Esq.
Robin Crabbe, Esq.
Associate Solicitors
United States Patent and Trademark Office

John H. Faro, Esq.
Edmar Amaya, Esq.
Attorneys for Respondent

Before: J. Jeremiah MAHONEY, United States Administrative Law Judge

INITIAL DECISION AND ORDER

On May 11, 2015, the Court received a *Complaint and Notice of Proceedings under 35 U.S.C. § 32* (“*Complaint*”) related to 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” or “PTO”) requested the suspension of John H. Faro (“Respondent”) from practice before the USPTO in patent, trademark, and other non-patent matters.¹ As the basis for his request, the OED Director claimed Respondent committed multiple violations of the USPTO Code of Professional Responsibility during his representation of EPRT Technologies, Inc. (“EPRT” or “the Client”).² Specifically, the OED Director alleged various acts and omissions committed by Respondent during his prosecution of EPRT’s U.S. Patent Application No. 09/656,519 (“the ‘519 Application” or “Application”).

¹ Pursuant to an Interagency Agreement in effect beginning March 27, 2013, Administrative Law Judges of the U.S. Department of Housing and Urban Development are authorized to hear cases brought by the U.S. Patent and Trademark Office.

² The USPTO Rules of Professional Conduct apply to persons who practice before the USPTO and became effective May 3, 2013. The *Complaint* alleges Respondent committed various violations of the USPTO disciplinary rules before the effective date of the Rules of Professional Conduct. The USPTO Code of Professional Responsibility, rather than the Rules of Professional Conduct, therefore applies to this proceeding.

PROCEDURAL HISTORY

Respondent filed an *Answer* to the *Complaint* on June 9, 2015, and sought leave to file an *Amended Answer and Affirmative Defenses* (“First Amended Answer”) on September 8, 2015. This request was granted on September 15, 2015. Respondent filed a *Motion for Summary Judgment* on October 6, 2015; a *Second Amended Answer* on October 9, 2015; and *Motions in Limine* on October 16 and 19, 2015. The OED Director filed a *Motion to Strike Affirmative Defenses* on October 8, 2015, which was granted on October 21, 2015. In response, Respondent filed an *Objection to the OED Exhibits* on November 24, 2015, and a *Motion for leave to Amend Affirmative Defenses* on December 14, 2015.

On January 21, 2016, the Court denied Respondent’s *Motions in Limine*. On February 5, 2016, the Court issued an *Order* that rejected Respondent’s summary judgment arguments, his objection to the OED Director’s exhibits, and his *Motion for Leave to Amend Affirmative Defenses*. The *Order* did permit Respondent to maintain and assert his statute of limitations affirmative defense.

A hearing in this matter was held May 10-11, 2016, in Miami, Florida. Testimony was taken from EPRT President and CEO Katherine Blake, attorney Meredith Chaiken, and Respondent. The parties filed their respective *Post-Hearing Briefs* on July 6, 2016, and their *Reply Briefs* on July 18, 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 USPTO. 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 thereafter must prove any affirmative defense by clear and convincing evidence. Id.

FINDINGS OF FACT

Based upon the administrative record and the hearing transcript, the following findings are relevant and material to the issues raised by the *Complaint* in this matter.

Respondent’s Personal Background

1. Respondent has been a patent attorney registered with the USPTO since March 3, 1971. His USPTO registration number is 25,859.
2. Respondent was admitted to the Massachusetts State Bar in 1969, the Delaware State Bar in 1970, and the Ohio State Bar in 1971. He remains an active member of the Massachusetts Bar.

3. Respondent was admitted to the Florida State Bar on January 21, 1986. He is currently an active member of that Bar. His Florida Bar number is 527,459.
4. Respondent was disciplined by the Florida Bar in 1995 and 2011. The former discipline was a 10-day suspension; the latter was a public reprimand. In 2013, he received reciprocal discipline by the USPTO in connection with the 2011 Florida discipline.
5. Since approximately 2000, Respondent has prosecuted 25 published patent applications. Nineteen of the applications were abandoned, seven of which were reinstated after Respondent filed petitions to revive for unintentional abandonment. The '519 Application was one of the seven abandoned and reinstated applications.
6. Of the 25 published patent applications, the PTO has issued eight patents.
7. Respondent has operated a private legal practice since 1986.

The '519 Patent Application

8. The '519 Application was originally filed on September 7, 2000 by the Howrey Simon law firm on behalf of EPRT. The Application covered an electrical stimulation device for pain management ("the device").
9. The device was granted patent protection in Australia and New Zealand in 2002 and in the United Kingdom in 2005. The European Patent Office granted the device patent protection in 2007.
10. On March 27, 2002, the USPTO issued a non-final Office Action rejecting many of the Application's claims.
11. On September 20, 2002, the USPTO issued a final Office Action ("First Final Rejection") rejecting Claims 2 through 22 of the '519 Application.
12. After receiving the First Final Rejection, EPRT contacted Respondent and asked him to review the '519 Application file.
13. Respondent e-mailed EPRT co-inventor and executive Mr. David Estes³ on November 19, 2002, to provide "constructive criticism" of the '519 Application.
14. The November 19, 2002, e-mail stated that "the final rejection is likely to be sustained because of the absence of any allowable claim, and the inability to modify an existing claim to overcome the final rejection."

³ Although the e-mail was sent to Mr. Estes' e-mail address, Respondent addressed it to "Keith," presumably EPRT co-founder Mr. Keith Wendell, the product's other inventor.

15. The November 19, 2002, e-mail also included an estimate of “20 to 25 hours of professional time” to perform the necessary services on the ‘519 Application.
16. Mr. Estes noted in a November 20, 2002, e-mail to Ms. Blake that Respondent’s total fee would be approximately \$4,000.
17. Ms. Blake replied to Respondent’s November 19 e-mail on November 20, 2002, thanking him for his time and careful review of documents, indicating she would “be in touch with” Mr. Estes on how to proceed.
18. Mr. Estes e-mailed Respondent on November 22, 2002, authorizing Respondent to attempt to remedy the deficiencies in the ‘519 Application.
19. Respondent replied to Mr. Estes the same day via e-mail, and told Mr. Estes to “forward a retainer in the amount of 50% of the projected fees (\$2,500).”
20. On December 12, 2002, EPRT filed a Power of Attorney and Revocation of Prior Powers appointing Respondent as the attorney for the ‘519 Application. The Power of Attorney was signed by Ms. Blake.
21. Other than the e-mail exchanges and the Power of Attorney, there is no other document memorializing an attorney-client relationship between Respondent and EPRT.
22. Respondent did not associate his PTO Customer Number with the ‘519 Application.
23. Respondent filed a Request for Continued Examination (“RCE”) with PTO on January 10, 2003.
24. On January 30, 2003, PTO issued a non-final Office Action that was responsive to the RCE.
25. Respondent filed a response to the Office Action on March 14, 2003, which was rejected in another non-final Office Action, issued June 4, 2003. Both Office Actions rejected Claims 2-4 and 23-25 of the ‘519 Application.
26. On November 12, 2003, Respondent filed an Amendment, which included an affidavit from Dr. Steven Kaye, whom Respondent identified as EPRT’s clinical consultant.
27. On January 8, 2004, PTO issued a Notice of Non-Responsive Amendment (“January 2004 Notice”) to Respondent.
28. Respondent’s subsequent attempts to respond to the January 2004 Notice were deemed non-compliant by PTO.

29. The PTO patent examiner, Ms. Frances Oropeza, left a voice message with Respondent on February 6, 2004, informing him that a compliant response was due no later than February 9, 2004.
30. Ms. Oropeza called Respondent on February 9, 2004, because she had not received a response to the January 2004 Notice.
31. After discussing the situation with Ms. Oropeza, Respondent informed her that he could not file a response until the next day. He then hung up the phone.
32. Respondent did file a response on February 9, 2004. However, the response was deemed non-compliant.
33. On August 12, 2004, PTO issued a Notice of Abandonment (“First Abandonment”) in the ‘519 Application, citing Respondent’s failure to file a compliant response to the January 2004 Notice.
34. The First Abandonment stated that Ms. Oropeza had called and left voice messages with Respondent on July 9, July 19, and July 20, 2004. The third call informed Respondent that the ‘519 Application would be deemed abandoned if Respondent did not contact Ms. Oropeza by July 23, 2004. Respondent did not return any of the messages.
35. Respondent filed a Petition to revive the ‘519 Application on October 27, 2004. The Petition stated that the Application was unintentionally abandoned because Respondent had not received the January 2004 Notice.
36. The Petition was granted on January 18, 2005.
37. On April 19, 2005, PTO issued a final Office Action (“Second Final Rejection”) rejecting Claims 3,4, and 23-25.
38. On June 20, 2005, Respondent sent Ms. Blake and Mr. Estes an e-mail with the subject “Re: Statis [sic] of Patents”. The e-mail stated that “the US examiner has issued an office action (non-final rejection) and I shall set up an interview with her shortly” (emphasis in original).
39. Respondent filed a Notice of Appeal (“First Appeal”) on June 30, 2005.
40. On July 27, 2005, Respondent sent Ms. Blake and Mr. Wendell an e-mail with the subject “Patent Status.” The e-mail informed them that Respondent had appealed the rejection of the ‘519 Application.
41. On November 14, 2005, PTO issued a final Office Action (“Third Final Rejection”) rejecting Claims 23-35 and objecting to Claims 3 and 4.

42. Under “Allowable Subject Matter,” the Third Final Rejection stated that “Claims 3 and 4 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.”
43. The first substantive page of a PTO Office Action defines the “Period for Reply.” In the Third Final Rejection, that section informed Respondent, in all capital letters, that a shortened reply period of either 90 days or three months, whichever was longer, would apply. The same section also stated that the application would become abandoned if a reply was not received within the reply period.
44. On November 29, 2005, Respondent sent to Ms. Blake and Mr. Estes an e-mail with the subject “Allowed subject matter.” The e-mail stated that the Third Final Rejection had allowed Claims 3 and 4, and that Respondent had “included Claim 23 to which each of these allowed claims make reference.” The e-mail also stated that the appeal was going forward because EPRT was “entitled to broader coverage – specifically coverage as to the configuration of the wrap itself.”
45. The November 29, 2005, e-mail did not say that Claims 3 and 4 would only be allowable if rewritten, nor did it say that Claims 23-35 had been rejected. The email did not mention that EPRT had three months to file a reply.
46. By virtue of the Power of Attorney, Respondent alone received the Third Final Rejection, and he did not send anyone at EPRT a copy of the Third Final Rejection.
47. Respondent did not rewrite Claims 3 and 4 to qualify for protection as outlined in PTO’s Third Final Rejection.
48. On January 14, 2006, Respondent e-mailed Ms. Blake and informed her that PTO had withdrawn two of the system/method claims but “persisted in rejection of electrode claim.”
49. Respondent appealed the Third Final Rejection (“Second Appeal”) to the Board of Patent Appeals and Interferences (“Board”) on February 2, 2006.
50. On May 31, 2006, Respondent sent an e-mail to Ms. Blake, Mr. Estes, and Dr. Cleve Laird, EPRT’s FDA compliance coordinator. The e-mail stated that “only Claim 25, directed to the structure of the electrode wrap, remains rejected as unpatentable over the prior art.”
51. In the May 31, 2006, e-mail, Respondent expressed cautious optimism that Claim 25 would be accepted, and stated that EPRT had a “better than even chance of prevailing” on that claim.
52. The PTO patent examiner answered the Second Appeal on August 31, 2006. Ms. Oropeza stated that Claims 3 and 4 were rejected because they had not been rewritten

in independent form, as PTO had suggested in the Third Final Rejection. She also reiterated that Claim 25 had been rejected.

53. Between 2006 and 2009, Respondent and various EPRT personnel, including Ms. Blake and Mr. Estes, exchanged several e-mails discussing various patent and trademark matters, including the '519 Application.
54. In January 2008, Respondent moved from his office on 44 West Flagler Street ("44 W. Flagler") to an office on 28 West Flagler Street ("28 W. Flagler"). He properly informed PTO of his new address.
55. Respondent had no physical presence at the 28 W. Flagler office. The office served primarily as a mailing address, but Respondent had access to an available conference room when needed.
56. Documents sent to 28 W. Flagler were set aside for Respondent by an on-site receptionist, who would inform him when mail was received.
57. On June 1, 2009, the Board issued its Decision on Appeal ("Board Decision"), in which it affirmed the Third Final Rejection's conclusions as to Claims 3, 4, and 23-25.
58. The first page of the Board Decision included a footnote announcing the two-month period to file an appeal or initiate a civil case. The Board Decision's final page stated "no time period for taking any subsequent action in connection with this appeal may be extended."
59. The Board Decision was mailed to Respondent's 28 W. Flagler address on June 1, 2009.
60. Respondent did not file any appeal within the two-month window.
61. Respondent did not inform EPRT about the Board Decision within the two-month window.
62. On August 17, 2009, PTO issued a Notice of Abandonment regarding the '519 Application because all claims had been rejected and had not been amended and because no appeal was filed within the two-month window.
63. The Notice of Abandonment was mailed to Respondent's 28 W. Flagler address on August 17, 2009.
64. The Notice of Abandonment stated that a message had been left on Respondent's answering machine on August 6, 2009, but Respondent did not return the call.
65. Respondent did not attempt to revive the '519 Application, and did not inform EPRT that it had been abandoned.

66. In a July 16, 2010, e-mail to Respondent, Ms. Blake requested an update on the '519 Application. Respondent did not reply to the e-mail.
67. Ms. Blake sent Respondent another e-mail on July 29, 2010, also seeking information about the '519 Application's progress.
68. On July 30, 2010, Respondent e-mailed Ms. Blake and stated that he had "attempted to determine the status of the patent applications and have yet to hear back from my inquiries."
69. Because Respondent had not associated his Customer Number with the '519 Application, he could not use PTO's Patent Application Information Retrieval ("PAIR") system to check the status of the Application online.
70. Ms. Blake contacted Respondent by phone in March 2011 to discuss the '519 Application. Respondent unilaterally terminated the call and did not answer the phone when Ms. Blake immediately attempted to call him back.
71. In 2011, Ms. Blake sent Respondent seven increasingly urgent e-mails about the '519 Application.
72. The e-mails were sent on April 1, April 4, April 6, April 22, July 15, July 20, and October 5. The subject line of the e-mails were, in order: "phone calls," "Trying to reach you," "Need to reach you," "Have you received my messages," "US Patent status?" "Status of US patents?" and "check has not been cleared."
73. Each e-mail stated that Ms. Blake had made repeated attempts to reach Respondent by phone or to otherwise get in contact with him. The October 5 e-mail asked Respondent if he had moved.
74. Three of the e-mails noted that Ms. Blake needed to speak with Respondent "asap."
75. The April 22 e-mail stated that Ms. Blake "did not ever receive correspondence stating the patent had been denied as final. It was still under review per our last discussion."
76. Respondent never replied to Ms. Blake's e-mails, text messages, or phone calls.
77. On April 5, 2011, Ms. Blake e-mailed Dr. Laird to see if he had been in contact with Respondent. On April 28, 2011, Ms. Blake asked Dr. Laird to attempt to communicate with Respondent.
78. On April 29, 2011, Dr. Laird informed Ms. Blake that he had successfully contacted Respondent via e-mail.

79. Still unable to reach Respondent, EPRT hired the Farahmand Law Firm to pursue possible legal action against Respondent.
80. On October 21, 2011, attorney Roger Farahmand sent Respondent a letter requesting the status of the '519 Application.
81. Respondent faxed a copy of the Board Decision to Mr. Farahmand on October 28, 2011. He did not include a copy of the Notice of Abandonment.
82. On October 31, 2011, Mr. Farahmand sent Respondent a letter requesting a complete copy of the '519 Application file.
83. Respondent did not send the file to Mr. Farahmand or anyone at EPRT.
84. Respondent did not file a notice of withdrawal as attorney of record in the '519 Application and did not revoke the Power of Attorney filed in 2003.
85. On February 13, 2013, EPRT revoked Respondent's Power of Attorney in favor of Mr. Robert Babayi, a newly retained patent attorney. The Power of Attorney was signed by Ms. Blake.
86. Between November 22, 2002; and February 13, 2013, EPRT paid Respondent between \$35,000 and \$45,000 to prosecute the '519 Application.

Respondent's Docketing System

87. Prior to 2011, Respondent did not use an electronic docket management system. Instead, he had a tickler file, a desk calendar, and a day book.
88. Respondent placed any document with an outstanding due date in the tickler file, and noted the date and the necessary action in the calendar and day book.
89. Respondent's then-wife was primarily in charge of maintaining the tickler file and ensuring documents were filed on time.
90. Respondent assessed the status of the cases in his docket twice a year; during the winter holiday season and before going on summer vacation.
91. If Respondent was going to meet with a client, he would check their file beforehand to ensure all deadlines were up to date. He followed the same procedure if a client contacted him requesting an update, even if a meeting was not upcoming.

EPRT's Malpractice Lawsuits Against Respondent

92. On December 5, 2012, EPRT and Thrisoint PTY, Ltd., ("Thrisoint")⁴ sued Respondent in U.S. District Court for the Northern District of Texas for legal malpractice, breach of fiduciary duty, fraud, and breach of contract.
93. The Texas case was ultimately dismissed on jurisdictional grounds.
94. On October 25, 2013, EPRT and Thrisoint filed a substantially identical lawsuit against Respondent in the U.S. District Court for the Southern District of Florida.
95. EPRT was dismissed from the Florida case due to lack of standing, but the case was permitted to continue with Thrisoint as the lone plaintiff.
96. On September 1, 2015, the case was settled and dismissed with prejudice. The court retained jurisdiction for 60 days to enforce the terms of the settlement agreement.
97. The dismissal was predicated on a settlement agreement in which Respondent agreed to pay EPRT \$7,000 and submit a letter stating that he had intentionally abandoned the '519 Application.
98. An admission of intentional abandonment by Respondent would allow EPRT to revive the Application.
99. The settlement agreement prohibited any EPRT representative, including Ms. Blake, from voluntarily participating in the then-pending disciplinary proceedings against Respondent by the Florida Bar and PTO. The agreement did note that participation could be compelled via subpoena.
100. Ms. Blake executed the settlement agreement on August 28, 2015, in Australia. However, the signed agreement was not received by Ms. Chaiken until several weeks later, after the case had been dismissed.
101. Respondent did not accept Ms. Chaiken's phone calls and did not finalize the settlement agreement. In response, Ms. Chaiken filed a motion to compel compliance with the agreement. However, the motion was denied because the federal court's 60-day jurisdiction had already elapsed.
102. EPRT has filed a lawsuit in Florida state court alleging breach of contract in connection with the settlement agreement. That lawsuit remains ongoing.
103. To date, EPRT has spent approximately \$170,000 litigating Respondent's handling of the '519 Application.

⁴ On December 22, 2006, EPRT assigned its rights to the '519 Application to Thrisoint. Ms. Blake is the manager of Thrisoint.

DEFERRED RULING ON OBJECTION MADE AT HEARING

The OED Director objects to Respondent Exhibit 27. That exhibit is a transcript of Mr. Gregory Mayback's deposition in the Florida malpractice litigation. Mr. Mayback served as an expert witness for EPRT in that proceeding. He was not called as a witness in the current proceeding. Respondent sought to admit Respondent's Exhibit 27 as evidence that Respondent's docketing system and six-month survey schedule did not offend the standard of care in the legal profession. The OED Director contends that the Exhibit should be excluded on procedural grounds because Respondent did not follow the Court's instructions regarding expert witness testimony. Additionally, the OED Director asserts that the Exhibit is inappropriate because the standard of care in a malpractice case is not relevant in an attorney discipline case. The Court conditionally accepted the deposition transcript at the hearing, but ordered the parties to brief the issue in their respective *Post-Hearing Briefs*. Both parties have done so.

The *Notice of Hearing and Scheduling Order* authorized expert witness testimony only if "scientific, technical, or other specialized knowledge will assist the hearing officer to understand the evidence or to determine a fact in issue." The Court previously struck Respondent's attempt to present himself as an expert witness because the scientific and technical aspects of this proceeding were not sufficiently complex to require expert testimony. Comprehending the standard of care in the legal profession, to the degree that the issue is relevant here, is no more daunting an undertaking. Mr. Mayback's deposition testimony is therefore of only minimal value in helping the Court assess the evidence.

Moreover, the transcript cannot properly be considered expert testimony because Mr. Mayback has not been qualified as an expert witness in this proceeding. The party seeking to present expert testimony must disclose the expert's identity to the other party and submit a written expert report. Respondent took neither of those actions with respect to Mr. Mayback.⁵ The use of his deposition transcript from the previous proceeding would allow Respondent to sidestep the procedural rules assuring the qualification of the witness as an expert. This puts the OED Director at a significant disadvantage. The malpractice litigation was between EPRT/Thrisoint and Respondent. The OED Director was not a party in that litigation. As a result, his Counsel never had the opportunity to cross-examine Mr. Mayback. This Court has also been deprived of the chance to query Mr. Mayback, or assess his credibility. Respondent states that Mr. Mayback practices in Ft. Lauderdale, Florida. Given his proximity to the hearing location and his familiarity with the issues involved, there is no apparent reason why Respondent chose not to subpoena Mr. Mayback to provide testimony at the hearing.

For the foregoing reasons, the Court finds that Mr. Mayback's deposition transcript was not offered in accordance with accepted procedures and its admission in evidence would be more prejudicial than probative. The OED Director's objection is therefore **SUSTAINED**, and the transcript will not be considered.

⁵ The OED Director initially offered as an exhibit a summary judgment motion from the malpractice case, which included a copy of Mr. Mayback's expert report. However, the OED Director withdrew that exhibit. Respondent did not submit the report to the Court and has not otherwise attempted to comply with the procedures for establishing Mr. Mayback as an expert witness.

DISCUSSION

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

Although the *Complaint* is presented as only two counts, the OED Director actually alleges a litany of ethical violations against Respondent. Specifically, the OED Director accuses Respondent of (1) neglecting the '519 Application at various points during the application process; (2) failing to inform EPRT of important correspondence; (3) failing to seek EPRT's lawful objectives at various points during the application process; (4) engaging in gross or disreputable conduct; (5) engaging in conduct involving fraud, dishonesty, deceit, or misrepresentation; (6) giving EPRT false or misleading information; (7) making a false statement of law or fact; (8) failing to deliver to EPRT property that it was entitled to receive; and (9) engaging in other conduct that adversely reflects on his fitness to practice.

As a preliminary matter, the Court must determine whether any of these allegations survive Respondent's statute of limitations defense. Respondent contends that any conduct that occurred in 2005 or earlier is governed by the five-year statute of limitations in effect at that time. The applicable statute, 28 U.S.C. § 2462, stated:

Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued...

28 U.S.C. § 2462

On September 16, 2011, Congress enacted the Leahy-Smith America Invents Act ("AIA"), which replaced 28 U.S.C. § 2462, for USPTO purposes, with an amended version of 35 U.S.C. § 32. As amended, 35 U.S.C. § 32 now includes the following two-stage limitations period:

A proceeding under this section shall be commenced not later than the earlier of either the date that is 10 years after the date on which the misconduct forming the basis for the proceeding occurred, or 1 year after the date on which the misconduct forming the basis for the proceeding is made known to an officer or employee of the Office.

35 U.S.C. § 32; see also, Leahy-Smith America Invents Act, Pub. Law No. 112-29, § 3(k), 125 Stat. 291 (2011) (emphases added).

The new statute of limitations period applies to any case under 35 U.S.C. § 32 that had not already lapsed by the time of the AIA's enactment. Accordingly, any misconduct that occurred prior to September 16, 2006, — five years before the AIA took effect — falls under 28 U.S.C. § 2462, and thus is no longer actionable. The OED Director contends, however, that even if some of the misconduct pre-dated the AIA, those violations were continuous in nature, thereby

tolling the statutory clock until the violation ended. Those violations would still be actionable if they did not conclude until sometime after September 16, 2006.

With one exception, discussed below, the alleged violations occurred between 2007 and 2011.⁶ They thus fall under the AIA's limitations umbrella, not 28 U.S.C. § 2462. Ten years have not elapsed since the alleged misconduct occurred, and the *Complaint* was brought within one year of the OED Director learning of the alleged misconduct. Ms. Blake first informed the OED Director of these events on August 11, 2014. The *Complaint* was filed approximately 10 months later, on May 11, 2015. Accordingly, the allegations from the *Complaint* discussed here are timely.

The OED Director alleges that Respondent violated 37 C.F.R. § 10.23(c)(8) due, in part, to his failure to notify EPRT about the Third Final Rejection, which he received in 2005. This claim thus should have gone stale sometime in 2010. The OED Director asserts that the continuing violation doctrine should apply in this instance to toll the statutory clock. Respondent argues in opposition that the statutory clock begins to run when the violation occurs, even if the impact of the violation extends into the future.

Courts will normally apply the continuing violations doctrine only if (1) there is explicit language in the relevant statute or regulation defining the violation as continuous; or (2) if the nature of the offense charged is such that Congress (or an agency) must have intended that it be treated as a continuous offense. *Toussie v. U.S.*, 397 U.S. 112, 115 (1970). There is a strong preference against applying the doctrine because it directly undermines the very purpose of statutes of limitations. *Toussie*, 397 U.S. 112 at 135 (White, J. dissenting) (“we should undoubtedly approach the task of statutory interpretation with a presumption against a finding that an offense is a continuing one”).

The Court does not find explicit language in 37 C.F.R. § 10.23(c)(8), which proscribes as a continuing offense the failure to inform a client of significant correspondence from PTO. However, the nature of the Rule does imply a time element. Unlike, for example, a false statement, this is not a “point in time” violation. The duty to inform one’s clients of potentially adverse information remains active until the practitioner informs the client of the correspondence or ceases representation of that client. The Court therefore finds that 37 C.F.R. § 10.23(c)(8) states—and was intended to state—a continuing violation.

The question of whether Respondent ever fully informed EPRT of the contents of the Third Final Rejection is addressed in more detail *infra*. At present, it is sufficient to note that the November 29, 2005, e-mail was deficient. It did not contain a copy of the Third Final Rejection; it omitted some key information and it inaccurately described other information. Some of these errors were rectified somewhat in two 2006 e-mails. The first, on January 14, 2006, stated that PTO had persisted in its rejection of the electrode wrap. A May 31, 2006, e-mail again stated that Claim 25 remained “rejected as unpatentable.” EPRT thus knew at that point that the ‘519 Application had been rejected, and the general grounds upon which PTO based that rejection.

⁶ Respondent’s *Post-Hearing Reply Brief* asserts that the OED Director bases the *Complaint* in part on Respondent’s failure to associate his Customer Number with the ‘519 Application when he filed the Power of Attorney in 2002. He thus argues that the charge is time-barred. The *Complaint* made no such charge. Respondent’s argument on this point therefore does not warrant additional consideration.

The client was also aware that Respondent had appealed the rejection to the Board in February 2006. As a result, the Court concludes that Respondent at least partially revealed the substance of the Third Final Rejection to EPRT on January 14, 2006. The statutory clock thus began to run on that date.⁷ The OED Director was therefore required to file the *Complaint* by January 14, 2016. As already noted, the *Complaint* was filed on May 11, 2015. Thus, discipline for the alleged violation of 37 C.F.R. § 10.23(c)(8) is not time-barred.

I. Alleged Violation of 37 C.F.R. § 10.77(c) – Neglecting the ‘519 Application

The Code of Professional Responsibility states that a practitioner “shall not neglect a legal matter entrusted to the practitioner.” 37 C.F.R. § 10.77(c). *Black’s Law Dictionary* defines “neglect” as “the omission of proper attention to a person or thing, whether inadvertent, negligent, or willful.” BLACK’S LAW DICTIONARY (8th ed. 2004).

The American Bar Association Committee on Ethics and Professional Responsibility opined in 1973 that:

[N]eglect involves indifference and a consistent failure to carry out the obligations that a lawyer has assumed, or a conscious disregard for the responsibilities a lawyer owes a client. The concept of ordinary negligence is different. Neglect usually involves more than a single act or omission. Neglect cannot be found if the acts or omissions complained of were inadvertent or the result of an error of judgment made in good faith.”

AMERICAN BAR ASSOCIATION COMMITTEE ON ETHICS AND PROFESSIONAL RESPONSIBILITY INFORMAL OPINION 1273 (1973).⁸

Neglect occurs when a practitioner ignores or otherwise disregards his obligations to his client. It does not occur instantaneously, however. Instead, neglect generally requires a pattern or course of conduct clearly illustrating the practitioner’s disinterest in performing his duties. *See In re Levin*, 395 N.E.2d 1374, 1375 (Ill. 1979) (inaction, delay, and lack of effort expended on behalf of a client constitutes neglect). A time element is therefore a central aspect of the violation. As a result, a single forgetful moment or honest mistake normally will not violate 37 C.F.R. § 10.77(c).⁹

⁷ Respondent correctly summarizes the “continuing impact” theory. However, the impact of his alleged misconduct is not at issue here. Failure to inform is a continuing violation. The clock thus begins when the violation itself ends, not its impact. The Court finds that the violation ended on January 14, 2006.

⁸ Informal Opinion 1273 discusses then-ABA Disciplinary Rule 6-101(A)(3), which is identical in wording to 37 C.F.R. § 10.77(c).

⁹ Although neglect and negligence are not interchangeable, there are scenarios where a single negligent act may constitute neglect. For example, in *Attorney Grievance Commission v. Montgomery*, the attorney inadvertently failed to appear for a hearing, resulting in dismissal of his client’s case. 460 A.2d 597 (Md. 1983). The court found that he had neglected the client.

The OED Director contends that Respondent's conduct prior to and immediately after the Board Decision constitutes neglect of the '519 Application. More specifically, the OED Director alleges that Respondent did not monitor the Application's progress through PTO; did not return the patent examiner's phone call; did not inform EPRT of the Board Decision; refused to communicate with Ms. Blake; and took no steps to appeal the Board Decision or otherwise prevent the Application from being abandoned.

Respondent counters that he made regular attempts to track the application after filing the appeal to the Board in February 2006. On October 9, 2008, he told Ms. Blake via e-mail that he had "called the PTO 3 times and have yet to receive a return call re the status of the appeal in the US appln." A July 30, 2010, e-mail stated that he had "attempted to determine the status of the patent applns and have yet to hear back from my inquiries." Respondent also testified that he normally determined the status of applications by calling the patent examiner directly.¹⁰ He also claims to check the status of all his pending cases every six months.

These statements suggest that Respondent's failure to learn the status of the '519 Application was the product of PTO's non-responsiveness. In actuality, Ms. Oropeza had left a voice message for Respondent on August 6, 2009, before the application was abandoned. Respondent testified that he attempted to return her call on multiple occasions, but "never connected with her." He made no more attempts to determine the purpose of the call. Had he done so, he would have learned that the appeal had been denied two months earlier, and that abandonment was imminent.

The personal phone call from Ms. Oropeza should have alerted Respondent that there was movement on the '519 Application. It was PTO's first attempt to contact him on the matter in more than two years. It would take Respondent two more years, until October 2011, to undertake any investigation of the status of the '519 Application. He did so only after receiving the letter from Mr. Farahmand. Under the circumstances, Respondent's complete failure to follow up on Ms. Oropeza's phone call is inexplicable. This failure is even more glaring in light of Respondent's claim that calling patent examiners is his primary means of tracking his applications.¹¹ Moreover, had Respondent been clearing his docket every six months as he claims, he would have learned of the Board Decision no later than December 2009.¹² Respondent insists he was ignorant of it until October 28, 2011.

¹⁰ Respondent could have monitored the status of the '519 Application electronically via the PAIR system had he associated the application with his Customer Number. He chose not to do so. Instead, he trusted the physical mail and his own occasional phone calls to ensure he was properly apprised of the progress of the '519 Application. Use of the PAIR system is not required, but it is strongly encouraged by PTO to eliminate scenarios like this one.

¹¹ This was not the first time Respondent's failure to return Ms. Oropeza's phone calls resulted in the abandonment of the '519 Application. She called him at least four times in 2004 to determine whether he intended to respond to the January 2004 Notice. He did not return any of those calls.

¹² Respondent asserts that he clears his docket before the winter holidays and again before he goes on his annual summer vacation. The Board Decision was issued on June 1, 2009. Assuming Respondent's summer vacation occurs at the traditional time, i.e., July or August, he would have learned of the June 1 Board Decision during his summer docket check. If his search occurred in May, it would not have revealed the Board Decision. However, the winter search six months later would certainly have uncovered that document as well as the Notice of Abandonment, which was issued in August. They would also have shown up in the summer and winter docket checks in 2010, and the summer check in 2011. It strains belief that Respondent conducted these checks but still failed to discover these documents.

Respondent has also offered no explanation why he ignored Ms. Blake's e-mails and calls for more than a year. Between July 16, 2010; and October 5, 2011, Respondent received at least nine e-mails and an untold number of phone calls from Ms. Blake. The e-mails repeatedly emphasized that the matter was urgent, and that Ms. Blake desperately needed an update about the status of the '519 Application. He responded to none of them, and made no attempt to investigate the progress of the Application. The e-mails also repeatedly noted that Respondent had not returned messages left on his answering machine. The one time Ms. Blake did manage to reach Respondent on the phone in 2011, he abruptly ended the call without explanation.

During the hearing, Respondent stated that he was trying a "very complex divorce matter" in state court during that period, and may have simply been too busy to respond to Ms. Blake. He also hinted that his e-mail "may have been hacked but I'm not sure." He then admitted that "I don't have an explanation, quite frankly, other than that."

The Court is not persuaded by Respondent's assertion that he was overwhelmed by a different legal matter. Ms. Blake attempted to communicate with Respondent for more than a year, from July 2010 until October 2011. He cannot plausibly claim that he spent every moment of that period embroiled in his state court case.

Additionally, Respondent's claim of hacking is not credible. He bases the claim on a lone reference from Ms. Blake that he "may have a virus on your aol e-mail account." Respondent cannot recall if or when he was hacked, or for how long. Yet he theorizes that, if the account was compromised during his divorce trial, he may not have bothered to re-secure the account until after the trial ended. Again, this argument overlooks the fact that Ms. Blake attempted to contact him for more than a year by phone and e-mail. It also ignores the fact that Respondent replied within 24 hours to an e-mail sent by Dr. Laird, who Respondent considered a friend. He clearly received Dr. Laird's e-mails. It therefore stands to reason that he received Ms. Blake's e-mails as well. He simply did not respond to them. Moreover, his hacking theory does not explain why he did not return Ms. Blake's phone calls.¹³

Respondent also argues that he was not obligated to communicate with Ms. Blake because she was not EPRT's corporate representative. Rather, he claims, he received orders and instructions from Mr. Estes. There is no merit to Respondent's argument. The evidence is overwhelming that Ms. Blake, as EPRT's President and CEO, acted as the corporate representative. She was the one who responded to his initial assessment of the '519 Application, stating in that e-mail that "I will contact you in a few days." Ms. Blake was also the one who signed the Power of Attorney giving Respondent authority to prosecute the Application.

Respondent's own evidence further betrays his position. Respondent includes approximately 20 e-mails he sent to EPRT between 2002 and 2009 as evidence of his adequate communication with his client during that time period. All but two of those e-mails were

¹³ His explanation is again reminiscent of 2004. Respondent's Petition to revive the abandoned '519 Application stated that he had not received the January 2004 Notice, and thus was unaware that the Application faced abandonment. He did not address the fact that Ms. Oropeza had left multiple voice messages informing him of the impending abandonment.

addressed to Ms. Blake as the primary recipient.¹⁴ At least six of the e-mails were sent to her alone. Other than the two initial e-mails in 2002, there is no evidence that Respondent ever communicated with Mr. Estes alone. When Mr. Estes or Mr. Wendell were included as recipients, they were carbon copied, and the e-mail often began with the salutation “Dear Katherine.” One particular e-mail stands out. In a March 17, 2008, e-mail from Respondent to Ms. Blake and Mr. Wendell, Respondent asked “what is David Estes [sic] role in this arrangement – who do I need to copy on patent matters?” Had Mr. Estes actually been Respondent’s primary contact person, this e-mail would reasonably have been addressed to him, not Ms. Blake and Mr. Wendell. This, and the other evidence in the record, fatally undermines Respondent’s claim that he was not obligated to communicate with Ms. Blake because Mr. Estes was actually EPRT’s corporate representative for the ‘519 Application.¹⁵

Respondent also contends that he could not have neglected the ‘519 Application because, in 2008, Mr. Estes instructed him not to pursue the ‘519 Application in favor of a subsequent patent application. The best evidence of what Mr. Estes told Respondent would have been Mr. Estes himself. However, Respondent never called upon Mr. Estes to testify. Nor has he produced any other evidence showing Mr. Estes ever ordered him to abandon the ‘519 Application. Of the many e-mails among Respondent, Mr. Estes, and Ms. Blake, none reference the deliberate abandonment of the ‘519 Application. It is true that there was a patent application filed in 2008 that featured a new, improved silver electrode wrap. However, the assertion that the new wrap made the ‘519 Application irrelevant is only attributable to Respondent himself.¹⁶ The argument is therefore unavailing.

Finally, Respondent argues that he could not have informed EPRT about the Board Decision or the Notice of Abandonment because he never received them. Instead, the documents were likely misplaced by the receptionist at his office.

Respondent does not contest that the documents were sent to his office of record, 28 W. Flagler in Miami, Florida. While it is certainly possible that the building’s receptionist misplaced the documents, that does not absolve Respondent of his responsibility to EPRT. Respondent chose to move to a “virtual” office where he did not have any day-to-day physical presence. He therefore chose to entrust his mail to a receptionist rather than seeing to it himself. Any filing errors by the receptionist are foreseeable consequences of his own decision. Respondent could have changed his correspondence address to his home address, while still maintaining his virtual office.¹⁷ He could have associated the ‘519 Application with his

¹⁴ The two outliers were the initial assessment of the ‘519 Application and an e-mail acknowledging his hiring by EPRT. Both e-mails were sent in 2002 and were sent to Mr. Estes alone.

¹⁵ Respondent’s *Post-Hearing Reply Brief* devotes substantial time to the question of “apparent authority” in an agent/principal context. There is no agent/principal dynamic at play in the instant case. Moreover, apparent authority is viewed from the perspective of a third party. Here there is no third party.

¹⁶ The new patent application, Application Number 61/190,421 (“the ‘421 Application”), was filed on August 28, 2008. The ‘421 Application specifically stated that “the instant invention is related to [the ‘519 Application],” which it described as “pending.” This description stands in sharp contrast to Respondent’s assertion that the ‘421 Application rendered the ‘519 Application obsolete. Moreover, assuming, *arguendo*, that Mr. Estes did order Respondent to abandon the ‘519 Application in 2008, Respondent never affirmatively complied with that order. The Application remained in active status until August 2009, more than a year after the ‘421 Application was filed.

¹⁷ Notably, Respondent did instruct EPRT to send several checks to his home address rather than to 28 W. Flagler.

Customer Number so he could monitor its progress electronically via the PAIR system. He could have had his Virginia-based associate routinely check the physical file. He took none of these protective measures. As a result of these omissions, Respondent claims he did not learn about the Board Decision until it was far too late to prevent abandonment. Such an outcome was thus the result of Respondent's own inaction. See Nam D. Dao, Proceeding No. D2015-23 (May 15, 2015). (There, the practitioner failed to file a change of address form with PTO. A critical notice was thus sent to his old office. Having never received the notice, the practitioner did not respond to it, leading to the abandonment of the patent application. The practitioner was thus found to have neglected the application, violating 37 C.F.R. § 10.77(c).)

In sum, 37 C.F.R. § 10.77(c) prohibits a practitioner from disregarding, ignoring, or forgetting about a client matter for an extended amount of time. The OED Director has provided clear and convincing evidence that Respondent failed to monitor the progress of the '519 Application in 2009, ignored the patent examiner's phone call in 2009, ignored Ms. Blake's e-mails and phone calls in 2010 and 2011, and failed to safeguard his lines of communication with PTO at any time. Any one of the alleged missteps here, on their own, perhaps would not constitute neglect. However, the full complement of them, spread as they are over the course of months and years, paints a clear picture of an attorney who has either fallen asleep at the wheel or decided to invest his energies elsewhere. In either case, the evidence confirms that Respondent neglected the '519 Application.

II. Alleged Violation of 37 C.F.R. § 10.23(c)(8) – Failure to Inform EPRT of PTO Correspondence

The OED Director next alleges that Respondent violated 37 C.F.R. §10.23(c)(8), which requires a practitioner to inform a client when the practitioner receives correspondence from PTO if the correspondence could have a significant impact on a pending matter and a reasonable practitioner would believe the client should be notified. In this case, the OED Director contends that Respondent should have notified EPRT about the Third Final Rejection in 2005, and the Board Decision and Notice of Abandonment in 2009.

Respondent maintains that a November 29, 2005, e-mail from himself to Ms. Blake and Mr. Estes informed them of the Third Final Rejection. The e-mail reads, in its entirety [sic throughout]:

Dear Katherine:

The examiner, or more accurately, her new supervisor has issued an office action (after the appeal was taken and brief filed) in which he has allowed Method Claims 3 & 4 (copies attached) – I have also included Claim 23 to which each of these allowed claims make reference. The dependent Claims 3 & 4 are to be read as including all of the limitation of Claim 23 – where a limitation in Claim 23 is further defined (as in Claims 3 & 4), the limitations of Claim 3 & 4 respectively replace the limitation in Claim 23

The appeal is still going forward, because we are entitled to broader coverage – specifically coverage as to the configuration of the wrap itself. Any questions, pls advise – John

Respondent did not attach a copy of the Third Final Rejection Action to the e-mail. He never explicitly said that Claims 23-25 had been rejected. He also stated that Claims 3 and 4 had been “allowed” when in fact they had been objected to but “would be allowable if rewritten in independent form.” Having declined to inform EPRT that the Claims could be rewritten, Respondent also did not mention that he did not intend to rewrite them. Additionally, the e-mail never described the PTO decision as a “final action” and did not mention the three-month deadline to file a response. To the contrary, the e-mail implied that no additional steps were necessary at that time because the “appeal is still going forward.”

Not until January 14, 2006, did Respondent clarify that Claim 25 had been rejected when he stated in an e-mail that PTO had “persisted in rejection of electrode claim.” The May 31, 2006, e-mail included a copy of the Second Appeal and informed Ms. Blake, Mr. Estes, and Dr. Laird that Claims 3, 4, 23, and 24 were rejected on “formal grounds,” but that Claim 25 was rejected as “unpatentable over the prior art.”

The narrow wording of 37 C.F.R. § 10.23(c)(8) prohibits a practitioner from failing to inform a client of important correspondence. The November 29, 2009, e-mail did notify EPRT personnel of the existence of the Third Final Rejection shortly after its issuance. However, Respondent failed to actually provide the Third Final Rejection to EPRT and did not fully or accurately explain the document and its ramifications.¹⁸ As a result, EPRT was left with the erroneous impression that the ‘519 Application rested on firmer ground than it actually did. EPRT was never aware that Claims 3 and 4 needed to be rewritten to survive and thus never had the opportunity to instruct Respondent to do so. Respondent therefore prevented EPRT from making an informed decision about a preferred course of action. Section 10.23(c)(8) does not require a practitioner to simply “notify” a client about important correspondence, it requires him or her to “inform” the client about that correspondence. Respondent did not fully do so with regard to the Third Final Rejection.

The violation is even clearer with regard to the Board Decision and the Notice of Abandonment. As already discussed, Respondent did not provide the Board Decision to EPRT until compelled to do so two years after it had been issued. He did not provide the Notice of Abandonment at any time. The fact that he was unaware of these decisions does not absolve him of his responsibility to EPRT. Both decisions were properly mailed to his address of record, which was his correct address at the time. At best, it was only Respondent’s own negligence that prevented him from receiving them.¹⁹ One failure does not excuse another.

¹⁸ Respondent argues that there was no need to provide EPRT personnel with a copy of the Third Final Rejection because it was “virtually the same” as the two previous final rejections. This is categorically incorrect. The Third Final Rejection stated, for the first time, that Claims 3 and 4 would be allowable if rewritten. It thus presented EPRT with a possible new avenue to pursue.

¹⁹ The OED Director turns to the “mailbox rule” as evidence that Respondent actually received the Board Decision and the Notice of Abandonment. The mailbox rule creates a rebuttable presumption that properly addressed documents placed into the possession of a mail delivery service reach their destination in a reasonable time. Rosenthal v. Walker, 111 U.S. 185, 193-94 (1884); Rios v. Nicholson, 490 F.3d 928, 930-31 (Fed. Cir. 2007); Lupyan v. Corinthian Colleges, Inc., 761 F.3d 314 (3d Cir. 2014). The *Complaint’s* allegations of dishonest and deliberately misleading conduct rest entirely on application of this rule. It is too fragile a presumption to support such weighty charges. As discussed in greater detail *infra*, the OED Director has not established any reason why Respondent would receive these documents and not act on them, given his then-ongoing relationship with EPRT.

Both the Board Decision and the Notice of Abandonment should have been timely communicated to EPRT. The Board Decision was particularly vital because it carried a non-extendable two-month deadline to appeal the decision. Respondent's failure to inform EPRT of that document meant EPRT had no chance to file the appeal within the deadline. The consequence of that inaction was the abandonment of the '519 Application.

Accordingly, the Court finds that Respondent violated 37 C.F.R. § 10.23(c)(8) by failing to properly inform EPRT of the Third Final Rejection, the Board Decision, and the Notice of Abandonment.

III. Alleged Violation of 37 C.F.R. § 10.84(a) – Failing to Seek EPRT's Lawful Objectives

The OED Director also contends that Respondent's mishandling of the '519 Application constitutes a failure to seek his client's lawful objectives and a failure to carry out an employment contract, thus violating 37 C.F.R. § 10.84(a)(1), and (a)(2).²⁰ Respondent counters that he continued to pursue EPRT's objectives until October 2011, when he claims Mr. Farahmand threatened him with a malpractice suit. Additionally, Respondent argues that there were "no available avenues to reverse the [Board] Decision" once it was issued, making any additional work on the Application futile. He also asserts that, in 2008, Mr. Estes specifically told him not to incur additional legal fees pursuing the '519 Application.

No explicit engagement agreement between the parties exists, which makes it difficult to state the precise terms of the employment contract. That said, it is apparent that Respondent was hired to attempt to salvage the '519 Application, if possible. Absent some future shift in EPRT's goals, that obligation existed as long as Respondent remained as attorney of record for the '519 Application.

The OED Director does not dispute that Respondent was committed to securing a patent on behalf of EPRT, at least initially. The Application was first rejected in 2002, under the supervision of a different law firm. Respondent's initial assessment of the viability of the Application was grim, stating that "the final rejection is likely to be sustained because of the absence of any allowable claim...." However, Respondent also recommended re-filing the Application, followed quickly by an amendment supported by a third-party affidavit. The evidence shows that Respondent filed the necessary amendments, appeals, and affidavits, at least until he received the Third Final Rejection in November 2005. At that point, Claims 3 and 4 were potentially allowable if rewritten. Based on his own experience and judgment, Respondent chose not to rewrite either Claim. Respondent believed—and maintains to this day—that rewriting the Claims would have been useless because they included references to other, rejected Claims. He simply disagreed with Ms. Oropeza's assessment, as stated in the Third Final

Thus the Court concludes—based upon Respondent's testimony and clear and convincing circumstantial evidence—that Respondent did not act on those items of PTO correspondence because he had not received them.

²⁰ The *Complaint* paints Respondent's various communications failures as evidence of a violation of 37 C.F.R. 10.84(a). The Court cannot agree. A practitioner may fail to communicate adequately with a client while still working diligently on behalf of that client. The practitioner would thus violate Section 10.23(c)(8) but not 10.84(a).

Rejection, that Claims 3 and 4 could be allowable. Respondent did not discuss rewriting the Claims with anyone at EPRT. It has already been noted that Respondent did not even inform EPRT of the patent examiner's suggestion, telling them instead that the Claims had already been allowed. Instead of conferring with his client, Respondent elected to file the Second Appeal in February 2006. He did not discuss the appeal with EPRT prior to filing it.²¹

The consequences of Respondent's decisions were substantial. Claims 3 and 4 were ultimately deemed rejected because Respondent did not rewrite them as suggested. The Board Decision therefore affirmed the Third Final Rejection because there were no allowable claims.

Had Respondent been timely aware of the Board Decision on June 1, 2009, he could have filed an appeal. Had he been timely aware of the Notice of Abandonment, he could have attempted to revive the Application. Either course of action would have served EPRT's objectives. The Court cannot speculate whether he would have taken either action, because he abandoned EPRT as a client within days of discovering the existence of the Board Decision.

Respondent contends that, rather than an abandonment on his part, he was "constructively discharged" as EPRT's counsel on or about October 28, 2011. The basis for the constructive discharge was an alleged telephone call between himself and Mr. Farahmand where Respondent contends Mr. Farahmand threatened Respondent with a malpractice lawsuit. He has provided no evidence, other than his own testimony, that such a threat ever occurred. Nor has he offered any legal support for his conclusion that such a threat would discharge him of his responsibilities to EPRT.

Respondent never informed Mr. Farahmand or anyone at EPRT of his constructive discharge theory. He also did not follow the withdrawal procedures outlined in 37 C.F.R. § 10.40. The only individual who was aware of Respondent's purported withdrawal was Respondent himself. This is indistinguishable from abandonment. Accordingly, Respondent violated 37 C.F.R. § 10.84(a)(1) and (a)(2) no later than October 2011.

In fact, the violation of this Disciplinary Rule occurred when the '519 Application was abandoned in August 2009. Unlike the American Bar Association's now-defunct Code of Professional Responsibility, the PTO's Disciplinary Rules do not require a practitioner's conduct to be intentional.²² Section 10.84(a) emphasizes the consequences of the conduct, not the intent behind it. Neglectful conduct that derails a client's objectives is thus sanctionable under Section 10.84(a). Here, Respondent negligently failed to monitor the '519 Application and failed to ensure that he received correspondence from PTO. As a result, it was impossible for Respondent to meet EPRT's lawful objectives.

²¹ Respondent has noted repeatedly that the November 29, 2009, e-mail asked Ms. Blake and Mr. Estes to contact him if they had any questions. Neither did so. Respondent speculates that they would have had questions if his communication had been unclear or inadequate. His conclusion overlooks the fact that he neglected to provide them with vital information on which to base their questions. They did not know the actual status of Claims 3,4 or 25. They therefore did not know that they should be asking additional questions about those Claims. Their lack of inquisitiveness was the direct result of Respondent's own silence on these issues.

²² See ABA Model Code of Professional Responsibility Rule DR 7-101(A)(1), which is virtually identical to 37 C.F.R. § 10.84(a), except the Model Code includes the preface stating that a practitioner "shall not intentionally."

IV. Alleged Violation of 37 C.F.R. § 10.23(a) – Engaging in Gross or Disreputable Conduct

The *Complaint* next alleges that Respondent's failure to notify EPRT about the Third Final Rejection, the Board Decision, and the Notice of Abandonment constitute gross or disreputable conduct, in violation of 37 C.F.R. § 10.23(a).

The Court has already concluded that Respondent's failure to inform his client of important correspondence violated 37 C.F.R. § 10.23(c)(8). According to 37 C.F.R. § 10.23(c), any violation of its subsections automatically violates 37 C.F.R. § 10.23(a) and (b). No analysis is necessary on this point. Respondent has violated 37 C.F.R. § 10.23(a).

V. Alleged Violation of 37 C.F.R. § 10.23(b)(4) – Engaging in Conduct Involving Fraud, Dishonesty, Deceit, or Misrepresentation

Next, the OED Director contends that Respondent violated 37 C.F.R. § 10.23(b)(4) by deceiving EPRT and misrepresenting the status of the '519 Application. Specifically, the *Complaint* cites Respondent's July 30, 2010, e-mail to Ms. Blake, which stated that he had attempted to determine the status of the '519 Application but had not heard back from PTO. According to the OED Director, this statement was false or misleading because Respondent had received the Notice of Abandonment in August 2009. He therefore already knew that the Application had been abandoned and had never been revived.

The sole evidence that Respondent was aware of the Board Decision and the Notice of Abandonment is that they were mailed to his address of record, at 28 W. Flagler. It is therefore presumed that he received them at that address. Respondent insists that he did not.

Respondent's conduct vis-à-vis the '519 Application before and after 2009 supports his position. Respondent worked competently to achieve EPRT's goals from 2002 until 2006, when he filed the Second Appeal. After doing so, he resigned himself to waiting for a PTO response. According to the OED Director's theory, Respondent received that response in 2009. Rather than file an appeal, as he had done twice already, Respondent chose to ignore the Board Decision. He then proceeded to stonewall and avoid Ms. Blake for more than a year. Missing from the OED Director's theory is any hint of Respondent's purported motive for this sharp shift in attitude. As of 2009, his relationship with EPRT and its personnel remained congenial. In fact, he was handling a number of other patent and trademark matters for the company at the time. The OED Director has provided no reason why Respondent would act in the manner alleged in the *Complaint*. The Court is therefore persuaded that Respondent did not receive the copies of the Board Decision or the Notice of Abandonment in 2009.

Having failed to receive the documents when they were initially sent, Respondent did not become aware of the actual status of the '519 Application until October 2011, when he asked his associate to personally check the physical file.²³ His e-mail to Ms. Blake on July 30, 2010, was

²³ As discussed *supra*, Respondent's delayed awareness of these documents was due to his own negligent and neglectful conduct.

therefore not deceptive or dishonest. Accordingly, the Court finds that the OED Director failed to prove, by clear and convincing evidence, that Respondent violated 37 C.F.R. § 10.23(b)(4).

VI. Alleged Violation of 37 C.F.R. § 10.23(c)(2)(i) – Giving EPRT False or Misleading Information

The *Complaint* also alleges that the July 30, 2010, e-mail was false or misleading, thereby violating 37 C.F.R. § 10.23(c)(2)(i). The regulation only prohibits the communication of information that the practitioner knows to be incorrect. Accordingly, the allegation fails here because Respondent did not know the true status of the '519 Application at the time of the e-mail. He therefore could not have intended to mislead Ms. Blake. The Court finds no violation of 37 C.F.R. § 10.23(c)(2)(i).

VII. Alleged Violation of 37 C.F.R. § 10.85(a)(5) – Making a False Statement of Law or Fact

Again, the OED Director relies on the July 30, 2010, e-mail as his sole evidence of a violation of 37 C.F.R. § 10.85(a)(5). This regulation also contains a knowledge element. It therefore fails for the same reason.

VIII. Alleged Violation of 37 C.F.R. § 10.112(c)(4) – Failing to Return EPRT's Client File

The *Complaint* alleges that Respondent refused to return EPRT's client file to it when asked to do so. PTO regulations state that a practitioner must promptly deliver to a client, upon request, any client property in the practitioner's possession that the client is entitled to receive. Respondent contends that the EPRT file was not in his possession on October 31, 2011, because it remained in the possession of his ex-wife at the marital home and that Respondent had been denied access to that home. He also argues that EPRT was not entitled to the file because Respondent placed a lien on the file due to unpaid legal bills.

There is no dispute that a client's file is the property of the client and should be returned to that client upon request. *See Restatement (Third) of the Law Governing Lawyers (2000)*, ¶ 43. That general truth applies in this case as well. Although Respondent contends that the file has not been in his possession since 2011, his credibility on this issue is dubious. During the Florida malpractice proceeding, he told the opposing counsel that the file had been destroyed "several years ago." Perhaps Respondent believed that when he said it, but the opposing counsel in that case eventually obtained the file from Respondent's ex-wife.

Respondent argues in this proceeding that he could not return the file because he did not have access to the marital home. The evidence suggests otherwise. Mr. Farahmand requested the EPRT file on October 31, 2011. As Respondent testified, he did not convey the marital home to his ex-wife until November 16, 2011. Therefore, absent a restraining order, he had the legal right to access the property until that date. When he signed the property settlement agreement, Respondent knew that the EPRT file that had been requested by the client was in the home, but he chose not to retrieve it while he still had the opportunity to do so. Although the Court does not doubt Respondent's claim of a hostile relationship between himself and his ex-wife, he has offered no evidence that he reasonably sought to obtain the EPRT file from the home when he

had the opportunity to do so.²⁴ The opposing counsel in the previous case issued a subpoena *duces tecum* to successfully obtain the file. Respondent could have followed a similar approach.

The Court also rejects Respondent's claim that a retaining lien on the file prevented him from returning the file when requested. He testified that he "found out about the outstanding balance in the course of discovery during the malpractice case." Prior to that point, he believed EPRT's account was current. The malpractice complaint was not brought until December 2012, some 13 months after he received Mr. Farahmand's letter. Between October 31, 2011, and whenever he discovered the outstanding balance, Respondent had no reason to question EPRT's right to its file. The retaining lien therefore could not have prevented him from "promptly" returning the file, as required by 37 C.F.R. § 10.112(c)(4).

Even if Respondent did not have easy access to the file after his separation from his ex-wife, he did retain a duty to maintain control of client property entrusted to him. He took no steps to protect the files in his home office despite knowing that marital discord threatened his use of that office. Indeed, Respondent testified that the marital separation began as early as April 2011, and did not become permanent until November of that year. Respondent's banishment from the marital home, and thus his lack of access to his home office, came with ample warning. His obligation to his clients, including EPRT, should have compelled him to move the files to a more secure location. Again, he chose not to do so, to EPRT's detriment. Accordingly, the Court finds that Respondent has violated 37 C.F.R. § 10.112(c)(4).

IX. Alleged Violation of 37 C.F.R. § 10.23(b)(6) – Engaging in Other Conduct that Adversely Reflects on Respondent's Fitness to Practice

Finally, the OED Director contends that Respondent violated 37 C.F.R. § 10.23(b)(6) by "engaging in the acts and omissions" described in the *Complaint*. That regulation prohibits a practitioner from engaging in "any other conduct that adversely reflects on the practitioner's fitness to practice before the Office." This Court has consistently noted that the use of the word "other" in the regulation is not superfluous. Instead, it transforms 37 C.F.R. § 10.23(b)(6) into a "catch all" provision that addresses conduct that does not fall under the subsections immediately preceding it.²⁵ As a result, conduct that violates any provision of § 10.23(b)(1) through (b)(5) cannot also violate § 10.23(b)(6). *In re Lane*, USPTO Proceeding No. D2013-07, at 16 (USPTO Mar. 11, 2014); *In re Kelber*, USPTO Proceeding No. 2006-13 at 59 (USPTO Sept. 23, 2008). Respondent's conduct violated several Disciplinary Rules. Accordingly, the allegations are cognizable under § 10.23(b)(1). The OED Director has not alleged any "other" conduct that

²⁴ Respondent testified that, due to his separation from his wife, he was "basically locked out" of the marital home in November 2011. At one point, he "had to get a policeman to get me in there to get my stuff." Respondent did not explain why he did not retrieve the EPRT file during that police-facilitated visit to his home.

²⁵ 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.

would fall within the purview of 37 C.F.R. § 10.23(b)(6). Respondent has therefore not violated this provision.

After considering all of the evidence in the record, the Court finds, by clear and convincing evidence, as follows:

Count I

- a. Respondent violated 37 C.F.R. § 10.23(a) and (b) via 10.23(c)(8) by failing to timely inform Ms. Blake or anyone at EPRT of the Third Rejection Letter in 2005, the June 2009 Board Decision, and the August 2009 Notice of Abandonment. He did not receive the latter two documents when they were sent, and so could not have forwarded them to EPRT. However, his non-receipt of the documents was an error of his own making and does not absolve him of his responsibilities to his client.
- b. Respondent adequately communicated with Ms. Blake and EPRT in 2007 and 2008. He therefore did not violate 37 C.F.R. § 10.77(c) as to his communications with his client during that time period.
- c. Respondent did violate 37 C.F.R. § 10.77(c) by neglecting the '519 Application from May 2006 until October 2011. He failed to properly monitor the progress of the Second Appeal, and so was unaware of the Board Decision or the Notice of Abandonment until it was too late to prevent the abandonment. He did not persist in his attempts to contact Ms. Oropeza in 2009, despite knowing she had attempted to communicate with him by phone prior to the abandonment. Respondent also took no steps to confirm the status of the '519 Application in 2010 and 2011 despite Ms. Blake's frequent requests for updates.
- d. Respondent violated 37 C.F.R. § 10.84(a)(1) and (2) by neglecting the '519 Application. His failure to properly monitor the appeal rendered it impossible for him to accomplish the task for which he had been hired. He also violated the Disciplinary Rule by deliberately abandoning his representation of EPRT after his exchange with Mr. Farahmand.
- e. Any violation of 37 C.F.R. § 10.23(c) constitutes a violation of 37 C.F.R. § 10.23(a). Respondent has violated multiple Disciplinary Rules. He has therefore also violated 37 C.F.R. § 10.23(a).
- f. Respondent has not violated 37 C.F.R. § 10.23(b)(6) because the OED Director has failed to allege any other conduct that is not covered by other subsections of 37 C.F.R. § 10.23(b).

Count II

- a. Respondent violated 37 C.F.R. § 10.77(c) by refusing to communicate with Ms. Blake about the status of the '519 Application in 2010 and 2011.

- b. Respondent did not receive the Board Decision or the Notice of Abandonment until October 2011. Therefore, his July 30, 2010, e-mail was not dishonest or deceitful. Accordingly, Respondent did not violate 37 C.F.R. § 10.23(b)(4).
- c. Respondent did not violate 37 C.F.R. § 10.23(a) and (b) via 37 C.F.R. § 10.23(c)(2)(i) because he did not know the status of the '519 Application at the time he wrote the July 30, 2010, e-mail. The e-mail therefore was not intended to be false or misleading.
- d. Respondent did not violate 37 C.F.R. § 10.85(a)(5) because he did not know the content of the July 30, 2010, e-mail was false.
- e. Respondent did not violate 37 C.F.R. § 10.84(a)(1) and (a)(2) by refusing to communicate with Ms. Blake in 2010 and 2011. Failure to communicate with a client, in and of itself, does not indicate refusal to carry out the terms of a contract or a refusal to seek the client's lawful objectives. Respondent's refusal to respond to Ms. Blake is evidence of his neglect of the '519 Application. It is the consequences of that neglect that places him in violation of 37 C.F.R. § 10.84(a)(1) and (a)(2).
- f. Respondent has violated 37 C.F.R. § 10.112(c)(4) by refusing to return EPRT's client file when requested. EPRT was entitled to receive the file because no retaining lien existed at the time the request was made. Respondent's failure to maintain possession of the file was an error of his own making and does not absolve him of his responsibility to return the file. Moreover, Respondent testified that he was able to retrieve personal property from the house with police assistance.
- g. Any violation of 37 C.F.R. § 10.23(c) constitutes a violation of 37 C.F.R. § 10.23(a). Respondent has violated multiple Disciplinary Rules. He has therefore also violated 37 C.F.R. § 10.23(a).
- h. Respondent has not violated 37 C.F.R. § 10.23(b)(6) because the OED Director has not alleged any conduct that is not covered by other subsections of 37 C.F.R. § 10.23(b).

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). Before sanctioning a practitioner, the Court must consider the following four factors listed in 37 C.F.R. § 11.54(b):

- (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.

1. Respondent Violated His Duties to EPRT

Respondent was hired to attempt to salvage the '519 Application in December 2002. His last communication with PTO occurred in May 2006. Respondent has argued in passing that he no longer had a duty to EPRT after December 2006, when it assigned the rights to the '519 Application to Thrisoint. There is no merit to this argument. Respondent never withdrew his representation of EPRT, and several e-mails in 2008 confirm that he continued to actively represent its interests after EPRT's acquisition by Thrisoint. Respondent therefore remained obligated to fulfill his duties to EPRT. Instead, he refused to return phone calls and e-mails from Ms. Blake, and disregarded important phone calls from the PTO examiner. Respondent utterly neglected the '519 Application for almost two years. As a result, he failed to keep EPRT apprised of the '519 Application's progress, leading to the Application's abandonment. Finally, he refused to return EPRT's client file despite an explicit request to do so. Respondent has thus repeatedly failed in his responsibilities to his client.

Respondent's duties to the public, the legal system, and the legal profession are less directly implicated by his conduct. Any improper behavior by a member of the legal community undermines public faith in the sanctity of the legal system. However, Respondent's primary duty is to his client, not the population at large. There is no tangible injury to the public here; EPRT- and only EPRT-suffered the consequences of Respondent's misconduct. Likewise, there is no substantive damage to the legal system. Respondent alone has been tainted by his actions. This factor supports a moderate sanction.

2. Some of Respondent's Actions Were Intentional or Negligent

The Court finds that Respondent's neglect of the '519 Application stemmed primarily from his decision to move to the 28 W. Flagler address. Had he remained in his original office, or changed his correspondence address to his home office, he would have timely received the Board Decision and the Notice of Abandonment. He would therefore have had an opportunity to inform EPRT of those documents, agree upon a course of action, and file appropriate responses. Instead, he entrusted a receptionist to sort his mail without his input. By doing so, he put the burden on the receptionist to recognize critical correspondence and notify him in a timely manner. It was a calculated risk that has cost both Respondent and EPRT.

Compounding the risk was Respondent's insufficient docket management system. Rather than using an electronic system, Respondent testified that he maintained a manual system and relied on his (now former) wife to keep him informed of upcoming deadlines. He had no "tickler" system in place to remind him to check on pending applications. He therefore had no way to monitor his cases, other than contacting PTO directly. Despite his claims that he adequately monitored the '519 Application, the evidence is overwhelming that he did not. He never contacted Ms. Oropeza in 2009, and apparently never received any updates about the Application in 2010. A successful phone call should have made it immediately apparent that the Application had been abandoned by that date. Respondent also never associated his Customer

ID number with the '519 Application, making it impossible for him to monitor its progress electronically.²⁶ He therefore negligently allowed the Application to go abandoned.

Respondent's refusal to communicate with Ms. Blake, however, was intentional. He received at least nine e-mails and an untold number of telephone calls from her in 2010 and 2011. He chose not to respond to any of them, other than a single, abbreviated, non-substantive call in 2010.

Respondent's failure to return the EPRT client file was also intentional. He knew precisely where the file was located, and knew he had an obligation to return it. Armed with that knowledge, he made no attempt to reclaim the file. The Court appreciates the sensitive circumstances underlying Respondent's decision. However, marital strife cannot shield him from his responsibility to his clients. Again, he understood the risks of maintaining private files in a home office during a period of intense personal turbulence. He must be held accountable. This factor also warrants a moderate sanction.

3. EPRT's Has Suffered Economic Harm, but the Amount of Injury is Impossible to Quantify

Respondent has consistently argued that the abandonment of the '519 Application caused EPRT no economic harm because the invention could never have obtained patent protection. The Court offers no opinion on the accuracy of this assessment. It would be an exercise in futility to speculate whether the invention was actually patentable, or what kind of profit it could have generated if it had been patented. However, that is not the entire scope of the inquiry. EPRT paid Respondent between \$35,000 and \$45,000 to guide the '519 Application through the patent process. The original estimate for this service was only \$4,000. EPRT's return on its investment has been nothing.²⁷ The client has thus experienced substantial monetary harm because of its dealings with Respondent.

Unfortunately, the Court has no way to determine what percentage of EPRT's payments were in vain. Respondent did represent EPRT's interests competently, at least for a time. Without a clear guide, it is simply impossible to arrive at a non-arbitrary dollar figure representing EPRT's loss. Nonetheless, there is no plausible dispute that the client's attempts to secure a patent for the '519 Application left it economically weaker. Nor is there any dispute that Respondent's neglect and misconduct exacerbated EPRT's suffering. Additionally, EPRT has expended more than \$170,000 in litigation costs against Respondent, with at least one lawsuit still ongoing. This merits an increased sanction against Respondent.

²⁶ Respondent asserts that because he failed to associate his Customer ID number with the '519 Application in 2002, any charges based on that conduct are time-barred. This assertion is incorrect. A patent practitioner is not required to associate a Customer ID number with a patent application. The decision not to do so is therefore not misconduct. Statutes of limitation prohibit prosecution of stale charges. The failure to associate his Customer ID number is not included in any of the charges. It is merely a fact introduced as evidence to support the charges of neglect. As already discussed, the neglect charges are timely.

²⁷ Respondent also now stands in the way of EPRT's attempts to revive the '519 Application. Despite agreeing to settle the Florida malpractice case, Respondent has refused to accept blame for involuntarily abandoning the Application. An admission of intentional abandonment was one of the settlement terms. Such an acknowledgement would allow EPRT to revive the '519 Application. Respondent has proffered no reason for his refusal, and none is readily apparent other than spite.

4. Aggravating and Mitigating Factors Exist in This Case

The Court also turns to the ABA Standards when determining whether aggravating or mitigating factors exist. See Lane, USPTO Proceeding No. D2013-07, at 19; American Bar Association STANDARDS FOR IMPOSING LAWYER SANCTIONS (2005) § 9.2. Upon review of the record, the Court finds six aggravating factors²⁸ and two mitigating factors.²⁹

The most serious of Respondent's aggravating factors is his disciplinary history, both before the USPTO and the Florida Bar. He has been disciplined at least twice by the state of Florida. Both cases bear some similarities to the present controversy.

In 1995, Respondent agreed to a consent judgment in Florida, resulting in a 10-day suspension. That proceeding involved a client's attempts to resolve apparent duplicate charges for legal fees, and repayment of unexpended payments. Respondent refused to provide the requested information and did not return the unearned fees until after the client filed a disciplinary grievance. The Supreme Court of Florida held that Respondent had violated Florida Bar Rule 4-1.4(a), which requires an attorney to respond to a client's reasonable requests for information; Rule 4-1.4(b), which states that an attorney must explain matters to the extent reasonably necessary to allow the client to make an informed decision about the course of action; and Rule 4-1.15(b), which requires an attorney to promptly deliver to a client any funds that they are entitled to and render a full accounting of charges.

Florida Bar Rules 4-1.4(a) and (b) serve substantially the same function as PTO Disciplinary Rule 10.23(c)(8). Florida Bar Rule 4-1.15(b) is, in wording and function, nearly identical to PTO Disciplinary Rule 10.112(c)(4). Respondent was thus aware, in 1995, that ignoring client requests for information was sanctionable misconduct.

In 2011, Respondent again accepted a consent judgment in Florida, resulting in a public reprimand. The case revolved around Respondent's failure to inform a client that he would no longer pursue the client's interests, and his failure to tell the client that the client's trademark applications had been abandoned. Respondent was found to have violated Florida Bar Rule 4-1.4(a) again, as well as Rule 4-8.4(d), which prohibits conduct that is prejudicial to the administration of justice.

The OED Director sought to impose reciprocal discipline against Respondent in connection with the 2011 state discipline. Respondent vociferously opposed any such reciprocal discipline. Despite the fact that he had consented to the Florida discipline, Respondent argued before the OED Director that the PTO's rules should have been applied in the Florida proceeding

²⁸ Aggravating factors include: (a) prior offenses; (b) dishonest or selfish motive; (c) a pattern of misconduct; (d) multiple offenses; (e) bad faith obstruction of the disciplinary proceeding; (f) submission of false evidence, false statements, or deceptive practices during the disciplinary proceeding; (g) refusal to acknowledge wrongful nature of conduct; (h) vulnerability of the victim; (i) substantial experience in the law; (j) indifference to making restitution; and (k) illegal conduct. ABA Standards § 9.2

²⁹ Mitigating factors include: (a) no prior offenses; (b) no dishonest or selfish motive; (c) personal or emotional problems; (d) timely, good faith effort to make restitution; (e) full and free disclosure and cooperative attitude during disciplinary proceeding; (f) inexperience in the legal profession; (g) character or reputation; (h) physical disability; (i) mental disability or chemical dependency; (j) delay in disciplinary proceedings; (k) imposition of other sanctions; (l) remorse; or (m) remoteness of prior offenses.

rather than the state's own rules. He also contended that the Florida proceeding had been constitutionally inadequate and constituted a grave injustice. Respondent's arguments were unpersuasive, and the OED Director thus imposed a public reprimand on November 18, 2013.

As the 2011 disciplinary action was resolving itself, Respondent was also embroiled in the malpractice lawsuits brought against him by EPRT and Thrisoint in Texas and, later, in Florida. Those proceedings were predicated on the same conduct at issue in the present case. Respondent agreed in principle to settle the Florida malpractice suit, including paying EPRT \$7,000. But to date he has not complied with any of the terms of that settlement, and now disputes that he is required to do so. Respondent effectively leaves EPRT in a lurch because the Florida case has already been dismissed with prejudice based on the settlement agreement.³⁰

The case at bar constitutes Respondent's fourth disciplinary proceeding. His previous sanctions have not inspired him to better appreciate his duties toward his clients. He has refused to respond to his client, refused to return client property, and allowed a client matter to go abandoned, just as he did in 1995 and 2011. A more severe sanction is therefore warranted.³¹

A second aggravating factor is Respondent's attempt to silence Ms. Blake and other EPRT employees. While negotiating the settlement agreement in the Florida malpractice lawsuit, Respondent inserted into the settlement agreement a section prohibiting any EPRT personnel from testifying or participating in Florida's or the PTO's disciplinary investigations against him. Both investigations were prompted by grievances filed by Ms. Blake on behalf of EPRT. The final settlement agreement included Respondent's prohibition, albeit with additional language noting that EPRT personnel could participate if subpoenaed.

The only purpose of this prohibition was to hinder or derail the disciplinary investigations against him. The Court thus agrees with the OED Director that this constitutes bad faith obstruction of the PTO disciplinary investigation. See Kentucky Bar Ass'n v. Unnamed Attorney, 414 S.W.3d 412, 418 (Ky. 2013) (court applying similar rule found violation where a settlement agreement required grievant to either withdraw disciplinary complaint or refuse to voluntarily cooperate with investigation).

A third aggravating factor is Respondent's obstinate refusal to recognize his wrongdoing or the harm he has caused his client. This case could have been resolved in 2011 with an apology and the return of EPRT's payments. Instead, Respondent has turned it into a war of attrition. To date, Respondent has never offered EPRT a refund. He has never apologized to Ms. Blake for deliberately ignoring her urgent pleas for information. He has not acknowledged the consequences of neglecting the '519 Application for almost two years. He has shown no hint of remorse for his actions. To the contrary, Respondent has attempted to deflect blame onto any

³⁰ The Court will consider the facts surrounding Respondent's unfulfilled conditions of his settlement agreement with Thrisoint in the Southern District of Florida lawsuit as aggravation in determining an appropriate sanction in this case. Arguably Respondent's conduct in that matter could have been alleged as a violation of 37 C.F.R. § 10.23(b)(6), but it was not.

³¹ In his *Post-Hearing Reply Brief*, Respondent argues that the discipline in 1995 was too remote to be treated as an aggravating factor here. Generally, the Court would be inclined to agree. However, the misconduct involved in that case is identical to misconduct found here. Respondent either did not adjust his conduct after the 1995 discipline, or he has slipped back into his old habits.

number of alternate targets. Among others, he blames the receptionist in his virtual office for misplacing his mail, his ex-wife for maintaining possession of EPRT's file, and Mr. Farahmand for allegedly threatening a malpractice lawsuit. He even blames Ms. Blake and Mr. Estes for not asking probing questions about his handling of their patent application, and for not hiring an experienced patent attorney as his replacement.³² While there may be a whisper of truth in some or all of these critiques, none of these events would have occurred if not for Respondent's own misconduct. He is simply unwilling to be held accountable for his actions.³³ This demands a harsher penalty.

A fourth aggravating factor is Respondent's legal experience. Respondent has been a practicing attorney for almost half a century. His dismissive treatment of his client and neglect of EPRT's patent application thus cannot be brushed aside as the mistakes of a novice practitioner. The Court is deeply concerned by Respondent's apparent disregard for the ethical rules of his profession.

Experience is also often considered as a mitigating factor, but it does not mitigate Respondent's conduct here. The Court does note that during nearly 50 years of legal service, Respondent has faced public discipline only three other times. Additionally, the 2011 public reprimand, and the reciprocal discipline it spawned, occurred during approximately the same years as the incidents at issue today. It is undisputed that Respondent faced severe personal turbulence during those years.

However, the Court cannot attribute Respondent's misconduct during those years to a momentary, stress-related departure from his normal code of behavior. Despite the normalization of his personal affairs, Respondent's behavior has not improved in the intervening years. To the contrary, his conduct during the Florida malpractice suit and during this proceeding have arguably provided ammunition for more disciplinary complaints. For example, during the Florida proceeding Respondent sent Ms. Blake an ill-advised and ethically inappropriate³⁴ e-mail threatening a counterclaim and stating, "this is going to cost you \$10,000—my demand to settle." Additionally, the Court has already found that he deliberately attempted to frustrate the OED Director's investigation in this proceeding by negotiating the

³² Respondent makes much of the fact that EPRT employs the legal services of Ms. Helene Pretsky as their securities attorney. Ms. Pretsky also practices patent law, but does not do so for EPRT. Respondent argues that Ms. Pretsky should have been handling the revival of the '519 Application instead of Mr. Farahmand or Mr. Babayi. Respondent's opinion as to who EPRT should hire for what roles is of no consequence.

³³ During the hearing, Respondent testified that his primary motivation in contesting EPRT's allegations is to avoid a suspension that would cripple his legal practice, which is his primary source of income.

³⁴ Ms. Blake and EPRT were represented in that lawsuit by Steven Greenberg and Ms. Chaiken. Florida Bar Rule 4-4.2 instructs attorneys that, with limited exceptions, they "must not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer." The Florida Bar explains that this rule is intended in part to prevent an attorney from interfering with the attorney-client relationship of an adverse party. USPTO Disciplinary Rule 10.87(a) is substantively identical in purpose to Florida Bar Rule 4-4.2, as is Rule 11.402 of the current USPTO Rules of Professional Conduct. Regardless, Respondent's e-mail to Ms. Blake described Mr. Greenberg as "scum" and stated that "his interest [sic] are not your interests" and "don't rely on greenberg [sic]." These statements could only have been intended to drive a wedge between Ms. Blake and her chosen counsel. Respondent acknowledged in his testimony that the e-mail was "unfortunate and inappropriate."

silence of EPRT personnel, in violation of 37 C.F.R. § 11.304(f). Moreover, his *pro se* defense³⁵ throughout this proceeding has at times crossed the border from zealotry into abusive. Most recently, Respondent's *Post-Hearing Brief* labeled Ms. Chaiken as a serial perjurer and derided Ms. Blake as simply the mistress of Mr. Wendell, rather than a co-founder of EPRT in her own right. Such incendiary, unsupported, and potentially libelous comments have no place in the record and are beneath the dignity of the Court and its officers. Moreover, these comments could have violated 37 C.F.R. § 10.23(c)(15).³⁶ Respondent's willingness to step beyond the bounds of good practice and professional behavior are a strong indication that his commitment to ethical conduct has grown weaker over the years. A course correction is required.

Finally, Respondent is uninterested in making restitution to EPRT. Despite signing a settlement agreement in which he promised to pay EPRT \$7,000, he now claims he has no obligation to do so. This suggests the settlement agreement was made in bad faith and was merely an attempt to escape the Florida malpractice proceeding. As a result, EPRT has been forced to expend more resources by filing another lawsuit in Florida to enforce the agreed-upon terms. This factor supports a moderate sanction.

In mitigation, the Court recognizes the distracting effect of Respondent's acrimonious separation from his wife in 2011. This could have impacted his decision making at that time. However, that does not explain Respondent's neglect in 2009 or his refusal to communicate with Ms. Blake in 2010 and 2011. Additionally, Respondent referenced his marital discord only as it related to his inability to reclaim possession of EPRT's client file. He did not present any evidence that his personal turmoil negatively affected his mental state during that time period. Accordingly, this factor offers minimal mitigation.

The lack of dishonest motive also works in Respondent's favor. Respondent's conduct was not the result of greed or any other nefarious consideration. Although he refused to communicate with Ms. Blake in 2010 and 2011, he did not do so to hide his neglect; he was unaware at the time that he had neglected the '519 Application. This factor therefore mitigates the sanction.

ORDER

The OED Director requests that the Court suspend Respondent from practice before the PTO for 6-12 months, with reinstatement conditioned upon Respondent taking and passing the MPRE. The Court finds that Respondent should be sanctioned for seven of the 13 alleged violations which would suggest against imposition of a maximum sanction. Additionally, none of Respondent's violations were dishonest, misleading, false, or done with malicious intent. It

³⁵ The Court considers Respondent to be acting *pro se*, although he was supported at the hearing by attorney Edmar Amaya. Although Mr. Amaya remains listed as Respondent's co-counsel, it does not appear that his participation in this case extended beyond the hearing itself. Respondent has consistently identified himself as *pro se* on the cover page of his filings, even while claiming to be represented by counsel. Moreover, the distinctive grammatical and typographical errors present in all of Respondent's filings are a reliable indicator that he has been their sole author throughout this proceeding.

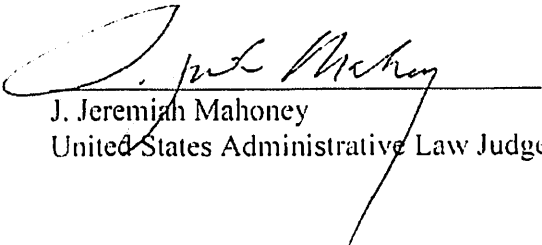
³⁶ 37 C.F.R. § 10.23(c)(15) prohibited a practitioner from "making a scandalous or indecent statement in a paper filed in the Office." There is no direct corollary in the USPTO's Rules of Professional Conduct.

has not been proven that he deliberately abandoned the '519 Application and or lied to Ms. Blake, which also militates against imposition of a maximum sanction.

The appropriate sanction must take into consideration the aggravating and mitigating factors. All six aggravating factors are serious concerns, none more so than Respondent's previous disciplinary history. The mitigating factors are less impactful, but they cannot be ignored.

Based on the foregoing findings and conclusions, as well as consideration of the factors identified in 37 C.F.R. § 11.54(b), the Court concludes that an eight-month suspension is an appropriate sanction for Respondent's multiple violations of the Disciplinary Rules found in this matter.³⁷ Respondent's persistent refusal to recognize his own wrongdoing also indicates that he is currently oblivious to the fact that his behavior is at odds with his ethical obligations to his clients. He cannot be an adequately functional attorney without knowledge of—and adherence to—his professional responsibilities. Accordingly, it is appropriate to require that he take the MPRE to re-familiarize himself with the expectations for members of the legal profession. His suspension shall remain in force until the eight-month period has run, he has passed the MPRE, and he has been reinstated by the OED Director.³⁸

So ORDERED.



J. Jeremiah Mahoney
United States Administrative Law Judge

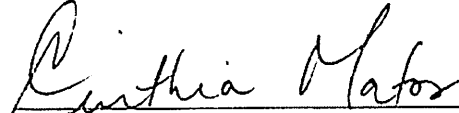
Notice of Appeal Rights: Within thirty (30) days of this initial decision, either party may appeal to the USPTO Director. 37 C.F.R. § 11.55(a).

³⁷ 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(e).

³⁸ Finally, addressing a collateral matter, Respondent's *Post-Hearing Reply Brief* included a request for attorney's fees in an amount "not less than \$150,000" pursuant to 5 U.S.C. § 504. Respondent is not a prevailing party in this proceeding, so he would not be entitled to attorney's fees. If this request was properly before the Court, it would be DENIED.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing **INITIAL DECISION AND ORDER**, issued by J. Jeremiah Mahoney, Administrative Law Judge, in D2015-27, were sent to the following parties on this 15th day of September, 2016, in the manner indicated:


Cinthia Matos, Docket Clerk

VIA EMAIL:

Edmar M. Amaya, Esq.
175 SW 157 Street, Suite 2410
Miami, FL 33130
Edmar.amaya@edamlaw.com

John H. Faro, Esq.
Johnf75712@aol.com
Johnf75712@gmail.com

Tracy L. Kepler
Robin J. Crabb
Associate Solicitors
Mail Stop 8
Office of the Solicitor
P.O. Box 1450
Alexandria, Virginia 22313-1450
PTO-HUDcases@uspto.gov

**BEFORE THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE**

In the Matter of)
)
 John H. Faro,)
)
 Appellant.)
 _____)

Proceeding No. D2015-27

Final Order

Pursuant to 37 C.F.R. § 11.55, John H. Faro (“Appellant”) has appealed the September 15, 2016 Initial Decision and Order (“Initial Decision”) of Administrative Law Judge (“ALJ”) J. Jeremiah Mahoney in this matter to the Director of the United States Patent and Trademark Office (“USPTO” or “Agency”). In that Initial Decision, the ALJ concluded that Appellant violated multiple disciplinary rules of the USPTO Code of Professional Responsibility including 37 C.F.R. §§ 10.23(a) and (b), 10.23(c)(8), 10.77(c), 10.84(a)(1) and (2), and 10.112(c)(4). (A.25-26). After considering these violations and the relevant factors set forth in 37 C.F.R. § 11.54(b), including Appellant’s significant prior disciplinary history, the ALJ ordered Appellant’s suspension from practice before the USPTO for a period of 8-months and until Appellant has passed the MPRE and been reinstated by the OED Director. (A.26-33).

In this appeal, briefs have been submitted by Appellant and the Director of the USPTO Office of Enrollment and Discipline (“OED Director”).

For the reasons set forth below, the USPTO Director affirms the ALJ’s initial decision.

I. FINDINGS OF FACT

1. Appellant has been a patent attorney registered with the USPTO since March 3, 1971. (A.43; A.1355). His USPTO registration number is 25,859. (*Id.*).

2. Appellant was admitted to the Florida State Bar on January 21, 1986. (*Id.*) He is currently an active member of that Bar. His Florida Bar number is 527,459. (*Id.*)

3. Appellant was disciplined by the Florida Bar in 1995 and 2011. (A.7390-98). The former discipline was a 10-day suspension; the latter was a public reprimand. (*Id.*) In 2013, he received reciprocal discipline by the USPTO in connection with the 2011 Florida discipline. (A.1272-83; A.7671; A.7675, A.7678-81).

4. Appellant has operated a private legal practice since 1986. (A.5907; A.7681).

U.S. Patent Application No. 09/656,519 (“the ‘519 Application”)

5. On September 20, 2002, the USPTO issued a final Office Action (“First Final Rejection”) rejecting Claims 2 through 22 of the ‘519 Application, which had been filed by EPRT Technologies, Inc. (“EPRT”) on September 7, 2000. (A.2924-30; A.595-621).

6. At EPRT’s request, and after the ‘519 application had been rejected, Appellant e-mailed EPRT co-inventor and executive Mr. David Estes¹ on November 19, 2002, to provide “constructive criticism” of the ‘519 Application as drafted by prior counsel. (A.6557-58). The e-mail proposed a path forward for ‘519 Application and included Appellant’s estimate of “20 to 25 hours of professional time” to perform the necessary services on the ‘519 application. (*Id.*)

7. Ms. Katherine Blake² replied to Appellant's November 19 e-mail on November 20, 2002, thanking him for his time and careful review of documents, indicating she would “be in touch with” Mr. Estes on how to proceed. (A.6559). Ultimately, Mr. Estes e-mailed Appellant on November 22, 2002, authorizing Appellant to begin work on the ‘519 Application. (A.6560).

¹ Mr. Estes was the former chief electrical engineer for EPRT. (A.7528). He remains a contract employee with EPRT and manages repairs and diagnostics for equipment. (*Id.*)

² Ms. Blake is a co-founder and the president of EPRT. (A.7524-25).

8. Appellant submitted a Power of Attorney and Revocation of Prior Powers on December 12, 2002. (A.2902). That Power of Attorney was signed by Ms. Blake, on behalf of EPRT. (*Id.*). Ms. Blake was the primary contact person for Appellant and possessed authority to direct Appellant to take action on the '519 Application. (A.7532).

9. Appellant did not associate his USPTO Customer Number with the '519 Application. (A.6021).

10. On January 30, 2003, USPTO issued a non-final Office Action that was responsive to a Request for Continued Examination ("RCE"), filed on January 16, 2003. (A.2897-99; A.2872-82). Appellant filed a response to that Office Action on March 14, 2003, which was rejected in another non-final Office Action, issued on June 4, 2003. (A.2848-69; A.2834-46). Both Office Actions rejected Claims 2-4 and 23-25 of the '519 Application. (A.2835; A.2873).

11. On November 12, 2003, Appellant filed an amendment to the '519 Application, which included an affidavit from Dr. Steven Kaye, whom Appellant identified as EPRT's clinical consultant. (A.2803-32). However, after additional pleadings related to the amendment, on January 8, 2004, USPTO issued a Notice of Non-Responsive Amendment ("January 2004 Notice") to Appellant. (A.2786-89).

12. The USPTO patent examiner assigned to the '519 Application, Ms. Frances Oropeza, left a voice message with Appellant on February 6, 2004, informing him that a compliant response to the January 2004 Notice was due no later than February 9, 2004. (A.2768). Ms. Oropeza then called Appellant on February 9, 2004, because she had not received a response to the January 2004 Notice. (*Id.*) After discussing the situation with Ms. Oropeza, Appellant informed her that he could not file a response until the next day and then he hung up the phone. (*Id.*) Appellant did

in fact file a response on February 9, 2004. (A.2768; A.2769-77; A.7708). However, the response was deemed non-compliant. (A.2767-68).

13. On August 12, 2004, USPTO issued a Notice of Abandonment (“First Abandonment”) for the ‘519 Application, citing Appellant’s failure to file a compliant response to the January 2004 Notice. (A.2763-65). The First Abandonment stated that Ms. Oropeza had called and left voice messages with Appellant on July 9, July 19, and July 20, 2004. (*Id.*) The third call informed Appellant that the ‘519 Application would be deemed abandoned if Appellant did not contact Ms. Oropeza by July 23, 2004. (*Id.*) Appellant did not return any of the messages. (*Id.*) Thus, the ‘519 Application was deemed abandoned. (A.2763-65).

14. Appellant filed a Petition to Revive the ‘519 Application on October 28, 2004. (A.2760-62). The Petition stated that the Application was unintentionally abandoned because Appellant had not received the January 2004 Notice. (*Id.*) The Petition was granted on January 18, 2005. (A.2748).

15. On April 19, 2005, USPTO issued a final Office Action (“Second Final Rejection”) rejecting Claims 3, 4, and 23-25 of the ‘519 Application. (A.2736-46).

16. On June 20, 2005, Appellant sent Ms. Blake and Mr. Estes an e-mail with the subject “Re: Statis [sic] of Patents”. The e-mail stated that “the US examiner has issued an office action (non-final rejection) and I shall set up an interview with her shortly” (emphasis in original). (A.6956).

17. Appellant filed a Notice of Appeal (“First Appeal”) on June 30, 2005. (A.2726-27; A.2690-719). Appellant informed Ms. Blake and Mr. Keith Wendell³ that he had appealed the rejection of the ‘519 Application on July 27, 2005. (A.6957).

³ Mr. Wendell was the CEO of EPRT and an inventor on the ‘519 Application. (A.3074; A.5561-62).

18. On November 14, 2005, USPTO issued a final Office Action (“Third Final Rejection”) rejecting Claims 23-35 and objecting to Claims 3 and 4.⁴ (A.2678-88; A.6565). Under “Allowable Subject Matter,” the Third Final Rejection stated that “Claims 3 and 4 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.” (A.2688; A.6574). The first substantive page of a USPTO Office Action defines the “Period for Reply” and informed Appellant that, in all capital letters, “a shortened statutory period for reply is set to expire 3 month(s) or thirty (30) days, whichever is longer, from the mailing date of this communication.” (A.2679; A.6565). The same section also stated that the application would become abandoned if a reply was not received within the reply period. (*Id.*).

19. On November 29, 2005, Appellant sent Ms. Blake and Mr. Estes an e-mail with the subject “Allowed subject matter.” (A.6958). The e-mail stated that the Third Final Rejection had allowed Claims 3 and 4, and that Appellant had “included Claim 23 to which each of these allowed claims make reference.” (*Id.*). The e-mail also stated that the appeal was going forward because EPRT was “entitled to broader coverage – specifically coverage as to the configuration of the wrap itself.” (*Id.*). The November 29, 2005 e-mail did not say that Claims 3 and 4 would only be allowable if rewritten, nor did it say that Claims 23-35 had been rejected. (*Id.*; A.7537). The e-mail did not mention that EPRT had three months to file a reply. (A.6055; A.6958; A.7711).

20. There is no indication that anyone at EPRT received a copy of the Third Final Rejection. Appellant never re-wrote claims 3 and 4. (A.7711; A.7809).

⁴ The November 14, 2005 Office Action was noted as responsive to Respondent’s August 25, 2005 Appeal Brief and accompanying Declaration. (A.2679; A.2690-719).

21. On January 14, 2006, Appellant e-mailed Ms. Blake and informed her that USPTO had withdrawn two of the system/method claims but “persisted in rejection of electrode claim.” (A.6961).

22. Appellant appealed the Third Final Rejection (“Second Appeal”) to the Board of Patent Appeals and Interferences (“Board”) on February 2, 2006. (A.2643-44).

23. On May 31, 2006, Appellant sent an e-mail to Ms. Blake, Mr. Estes, and Dr. Cleve Laird, EPRT’s FDA compliance coordinator. (A.4552; A.6962). The e-mail stated that “only Claim 25, directed to the structure of the electrode wrap, remains rejected as unpatentable over the prior art.” (A. 4552; A.6962). He was also “cautiously optimistic” and expressed his view that EPRT had a “better than even chance of prevailing” on Claim 25. (*Id.*).

24. The USPTO patent examiner answered the Second Appeal on August 31, 2006. (A.2575-602). Ms. Oropeza stated that Claims 3 and 4 were rejected because they had not been rewritten in independent form, as USPTO had suggested in the Third Final Rejection. (*Id.*). She also reiterated that Claim 25 had been rejected. (*Id.*).

25. Between 2006 and 2009, Appellant and various EPRT personnel, including Ms. Blake and Mr. Estes, exchanged several e-mails discussing various patent and trademark matters, including the ‘519 Application. (A.6961-76).

26. In January 2008, Appellant moved from his office on 44 West Flagler Street (“44 W. Flagler”) to an office at 28 West Flagler Street (“28 W. Flagler”). (A.3382; A.7698). He properly informed USPTO of his new address. (A.2480; A.7699). However, Appellant had no physical presence at the 28 W. Flagler office. (A.3382; A.6062; A.7698). Rather, that office served primarily as a mailing address, and provided conference room access when needed. (A.3382;

A.7698). Any documents addressed to Appellant at 28 W. Flagler were set aside for him by an on-site receptionist, who would inform him when mail was received. (A.7699).

27. On June 1, 2009, the Board issued its Decision on Appeal (“Board Decision”), in which it affirmed the Third Final Rejection’s conclusions as to Claims 3, 4, and 23- 25. (A.2458-77). The Board Decision was mailed to Appellant at the 28 W. Flagler address on June 1, 2009. (A.2477; A.7716). The first page of the Board Decision included a footnote announcing the two-month period to file an appeal or initiate a civil case. (A.2459). The Board Decision’s final page stated “no time period for taking any subsequent action in connection with this appeal may be extended.” (A.2476).

28. Appellant did not file any further appeal within the two-month window. (A.3104; A.7717). He also did not inform EPRT of Board Decision within the two-month window. (*Id.*). Appellant claims he never received the decision. (A.6079-80).

29. On August 14, 2009, USPTO issued a Notice of Abandonment regarding the ‘519 Application because all claims had been rejected, the application had not been amended and because no appeal was filed within the two-month window. (A.2456-57; A.3350). The Notice of Abandonment was mailed to Appellant’s 28 W. Flagler address on August 17, 2009. (A.2456; A.3349; A.7725). The Notice of Abandonment stated that a message had been left on Appellant’s answering machine on August 6, 2009 and there is no credible fact establishing that Appellant returned the call. (A.2457; A.3350; A.7727-28; A.7940).

30. Appellant claims he did not receive the Notice of Abandonment. (A.6080; A.7729). As a result, he did not attempt to revive the ‘519 Application and did not inform EPRT that it had been abandoned.

31. In 2010 and 2011, Ms. Blake contacted Appellant several times to determine the status of the '519 Application. (A.4661-62; A.6594; A.6981-95; A.7543-53).

32. In July 30, 2010, in response to several attempts to contact him, Appellant e-mailed Ms. Blake and stated that he had "attempted to determine the status of the patent [applications] and have yet to hear back from my inquiries." (A.3786; A.3847; A.6982).

33. In March 2011, Ms. Blake contacted Appellant by phone to discuss the '519 Application. (A.6840-41). However, Appellant unilaterally ended the call and did not answer the phone when Ms. Blake immediately attempted to call him back. (*Id.*)

34. In 2011, Ms. Blake sent Appellant seven "increasingly urgent e-mails" about the '519 Application. (A.8). The e-mails were sent on April 1, April 4, April 6, April 22, July 15, July 20, and October 5. (A.8; A.6265-67; A.6991; A.6993-95). The subject line of the e-mails were, in order: "phone calls," "Trying to reach you," "Need to reach you," "Have you received my messages," "US Patent status?" "Status of US patents?" and "check has not been cleared." (*Id.*) Each e-mail stated that Ms. Blake had made repeated attempts to reach Appellant by phone or to otherwise get in contact with him. (*Id.*) The October 5, 2011 e-mail asked Appellant if he had moved. (A.8; A.6263). Three of the e-mails noted that Ms. Blake needed to speak with Appellant "asap." (A.8; A.6263; A.6991; A.6995).

35. In Ms. Blake's April 22 e-mail, she stated that she "did not ever receive correspondence stating the patent had been denied as final. It was still under review per our last discussion." (A.8; A.6991).

36. Appellant never replied to Ms. Blake's e-mails, text messages, or phone calls. (A.8; A.7547-50; A.7958).

37. After continued attempts to reach Appellant, EPRT hired the Farahmand Law Firm to pursue possible legal action against Appellant. (A.4664; A.7551-52).

38. On October 21, 2011, attorney Roger Farahmand sent Appellant a letter requesting the status of the '519 Application. (A.4664; A.7162, A.3151). In response, Appellant faxed a copy of the Board Decision to Mr. Farahmand on October 28, 2011. (A.3150; A.4666-67; A.7552). He did not include a copy of the Notice of Abandonment. EPRT was not aware of the June 1, 2009 Board Decision or abandonment at any time prior to October 28, 2011. (A.4666-67; A.7553).

39. Appellant had never been instructed by Ms. Blake to abandon, or to take no further action regarding, the '519 Application. (A.7553-54). The first time Ms. Blake learned about the abandonment was after receiving Appellant's fax in response to Mr. Farahmand's letter. (A.7553).

40. On October 31, 2011, Mr. Farahmand sent Appellant a letter requesting a complete copy of the '519 Application file. (A.6273; A.7553). However, Appellant did not send the file to Mr. Farahmand or anyone at EPRT. (A.7556). EPRT finally obtained the file via submitting a subpoena duces tecum to Appellant's ex-wife. (A.7631-33).

41. Appellant did not file a notice of withdrawal as attorney of record in the '519 Application and did not revoke the Power of Attorney filed in 2003. (A.5980; A.7735). However, notwithstanding that, Appellant viewed his power of attorney with EPRT as nullified by operation of law as a result of the "adverse relationship" he believed existed at the time Mr. Farahmand was retained. (A.5973-74; A.5977-78; A.5990; A.7736; A.7738; A.7745). Finally, on February 14, 2013, EPRT revoked Appellant's Power of Attorney in favor of Mr. Robert Babayi, a newly retained patent attorney. (A.1948; A.2454). The Power of Attorney was signed by Ms. Blake. (A.2454).

42. Between November 22, 2002 and February 13, 2013, EPRT paid Appellant a sum of between \$35,000 and \$45,000 to prosecute the '519 Application. (A.9; A.7567).

Appellant's Docketing System

43. Prior to 2011, Appellant used a "manual docketing system" that consisted of a tickler file, a desk calendar, and a day book. (A.9; A.5935-36; A.7687; A.7690). Appellant placed any document with an outstanding due date in the tickler file, and noted the date and the necessary action in the calendar and day book. (A.9; A.5935; A.7688). Appellant's then-wife was primarily in charge of maintaining the tickler file. (A.5938; A.7689).

44. Appellant assessed the status of the cases in his docket twice a year; during the winter holiday season and before going on summer vacation. (A.9; A.5948; A.7692). Additionally, if Appellant was going to meet with a client, he would check their file beforehand to ensure all deadlines were up to date. (A.9; A.7692). He followed the same procedure if a client contacted him requesting an update, even if a meeting was not upcoming. (A.9; A.5948; A.7692-93).

EPRT's Malpractice Lawsuit Against Appellant

45. On December 5, 2012, EPRT and Thrisoint PTY, Ltd., ("Thrisoint"), EPRT's assignee of the '519 Application, sued Appellant in U.S. District Court for the Northern District of Texas for legal malpractice, breach of fiduciary duty, fraud, and breach of contract. (A.10; A.2453; A.3506; A.7188-89). The Texas case was ultimately dismissed on jurisdictional grounds. (A.10; A.7627).

46. Subsequently, on October 25, 2013, EPRT and Thrisoint filed a substantially identical lawsuit against Appellant in the U.S. District Court for the Southern District of Florida. (A.10; A.3630; A.7178-79). Though EPRT was dismissed from the Florida case due to lack of standing, the case was permitted to continue with Thrisoint as the sole plaintiff. (A.10).

47. On September 1, 2015, the case was settled and dismissed with prejudice. (A.10; A.1368-69; A.1379-83). The court retained jurisdiction for 60 days to enforce the terms of the settlement agreement. (A.10; A.1379-83). In the settlement agreement, Appellant agreed to pay EPRT \$7,040 and to submit a letter stating that he had intentionally abandoned the '519 Application. (A.5490-93, A.7644-47). An admission of intentional abandonment by Appellant would allow EPRT to revive the Application. (A.10; A.7560).

48. The settlement agreement also prohibited any EPRT representative, including Ms. Blake, from voluntarily participating in the then-pending disciplinary proceedings against Appellant by the Florida Bar and the USPTO. (A.10; A.5490-93, A.7644-47). The agreement did note that participation could be compelled via subpoena. (A.10)

49. As of the time the hearing was conducted, Appellant had not complied with the terms of the agreement, and the agreement was the subject of ongoing state court proceedings. (A.7659-60). To date, EPRT has spent approximately \$170,000 litigating Appellant's handling of the '519 Application. (A.10; A.7567-68).

II. OED DISCIPLINARY PROCEEDING

The OED Director filed a Complaint and Notice of Proceedings under 35 U.S.C. § 32 ("Complaint") with the ALJ on May 11, 2015, alleging that Appellant committed multiple violations of the USPTO Code of Professional Responsibility during his representation of EPRT. (A.42-54). Specifically, the OED Director alleged various acts and omissions committed by Appellant during his prosecution of the '519 Application including, but not limited to, failing to notify his client of the receipt of office correspondence, failing to adequately monitor the status of the matter, neglecting the file, and failing to return client property following the termination of the representation. (*Id.*). Based on those alleged violations, the OED Director requested that

Appellant be suspended from practice before the USPTO in patent, trademark, and other non-patent matters. (A.52).

A hearing in this matter was held May 10-11, 2016, in Miami, Florida. Testimony was taken from EPRT President and CEO Katherine Blake (A.7522-622), attorney Meredith Chaiken (A.7622-A.68), and Appellant (A.7668-8002). The parties filed their respective Post-Hearing Briefs and an Initial Decision and Order was issued by the ALJ.

III. INITIAL DECISION BY ADMINISTRATIVE LAW JUDGE

On September 15, 2016, the ALJ issued the Initial Decision in this matter. (A.1-A.34). In that Initial Decision, the ALJ determined that the OED Director clearly and convincingly established that Appellant violated 6 of USPTO's disciplinary rules. (A.25-26). Specifically, the ALJ concluded that Appellant violated 37 C.F.R. § 10.23(a) and (b) via 10.23(c)(8) by failing to timely inform Ms. Blake or anyone at EPRT of the Third Rejection Letter in 2005, the June 2009 Board Decision, and the August 2009 Notice of Abandonment. (A.25). The ALJ rejected Appellant's excuse of not having received the Board Decision and Notice of Abandonment on the basis that his non-receipt of the documents was an error of his own making and does not absolve him of his responsibilities to his client. (*Id.*).

Next, the ALJ concluded that, with regard to Count 1 of the disciplinary complaint, Appellant violated 37 C.F.R. §§ 10.77(c), 10.84(a)(1) and (2), by neglecting the '519 Application from May 2006 until October 2011. (A.25). The ALJ cited Appellant's failure to properly monitor the progress of the Second Appeal, and so he was unaware of the Board Decision or the Notice of Abandonment until it was too late to prevent the abandonment; his failure to contact the examiner in 2009 despite knowing she had attempted to communicate with him by phone prior to the abandonment; his failure to take steps to confirm the status of the '519 Application in

2010 and 2011 despite Ms. Blake's frequent requests for update; his failure to properly monitor the appeal rendered it impossible for him to accomplish the task for which he had been hired; and his deliberate abandonment of his EPRT representation after his exchange with Mr. Farahmand. (*Id.*).

With regard to Count 2 of the complaint, the ALJ found that Appellant violated 37 C.F.R. § 10.77(c) by refusing to communicate with Ms. Blake about the status of the '519 Application in 2010 and 2011; and violated 37 C.F.R. § 10.112(c)(4) by refusing to return EPRT's client file when requested. (A.23-26). EPRT was entitled to receive the file because no retaining lien existed at the time the request was made. (A.26). The ALJ noted that Appellant's failure to maintain possession of the file was an error of his own making and does not absolve him of his responsibility to return the file. (*Id.*).

After making these findings, and considering the factors under 37 C.F.R. § 11.54(b), including his prior disciplinary history, the ALJ concluded that an eight (8) month suspension, with reinstatement conditioned upon successful passage of the MPRE, was the appropriate sanction. (A.26-33).

IV. DECISION

Appellant has been a registered patent attorney since March 3, 1971. (A.43; A.1355). His USPTO registration number is 25,859. (*Id.*). As such, he is subject to the disciplinary authority of the Office. 37 C.F.R. § 11.19(a). For the conduct involved in this disciplinary case, Appellant was subject to the ethical requirements set forth in the USPTO Code of Professional Responsibility, 37 C.F.R. § 10.20 *et seq.*⁵

⁵ 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, since Appellant's alleged misconduct occurred prior to May 3, 2013, the Code of Professional Responsibility applies.

USPTO regulations permit a party to appeal an ALJ's initial decision to the USPTO Director within thirty (30) days of issuance of the initial decision. *See* 37 C.F.R. § 11.55(a). *See also* 35 U.S.C. § 2(b)(2)(D). On appeal, the USPTO Director has authority to conduct a *de novo* review of the factual record and may affirm, reverse, or modify the initial decision, or remand the matter to the hearing officer for such further proceedings as the USPTO Director may deem appropriate. *See* 37 C.F.R. §§ 11.55(f), 11.56(a).

Here, Appellant appeals from the September 15, 2016 Initial Decision of the ALJ entering judgment in favor of the Agency and suspending Appellant from the practice of patent, trademark, and other non-patent matters before the Office for eight (8) months. In his appeal, Appellant challenges several of the ALJ's Findings of Fact. (Appeal at 1-5). He also makes a variety of initial challenges to the ALJ's Decision, including disputing OED's subject-matter jurisdiction to initiate and prosecute the disciplinary action, raising a statute of limitations defense, and challenging the ALJ's rulings on various motions such as the exclusion of "sworn, non-opinion deposition testimony." (Appeal, at 5-6, 7, 19, 23). Finally, he challenges the substantive findings of misconduct based on neglect, failing to inform EPRT about USPTO correspondence, failing to seek EPRT's lawful objectives, and failing to return EPRT's client file. (Appeal at 22-27). Lastly, Appellant challenges the sanction on the basis of lack of intent, his argument that EPRT suffered no harm as a direct result of his representation, and due to remoteness of prior discipline. (Appeal at 7-8, 27-30).

The Director, having considered Appellant's appeal brief, the OED Director's response brief, Appellant's reply brief, as well as the record of the proceedings before the ALJ, finds that there

is ample factual and legal support for the ALJ's Initial Decision. Consequently, the Initial Decision of the ALJ is **AFFIRMED**.

A. **Initial Appeal Issues**

1. **Appellant's Appeal Amended Brief and Reply Fail to Comply with the USPTO Filing Rules.**

The regulations at 37 C.F.R. §11.55 set forth the mandatory filing requirements for appeal filings submitted to the Director. These requirements include directing all appeal briefs to comply with the substantive requirements found in FRAP Rules 28(a)(2), (3), and (5) through (10) and 32(a)(4) through (6). *See* 37 C.F.R. §11.55(c) and (d). These rules require that appeal briefs, among other things, contain "appellant's contentions and the reasons for them, with citations to the authorities and parts of the record on which the appellant relies," and for each issue, "a concise statement of the applicable standard of review." FRAP 28(a)(8)(A)-(B). Appellant's Appeal Brief filed on January 3, 2017 was his second attempt to file an appeal brief that complied with the USPTO's requirements under 37 C.F.R. § 11.55.

Appellant filed his initial brief in support of the appeal on November 7, 2016. Thereafter, on November 14, 2016, the OED Director filed an "OED Director's Emergency Motion For The USPTO Director To Refuse The Entry Of Appellant's Non-Conforming Brief." ("Motion to Strike). In the Motion To Strike, the OED Director argued that Appellant's brief "failed to comply with the formal and substantive requirements for pleadings submitted to the USPTO Director" and went on to allege several substantive failings in Appellant's appeal brief. (Motion to Strike at 3-5). These failings included having no statement of law, no statement of the case, no summary of the argument, no statement of facts, and circumvention of the page limit via the "incorporation" of facts into the brief without further specification. (*Id.* at 6). Although Appellant opposed the Motion to Strike, the OED Director's Motion was granted on December

2, 2016. In granting the Motion To Strike, the USPTO Director found that the Appellant's appeal brief did not comply with the Agency's substantive filing requirements, which require separate sections containing a concise statement of the disputed facts and points of law, a statement of the issues presented for review, a concise statement of the case, and a summary of the argument. *See* Order, dated Dec. 2, 2016. All of these items were deemed missing from the appeal brief. (*Id.*). Further, Appellant's incorporation of facts into the argument section, rather than specifically identifying them in the appeal brief, as deemed "unreasonably burdensome" and "hindering a considered review of Appellant's appeal." (*Id.*). Appellant was permitted to resubmit an appeal brief that conformed to USPTO's filing requirements. (*Id.*).

Appellant then filed a timely "Revised Substitute" appeal brief ("Amended Appeal Brief") on January 3, 2017. Despite being on notice of the filing requirements, however, Appellant's Amended Appeal Brief contains the same substantive flaws that were present in his initial appeal filing. The Amended Appeal Brief consists of various arguments, some masked as facts or statements of the case, all of which contain very little substantive discussion or legal analysis. Some of the arguments consist of only a few sentences or a short paragraphs as support for the point being argued. Lastly, there are few proper citations to the record, with some sections having no citations to the record at all, as well as no discussion of applicable authorities.

The bulk of Appellant's arguments are fairly characterized as conclusory statements of his belief and general denials. These flaws are significant, substantive, and make any meaningful review of his appeal difficult. These flaws are especially problematic given his prior notice of the filing requirements, the fact that these types of flaws were identified as bases on which to strike his prior filing, and the fact that he was advised of the need to comply with the filing requirements in this Amended Appeal Brief. *See* Order, dated December 2, 2016. Thus, it is

concluded that Appellant's failure to file an Amended Appeal Brief that complies with the USPTO's substantive filing requirements provides an independent basis for rejecting all of Appellant's arguments and, thus, his appeal.⁶

2. **The USPTO Has Disciplinary Jurisdiction Over the Appellant.**

Appellant first argues that the OED lacked subject-matter jurisdiction to both initiate and prosecute a disciplinary proceeding against Appellant. (Amended Appeal Brief, at 5-6; Reply, at 3, 6-7). This position is without merit and contrary to law, USPTO's regulations, and long-standing USPTO precedent.⁷

Congress vested the USPTO with plenary, statutory authority to promulgate regulations "govern[ing] the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office." 35 U.S.C. § 2(b)(2)(D). See *Kroll v. Finnerty*, 242 F.3d 1359, 1364 (Fed. Cir. 2001) (stating that 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."); *Haley v. Lee*, No. 1:15-cv-102, 2015 WL 5277880 at *8 (E.D.Va., Sept. 8, 2015) (noting that "Congress gave the USPTO wide latitude to govern the conduct of the members of its bar.") 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. Accordingly, the USPTO Director has authority to regulate practice before the Office in both patent and trademark matters, including the unauthorized practice of

⁶ Appellant's Reply Brief also suffers from the same flaws noted in this Order.

⁷ Although the OED Director argues that Appellant's jurisdictional arguments were not timely made, that question is not addressed here due to the fact that the substantive challenge is without any support whatsoever.

law before the Office. (*Id.*) See also *Haley*, 2015 WL 5277880 at * 9 (“Congress also *explicitly* gives the USPTO the power to promulgate regulations related to the conduct of its members.”)

Pursuant to its authority to regulate the conduct of practitioners, the USPTO enacted its former Code of Professional Responsibility, 37 C.F.R. §§ 10.20 *et seq.*, and the current Rules of Professional Conduct, 37 C.F.R. § 11.101 through 11.901, both of which include a number of mandatory “Disciplinary Rules” setting forth the minimum level of conduct below which no registered patent practitioner can fall without being subjected to disciplinary action. If a registered patent practitioner fails to comply with his or her professional obligations, the USPTO has the authority to suspend or exclude the practitioner from further practice before the Office. See 35 U.S.C. § 32; 37 C.F.R. § 11.19. Appellant has been registered as a patent attorney before the USPTO since March 3, 1971. (A.43, A.1355). His USPTO registration number is 25,859. (*Id.*) Consequently, he is bound Appellant to comply with USPTO’s disciplinary rules and is subject to the disciplinary jurisdiction of the office. 37 C.F.R. § 11.19(a).

As the OED possessed jurisdiction over Appellant, the proceedings before the Committee on Discipline were also proper. Appellant attempts to attack the proceeding at that stage, arguing that the OED Director improperly submitted his disciplinary matter to the Committee on Discipline when he did not consider the settlement of the underlying EPRT malpractice matter. (Amended Appeal Brief at 17). However, he cites no authority whatsoever in support of this argument. That is for good reason as the regulations concerning the Committee on Discipline, 37 C.F.R. §§ 11.22 and 11.23 include no requirements for what the OED Director submits to the Committee. Further, as the OED Director points out, the malpractice agreement involving

Appellant was dismissed after the Complaint was filed on May 11, 2015.⁸ (Appellee Brief at 13-14).

As the USPTO unequivocally possesses disciplinary jurisdiction over the Appellant, and there were no deficiencies associated with the OED Director's submission of the disciplinary matter to the Committee on Discipline, Appellant's arguments here are without merit and provide no basis for nullifying or overturning the ALJ's Initial Decision.

3. The Disciplinary Complaint Was Timely.

Appellant's next preliminary argument is that the allegations of misconduct in the disciplinary complaint are time barred. (Amended Appeal Brief at 6, 19). He argues that "[a]s of November 29, 2005, EPRT was 'reasonably informed', in simple and readily comprehensible layman's terms, as to the status of the claims under examination and how the Examiner had proposed to amend them." (*Id.* at 19). In response, the OED Director claims that all of the misconduct alleged in the complaint occurred within the new statute of limitations period established on September 16, 2011, except for one instance of misconduct that was governed by a prior 5-year statute of limitations period, and were timely filed. But, even for that one instance governed by the prior limitation period, the OED Director argues that the continuing violations theory renders the complaint on that issue timely. These arguments, and the ALJ's findings, are discussed further below.

Prior to September 16, 2011, the statute of limitations for attorney discipline matters was governed by 28 U.S.C. § 2462, which provided a 5-year statute of limitations that ran from the date when the claim first accrued. However, on September 16, 2011, the Leahy-Smith America Invents Act ("AIA") replaced 28 U.S.C. § 2462 with an amended version of 35 U.S.C. § 32. The

⁸ Submission to the Committee is a prerequisite to filing the complaint. The malpractice dismissal occurred *after* the matter had been submitted to the Committee.

new statute of limitations period applies to any case that had not already lapsed by the time the AIA was enacted. Section 32, as amended, provided for a new two-stage limitation period, as follows:

A proceeding under this section shall be commenced not later than the earlier of either the date that is 10 years after the date on which the misconduct forming the basis for the proceeding occurred, or 1 year after the date on which the misconduct forming the basis for the proceeding is made known to an officer or employee of the Office.

The only misconduct the Appellant claims is time barred⁹ concerns the allegation that he violated 37 C.F.R. § 10.23(c)(8) due, in part, to his alleged failure to notify EPRT about the Third Final Rejection that he received in November, 2005. (Amended Appeal Brief at 19). In his Initial Decision, the ALJ concluded that the “continuing violations” theory applied as the nature of the rule violation was not a “point in time” violation. (A.13). Rather, “[t]he duty to inform one’s client of potentially adverse information remains active until the practitioner informs the client of the correspondence or ceases representation of that client.” (*Id.*) The ALJ then concluded that, despite his continuing duty to keep his client informed of that correspondence, Appellant did not inform EPRT of the Third Final Rejection until January 14, 2006, at which point the statutory clock began to run under the statute of limitations. (*Id.*) Appellant does not challenge the ALJ’s application of the continuing violations theory¹⁰ and this order finds that the ALJ was correct in applying that doctrine here.

⁹ The ALJ correctly noted that the new statute of limitation period applies to any case under 35 U.S.C. § 32 that had not already lapsed by the time of the AIA’s enactment. (A.12). Thus, any misconduct that occurred prior to September 16, 2006 – five years before the AIA took effect – falls under 28 U.S.C. § 2462 and is thus no longer actionable. (*Id.*) It is uncontested that all of the misconduct alleged in the disciplinary complaint, save one, occurred between 2007 and 2011.

¹⁰ Appellant merely notes that the continuing violations doctrine was applied. (Amended Appeal Brief at 6). Instead of futile challenge to that doctrine, Appellant doubles down on his view that “[i]t is of no consequence as to how, and which statute of limitations applies to the facts of this case.” (*Id.* at 19). In his mistaken view, he “reasonably informed” EPRT of the Third Rejection and that is the end of the matter. (*Id.*)

With regard to whether and how sufficiently the Appellant informed EPRT of the Third Final Rejection, however, the statute of limitations did not begin to run on January 14, 2006, as the ALJ found. Rather, the violation continued to exist up to the point where Appellant unilaterally severed his representation with EPRT in October, 2016. *Supra*. p. 9. At that point, having severed his relationship, his obligations arguably ended and the statute of limitations began to run on October 28, 2016. Prior to that point, and indeed as the ALJ's decision notes, Appellant had only "partially revealed" the substance of the Third Rejection. (A.14). Appellant continued to fail, in significant ways, to fulfill his duty under § 10.23(c)(8) after January 14, 2006. (A.13). These failings are discussed in detail by the ALJ in the Initial Decision:

"[Appellant] failed to actually provide the Third Final Rejection to EPRT and did not fully or accurately explain the document and its ramifications. As a result, EPRT was left with the erroneous impression that the '519 Application rested on firmer ground than it actually did. EPRT was never aware that Claims 3 and 4 needed to be rewritten to survive and thus never had the opportunity to instruct Respondent to do so. Respondent therefore prevented EPRT from making an informed decision about a preferred course of action. Section 10.23(c)(8) does not require a practitioner to simply 'notify' a client about important correspondence, it requires him or her to 'inform' the client about that correspondence."

(A.19; footnote omitted.)

Appellant's continued failure to properly inform his client about the Third Final Rejection remained up until October 28, 2011, when Appellant claims his representation of EPRT ended. *Supra* p. 9. At that point, the AIA had been enacted and the new, 2-stage statute of limitations applied to Appellant's misconduct. 35 U.S.C. § 32. Under that standard, the applicable limitations period is 10-years from October, 2016 or 1-year from when the OED Director was informed of the alleged misconduct, which in this case was on May 12, 2014 when Ms. Blake filed a grievance against Appellant with OED, (A.3102-06), whichever is earlier. Here, the

Complaint was filed on May 11, 2015, (A.42-54), in clear compliance with the new, 2-stage statute of limitations under § 32 and thus was timely filed.

4. **The ALJ's Findings of Fact Are Supported by the Record.**

Appellant challenges several of the specific findings of fact ("FOF") in the ALJ's Initial Decision and Order. These are discussed further below.

a. Findings of Fact 1-3, 9.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to these FOF. As such, changes to the ALJ's FOF 1-3 and 9, which Appellant does not challenge as incorrect, are not warranted.

b. Findings of Fact 13 and 21.

FOF 13 accurately characterizes the November 19, 2002, e-mail to EPRT. Appellant does not challenge that characterization but seeks to provide additional information, which is not necessary or relevant. Thus, FOF 13 is adopted as stated in the ALJ's Initial Decision.

Though Appellant refers to FOF 21 in his brief, he proposes no changes to this FOF in the substantive discussion of his Amended Appeal Brief. As such, FOF 21 is adopted as stated in the ALJ's Initial Order and Decision.

c. Finding of Fact 15.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to this FOF. As such, changes to the ALJ's FOF 15 are not warranted.

d. Findings of Fact 41, 45, 47 and 52.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to these FOFs. As such, changes to the ALJ's FOF 41, 45, 47, and 52 are not warranted.

e. Finding of Fact 53.

FOF 53 is supported by the administrative record. Appellant's Power of Attorney was signed by Ms. Blake, on behalf of EPRT Technologies, Inc. (A.2902). Ms. Blake was the primary contact person for Appellant and possessed authority to direct Appellant to take action on the '519 Application. (A.7532). Appellant's attempts to cast doubt on the nature of his interaction with, or the authority of, Ms. Blake regarding his representation of EPRT is without any support. Consequently, changes to this FOF are not warranted.

f. Finding of Fact 56.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to this FOF. As such, changes to the ALJ's FOF 56 are not warranted.

g. Findings of Fact 59-65.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to these FOFs. Further, the ALJ specifically considered Appellant's testimony that he didn't receive the June 1, 2009 Board decision or a call from examiner Oropeza and rejected Appellant's position. His reasons for the proposed changes are nothing more than unsupported, conclusory statements. Consequently, the proposed changes to the ALJ's FOFs 59-65 are not warranted.

h. Findings of Fact 66-68.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to this FOF. And, further, he doesn't dispute the FOF as written. Thus, the proposed change to FOFs 68-69 are not warranted.

i. Finding of Fact 69.

The ALJ plainly rejected Appellant's arguments that he adequately monitored his docket including, but not limited to, the fact that he did not associate his Customer Number with the '519 Application, preventing him from using USPTO's Patent Application Information Retrieval ("PAIR") system to check the status of the Application online. And, Appellant does not dispute that he did not use PAIR. Thus, no change to this FOF is warranted.

j. Findings of Fact 70-76.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed changes to these FOFs. Further, the ALJ's findings are amply supported by the record. *See Supra*, Facts 33-36. No changes to these FOFs are warranted.

k. Finding of Fact 79.

Appellant has not cited to any support in the administrative record, as required by 37 C.F.R. § 11.55, for the proposed change to this FOF. No change to this FOF is warranted.

B. Appellant's Actions Constitute Misconduct in Violation of the USPTO's Disciplinary Rules.

Turning to the substance of the discipline, the ALJ concluded that the Appellant engaged in misconduct in connection with his handling of the '519 Application and his representation of EPRT and that misconduct violated six of USPTO's disciplinary rules. Each of these findings, as discussed further below, are amply supported by the record.

1. Appellant Neglected the '519 Application.

First, the ALJ provided a thoughtful and supported analysis for his findings that Appellant violated 37 C.F.R. § 10.77(c), which prohibits a practitioner from neglecting a legal matter entrusted to the practitioner. The ALJ noted that “neglect” is defined as “the omission of proper attention to a person or thing, whether inadvertent, negligent, or willful.” (A.14) (quoting Black’s Law Dictionary 1061 (8th ed. 2004)). Neglect occurs when a practitioner ignores or otherwise disregards his obligations to his client. (*Id.*) Neglect does not occur instantaneously and generally requires a pattern or course of conduct clearly illustrating the practitioner’s disinterest in performing his duties. (*Id.*) (citing *In re Levin*, 395 N.E.2d 1374, 1375 (Ill. 1979) (inaction, delay, and lack of effort expended on behalf of a client constitutes neglect). A time element is therefore a central aspect of the violation and, as a result, a single forgetful moment or honest mistake normally will not violate 37 C.F.R. § 10.77(c). (A.14). The ALJ correctly concluded that OED Director has provided clear and convincing evidence that Appellant failed to monitor the progress of the ‘519 Application in 2009, ignored the patent examiner’s phone call in 2009, ignored his client Ms. Blake’s e-mails and phone calls in 2010 and 2011, and failed to safeguard his lines of communication with USPTO at any time. (A.18). While any one of the alleged missteps here, on their own, perhaps would not constitute neglect, Appellant’s actions and omissions over the course of months and years here rises to the level of neglect of EPRT and the ‘519 Application. (*Id.*).

Appellant’s neglect began when the examiner assigned to the ‘519 Application, Ms. Oropeza, left a voice message for Appellant on August 6, 2009, before the application was abandoned. (A.2457; A.3350; A.7727-28; A.7940). There is no fact in the record or identified by Appellant that shows Appellant ever attempted to find out the reason for Ms. Oropeza’s call. This is so

despite the fact that the call “should have alerted him that there was movement on the application.” (A.15). However, despite the call and many attempted communications by Ms. Blake, the record reflects that Appellant did nothing in support of the ‘519 Application for 2 years. Had Appellant been monitoring his docket in accordance with the procedures he testified to during the hearing, he would have found out about the abandonment. However, it was only once Appellant was contacted by Mr. Farahmand that Appellant took any steps to verify the status of the ‘519 Application. (A.3150; A.4666-67; A.7552).

In addition, Appellant ignored Ms. Blake’s attempts to contact him for over a year. (A.16; A.4661-62; A.6265-67; A.6594; A.6840-41; A.6991; A.6981-95; A.7543). He has no explanation as to why he didn’t return her numerous calls and e-mails. Appellant’s attempts to make an after-the-fact explanation that he was not authorized to speak with Ms. Blake, however this argument is without merit. Ms. Blake is a corporate representative, she signed the power of attorney, and, importantly, Appellant had been communicating with her throughout the processing of the ‘519 Application. (A.15-17; A.2902; A.6559; A.7524-25; A.7532).

The bulk of Appellant’s appeal of the ALJ’s findings and conclusions is fairly characterized as mere disagreement. His Amended Appeal Brief includes few citations to the record and puts forth no discussion of applicable authority or analysis of the ALJ’s conclusions. (Appeal at 22-23). The few specific defenses raised in the Amended Appeal Brief are all without merit. First, he claims a “deliberate abandonment theory.” (Appeal, at 11). Specifically, he argues that Mr. Estes told him not to incur additional costs for the ‘519 Application and he claims that EPRT made status inquiries directly to the Board. (*Id.*). However, this is contrary to the evidence of record, which shows that EPRT repeatedly looked to Appellant for updates about the ‘519 Application and that it was Appellant’s information on file with the USPTO. (A.2902-05). His

claim that he was told not to incur additional costs with regard to the '519 Application finds absolutely no support in the record.

Appellant's claim that he did not receive the Board Decision and Notice of Abandonment, even if true, does not negate his misconduct. Those documents were mailed to his address of record. Any issues of receipt, including non-receipt of correspondence, were the result of his own choice to utilize an executive suite of offices, to not associate the '519 Application with his customer number, and not monitor his docket. (A.17-18; A.2456; A.2472; A.3349; A.6021; A.7716; A.7725).

In sum, the ALJ's conclusion that Appellant engaged in misconduct that violated § 10.77(c) is well-supported and will not be disturbed.

2. Appellant Failed to Inform EPRT of USPTO Correspondence

A practitioner is required to inform a client when the practitioner receives correspondence from USPTO if the correspondence could have a significant impact on a pending matter and a reasonable practitioner would believe the client should be notified. 37 C.F.R. §10.23(c)(8). The ALJ found that Appellant engaged in misconduct that violated this provision in three instances: when he failed to notify EPRT of the Third Final Rejection, when he failed to inform EPRT of the Board Decision, and when he failed to inform EPRT of the Notice of Abandonment. (A.20). Each of these instances is discussed further below.

a. Third Final Rejection.

After a review of the record and the arguments proffered by the parties, it is concluded that Appellant failed to sufficiently inform EPRT about the Third Final Rejection. Although he did inform them that he had received the Third Final Rejection, he did not attach a copy of that document. (A.7711; A.7809). Further, in his communication to EPRT about the Third Final

Rejection, Appellant also did not explicitly inform EPRT that claims 23-25 were rejected. (A.6955; A.7537). He also erroneously informed EPRT that Claims 3 and 4 had been “allowed” when in fact they had been objected to but “would be allowable if rewritten in independent form.” (A.6574; A.6958). Having declined to inform EPRT that these claims could be rewritten, Appellant also did not mention that he did not intend to rewrite them. (*Id.*). Appellant’s e-mail to EPRT also never described the USPTO decision as a “final action” and did not mention the three-month deadline to file a response. (A.6055; A.6958; A.7711). To the contrary, the e-mail implied that no additional steps were necessary because the appeal “is still going forward.” (A.6958)

The ALJ noted that the narrow wording of 37 C.F.R. § 10.23(c)(8) prohibits a practitioner from failing to inform a client of important correspondence. (A.19). Further, §10.23(c)(8) does not require a practitioner to simply “notify” a client about important correspondence, it requires him or her to “inform” the client about that correspondence. (A.19). While the November 29, 2009, e-mail did notify EPRT personnel of the existence of the Third Final Rejection shortly after its issuance, Appellant failed in that e-mail to actually provide the Third Final Rejection to EPRT and fully explain the action to EPRT. It was not enough for Appellant to simply convey that the Third Final Rejection was received. EPRT was never made aware that Claims 3 and 4 needed to be rewritten to survive and thus never had the opportunity to instruct Appellant to do so. Appellant therefore prevented EPRT from making an informed decision about a preferred course of action.

Appellant does not dispute what was conveyed in his e-mail. However, he maintains that the information he conveyed to EPRT “reasonably informed” them as to status of claims under final rejection and how Examiner proposed to amend them. (Appeal at 25). Further, he attempts to

shift the blame to the client by stating that EPRT never asked questions. (Appeal at 26). These arguments are unpersuasive and do not find any support in the facts of the record or in any legal authority. His arguments here, once again, are fairly characterized as mere disagreement with the ALJ's findings. As stated, Appellant had a duty to inform EPRT about all aspects of the Third Final Rejection and not just selectively provide them with only portions of that correspondence. Having failed to do so, he engaged in misconduct that violated § 10.23(c)(8).

b. The Board Decision.

It is uncontroverted that Appellant did not provide the June 1, 2009 Board Decision until 2 years after it had been issued. The ALJ correctly noted that this decision was a particularly vital communication due to the deadline to appeal not being extendable, thus denying EPRT of that opportunity. (A.19-20; A.2467)

Appellant relies on two arguments to negate his misconduct with regard to communicating the Board Decision to EPRT. First, he claims that he did not receive the Board Decision at his address of record, which was an executive suite. (Appeal, at 12). As the ALJ properly noted, this is an insufficient defense. The Board Decision was mailed to his address of record. (A.2477; A.7716). Any issues associated with ability to receive mail at the address he provided to the USPTO were his own and were as a result of his decisions, including the decision to utilize an executive suite of offices, to not associate the '519 Application with his customer number, and to not more closely monitor his docket. (A.17-18).

Appellant also claims the Board Decision was "not reversible" and "no amount of monitoring can alter that fact." (Appeal at 24). It is unclear what Appellant means by this statement, though it is presumed that he is arguing EPRT was not harmed in receiving the Board Decision, but no citations are provided to support this argument. However, Appellant's argument is belied by the

fact that the first page of the Board Decision included a footnote announcing the two-month period to file an appeal or initiate a civil case. (A.2459). Thus, EPRT was harmed by their lost opportunity to file an appeal of the Board Decision.

To conclude, the ALJ's conclusions that Appellant engaged in misconduct that violated 37 C.F.R. § 10.23(c)(8) by failing to inform EPRT of the Board Decision is supported by the record and warranted.

c. Notice of Abandonment.

As with the Board Decision, there is no dispute that the Notice of Abandonment was never provided to Appellant. Rather, Appellant again relies on the claim that he never received the document. (Appeal at 12; A.6080; A.7729). However, for the reasons stated above, this position is rejected. The Notice of Abandonment was mailed to Appellant's address of record. (A.2456; A.3349; A.7725).

3. Appellant Failed to Seek EPRT's Lawful Objectives.

Pursuant to 37 C.F.R. § 10.84(a)(1) and (2), practitioners are prohibited from failing to seek the lawful objectives of a client and from failing to carry out a contract of employment entered into with a client for professional services. These provisions do not require a practitioner's conduct to be intentional. Rather, §10.84(a) emphasizes the consequences of the conduct, not the intent behind it. (A.21). Neglectful conduct that derails a client's objectives is thus sanctionable under §10.84(a). (*Id.*) Under this standard, the ALJ concluded Appellant negligently failed to monitor the '519 Application and failed to ensure he received communications from USPTO, making it impossible for him to meet EPRT's legal objectives. (*Id.*). There is no basis argued by Appellant, or supported by the record, to disturb these conclusions.

Appellant's initial e-mail exchange with EPRT makes clear that Appellant was hired to attempt to salvage the '519 Application, if possible. (A.6557-60). The OED Director agrees Appellant took actions to secure a patent for EPRT up until the Third Final Rejection in 2005. At that point, and as stated in the Third Final Rejection, Claims 3 and 4 were potentially allowable if rewritten in independent form. (A.2688; A.6574). But, Appellant did not rewrite the claims. However, this was a unilateral decision on his part and he failed to inform or discuss the Third Final Rejection and the consequences of not rewriting claims 3 and 4 with EPRT. (A.6958). Instead, he filed the second appeal, with the consequence being that these claims were not allowed. As the ALJ noted, even after this failure, Appellant could have taken steps to accomplish EPRT's objectives. He could have Petitioned to Revive the application as he had done previously. But, due to his decisions as to how he monitored his docket and received notices from the Office, he never received the Board Decision or Notice of Abandonment. (A.21).

Appellant's constructive discharge theory is rejected. (Appeal, at 21-22). He cites no evidence of any threat that would have necessitated or required his withdrawal, he did not communicate his withdrawal to EPRT, and he did not carry out the withdrawal duties required under 37 C.F.R. § 10.40. (A.7735).

In sum, the ALJ's conclusion that Appellant negligently failed to monitor the '519 Application and failed to ensure that he received correspondence from USPTO, with the result being that it was impossible for Appellant to meet EPRT's lawful objectives, is fully supported. (A.21-22).

4. Appellant Engaged in Gross or Disreputable Conduct.

According to 37 C.F.R. § 10.23(c), any violation of its subsections automatically violates 37 C.F.R. § 10.23(a) and (b). As already discussed, the ALJ concluded that Appellant's failure to inform his client of important correspondence violated 37 C.F.R. § 10.23(c)(8). As a result, as a matter of law, Appellant has also violated 37 C.F.R. § 10.23(a).

5. Appellant Failed to Return EPRT's Client File.

The provisions of 37 C.F.R. § 10.112(c)(4) state that a practitioner must promptly deliver to a client, upon request, any client property in the practitioner's possession that the client is entitled to receive. And, there is "no dispute that a client's file is the property of the client and should be returned to that client upon request." (A.23) (citing *Restatement (Third) of the Law Governing Lawyers* ¶ 43 (2000), para. 43).

Here, on October 31, 2011, Mr. Farahmand sent Appellant a letter requesting a complete copy of the '519 Application file. (A.6273; A.7552-3). However, Appellant did not send the file to Mr. Farahmand or anyone at EPRT. (A.7556). EPRT finally obtained the file via submitting a subpoena duces tecum to Appellant's ex-wife. (A.7631-33).

Appellant contends that the EPRT file was not in his possession on October 31, 2011, because it remained in the possession of his ex-wife at the marital home and that he had been denied access to that home. (Appeal at 27). But, this argument provides no help to Appellant, whose duty to maintain his client's property exists regardless of his personal situation.

Several other facts in the record also undermine Appellant's position here. Throughout the hearing, as reflected in the administrative record, Appellant cited no evidence that he reasonably sought to obtain the file from the marital home when he had the chance to do so. EPRT's new

counsel requested the file in October, 2011 and he had access to the marital home up to November 2011. (A.7748-49). Further, as the ALJ noted, Appellant could have subpoenaed the file from his wife, but did not, instead letting that obligation fall to EPRT's new counsel. (A.24). Lastly, it is noted that the ALJ specifically questioned Appellant's credibility with regard to this issue. (A.23). The ALJ noted that, at the hearing, Appellant first stated the file had been destroyed but in fact opposing counsel in the malpractice case against Appellant was able to find it. (*Id.*). The ALJ's observations here are persuasive and provide further support for finding that Appellant violated § 10.112(c)(4).

C. The ALJ's Sanction Was Appropriate.

The ALJ's Initial Decision concluded that Appellant engaged in misconduct that violated 6 of USPTO's Disciplinary Rules, and that an 8-month suspension was the appropriate sanction. (A.33). An ALJ initial decision that imposes exclusion or suspension must explain the reason for imposing such a sanction after consideration of 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)-(4).

The Director of the USPTO reviews an appeal from an ALJ Initial Decision on the record before the ALJ. *See* 37 C.F.R. § 11.55(f); *see also Marinangeli v. Lehman*, 32 F. Supp. 2d 1, 5

(D.D.C. 1998). After such review, and as discussed below, the ALJ's initial decision to suspend Appellant from practicing before the USPTO for 8 months included a careful and proper analysis of the four factors set forth in 37 C.F.R. § 11.54(b). The ALJ's sanction of suspension is warranted and thus upheld. Here, the ALJ properly considered and applied the four factors relevant to an exclusion or suspension under 37 C.F.R. § 11.54(b). This analysis is discussed further, below.

1. Whether the Practitioner Has Violated a Duty Owed to a Client, to the Public, to the Legal System, or to the Profession.

The ALJ concluded that Appellant repeatedly failed in his responsibilities to his client and this final order upholds that finding. (A.27). Though Appellant was hired to attempt to salvage the '519 Application in December 2002, his last communication with USPTO regarding the application occurred in 2006. (A.2643). The ALJ rejected Appellant's argument that he no longer had a duty to EPRT after December 2006, when EPRT assigned the rights to the '519 Application to Thrisoint, noting that Appellant never withdrew from his representation of EPRT and several e-mails in 2008 that demonstrated Appellant's continued to actively represent its interests after EPRT's acquisition by Thrisoint. (A.27). Consequently, Appellant remained obligated to fulfill his duties to EPRT but failed to do so by refusing to return phone calls and e-mails from Ms. Blake and disregarding important phone calls from the USPTO examiner. (A.27; A.3786; A.3847; A.4661-62; A.6265-67; A.6594; A.6840-41; A.6981-95; A.7543-53; A.7958). Because Appellant neglected the '519 Application for almost two years, he failed to keep EPRT apprised of the '519 Application's progress, leading to the Application's abandonment. (A.27). Lastly, Appellant refused to return EPRT's client file despite an explicit request to do so. (*Id.*). Although improper behavior by any member of the legal community undermines public faith in the sanctity of the legal system, the ALJ properly noted that Appellant's primary failure was in

his duty to his client, not the population at large. (*Id.*). Finding that Appellant repeatedly failed in his responsibilities to EPRT, the ALJ determined this finding supported a moderate sanction. (*Id.*). The ALJ's findings here were appropriate and supported by the record.

2. Whether the Practitioner Acted Intentionally, Knowingly, or Negligently.

As to the second factor, ALJ found that Appellant acted both negligently and intentionally, and those findings warranted a moderate sanction. (A.27-28). First, it was properly found that Appellant acted negligently when, after his move to the 28 W. Flagler address, he maintained office procedures with a risk to receiving timely client information. (A.27-28). Appellant entrusted a receptionist at the W. Flagler address to sort his mail without his input. (A.27; A.7699). By doing so, the ALJ properly noted that Appellant put the burden on the receptionist to recognize critical correspondence and notify him in a timely manner. (A.27). Thus, the ALJ properly concluded that, had Appellant changed his correspondence address to his home office or associated his Customer ID number with the '519 Application, he would have timely received the Board Decision and the Notice of Abandonment and could have informed EPRT of those documents and planned a strategy for addressing those actions. (A.27-28).

The ALJ also noted that Appellant's docket management system was insufficient. (A.27). Appellant's own testimony was cited here, stating that he maintained a manual system and relied on his (now former) wife to keep him informed of upcoming deadlines. (A.27; A.5935-36; A.5938; A.7687-90). He had no "tickler" system in place to remind him to check on pending cases and had no way to monitor them, other than contacting USPTO directly. (A.27). The ALJ was correct in noting that Appellant's claim that he properly monitored the '519 application was belied by the fact that he never contacted Ms. Oropeza in 2009 and never received any updates

about the Application in 2010. (A.27-28). These actions were all properly identified as negligent by the ALJ.

In addition to negligent behavior, the ALJ noted that Appellant's refusal to communicate with Ms. Blake was intentional. (A.28). In support of this, the ALJ relied on the fact that Appellant failed to respond to at least nine e-mails and an untold number of telephone calls from her in 2010 and 2011, save for a single, abbreviated, non-substantive call in 2010. (*Id.*). This finds support in the administrative record. *See supra*. p. 8. In addition, the ALJ identified as intentional Appellant's failure to return the EPRT client file upon request, despite knowing precisely where the file was located and knowing he had an obligation to return it. (A.28). The ALJ acknowledged Appellant's sensitive personal situation that motivated his decision, but properly noted that reason was insufficient to shield him from his responsibility to his clients. (*Id.*). Any risk of maintaining private files in a home office during a period of personal, marital discord was properly found to be his own making.

Because this factor was properly discussed and is amply supported by the record, there is no basis on which to disturb the ALJ's findings.

3. The Amount of the Actual or Potential Injury Caused by the Practitioner's Misconduct.

In discussing this factor, the ALJ addressed head on Appellant's argument that the abandonment of the '519 Application caused EPRT no economic harm because the invention could never have obtained patent protection. (A.28). The ALJ noted that it would be "an exercise in futility to speculate whether the invention was actually patentable, or what kind of profit it could have generated if it had been patented." (A.28). However, EPRT was still harmed. EPRT paid Appellant between \$35,000 and \$45,000 to guide the '519 Application through the patent process and received nothing for that. (A.28; A.7567). Consequently, the ALJ properly

concluded that EPRT experienced substantial monetary harm because of its dealings with Appellant. (A.28).

The ALJ also recognized that Appellant represented EPRT's interests competently, at least for a time. (A.28). But, with no way to determine what percentage of EPRT's payments were in vain, the ALJ noted that "it is simply impossible to arrive at a non-arbitrary dollar figure representing EPRT's loss." (*Id.*). Despite this, the ALJ found it undisputed that EPRT's attempts to obtain a patent for the '519 Application left it economically weaker and Appellant's misconduct exacerbated EPRT's harm. (*Id.*). This is a reasonable conclusion based on the record.

Finally, EPRT has expended more than \$170,000 in litigation costs against Appellant, with at least one lawsuit still ongoing. (A.28; A.7567-68).

Based on these factors, the ALJ found this factor merited an increased sanction against Appellant. (A.28). This analysis is soundly rooted in the record and is reasonable.

4. The Existence of Any Aggravating or Mitigating Factors.

Finally, the ALJ identified and considered both aggravating and mitigating factors in the case, relying on guidance by the ABA Standards when determining whether aggravating or mitigating factors exist. (A.28). *See also In re Lane*, D2013-07, at 19 (USPTO Mar. 11, 2017; Standards For Imposing Lawyer Sanctions § 9.2 (Am. Bar Ass'n 2015)).

The ALJ identified six aggravating factors and two mitigating factors. The most serious of the aggravating factors was Appellant's disciplinary history, which included being twice disciplined by the state of Florida and once disciplined by the USPTO. (A.29; A.1272-83; A.7390-98). Importantly, the ALJ noted that both Florida cases bore some similarities to Appellant's current disciplinary case. First, in 1995, Appellant agreed to a consent judgment in Florida, resulting in a 10-day suspension for misconduct that involved a client's attempts to

resolve apparent duplicate charges for legal fees, and repayment of unexpended payments. (A. 29). There, Appellant refused to provide the requested information and did not return the unearned fees until after the client filed a disciplinary grievance. (*Id.*). The ALJ went on to explain that the Florida Bar Rule that Appellant was found to have violated concerns responding to a client's reasonable requests for information, explaining matters to the extent reasonably necessary to allow the client to make an informed decision about the course of action; and prompt delivery to a client any funds that he/she is entitled to and render a full accounting of charges. (*Id.*). The Florida rules served substantially the same function as USPTO's Disciplinary Rules §§ 10.23(c)(8) and 10.112(c)(4). (*Id.*). As a result, the ALJ concluded that Appellant was aware, in 1995, that ignoring client requests for information was sanctionable misconduct. (*Id.*).

Subsequently, in 2011, Appellant again accepted a consent judgment in Florida, resulting in a public reprimand. (A.29; A.7390-98). That case revolved around Appellant's failure to inform a client that he would no longer pursue the client's interests and his failure to tell the client that the client's trademark applications had been abandoned. (A.29; A.7390-98). The OED Director sought to impose reciprocal discipline against Appellant in connection with the 2011 state discipline, which Appellant strenuously, though unsuccessfully, opposed despite the fact that the Florida reprimand was consented to by Appellant. (A.29-30). The OED Director thus imposed a public reprimand on November 18, 2013. (A.30; A.1272-1283). Thus, this case is Appellant's fourth disciplinary proceeding. The ALJ noted that the prior actions have "not inspired him to better appreciate his duties toward his clients" as demonstrated by the fact that, here, he has refused to respond to his client, refused to return client property, and allowed a client matter to go abandoned, just as he did in 1995 and 2011. (A.30). Thus, Appellant's disciplinary history warrants a severe sanction.

A second aggravating factor was identified as Appellant's attempt to silence Ms. Blake and other EPRT employees via a clause in the Florida malpractice settlement agreement prohibiting any EPRT personnel from testifying or participating in Florida's or the USPTO's disciplinary investigations against him. (A.5490-93; A.7644-47). Both investigations were prompted by grievances filed by Ms. Blake on behalf of EPRT. (A.30). While the final settlement agreement included language noting that EPRT personnel could participate if subpoenaed, the ALJ noted that the only purpose of this prohibition was to hinder or derail the disciplinary investigations against him. (A.30). The ALJ concluded that this constitutes bad faith obstruction of the USPTO disciplinary investigation. (*Id.*); see also *Kentucky Bar Ass'n v. Unnamed Attorney*, 414 S.W.3d 412, 418 (Ky. 2013) (court applying similar rule found violation where a settlement agreement required grievant to either withdraw disciplinary complaint or refuse to voluntarily cooperate with investigation).

A third aggravating factor was noted as Appellant's "obstinate refusal to recognize his wrongdoing or the harm he has caused his client." (A.30). Appellant never offered EPRT a refund and has never apologized to Ms. Blake for deliberately ignoring her urgent pleas for information. (A.30). Instead, it was noted that Appellant has attempted to deflect blame the receptionist in his W. Flagler office for misplacing his mail, his ex-wife for maintaining possession of EPRT's file, Mr. Farahmand for allegedly threatening a malpractice lawsuit, and incredibly he even blamed Ms. Blake and Mr. Estes for not asking probing questions about his handling of their patent application, and for not hiring an experienced patent attorney as his replacement. (A.30-31). However, the ALJ was unmoved by these deflections, noting that "none of these events would have occurred if not for Appellant's own misconduct." (A.31). The ALJ noted that this attitude demanded a harsher penalty. (*Id.*).

A fourth aggravating factor was noted as Appellant's legal experience. Though experience is often considered as a mitigating factor, the issue of legal experience did not mitigate Appellant's conduct here. (A.31). Appellant's extensive experience as a practicing attorney for almost half a century made it such that the ALJ could not dismiss his actions as by someone who did not know any better. (*Id.*). Nor was the ALJ willing to rely on Appellant's personal situation or excuse his behavior as fleeting lapse of judgment since, his conduct during the Florida malpractice suit and during the instant disciplinary proceeding have only resulted in more disciplinary complaints. (*Id.*). Among the examples given is that he deliberately attempted to frustrate the OED Director's investigation in this proceeding by negotiating the silence of EPRT personnel, in violation of 37 C.F.R. § 11.304(f). (A.31-32). Moreover, the ALJ noted his "abusive" behavior throughout these proceedings, with specific examples such as labeling Ms. Chaiken as a serial perjurer in pleadings and other ad hominem attacks. (A.32). This behavior was noted by the ALJ as "a strong indication that his commitment to ethical conduct has grown weaker over the years." (A.32).

Finally, the ALJ took note of the fact that Appellant is uninterested and noncompliant in making restitution to EPRT, despite signing a settlement agreement in which he promised to pay EPRT \$7,000. (A.32). "This suggests the settlement agreement was made in bad faith and was merely an attempt to escape the Florida malpractice proceeding" and has forced EPRT to spend even more resources to file another lawsuit and enforce the terms of the settlement (*Id.*). In the ALJ's view, this factor supports a moderate sanction. (*Id.*).

In mitigation, the ALJ recognized the negative effect of Appellant's personal situation, which could have impacted his decision making. (A.32). However, the ALJ properly noted that the personal circumstances don't explain Appellant's earlier neglect in 2009 or his refusal to

communicate with Ms. Blake in 2010 and 2011. (*Id.*). Additionally, the ALJ rejected Appellant's reference to his marital discord as it related to his inability to reclaim possession of EPRT's client file since no evidence was presented any that his marital problems negatively affected his mental state during that time period. (*Id.*). Finally, the lack of dishonest motive was found to be mitigating here. (*Id.*). The ALJ noted that his conduct was not the result of greed or any other nefarious consideration. (*Id.*).

It is noted here that neither the ALJ's order, nor the Amended Appeal Brief, discuss the consistency of the 8-month suspension here with other comparable disciplinary cases. However, the OED Director provided evidence that an 8-month sanction is consistent with other disciplinary matters previously decided before the USPTO Director. (Appellee Brief at 26-27). For example, it was noted that a 6-month suspension was imposed for a practitioner who, *inter alia*, failed to monitor the status of a patent application, failed to respond to a client's inquiries, and keep the client reasonably informed, and failed to comply with a client's request to return her file. (*Id.* at 26 (citing *In re Stretch*, No. D2013-03 (USPTO July 29, 2013)). In another matter, a practitioner was suspended for 36-months, stayed after 6-months, for neglecting client matters, not notifying clients about Office correspondence, allowing applications to go abandoned and then misrepresenting the status of those applications to the client. (*Id.* at 26-27) (citing *In re Edelson*, No. D2011-13 (USPTO Dec. 15, 2011). Finally, a practitioner was suspended by consent for 24 months with the right to seek reinstatement after 12 months and placed on a 24-month probation for neglecting two patent applications even though the practitioner represented that his firm had significant staffing problems during the time of the events at issue and that a new office manager made several clerical and administrative errors that contributed to the neglect of the patent applications. (*Id.* at 27) (citing *In re Matlock*, No. D2011-

52 (USPTO Feb. 7, 2012). These comparables, which are not discussed or refuted by Appellant, demonstrate that Appellant's 8-month suspension is within the range of discipline for other similar disciplinary matters.

In sum, after reviewing the ALJ's sanction determination, it is concluded that the determination was reached after proper consideration of all the required factors, was reasonable, and is supported by the record.

ORDER

Having considered Appellant's appeal under 37 C.F.R. § 11.55 from the September 15, 2016 Initial Decision of the ALJ suspending Appellant from the practice of all patent, trademark, and other non-patent matters before the Office for eight months, it is **ORDERED** that the Initial Decision of the ALJ is **AFFIRMED**.

It is further:

ORDERED that the OED Director give notice pursuant to 37 C.F.R. § 11.59 of the public discipline and the reasons for the discipline to disciplinary enforcement agencies in the state(s) where Appellant is admitted to practice, to courts where Appellant is known to be admitted, and to the public;

ORDERED that the USPTO dissociate Appellant's name from any Customer Numbers and the public key infrastructure ("PKI") certificate associated with those Customer Numbers;

ORDERED that Appellant shall not apply for a USPTO Customer Number, shall not obtain a USPTO Customer Number, nor shall he have his name added to a USPTO Customer Number, unless and until he is reinstated to practice before the USPTO; and

ORDERED that Appellant shall comply with the provisions of 37 C.F.R. § 11.58 governing the duties of disciplined practitioner.

RECONSIDERATION AND APPEAL RIGHTS

Any request for reconsideration of this decision must be filed within twenty (20) days from the date of entry of this decision pursuant to 37 C.F.R. § 11.56(c). Any request for reconsideration mailed to the USPTO must be addressed to:

Sarah T. Harris
General Counsel
United States Patent and Trademark Office
600 Dulany St.
P.O. Box 1450
Alexandria, VA 22314

A copy of the request must also be served on the attorney for the Director of Enrollment and Discipline:

Robin Crabb
Counsel for the Director of Office of Enrollment and Discipline
600 Dulany St.
P.O. Box 1450
Alexandria, VA 22314

Any request hand-delivered to the USPTO must be hand-delivered to the Office of the General Counsel, in which case the service copy for the attorney for the Director shall be hand-delivered to the Office of Enrollment and Discipline.

If a request for reconsideration is not filed, and Appellant desires further review, Appellant is notified that he is entitled to seek judicial review on the record in the U.S. District Court for the

Eastern District of Virginia under 35 U.S.C. § 32 “within thirty (30) days after the date of the order recording the Director’s action.” See E.D.Va. Local Civil Rule 83.5.

IT IS SO ORDERED.

8/2/2017

Date



Sarah T. Harris
General Counsel
United States Patent and Trademark Office

on delegated authority by
Joseph 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:

John H. Faro
Appellant

Robin Crabb
Associate Solicitor
Counsel for the Director of Office of Enrollment and Discipline

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Final Order was sent to the parties below, in the manner indicated:

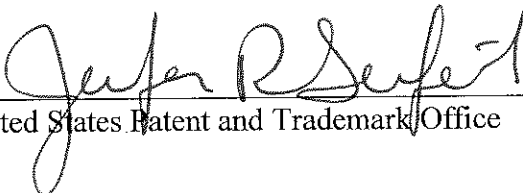
VIA FIRST CLASS MAIL AND E-MAIL:

John H. Faro
1395 Brickell Avenue
Suite 800
Miami, FL 33131
Johnf75712@aol.com
Johnf75712@gmail.com
Appellant

VIA HAND-DELIVERY AND E-MAIL:

Robin Crabb
Tracy Kepler
Associate Solicitors
Mail Stop 8
Office of the Solicitor
P.O. Box 1450
Alexandria, VA 22313-1450
Robin.Crabb@uspto.gov
OED Director

8/2/2017
Date


United States Patent and Trademark Office

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the above and foregoing was this date filed and served by using the Florida Courts e-Filing Portal on this 28th day of September, 2021 to:

John H. Faro
Faro & Associates
1395 Brickell Ave, Ste 800
Miami, FL 33131
(305) 726-6921
john75712@aol.com
john75712@gmail.com
Respondent

John D. Womack, Esq.
Staff Counsel
The Florida Bar
444 Brickell Ave., Suite M100
Miami, FL 33131
(954) 835-0233
jwomack@floridabar.org
Attorneys for The Florida Bar

Patricia Ann Toro Savitz, Esq.
Staff Counsel
The Florida Bar
651 E. Jefferson St.
Tallahassee, FL 32399
(850) 561-5600
psavitz@floridabar.org
Attorney for The Florida Bar

Joshua E. Doyle, Esq.
Executive Director
The Florida Bar
651 E. Jefferson St.
Tallahassee, FL 32399
(850) 561-5600
jdoyle@floridabar.org

/s/ Eleanor H. Sills
Eleanor H. Sills, Esq.