Ethics in IP Practice

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September 2022

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1. Choice of Law

a. Choice of Law for Discipline and Ethics

This paper discusses ethical and privilege issues. Different choice of law analyses may be required for those issues, and under particular facts, the required analysis may differ from what is presented here.

The first ethical issue discussed in this paper is the duty of a lawyer to not engage in the unauthorized practice of law, to ensure others are not doing so, and to supervise non-lawyers working on behalf of the lawyer when they are doing so, or to be supervised when the lawyer is doing so. Those related issues typically would arise in a disciplinary proceeding, an issue where the unauthorized practice of law is alleged, in a fight over privilege, or in a malpractice suit.

A disciplinary proceeding could be brought by a state bar or the Office of Enrollment and Discipline ("OED") at the United States Patent & Trademark Office ("USPTO"). As the following shows, no matter which forum a disciplinary proceeding is brought in, the OED or a state bar should apply the same set of rules, but only if the conduct consists of practicing before the USPTO.

As for the OED, its disciplinary authority is stated in this rule:

> All practitioners engaged in practice before the Office… are subject to the disciplinary jurisdiction of the Office.... A person not registered or recognized to practice before the Office is also subject to the disciplinary authority of the Office if the person provides or offers to provide any legal services before the Office.

"Proceeding before the Office" is defined: "Proceeding before the Office means an application for patent, an application for reissue, a reexamination, a protest, a public use matter, an inter partes patent matter, correction of a patent, correction of inventorship, an application to register a trademark, an inter partes trademark matter, an appeal, a petition, and any other matter that is pending before the Office."

So, plainly a patent practitioner who is involved in a proceeding before the Office can be disciplined by the OED. The OED has authority to do so, even if, according to its regulations, the conduct does not occur before the Office. Specifically, the OED regulations state:

> The following, whether done individually by a practitioner or in concert with any other person or persons and *whether or not* done in the course of providing legal services to a client, *or in a matter pending before the Office*, constitute grounds for discipline or grounds for transfer to disability inactive status.
>
> (1) Grounds for discipline include:
> (i) Conviction of a serious crime;
> (ii) Discipline on ethical grounds imposed in another jurisdiction or disciplinary disqualification from participating in or appearing before any Federal program or agency;
> (iii) Failure to comply with any order of a Court disciplining a practitioner, or any final

decision of the USPTO Director in a disciplinary matter;
(iv) Violation of any USPTO Rule of Professional Conduct*;* or
(v) Violation of the oath or declaration taken by the practitioner. See § 11.8.

37 C.F.R 11.19(b) (emph. added).[1]

So, unless there has been a criminal conviction, discipline by a jurisdiction on ethical grounds (and so "reciprocal discipline" by the USPTO may be in order), disciplinary disqualification by a federal agency, violation of an disciplinary order of a court or USPTO, or violation of a declaration (presumably meaning perjury or something like it), the OED can discipline a practitioner only by establishing violation of an USPTO Rule. However, ostensibly at least, the conduct can occur when the practitioner is not conducting business before the USPTO. So, for example, a practitioner who robs a bank can be disciplined because certain rules apply to all of a practitioner's conduct, not only that involving representation of a client.

What if a state bar sought to discipline a lawyer for conduct occurring before the Office? Like the USPTO's position, most state bars assert power to discipline a lawyer for conduct no matter where it occurs. Unlike the USPTO, however, most states have choice of law rules that apply specifically to discipline. While they vary, the most common ones follow ABA Model Rule of Professional Conduct 8.5. That rule gives a state bar authority to discipline a lawyer no matter where the conduct occurs, but helps identify which rules apply to particular conduct. Model Rule 8.5(b), as adopted by many states, provides:

> In any exercise of the disciplinary authority of this jurisdiction, the rules of professional conduct to be applied shall be as follows:
>
> > (1) *for conduct in connection with a matter pending before a tribunal*, the rules of the jurisdiction in which the tribunal sits, unless the rules of the tribunal provide otherwise; and
> > (2) *for any other conduct*, the rules of the jurisdiction in which the lawyer's conduct occurred, or, if the predominant effect of the conduct is in a different jurisdiction, the rules of that jurisdiction shall be applied to the conduct. A lawyer shall not be subject to discipline if the lawyer's conduct conforms to the rules of a jurisdiction in which the lawyer reasonably believes the predominant effect of the lawyer's conduct will occur.

The USPTO Rules define it as a "tribunal." Significantly, (a) some states have rules that say that a lawyer must *appear* in the tribunal for subpart (a) to apply, and (b) complex problems arise if the matter is not pending, such as activities occurring before a patent application is filed. For opinions discussing this and related choice of law issues in the USPTO context, see Conn. Informal Eth. Opinion 2021-02 (Use of a Vendor in Connection with Filing a Patent Application) (March 17, 2021); N.Y. St. B. Ass'n. Comm. Prof. Eth. Op. 1166 (May 7, 2019); Va. Legal Eth. Op. 1843 (2007); Conn. Informal Eth. Op. 2012-02 (In-House Lawyer Representing Joint-Venture Corporations in Connection with a Patent Application) (Jan. 17, 2012).

To conclude, at least once a matter is pending before the USPTO and in most states, a

[1] In the mid-1980s, the USPTO in response to comments to proposed rules repeatedly stated it would not, and was not seeking to, regulate anything but practice before the Office.

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First appeared as part of the conference materials for the
27th Annual Advanced Patent Law Institute session
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