

Ethics in IP Practice

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1. Candor: During Prosecution

A. General Ethical Obligations Including “Rule 11” Type Obligations

During prosecution and all Office proceedings, practitioners have general obligations that may require investigation before filing a paper in the Office. For example:

- “A practitioner shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis in law and fact for doing so that is not frivolous, which includes a good-faith argument for an extension, modification or reversal of existing law.”
37 C.F.R. § 11.301.
- A practitioner shall not knowingly...[m]ake a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the practitioner...” 37 C.F.R. § 11.303(a)(1).
- “A practitioner shall not knowingly...[o]ffer evidence that the practitioner knows to be false. If a practitioner, the practitioner’s client, or a witness called by the practitioner, has offered material evidence and the practitioner comes to know of its falsity, the practitioner shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal. A practitioner may refuse to offer evidence that the practitioner reasonably believes is false.” 37 C.F.R. § 11.303(a)(3).
- “A practitioner who represents a client in a proceeding before a tribunal and who knows that a person intends to engage, is engaging or has engaged in criminal or fraudulent conduct related to the proceeding shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.” 37 C.F.R. § 11.303(b).

B. Candor-Specific Obligations: Rule 56

“Each individual associated with the filing and prosecution of a patent application has a *duty of candor and good faith* in dealing with the Office, which includes a *duty to disclose* to the Office all information known to that individual to be material to patentability as defined in this section.” 37 C.F.R. § 1.56.

1. Who

Subsection(c) of Rule 56 defines who is under an obligation of candor. It defines “individuals associated with the filing or prosecution of a patent application” to include only:

- (1) Each inventor named in the application;
- (2) Each attorney or agent who prepares or prosecutes the application; and
- (3) Every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, the applicant, an assignee, or anyone to whom there is an obligation to assign the application.

37 C.F.R. § 1.56(c).

2. What

Subsection (b) of Rule 56 requires that a person substantively involved in prosecution must disclose information that either (a) establishes a *prima facie* case of unpatentability of a claim or is inconsistent with a position taken before the USPTO with respect to patentability of a claim. 37 C.F.R. § 1.56(b).

2. Candor: During Post-Grant *Inter Partes* Reexamination.

A. General Obligations

The Board has discretion to allow a party to move for sanctions and, even if granted, discretion on whether to impose sanctions and of what type. *See Clearone, Inc. v. Shure Acquisition Holdings, Inc.*, 35 F.4th 1345 (Fed. Cir. 2022).

Any filing in an IPR must be signed and the signature of practitioner certifies, based on reasonable investigation, that:

1. statements made on own knowledge are true and statements made on information and belief are believed to be true;
2. allegations/factual contentions have evidentiary support;
3. legal contentions are warranted by existing law or a nonfrivolous argument to change existing law or establish new law; and
4. no improper purpose.

37 C.F.R. § 42.118. *See generally*, Lisa A. Dolak, *Patent Office Contested Proceedings and the Duty of Candor*, 22 J. Intell. Prop. L. 1 (2014).

B. Candor-Specific Obligations: Unamended Claims

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