

SOME OBSERVATIONS ABOUT TWO TOPICS:
THE DUTY OF DISCLOSURE
AND A PRACTITIONER'S ASSERTED INVENTORSHIP

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A. THE DUTY OF DISCLOSURE AND THE CURRENT DISCIPLINARY RULES

The origin of the duty of disclosure is found in *Kingsland v. Dorsey*, 338 U.S. 318, 70 S.Ct. 123, 94 L.Ed. 123, 83 U.S.P.Q. 330 (1949). Four attorneys were disbarred for their participation in the preparation and/or presentation of an article that was not written by the putative author, and with the purpose of deceiving the Patent Office as to the authorship of the article and influencing the action of the Patent Office on a patent application. In a per curiam decision, the Court “agree[d] with the following statement made by the Patent Office Committee on Enrollment and Disbarment that considered this case: ‘By reason of the nature of an application for patent, the relationship of attorneys to the Patent Office requires the highest degree of candor and good faith. In its relation to applicants, the Office * * * must rely upon their integrity and deal with them in a spirit of trust and confidence * * *.’” 338 U.S. at 319.

The duty of disclosure, and the rule setting forth the duty, has evolved over the years. As you know, the rule is set forth in 37 CFR 1.56. In December 2003, a notice of proposed rulemaking included proposed changes to the ethics rules for practice before the United States Patent and Trademark Office (Office). A number of comments about the proposed rules addressed the duty of disclosure. This paper considers those comments in regard to the relationship between current Office Disciplinary Rules of the Office’s Code of Professional Responsibility, and the duty of disclosure. This paper will not address either the evolution of the duty or the proposed rules.

I. Relationship to Duty of Confidentiality and State Law

As occurred when the current Disciplinary Rules were proposed and adopted, some comments suggest that the duty of disclosure is opposed to a practitioner’s duty of confidentiality to the client and inconsistent with State Bar rules. For example, some suggest that where a client refuses to let the practitioner provide the information based on privilege or for any other reason, then the sanction should fall on the client and not on the attorney. Others suggest that if the client does not wish to disclose the reference the practitioner’s only recourse is to try to educate the client and gain that client’s permission to disclose the reference, or must withdraw from representation of that client. Others further suggest that the conflict between the Office rules and State confidentiality rules would apply to any attorney within that State and therefore, no attorneys who are licensed to practice in the State would be ethically permitted to practice before the Office in that matter.

Still others suggest that there is an inescapable dilemma since a practitioner could be subject to discipline if that practitioner is disciplined by the State for violating the confidentiality rule of the State ethics code. Thus, if a practitioner discloses the reference to the Office, he or she is not directly subject to discipline by the Office. However, if such disclosure subjects the practitioner to discipline under a State ethics code, then the

Office can subject the practitioner to discipline indirectly. In such a situation, a practitioner is subjected to discipline by the Office for following all of the Office rules regarding disclosure.

A practitioner's authority to practice before the Office in patent cases is not by virtue of his or her State bar membership. Individuals may be registered to practice before the Office without having been admitted to practice law. Indeed, most candidates are not admitted to practice law before they are registered. Further, disbarment or suspension by a State does not prevent patent practice before the Office in patent cases. The Office must take reciprocal disciplinary action.

It is correct that a practitioner must educate the client about the duties the client and practitioner have under § 1.56. The practitioner must strive to gain that client's permission to disclose the reference, explaining how the disclosure strengthens the patent. If the application is pending, the education should include notice that the practitioner must withdraw noisily from representation of that client if the client refuses to disclose the reference. ABA Formal Ethics Opinion 92-366 describes noisy withdrawal as a disavowal or repudiation of prior work product where the continuing presence of the attorney may constitute assistance in a client's continuing or intended future fraud. The disavowal or repudiation applies to any opinion, document, affirmation, or the like.

Failure to comply with the duty of disclosure would be a violation of 37 CFR § 10.23(c)(10) (proscribing knowing violation of requirements of § 1.56 or causing the requirements of § 1.56 to be violated). Thus, if a client refuses to disclose information material to patentability, and continues or intends to withhold disclosure of the information regarding pending claims, the practitioner must withdraw in accordance with 37 CFR § 10.40(b)(2) (withdrawal is mandatory when a practitioner knows or it is obvious that the practitioner's continued employment will result in violation of a Disciplinary Rule). Disaffirmance is contemplated where the practitioner's withdrawal from representation is mandatory under § 10.40(b)(2). The practitioner also must withdraw if a fraud is being perpetrated on the Office. 37 CFR § 10.85(b)(2). The withdrawal must be noisy. Absent noisy withdrawal, the function of the duty of candor to protect the integrity of *ex parte* examination would be compromised.

A practitioner's disclosure during prosecution of an application is neither opposed to a practitioner's duty of confidentiality to the client nor inconsistent with most State Bar rules. For example, under Model Rule 3.3(d) of the Model Rules of Professional Conduct of the American Bar Association, "[i]n an *ex parte* proceeding, a lawyer shall inform the tribunal of all material facts known to the lawyer that will enable the tribunal to make an informed decision, whether or not the facts are adverse." Moreover, under Model Rule 1.6(b)(4), a "lawyer may reveal information relating to the representation of a client to the extent the lawyer reasonably believes necessary: . . . (4) to comply with other law or court order."

To the extent that a State Bar rule would conflict with the duty of an attorney either to disclose information in patent prosecution or to withdraw, the State Bar rule is preempted by the Office rules. *Sperry v. Florida*, 383 U.S. 379, 137 USPQ 578 (1963). The Office rules have the force and effect of law. *Wyden v. Commissioner of Patents and Trademarks*, 807 F.2d 934 (D.C. Cir. 1986); *In re Van Ornum*, 686 F.2d 937 (CCPA 1982). Also, the preamble in 37 CFR § 10.1 states “[t]his part governs solely the practice of patent, trademark, and other law before the Patent and Trademark Office. Nothing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary for the Patent and Trademark Office to accomplish its Federal objectives.”

One Federal objective is the issuance of valid patents containing claims meeting the requirements of 35 U.S.C. §§ 102 and 103. Disclosure of material prior art in accordance with § 1.56, as well as a practitioner’s duty to comply with the Office’s ethics rules, §§ 10.23(c)(10) and 10.40(b)(2), is both consistent with and preemptory of compliance with any State ethics rule to the contrary. See *Sperry v. Florida, supra*, which indicates that Office rules promulgated under former 35 U.S.C. § 31, currently 35 U.S.C. § 2(b)(2)(D), preempt state law. Thus, duty of disclosure under § 1.56 prevails in any conflict with a practitioner’s duty of confidentiality under State ethics rules.

Anecdotally, in the twenty plus years of operation of § 1.56, there are no reported cases of States taking disciplinary action against practitioners for complying with Office’s rule 1.56, even if compliance is contrary to a practitioner’s duty of confidentiality under that State’s ethics rules.

II. Manner of Disclosure

It has been suggested that there is no requirement that the disclosure must be in writing. Under current practice, a practitioner has the option of (i) canceling the affected claims, (ii) disclosing the facts and circumstances to the Office orally via an interview with an patent examiner, (iii) disclosing the facts and circumstances to the Office in writing via a response to an Office Action, an Information Disclosure Statement or other written communication, or (iv) simply abandoning the patent application. See 37 CFR §§ 1.56, 1.97, 1.98; MPEP §§ 609; 2001.04. These are all reasonable remedial measures that can be taken to comply with the duty of disclosure.

Unless each claim in question is cancelled or withdrawn, or the application is abandoned, the practitioner should call upon the client to disclose the material information that § 1.56 requires to be disclosed. Inasmuch as the substance of an interview must be made of record, MPEP §713.04, the disclosed facts and circumstances must be reduced to writing. It would be prudent for the practitioner to memorialize in writing the facts and circumstances that were orally disclosed and otherwise comply with §§ 1.97 and 1.98.

III. Information from Other Clients

A recurrent comment addresses the extent to which a practitioner is one obliged to disclose to the Office information learned from one client during prosecution of a case for another client. Some comments suggest that any requirement, such as found in §1.56 and MPEP § 2001.04, that a practitioner shall use “information” to comply with § 1.56 is ambiguous and could be read to require divulging information about clients other than the applicant. It has been suggested that to avoid putting a practitioner in an untenable dilemma with respect to many State ethics rules where confidentiality might be thought to trump candor, the Office should make it clear that a practitioner is not required to disclose client A’s confidences to the Office in connection with client B’s matters. Some have suggested that there can be an exception for “general publicly known information” to permit a practitioner to disclose information relating to the representation of a client, as long as it is consistent with the Restatement approach and the lawyer’s fiduciary responsibility.

In this circumstance, the practitioner’s two clients, A and B, appear to have concurrent conflicting interests (“differing interests” under 37 CFR § 10.66(a) and (b)) because client A has information that is material to client B’s application, or vice versa. In such a case, of course, a practitioner is representing clients with conflicting interests, a difficult situation even if, as 37 CFR §10.66 permits, the clients’ consent.

Unless each claim in question is cancelled or withdrawn, or the application is abandoned, if both clients consent to the practitioner’s continuing multiple representation of clients having conflicting interests the practitioner should:

1. After full disclosure to each client obtain each client’s consent for continued multiple representation. Although § 10.66 does not require the consent to be in writing, it would be prudent to obtain or provide written confirmation. For practitioners in States that adopted the Ethics 2000 revision of ABA Model Rule 1.7(b)(4) and (g) the consent to the continued multiple representation must be confirmed in writing, and the practitioner must obtain Client A’s informed consent (ABA Model Rule 1.6(a) (Ethics 2000)) to disclose the information to Client B. Under the ABA rules, when obtaining informed consent, each client should be specifically informed that information provided to the practitioner may need to be disclosed during the prosecution of the other client’s application, and that information provided by the other client may need to be disclosed in the client’s application. The same disclosure should occur when complying with § 10.66.
2. If either Client A or Client B refuses to or does not consent, the practitioner must withdraw from representing both clients, and no member of the practitioner’s firm may represent either client. See 37 CFR §§ 10.66(b) and (d). See ABA Model Rule 1.7(k) (Ethics 2000).
3. In conjunction with obtaining the consent of both clients to the concurrent representation, educate both clients about the duties each client and practitioner have under § 1.56, including notice that the practitioner must withdraw noisily from representation of that client if the client refuses to disclose.

4. If Client B refuses to disclose the information, the practitioner must withdraw noisily in accordance with 37 CFR §§ 10.40(b)(2), 10.85(a)(3) and/or 10.85(b)(2).
5. The requirement of 37 CFR § 10.23(b)(4) to avoid conduct involving dishonesty, fraud, deceit or misrepresentation, and the requirement of 37 CFR §10.85(a)(3) to not “conceal or knowingly fail to disclose that which the practitioner is required by law to reveal” together impose a duty of candor to the Office. Inasmuch as § 10.23(c)(10) makes it a violation of the disciplinary rules to knowingly not comply with § 1.56, the duty obtains even if it requires disclosure of information otherwise protected by the rule requiring preservation of a client’s 37 CFR § 10.57.

IV. Information Material to Patentability Discovered After Issuance of a Patent.

Comments suggest that material prior art discovered after withdrawal from the case or after the patent issues need not be disclosed.

If, after withdrawal from a case, material prior art is discovered, the practitioner no longer representing the applicant or owner has no duty to disclose the art. The duty of disclosure is upon the “individuals associated with the filing or prosecution of a patent application.” These individuals are identified as “each attorney or agent who prepares or prosecutes the application.” The language, being in the present tense, is not inclusive of a practitioner who withdrew before discovery of the material prior art.

The duty of disclosure exists whenever, during the patent term, the practitioner or client is involved in a proceeding before the Office, such as during the pendency of a reissue application, reexamination, certificate of correction, interference, etc. The duty applies to a practitioner in a proceeding before the Office who continues to represent the client during and following prosecution of the application, as well as a practitioner who represents the client before the Office for the first time following issuance of the patent.

V. Duty to Correct Misleading Evidence

Another inquiry is the extent to which a practitioner must submit information to the Office after a patent issues concerning false information material to patentability that was filed in the Office in connection with the application while the application was pending.

37 CFR §§ 10.85(a)(4) through (a)(6) prohibit a practitioner from knowingly using perjured testimony or false evidence, knowingly making a false statement of law or fact, and participating in the creation or preservation of evidence when the practitioner knows or it is obvious that the evidence is false.

There is no duty of disclosure after patent issuance if the patent is not involved in any proceeding before the Office.

1. The current rules have no specific provision for remedial action. Nevertheless, if the practitioner prosecuted the application, and learns after the patent issued that information submitted during prosecution was false, the practitioner must provide the client or former client with an opportunity to remedy the situation. The practitioner must discuss the proper course of action with the client, advise the client of the practitioner's duty of disclosure/duty of candor to the Office, and request the client to take remedial action. The client may disclose the same, file a reissue application, seek reexamination, or dedicate the patent to the public. Failure to take remedial action would constitute a misrepresentation of the correctness of the false information and violates § 10.23(b)(4). Practitioner's duty is resolved if the client or former client takes remedial action.
 - a. If the client or former client refuses or cannot take remedial action, the practitioner must take remedial action. In the absence of a proceeding before the Office regarding the patent in which the practitioner represents the applicant, withdrawal (whether or not noisy) is not an option by which the practitioner may undo the incorrectness of the information. The practitioner, in accordance with 37 CFR §§ 10.23(b)(5) and 10.23(b)(6), may make such disclosure to the Office as is reasonably necessary to remedy the situation, even if doing so requires the practitioner to reveal information that otherwise would be protected by § 10.57.
 - b. A practitioner in a State that has adopted ABA Model Rules 3.3(a) and (d) should consider its requirements for taking remedial action in the absence of an Office rule requiring such action. ABA Model Rule 3.3(a) provides "(a) A lawyer shall not knowingly . . . (3) offer evidence that the lawyer knows to be false. If a lawyer, the lawyer's client, or a witness called by the lawyer, has offered material evidence and the lawyer comes to know of its falsity, the lawyer shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal." ABA Model Rule 3.3(d) states "[t]he duties stated in paragraphs (a) and (b) continue to the conclusion of the proceeding, and apply even if compliance requires disclosure of information otherwise protected by Rule 1.6." A practitioner in a State that has adopted ABA Model Rules 3.3(a) and (d) may be obligated to comport with these rules.
 - c. This is also consistent with ABA Commentary regarding remedial action. "In such situations or if the lawyer knows of the falsity of testimony elicited from the client during a deposition, the lawyer must take reasonable remedial measures. In such situations, the advocate's proper course is to remonstrate with the client confidentially, advise the client of the lawyer's duty of candor to the tribunal and seek the client's cooperation with respect to the withdrawal or correction of the false statements or evidence. If that fails, the advocate must take further remedial action. If withdrawal from the representation is not permitted or will not undo the effect of the false evidence, the advocate must make such disclosure to the tribunal as is reasonably necessary to remedy the situation, even if doing so requires the lawyer to reveal information that otherwise would be protected by Rule 1.6."

2. If the practitioner did not prosecute the application, but submitted the incorrect information after the patent issues, and thereafter learns that the information is false, the practitioner must discuss the proper course of action with the client, advise the client or former client of the practitioner's duty of disclosure/duty of candor to the Office, and request the client to take remedial action with respect to the withdrawal or correction of the false statements or evidence.
 - a. If the client or former client refuses or cannot take remedial action, the practitioner must take remedial action. Again, the current rules do not specifically provide for remedial action. If the practitioner does not continue to represent the client, withdrawal from representing the client is not an option by which false statements or evidence remedied. Noisy withdrawal is available if the practitioner continues to represent the client regarding the patent in a proceeding before the Office. The practitioner may make such disclosure to the Office as is reasonably necessary to remedy the situation, even if doing so requires the practitioner to reveal information that otherwise would be protected by confidentiality rules. See ABA Model Rules 3.3(a)(3) and 3.3(d), and the ABA Commentary. A practitioner in a State that has adopted ABA Model Rules 3.3(a) and (d) must comport with these rules.
 - b. Inasmuch as failure to take remedial action would constitute a misrepresentation of the correctness of the false information, a practitioner may be in a position requiring him or her to make the disclosure to avoid violating a disciplinary rule.

VI. Relationship to Sarbanes-Oxley

An inquiry concerned whether the Office's disciplinary rules are competing with the requirements of the Sarbanes-Oxley Act for practitioners who are employees of publicly traded corporations. The query necessarily pertains to a violation of Office rules during the prosecution of a patent application. It has been suggested that no report to OED is appropriate until the corporate management has had a time to correct the matter, that correction could be by taking action in the application, a public dedication or disclaimer of the application or patent, or other appropriate action, and that the corporation may be able to take much more effective and immediate disciplinary action against any offending practitioner, attorney through internal review.

37 CFR § 10.24(a) provides for reporting unprivileged knowledge of a violation of the Disciplinary Rules to the OED Director. 37 CFR § 10.24(b) provides for reporting unprivileged knowledge or evidence concerning another practitioner.

The Sarbanes-Oxley Act pertains to information filed with the Securities and Exchange Commission (SEC), not in the Office. Even if the information filed with the SEC directly references the patent application(s) in which the conduct occurred and the conduct is material to patentability, nothing in the Act suggests that the actions by other Federal or State agencies, including the Office, are stayed pending internal corporate review of the conduct or are overridden by internal corporate disciplinary action.

The Office appreciates the reasons for corporations desiring to handle such cases “in house.” Providing corporate management with time to correct the matter will not serve to protect the public. For example, if the corrective action is limited to discharging the attorney who engaged in the apparent misconduct, the same attorney may engage in the same or similar misconduct with a different organization or as a self-employed practitioner. It is highly unlikely that the public and Office would learn of the corrective action, or the need for protective action. Likewise, the time needed to take corrective action may prevent the Office from taking disciplinary action. Inasmuch as the Office must initiate disciplinary action within five years of the misconduct, the time used to complete corrective action only diminishes the time available to the Office investigate and bring disciplinary action where the latter action is appropriate.

Congress made the Office primarily responsible for protecting the public from practitioners who engage in misconduct. See 35 U.S.C. § 32. Nothing in the Sarbanes-Oxley Act suggests that action by State and Federal agencies must await a corporation’s completion of corrective action. Accordingly, reporting misconduct of a corporate attorney to the Office or State bars does not serve the public good, and need not await completion of corrective action by the corporation.

B. A Practitioner’s Assertion of Inventorship

This topic was not raised in any comments to the proposed rules. However, OED is receiving grievances and information about a number of situations wherein a practitioner has claimed to be the sole or co-inventor of the subject matter claimed by the practitioner’s client. The following observations address only some of the circumstances and issues arising from a practitioner’s efforts to claim the client’s invention.

I. Historical Treatment by Courts

In *Reusch v. Fischer*, 49 F.2d 818, (CCPA 1931), the inventor, Reusch, fully disclosed the invention to the practitioner, Fischer, who was engaged to file a patent application. Reusch continually attempted to get Fischer to file the application without success. Fischer filed an application in his name before filing an application for Reusch. Fischer prosecuted Reusch’s application.

After reviewing the testimony adduced by both parties, the Court disagreed with the Board of Appeals that there was no unethical conduct. The Court found:

The fiduciary relations between an attorney and his client are of such a nature that the courts have, universally, adhered to the rule that such relation will be closely scrutinized, to the end that the attorney may take no personal advantage at the expense of his client as a result of the confidential relations existing between them. No trust is more complete than that placed by the client with his attorney, and no trust should be more carefully and faithfully observed. The relation of attorney and client, admittedly, existed between Fischer and Reusch in patent matters

obviously akin to that here in issue. This being true, the burden devolved upon Fischer to prove the utmost good faith upon his part, and to establish clearly that he, and not Reusch, was the inventor of the subject matter of this interference. If, after considering all the facts, there remains any doubt as to the originality of the invention, such doubt should be resolved in favor of the client. *Goodrum v. Clement*, 51 App.D.C. 184, 277 F. 586, 279 F.304; *Overhold v. Matthews*, 48 App. D.C. 482, *Baumgardner v. Hudson*, 51 App.D.C. 150, 277 F. 552.

Id. at 823.

The Court also addressed contributions a practitioner makes to a client's invention as follows:

[I]f, during such employment, the attorney or other person employed makes valuable discoveries ancillary to the plan disclosed by the employer, such suggested improvements are the property of the employer and not of the employee. *Agawam Co. v. Jordan*, 7 Wall 583, 602, 19 L.Ed. 177, *Milton v. Kingsley*, 7 App.D.C. 531; *Fritz v. Hawn*, 37 F. (2d) 430, 17 C.C.P.A. 796).

Id. at 824.

In *Baumgardner v. Hudson*, 277 F. 552 (App.D.C. 1922), the practitioner, Hudson, had represented Baumgardner before the Office in two prior patent applications. The practitioner and a business associate of an inventor used information revealed to the practitioner by his client, Baumgardner. The practitioner filed an application before the client filed his application. The practitioner claimed priority over the client for an invention based on such information. The information disclosed by the client did not amount to a full disclosure of the invention, and the information was used after attorney-client relationship was terminated.

The Court found:

[Absent] the knowledge derived in a fiduciary capacity of the use of oyster shell as a filler for materials where a substance of that character is essential, Appellee [Hudson] does not pretend that his conception would have been possible. It therefore follows that the information he had derived from appellant logically suggested the idea which he now seeks to exalt to the dignity of inventive conception. An attorney cannot avail himself of information thus acquired, to the damage of his client, though the relation of attorney and client has ceased. . . . In a case of this sort, the burden is heavily upon the attorney to show, not only priority, but that his conception of the invention was in no way the result of confidential knowledge derived from his client. *Overholt v. Matthews*, 48 App.D.C. 482. . . . [T]he information which [Baumgardner] imparted to [Hudson] in 1915 was . . . of such a nature that [Hudson], owing to the fiduciary

relation which he occupied, was not at liberty, then or in the future, to use it to appellant's disadvantage.

Id. at 555-556.

In *Water Hammer Arrestor Corporation v. Tower*, 66 F. Supp 732 (Wis. 1944), a patent attorney was employed to procure patent for clients, but delayed preparing final application for the invention until more than two years had elapsed after public use of the device. When the clients stated that the invention was therefore valueless, the attorney procured a patent for himself without notice to the clients. The court concluded that the attorney was estopped from asserting that he was the inventor of the patented device, stating:

Patent attorneys by the very nature of their duties are charged with a confidence and trust of the highest degree. The law does not favor the filing of an application for letters patent by patent counsel, especially where it relates to the subject matter of his engagement. The relation between the attorney and his client is too sacred to admit even the shadow of abuse. Every doubt will be resolved in favor of the client. *Baumgardner v. Hudson*, 51 App.D.C. 150, 277 F. 552 at page 555. In that case the court said:

“In a case of this sort, the burden is heavily upon the attorney to show, not only priority, but that his conception of the invention was in no way the result of confidential knowledge derived from his client. * * * ”

Defendant's claim that he took the patent in his name for the benefit of the Fleming Manufacturing Company and those who put up the funds for development does not militate against the relief asked for herein by the plaintiff. When defendant filed his application for patent he failed to notify anyone connected with the Fleming Manufacturing Company. He made no tender of an assignment to the receiver of said company. Apparently the patent was prosecuted without the knowledge of those who had been in frequent contact with the defendant, and the patent still stands in defendant's name.

Id. at 738-739.

II. Ethical Issues

Scenario 1. The inventor/client engages a practitioner to prepare and file a patent application claiming an invention, and discloses the invention to the practitioner. The practitioner either does not file or delays in filing an application for the inventor client. The practitioner files an application with a cover letter and an oath or declaration signed by the practitioner asserting he or she is the sole inventor of the claimed subject matter.

The scenario introduces several potential ethical issues in the foregoing scenario.

1. First, the failure or delay in filing an application for the client may involve multiple Disciplinary Rule violations.
 - a. 37 CFR § 10.77(c) proscribes neglect of an entrusted legal matter. This rule could obtain due to the failure or delay, regardless of the practitioner's intent.
 - b. 37 CFR § 10.84(a)(1) prohibits a practitioner from intentionally failing to seek the lawful objectives of a client through reasonable available means permitted by law and the Disciplinary Rules. 37 CFR § 10.84(a)(2) prohibits a practitioner from intentionally failing to carry out a contract of employment entered into with a client for professional services. 37 CFR § 10.84(a)(3) prohibits a practitioner from intentionally prejudicing or damaging a client during the course of a professional relationship. Whether these Disciplinary Rules are violated depends on the facts. For example, whether the client unsuccessfully attempted to have the practitioner file the application, the practitioner's situation at the time, and what the practitioner did or did not do in reply to the client's efforts.
2. Signing an oath or declaration claiming to be sole inventor of invention the client disclosed to the practitioner may also involve possible multiple Disciplinary Rule violations.
 - a. 37 CFR § 10.23(b)(4) proscribes a practitioner from engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation. In this instance, claiming to be the sole inventor of subject matter disclosed by the client involves such conduct.
 - b. 37 CFR § 10.23(c)(15) proscribes a practitioner from signing a paper filed in the Office in violation of the provisions of § 10.18. Violation of § 10.18 could arise from signed cover letters or oaths or declarations that the practitioner knows contain statements regarding inventions that are not true. All papers submitted to the Office are certified by the person submitting the paper that all statements made in any submitted paper, are true, that all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Patent and Trademark Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. 1001. Section 10.18 also requires that to the best of the submitter's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, that the paper is not being presented for any improper purpose;

that the claims and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law; that the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

- c. 37 CFR § 10.85(a)(2) proscribes a practitioner, in the representation of a client, from knowingly advancing a claim that is unwarranted under existing law, except that a practitioner may advance such claim or defense if it can be supported by good faith argument for an extension, modification, or reversal of existing law. In this instance the practitioner is his or her own client. As is made clear by the foregoing case law; claiming to be the inventor of what the client invented is unwarranted.
- d. 37 CFR § 10.85(a)(3) proscribes a practitioner, in the representation of a client, from concealing or knowingly failing to disclose that which the practitioner is required by law to reveal. This rule could obtain if, for example, the practitioner fails to disclose that the client disclosed the invention to the practitioner.
- e. 37 CFR § 10.85(a)(4) proscribes a practitioner, in the representation of a client, from knowingly use perjured testimony or false evidence. The oath or declaration of inventorship signed by the practitioner could be perjured testimony or false evidence.
- f. 37 CFR § 10.85(a)(5) proscribes a practitioner, in the representation of a client, from knowingly making a false statement of law or fact. The oath or declaration of inventorship signed by the practitioner could be a false statement of law or fact.
- g. 37 CFR § 10.85(a)(6) proscribes a practitioner, in the representation of a client, from participating in the creation or preservation of evidence when the practitioner knows or it is obvious that the evidence is false. The submission of the oath or declaration of inventorship signed by the practitioner knowing that the asserted inventorship to any claim is false could be participation in the creation or preservation of evidence the practitioner knows or it is obvious that the evidence is false.
- h. 37 CFR § 10.85(a)(7) proscribes a practitioner, in the representation of a client, from counseling or assisting a client in conduct that the practitioner knows to be illegal or fraudulent. The submission of the oath or declaration of inventorship signed by the practitioner knowing that the asserted inventorship is false to any claim could be illegal or fraudulent conduct.
- i. 37 CFR § 10.85(a)(8) proscribes a practitioner, in the representation of a client, from knowingly engaging in other illegal conduct or conduct contrary to a

Disciplinary Rule.

3. Using the client's information to apply for a patent as sole inventor of the invention disclosed by the client may also involve violation of 37 §CFR §§ 10.57(b)(2) and (3), which prohibit a practitioner from knowingly using a confidence or secret of a client to the disadvantage of the client, or using a confidence or secret of a client for the advantage of the practitioner or of a third person, unless the client consents after full disclosure.

Scenario 2: The practitioner prepares and files an application for the client. In the process of preparing the application, the practitioner improves to the invention and includes claims to the improved invention. The practitioner does not advise the client that due to inclusion of claims to the improved invention, the practitioner may have patent rights. The client signs a § 1.63 oath or declaration identifying the client as the sole inventor, and the practitioner files the oath or declaration. The client is making business decisions based on the application that is filed. The practitioner is discharged during the prosecution of the application. The practitioner then files his or her own application as well as a § 1.63 oath or declaration signed only by the practitioner. In the practitioner-signed § 1.63 oath or declaration, either the client and the practitioner are identified as co-inventors or the practitioner is identified as being the sole inventor. The practitioner asserts the he or she contributed to the invention in some or all of the claims in both applications. The practitioner offers to assign or license the patent rights to the application the practitioner filed for a large sum of money.

1. Given the practitioner's asserted contribution to the invention in some or all of the claims in both applications, the practitioner knew that one of the oaths or declarations was known to be false at the time it was filed. Submission of a false oath or declaration would violate the Disciplinary Rules. See 37 CFR §§ 10.23(b)(4) and 10.23(c)(15), discussed above. One of the two oaths or declarations is false; it may be unnecessary to resolve which is false. See also the following Disciplinary Rules:
 - a. 37 CFR § 10.23(c)(2)(i) proscribes a practitioner from knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information to a client. Violation of the rule could arise by submitting giving the client an oath or declaration knowing it does not name the incorrect inventive entity for the claimed invention.
 - b. 37 CFR § 10.23(c)(2)(ii) proscribes a practitioner from knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information to the Office or any employee of the Office. Violation of the rule could arise by submitting two oaths or declarations naming different inventive entities to the same claimed invention and/or by submitting at least one oath or declaration knowing that it incorrectly names the inventor or inventors of the claimed invention.

- c. 37 CFR § 10.85(a)(1) proscribes a practitioner, in the representation of a client, from initiating any proceeding before the Office or taking other action on behalf of the practitioner's client when the practitioner knows or when it is obvious that such action would serve merely to harass or maliciously injure another. The filing of the second application for the purpose of obtaining a large sum of money from the client could serve "merely to harass or maliciously injure another."
 - d. 37 CFR § 10.85(a)(2) proscribes a practitioner, in the representation of a client, from knowingly advancing a claim that is unwarranted under existing law, except that a practitioner may advance such claim or defense if it can be supported by good faith argument for an extension, modification, or reversal of existing law. One of the two applications advances a claim for a patent based on incorrect inventorship, and the practitioner filed the application knowing of the incorrectness. The "claim," i.e., application for patent, was therefore knowingly unwarranted under existing law when one of the applications was filed.
 - e. 37 CFR § 10.85(a)(4) proscribes a practitioner, in the representation of a client, from knowingly using perjured testimony or false evidence. The oath or declaration of inventorship in one of the applications could be perjured testimony or false evidence.
 - f. 37 CFR § 10.85(a)(6) proscribes a practitioner, in the representation of a client, from participating in the creation or preservation of evidence when the practitioner knows or it is obvious that the evidence is false. The practitioner submitted both applications, one of which was known to contain a false oath or declaration regarding inventorship. The practitioner could be regarded as having participated in the creation or preservation of evidence when the practitioner knew or it was obvious that the evidence is false.
 - g. 37 CFR § 10.85(a)(7) proscribes a practitioner, in the representation of a client, from counseling or assisting a client in conduct that the practitioner knows to be illegal or fraudulent. In this scenario, the practitioner could have either counseled or assisted the client or himself [having himself or herself as a client] in illegal or fraudulent conduct.
 - h. 37 CFR § 10.85(a)(8) proscribes a practitioner, in the representation of a client, from knowingly engaging in other illegal conduct or conduct contrary to a Disciplinary Rule.
2. Use of the client's confidential or secret information regarding the invention, without the client's consent after full disclosure, to the disadvantage of the client would violate 37 CFR §§ 10.57(b)(2) and (3). The rule could be violated by a practitioner's efforts to prepare and file a patent application naming himself or herself as sole or joint inventor with his client, and presenting a business proposal to his client or former client to assign or

license the practitioner's patent rights to the client or former client in the invention claimed by the client's applications.

3. 37 CFR § 10.65 prohibits a practitioner from entering into a business transaction with a client if they have differing interests therein and if the client expects the practitioner to exercise professional judgment therein for the protection of the client, unless the client has consented after full disclosure. The rule could be violated by improving the invention and claiming the improvements in the application the practitioner believes he or she invented, and not disclosing to the client the belief of his or her patent rights in the claimed invention when he knew the client was making business decisions regarding the claimed invention.
4. 37 CFR § 10.84(a)(3) prohibits a practitioner from intentionally prejudicing or damaging a client during the course of a professional relationship. Violation of the rule could arise by not disclosing to the client the practitioner's belief that he or she is a co-inventor with patent rights in the claimed subject matter when the practitioner knows the client is making business decisions presuming the inventorship is correctly identified in the first application.

