

Ethics & IPR

Staying out of trouble at the PTAB

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LAWYER

37 CFR 11.10

37 CFR 11.15

11.10 Restrictions on practice in patent matters; former and current Office employees; government employees.

(a) Only practitioners registered under § 11.6 ; individuals given limited recognition under § 11.9(a) or (b) or § 11.16 ; or individuals admitted pro hac vice as provided in § 41.5(a) or 42.10(c) of this chapter are permitted to represent others before the Office in patent matters.

11.15 Refusal to recognize a practitioner.

Any practitioner authorized to appear before the Office may be suspended, excluded, or reprimanded in accordance with the provisions of this Part. Any practitioner who is suspended or excluded under this Part shall not be entitled to practice before the Office in patent, trademark, or other non-patent matters while suspended or excluded.

37 CFR 41.5

37 CFR 42.10

41.5 Counsel.

While the Board has jurisdiction:

(a) *Appearance pro hac vice.* The Board may authorize a person other than a registered practitioner to appear as counsel in a specific proceeding.

(b) *Disqualification.*

(1) The Board may disqualify counsel in a specific proceeding after notice and an opportunity to be heard.

(2) A decision to disqualify is not final for the purposes of judicial review until certified by the Chief Administrative Patent Judge.

42.10 Counsel.

(a) If a party is represented by counsel, the party must designate a lead counsel and at least one back-up counsel who can conduct business on behalf of the lead counsel.

(b) A power of attorney must be filed with the designation of counsel, except the patent owner should not file an additional power of attorney if the designated counsel is already counsel of record in the subject patent or application.

(c) The Board may recognize counsel *pro hac vice* during a proceeding upon a showing of good cause, subject to the condition that lead counsel be a registered practitioner and to any other conditions as the Board may impose. For example, where the lead counsel is a registered practitioner, a motion to appear *pro hac vice* by counsel who is not a registered practitioner may be granted upon showing that counsel is an experienced litigating attorney and has an established familiarity with the subject matter at issue in the proceeding.

(d) A panel of the Board may disqualify counsel for cause after notice and opportunity for hearing. A decision to disqualify is not final for the purposes of judicial review until certified by the Chief Administrative Patent Judge.

(e) Counsel may not withdraw from a proceeding before the Board unless the Board authorizes such withdrawal.

***Unified Patents,
Inc. v. Parallel
Iron, LLC
IPR2013-00639,
paper #7.***

A motion for *pro hac vice* admission must:

1. Contain a statement of facts showing there is good cause for the Board to recognize counsel *pro hac vice* during the proceeding.
2. Be accompanied by an affidavit or declaration of the individual seeking to appear attesting to the following:
 - a. Membership in good standing of the Bar...
 - b. No suspensions or disbarments from practice...
 - c. No application for admission to practice before any court or administrative body ever denied;
 - d. No sanctions or contempt citations imposed by any court...
 - e. The individual seeking to appear has read and will comply with the Office Patent Trial Practice Guide and the Board's Rules of Practice for Trials....
 - f. The individual will be subject to the USPTO Rules of Professional Conduct set forth in 37 C.F.R. §§ 11.101 *et. seq.* and disciplinary jurisdiction...
 - g. All other proceedings before the Office for which the individual has applied to appear *pro hac vice* in the last three (3) years; and
 - h. Familiarity with the subject matter at issue in the proceeding.
3. Where the affiant or declarant is unable to provide any of the information requested above in part 2(b) or make any of the required statements or representations under oath, the individual should provide a full explanation of the circumstances as part of the affidavit or declaration.

A hand in a dark suit jacket and white shirt is pointing towards the viewer. A semi-transparent blue banner is overlaid across the hand, containing the text "BACK TO BASICS" in bold, black, uppercase letters. The background is a light, neutral gradient.

BACK TO BASICS

37 CFR 11.18

11.18 Signature and certificate for correspondence filed in the Office.

(b) By presenting to the Office or hearing officer in a disciplinary proceeding (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that—

(1) All statements made therein of the party's own knowledge are true, 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 Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or knowingly and willfully makes any false, fictitious, or fraudulent statements or representations, or knowingly and willfully 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 and any other applicable criminal statute, and violations of the provisions of this section may jeopardize the probative value of the paper; and

(2) To the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances,

(i) The paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of any proceeding before the Office;

(ii) The 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;

(iii) 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; and

(iv) The denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

37 CFR 11.804

11.804 Misconduct.

It is professional misconduct for a practitioner to:

- (a) Violate or attempt to violate the USPTO Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another;
- (b) Commit a criminal act that reflects adversely on the practitioner's honesty, trustworthiness, or fitness as a practitioner in other respects, or be convicted of a crime that reflects adversely on the practitioner's honesty, trustworthiness, or fitness as a practitioner in other respects;
- (c) Engage in conduct involving dishonesty, fraud, deceit or misrepresentation;
- (d) Engage in conduct that is prejudicial to the administration of justice;
- (e) State or imply an ability to influence improperly a government agency or official or to achieve results by means that violate the USPTO Rules of Professional Conduct or other law;
- (f) Knowingly assist a judge, hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law;
- (g) Knowingly assist an officer or employee of the Office in conduct that is a violation of applicable rules of conduct or other law;
- (h) Be publicly disciplined on ethical or professional misconduct grounds by any duly constituted authority of:
 - (1) A State,
 - (2) The United States, or
 - (3) A country having disciplinary jurisdiction over the practitioner; or
- (i) Engage in other conduct that adversely reflects on the practitioner's fitness to practice before the Office.

37 CFR 11.803

11.803 Reporting professional misconduct.

- (a) A practitioner who knows that another practitioner has committed a violation of the USPTO Rules of Professional Conduct that raises a substantial question as to that practitioner's honesty, trustworthiness or fitness as a practitioner in other respects, shall inform the OED Director and any other appropriate professional authority.
- (b) A practitioner who knows that a judge, hearing officer, administrative law judge, administrative patent judge, or administrative trademark judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the individual's fitness for office shall inform the appropriate authority.
- (c) The provisions of this section do not require disclosure of information otherwise protected by § 11.106 or information gained while participating in an approved lawyers assistance program.

37 CFR 11.304

11.304 Fairness to opposing party and counsel.

A practitioner shall not:

- (a) Unlawfully obstruct another party's access to evidence or unlawfully alter, destroy or conceal a document or other material having potential evidentiary value. A practitioner shall not counsel or assist another person to do any such act;
- (b) Falsify evidence, counsel or assist a witness to testify falsely, or offer an inducement to a witness that is prohibited by law;
- (c) Knowingly disobey an obligation under the rules of a tribunal except for an open refusal based on an assertion that no valid obligation exists;
- (d) Make a frivolous discovery request or fail to make a reasonably diligent effort to comply with a legally proper discovery request by an opposing party;
- (e) In a proceeding before a tribunal, allude to any matter that the practitioner does not reasonably believe is relevant or that will not be supported by admissible evidence, assert personal knowledge of facts in issue except when testifying as a witness, or state a personal opinion as to the justness of a cause, the credibility of a witness, the culpability of a civil litigant or the guilt or innocence of an accused; or
- (f) Request a person other than a client to refrain from voluntarily giving relevant information to another party unless:
 - (1) The person is a relative or an employee or other agent of a client; and
 - (2) The practitioner reasonably believes that the person's interests will not be adversely affected by refraining from giving such information.

***In the Matter of
John M.
Caracappa,
Proceeding No.
D2014-02***

***Public
reprimand***

“Mr. Caracappa authorized and approved of the acts of his co-counsel, an associate attorney whom he supervised, in sending an email to the Patent Trial and Appeal Board which contained statements explaining a mathematical error contained in Patent Owner’s preliminary response in a case pending before the Board, without sending a copy of the email to opposing counsel. The Board subsequently issued an Order finding the email to be an improper *ex parte* communication, and noting that the ‘Board appreciate and accepts Nissan’s statement that it did not intend to have an improper *ex parte* communication with the Judge.’ This conduct violated 37 CFR 42.5(d)... *Ex parte* contact with the Board is prohibited except under extremely limited circumstances as specifically set forth in the Board’s rules.”

* * * * *

37 CFR 42.5(d): “*Ex parte communications.* Communication regarding a specific proceeding with a Board member defined in 35 U.S.C. 6(a) is not permitted unless both parties have an opportunity to be involved in the communication.”



***Facebook, Inc. v.
Sound View
Innovation,
IPR2017-00998,
paper 13***

“Perhaps even more troubling, Petitioner chose not to inform us in its Petitions that it simultaneously was arguing a different treatment of the terms of claim 19 before the district court. In its Petitions, Petitioner merely informs us that ‘[a]s of the date of this Petition, no claim construction ruling [by the district court] has occurred.’ This statement was accurate in so far as it went, but it did not inform the panel that Petitioner had taken a very different claim construction position before the district court, it did not inform the panel that the different position was then under consideration by the district court, nor did it explain the reason for Petitioner’s change of heart regarding the presence of means-plus-function terms in claim 19. Instead, Petitioner left it to Patent Owner to advise us of Petitioner’s differing claim construction arguments to the district court and of the district court’s ultimate rulings. At the very least, Petitioner’s failure to inform us of its differing claim construction arguments before the district court raises the specter of lack of candor.”

***Orthopediatrics
Corp. v. K2M,
Inc., IPR2018-
01548, paper 9***

“Petitioner’s failure to provide a claim construction is, in this instance, further compounded by the fact that Petitioner takes an inconsistent position before the District Court, and the key limitations at issue have also tentatively been construed by the District Court as requested by Petitioner in that proceeding... Keeping in mind that Petitioner has the burden to show a reasonable likelihood of prevailing in showing that at least one claim is unpatentable, it is incumbent upon Petitioner to address substantively the District Court’s claim construction of a limitation when construction of that limitation is likely to be a focal point of the *inter partes* review proceeding. By failing to reconcile its proffered claim construction here with its very different construction proffered in District Court– which the District Court agreed with– Petitioner fails to satisfy this burden.”

37 CFR 11.303

11.303 Candor toward the tribunal.

(a) A practitioner shall not knowingly:

- (1) Make 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;
- (2) Fail to disclose to the tribunal legal authority in the controlling jurisdiction known to the practitioner to be directly adverse to the position of the client and not disclosed by opposing counsel in an *inter partes* proceeding, or fail to disclose such authority in an *ex parte* proceeding before the Office if such authority is not otherwise disclosed; or
- (3) Offer 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.

(b) 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.

(c) The duties stated in paragraphs (a) and (b) of this section continue to the conclusion of the proceeding, and apply even if compliance requires disclosure of information otherwise protected by § 11.106.

(d) In an *ex parte* proceeding, a practitioner shall inform the tribunal of all material facts known to the practitioner that will enable the tribunal to make an informed decision, whether or not the facts are adverse.

(e) In a proceeding before the Office, a practitioner shall disclose to the Office information necessary to comply with applicable duty of disclosure provisions.

37 CFR 42.11

42.11 Duty of candor; signing papers; representations to the Board; sanctions.

(a) *Duty of candor.* Parties and individuals involved in the proceeding have a duty of candor and good faith to the Office during the course of a proceeding.

(b) *Signature.* Every petition, response, written motion, and other paper filed in a proceeding must comply with the signature requirements set forth in § 11.18(a) of this chapter. The Board may expunge any unsigned submission unless the omission is promptly corrected after being called to the counsel's or party's attention.

(c) *Representations to the Board.* By presenting to the Board a petition, response, written motion, or other paper—whether by signing, filing, submitting, or later advocating it—an attorney, registered practitioner, or unrepresented party attests to compliance with the certification requirements under § 11.18(b)(2) of this chapter.

(d) *Sanctions—*

(1) *In general.* If, after notice and a reasonable opportunity to respond, the Board determines that paragraph (c) of this section has been violated, the Board may impose an appropriate sanction on any attorney, registered practitioner, or party that violated the rule or is responsible for the violation.

(2) *Motion for sanctions.* A motion for sanctions must be made separately from any other motion and must describe the specific conduct that allegedly violates paragraph (c) of this section. The motion must be authorized by the Board under § 42.20 prior to filing the motion. At least 21 days prior to seeking authorization to file a motion for sanctions, the moving party must serve the other party with the proposed motion. A motion for sanctions must not be filed or be presented to the Board if the challenged paper, claim, defense, contention, or denial is withdrawn or appropriately corrected within 21 days after service of such motion or within another time the Board sets. If warranted, the Board may award to the prevailing party the reasonable expenses, including attorney's fees, incurred for the motion.

(3) *On the Board's initiative.* On its own, the Board may order an attorney, registered practitioner, or party to show cause why conduct specifically described in the order has not violated paragraph (c) of this section and why a specific sanction authorized by the Board should not be imposed.

(4) *Nature of a sanction.* A sanction imposed under this rule must be limited to what suffices to deter repetition of the conduct or comparable conduct by others similarly situated and should be consistent with § 42.12 .

(5) *Requirements for an order.* An order imposing a sanction must describe the sanctioned conduct and explain the basis for the sanction.

37 CFR 11.305

11.305 Impartiality and decorum of the tribunal.

A practitioner shall not:

- (a) Seek to influence a judge, hearing officer, administrative law judge, administrative patent judge, administrative trademark judge, juror, prospective juror, employee or officer of the Office, or other official by means prohibited by law;
- (b) Communicate *ex parte* with such a person during the proceeding unless authorized to do so by law, rule or court order; or
- (c) [Reserved]
- (d) Engage in conduct intended to disrupt any proceeding before a tribunal.

37 CFR 42.12

42.12 Sanctions.

(a) The Board may impose a sanction against a party for misconduct, including:

- (1) Failure to comply with an applicable rule or order in the proceeding;
- (2) Advancing a misleading or frivolous argument or request for relief;
- (3) Misrepresentation of a fact;
- (4) Engaging in dilatory tactics;
- (5) Abuse of discovery;
- (6) Abuse of process; or
- (7) Any other improper use of the proceeding, including actions that harass or cause unnecessary delay or an unnecessary increase in the cost of the proceeding.

(b) Sanctions include entry of one or more of the following:

- An order holding facts to have been established in the proceeding;
- (2) An order expunging or precluding a party from filing a paper;
 - (3) An order precluding a party from presenting or contesting a particular issue;
 - (4) An order precluding a party from requesting, obtaining, or opposing discovery;
 - (5) An order excluding evidence;
 - (6) An order providing for compensatory expenses, including attorney fees;
 - (7) An order requiring terminal disclaimer of patent term; or
 - (8) Judgment in the trial or dismissal of the petition.