

# IPLS P STATE BAR OF MICHIGAN PROCEEDINGS

## Are Your Firm's Foreign Associate Practices Ethical?

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It is commonplace for IP law firms in the United States to receive referrals for patent and trademark application filing, prosecution, and related services from sources other than the actual client. In one of the most common scenarios, patent and trademark services are directed to a U.S. IP law firm through an intermediary, such as a non-U.S. law firm, or client “liaison.” Whatever label is applied to the intermediary, the significant point in this relationship (as far as ethical regulators are concerned) is that someone or something stands in between the USPTO practitioner and the client.

Thirty years ago, the USPTO published in the Official Gazette (OG) ethics “guidance” for patent and trademark practitioners who provide IP services to clients working through non-practitioner intermediaries, including as foreign associates and client liaisons. The OG “guidance”—which has never been abandoned or reversed—addressed certain aspects of the practitioner-intermediary relationship. The OG guidance, however, failed to identify or analyze many significant ethics issues that are implicated when a U.S. IP law firm receives “instructions” from someone who is not the actual end beneficiary of legal services.

In June 2017, the USPTO published a disciplinary decision in *In re Mikhailova*, Proc. No. D2017-18 (USPTO Dir. June 6, 2017). That decision included some very broad statements of OED/USPTO ethics policy—specifically regarding exactly what ethics rules are implicated by the tri-party client-intermediary-practitioner relationship, how the ethics rules relate to one another in this context, and how the Office expects practitioners to comply with those rules when they provide IP legal services for clients coming to them through non-U.S. law firm intermediaries. Notably, the new guidance expressed in the *Mikhailova* decision stated it was not intended to “contradict” the OG guidance from three decades earlier. Instead, the USPTO in *Mikhailova* advised that it was providing notice of “additional, specific guidance” for practitioners who provide IP legal services to clients through non-practitioner intermediaries.

This post is presented in two parts. This part provides a historical perspective, including the OG guidance regarding ethics issues and duties when a practitioner works through an intermediary, and discusses the USPTO’s “additional” guidance provided in the *Mikhailova* decision. Part 2 (to be posted in the next issue) puts together the old and new directives and addresses how they implicate specific prac-

### MARK YOUR CALENDARS

#### Spring Seminar

Monday, March 19, 2018  
(Crowne Plaza Lansing West)  
[WWW.ICLE.ORG/SPRINGIP](http://WWW.ICLE.ORG/SPRINGIP)

#### IP Law Institute

Thursday, Oct. 25 through  
Friday, Oct. 26, 2018  
(Dearborn Inn)

# View from the Chair

Welcome to 2018! We have a lot in store for you in the coming year, as is our mission: “The Intellectual Property Section of the State Bar of Michigan provides education, information and analysis about issues of concern through meetings, seminars, the website, public service programs, and publication of a newsletter...”

Please mark your calendars for the following events:

**Spring Seminar** – Monday, March 19, 2018 – **NEW LOCATION!** The Section will present its annual Spring Seminar at the Crown Plaza in Lansing. After many years at the Kellogg Center, we are trying something new, and hope to see you there. Keep an eye out for registration forms or visit [www.icle.org/springip](http://www.icle.org/springip) for more information and to register.

**IP Law Institute** – Thursday, Oct. 25 - Friday, Oct. 26, 2018 – The Section will co-sponsor the 44th Annual Intellectual Property Law Institute at another **NEW LOCATION!** As 2018 is an “off” year for the Institute on Mackinac, and considering that the 2015 Institute in Detroit drew a large crowd, the 2018 Institute will be held at the Dearborn Inn. We hope that the Institute will continue to be one of our more

successful events, and you can expect the usual updates from the PTO, quality presenters, and social gatherings.

In 2017 we brought back an old event, which was the “Basic Trademark and Patent Practice for Lawyers and Paralegals,” held on October 3, 2017 at the Inn at St. John’s in Plymouth. Approximately 100 people attended the all day event, with presentations on Patent Prosecution, Patent Litigation, Trademark Prosecution and Trademark Litigation. Many thanks to all who participated in making the event a success!

In light of the success of the “Basic TM and Patent Practice” seminar, and in an effort to provide more educational and networking opportunities, we formed a “New Ideas Committee” to consider additional events for the Section. Our annual Spring Seminar and IP Institute are well-attended, but we hope to draw out more of our 1200+ members. If you have any suggestions for new events, please reach out to an IPLS council member.

Looking forward to seeing you in 2018!

— Hope V. Shovein



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tices of U.S. practitioners and how the ethics rules apply when delivering patent or trademark services working through a foreign associate.

### A Historical Perspective

In 1985, the USPTO promulgated its first ethics code: the USPTO Code of Professional Responsibility. 37 C.F.R. 10.20 – 10.112. The USPTO Code was modeled after the ABA Model Code of Professional Responsibility. 50 Fed. Reg. 5158 (Feb. 6, 1985). By the mid-1980s, a number of IP law firms in the United States had already established inbound USPTO patent and trademark business from foreign sources. While that work sometimes came directly from the foreign client, more often than not, the source of the engagement was a referral from a foreign associate—typically a law firm or patent agency located in the home country of the foreign client.

Adoption of the USPTO Code raised concerns among members of the Patent Bar regarding what, exactly, were their ethical duties when dealing with these foreign associate intermediaries. The big question raised at that time seemed to be whether it was ethical for firms to follow the “instructions” of such intermediaries in light of the PTO Code provisions that prohibited third-parties from interfering with the practitioner’s professional judgment and independence.

To address these concerns, the Commissioner for Patents and Trademarks published in the *Official Gazette* two “notices”: *Practitioner’s Responsibility to Avoid Prejudice to the Rights of a Client/Patent Applicant*, 1086 O.G. 457 (Dec. 10, 1987) (the 1987 Notice) and *Responsibilities of Practitioners Representing Clients in Proceedings Before the Patent and Trademark Office*, 1091 O.G. 26 (May 25, 1988) (the 1988 Notice).

### The 1987 Notice

The 1987 Notice stated that its purpose was to “clarify the appropriate course of action for a practitioner to follow when the practitioner is operating through [] a corporate liaison or foreign agent.” The 1987 Notice stated that in the foreign associate arrangement,

the registered practitioner *may rely upon* the advice of the corporate liaison or the client/patent applicant’s foreign agent *as to the action to be taken* so long as the practitioner *is aware* that the client/patent applicant has *consented after full disclosure to be represented by the liaison or agent.*

1086 O.G. at 457 (emphasis added).

The 1987 Notice also explained that when a practitioner is “aware that there is an agreement between the client/patent

applicant and the liaison or agent” the practitioner “may fully rely upon the advice of the liaison or agent as to the wishes of the client/patent applicant.”

Finally, the 1987 Notice stated that “if there is, in fact, no such agreement” between the intermediary and the client, then the practitioner only was authorized to communicate directly with the client: “The registered practitioner must communicate to the client/patent applicant.”

The 1987 Notice failed to cite to any particular ethics rules from the USPTO Code. The 1987 Notice also was relatively limited in scope, and it left many ethics questions unanswered.

For example, the 1987 Notice failed to explain how a patent practitioner was supposed to obtain “awareness” of the “agreement” between the client and the intermediary. The 1987 Notice stated that the practitioner “may” get a copy of the client-intermediary agreement “if they wish.” By its use of this language of discretion (“may” instead of “shall”), the 1987 Notice apparently meant that “awareness of the agreement” did not mean necessarily that U.S. practitioners were obligated to ask for and receive a copy of the supposed intermediary-client agreement before they could communicate with the intermediary on behalf of the client.

The 1987 Notice also provided no indication of what type of “information” must be “disclosed” to the client for the client to be able to provide “consent after full disclosure” to be “represented by the liaison or agent.” Nor did it explain who was required to provide the client with such “full disclosure”: the U.S. IP practitioner or the non-lawyer “intermediary.” In context, the 1987 Notice appears to require the “full disclosure” and client consent to be a part of the “agreement” between the foreign associate and the client, meaning that the “full disclosure” presumably would be written by the intermediary or foreign associate. But that begs the question: how would a foreign associate or a corporate liaison know what must be said to satisfy the USPTO’s “consent after full disclosure” standard—and how would they even know that such a “consent after full disclosure” requirement existed?

On the other hand, if the 1987 Notice meant that the U.S. practitioner was required to receive the “consent after full disclosure” from the client, then that presumably imposed a duty on U.S. counsel to draft appropriate language (“full disclosure”) sufficient to obtain the informed consent of the client, and then to communicate that “full disclosure” language to the client—either directly or through the foreign associate.

What also was troubling about the 1987 Notice was the absence of any attempt to explain the rationale behind the statement that an unlicensed individual or entity (a so called “corporate liaison” or “foreign agent/foreign associate”), who by definition is not a U.S. licensed attorney or registered PTO

practitioner, could possibly be allowed to give legal advice to a client about a U.S. legal matter. The giving of legal advice on “actions to be taken” in proceedings before the USPTO is the *sine qua non* of practicing U.S. patent or trademark law. See 37 C.F.R. § 11.6. Title 37, Section 11.6 of the PTO Code only authorizes “registered practitioners” (that is, U.S. attorneys and patent agents registered to practice before the Office in patent matters) to give legal advice on matters relating to the practice of patent law before the USPTO. 37 C.F.R. 11.6 (defining who is authorized to practice in patent matters before the USPTO).

Persons who practice patent law without a license are engaged in the unauthorized practice of law (or “UPL”). And USPTO practitioners who aided a non-licensed USPTO patent practitioner in the unauthorized practice of law before the Office were themselves in violation of the PTO’s ethics rules. See 37 C.F.R. 10.47 (aiding the unauthorized practice of law unethical).

The absence of any discussion in the 1987 Notice about how this “guidance” worked in light of the specific rules prohibiting aiding the unauthorized practice of law was made worse by that Notice’s statement that a USPTO practitioner could “*fully rely* on the advice of” the unlicensed intermediary. Indeed, licensed practitioners are required to exercise independent professional judgment. Furthermore, the very first canon in the USPTO Ethics Code is the practitioner’s duty to provide competent representation. 37 C.F.R. 10.22(a). The 1987 Notice begged the question: How can a U.S. licensed practitioner reasonably rely upon, and provide “competent” representation to, a client before the USPTO in reliance upon purported “legal advice” provided by someone who is not a U.S. licensed attorney or patent agent and who is not himself or herself authorized to practice U.S. patent or trademark law? And why isn’t the U.S. attorney’s or agent’s “full reliance” on the “advice” of an unlicensed middleman—the aiding of the unauthorized practice of law?

Unfortunately, the 1987 Notice failed to consider, discuss, or address any of these questions.

### The 1988 Notice

In 1988, the USPTO published another *Official Gazette* notice. The 1988 Notice was “intended to remind practitioners of certain aspects of their responsibilities in representing clients” before the USPTO.

One of the “certain aspects” is the duty to know who is the “client.” The Office explained that “practitioners are expected to know the identities of their clients” and the PTO “will presume that practitioners know” who are their clients.

A number of practitioners, still concerned about the impact of the (then) new PTO Code of Ethics, were wondering: who is their “client” when the U.S. practitioner was communicating with or working through a middleman, such as a foreign associate or other client intermediary. The 1988 Notice

addressed this question. The Notice explained the intermediary was not the “client” even if the intermediary is providing the practitioner with “instructions.” According to the 1988 Notice, “[t]he fact that a U.S. practitioner receives instructions from the inventor or trademark owner through a foreign attorney or agent does not change the fact that the client is still the inventor or trademark owner rather than the foreign attorney or agent.”

The 1988 Notice, like the 1987 Notice, again attempted to address the ethical concerns of the seemingly ubiquitous practice of U.S. IP lawyers receiving “instructions” from someone who is not themselves “the client.” And this time, the USPTO actually discussed this middleman practice in the context of two specific ethics rules:

37 C.F.R. 10.68(a), which prohibits practitioners from accepting payment “from one other than the practitioner’s client for the practitioner’s legal services to or for the client” unless “the practitioner’s client provides consent after full disclosure”; and

37 C.F.R. 10.68(b), which prohibits a practitioner from permitting anyone who recommends or pays the practitioner to render legal services for another to “direct or regulate the practitioner’s professional judgment in rendering such legal services.”

With respect to these two specific “aspects” of the practitioner’s “responsibilities” in representing a client through an intermediary, the 1988 Notice had this to say:

In practice, it is common for instructions relating to the application of an inventor or trademark owner, who is the client of the U.S. practitioner, to be passed to the U.S. practitioner through intermediaries, such as corporate liaisons or foreign agents. Clearly, a client may choose to use a corporate liaison or a foreign agent to convey instructions, etc., to a practitioner. *In such an arrangement, the practitioner may rely upon instructions of, and accept compensation from, the corporate liaison or the foreign agent as to the action to be taken in a proceeding before the Office so long as the practitioner is aware that the client has consented to have instructions conveyed through the liaison or agent.* See 37 CFR 10.68(a) and (b). An agreement between the client and the liaison or agent establishes an agency relationship between the liaison or agent and the client such that the U.S. practitioner can rely upon the liaison or agent as the representative of the client for the purpose of communicating the client’s instructions about the proceeding to the U.S. practitioner.

The 1988 Notice also addressed the intermediary-client “agreement.” It explained that “A practitioner could secure evidence that such an agreement exists by having a patent or trademark applicant sign a statement to that effect at the same time that the power of attorney is executed.” The 1988 Notice provided sample language that “could be inserted in an oath, declaration, or power of attorney form” to provide evidence of the “agreement”:

The undersigned hereby authorizes the U.S. attorney or agent named herein to accept and follow instructions from \_\_\_\_\_ as to any action to be taken in the Patent and Trademark Office regarding this application without direct communication between the U.S. attorney or agent and the undersigned. In the event of a change in the persons from whom instructions may be taken, the U.S. attorney or agent named herein will be so notified by the undersigned.

Finally, the 1988 Notice explained that without the existence of an agency relationship between the liaison or agent and the client, a practitioner was bound by 37 CFR 10.68(b) to “not permit a person who recommends, employs, or pays the practitioner to render legal services for another, to direct or regulate the practitioner’s professional judgment in rendering such legal services.”

Other than addressing the two ethics rules regarding third-party payment of legal fees and the duty to exercise independent professional judgment, the 1988 Notice failed to address any other ethics rules.

Although it clarified some of the “guidance” from the 1987 Notice, the 1988 Notice still left many questions unanswered.

First, the 1988 Notice failed to explain what type of “information” must be “disclosed” to the client for the client to be able to provide “consent after full disclosure” to be “represented by the liaison or agent.”

Second, the 1988 Notice failed to explain who was required to provide the client with the requisite “full disclosure”—the practitioner or the intermediary.

Third, the 1988 Notice failed to address the practice of law by an unlicensed intermediary, or how the “common practice” of allowing unlicensed persons serving in a representative capacity to give clients legal advice relating to USPTO legal matters, and the following of such “instructions” by U.S. IP counsel, is consistent with the U.S. practitioners’ ethical duties not to aid the unauthorized practice of law.

Fourth, the 1988 Notice failed to address how this “common practice” of relying upon the legal advice of an unlicensed person regarding a U.S. legal matter could possibly comport with the U.S. practitioner’s ethical duty to provide the client with competent legal services.

Thirty years after the two OG Notices, the USPTO has finally provided additional guidance on the ethics issues that arise when a U.S. practitioner works with or receives client instructions and is paid from a non-U.S. lawyer intermediaries.

### 2017 Updated Guidance

The USPTO has taken an active interest in applying its ethics rules to practitioners who represent clients through one particular type of client intermediary: the invention promotion or invention marketing firm. We have previously discussed this issue in earlier posts. [See Top Seven Ethics Risks When Patent Practitioners Work With Invention Marketing Companies](#) (Mar. 2, 2017); [OED Cracks Down on Patent Practitioners Working With Invention Promoters](#) (Oct. 23, 2016). Recently, the USPTO used the opportunity in one of its disciplinary decisions to address the ethical considerations when practitioners work through non-lawyer intermediaries. *See In re Mikhailova*, Proc. No. D2017-08 (USPTO Dir. June 6, 2017).

The proceeding in *Mikhailova* ended with a settlement agreement between the practitioner (a U.S. registered patent agent) and the OED, which was accepted by the USPTO Director and the terms of the settlement were incorporated into a Final Order.

Settlements of USPTO disciplinary matters arising from complaints for violation of the USPTO ethics rules are relatively common matters. The agreements themselves typically include an agreed upon statement of facts, joint conclusion of law, and an agreed-upon sanction. A notice of the discipline is then published in the Official Gazette and is also made available in the OED’s “FOIA Reading Room” on the USPTO’s website.

The Final Order entered upon the settlement agreement in *Mikhailova* is, in many respects, unusual. What makes it different is that the “Notice” portion of the Final Order includes a gratuitous recitation of ethics issues and provides far more information than the usual summary of conduct and citation to the ethics rules violated.

Indeed, the USPTO went out its way to include in the *Mikhailova* “Notice” a rather lengthy, and extremely helpful and informative, narrative about the ethical duties of practitioners who provide legal services under circumstances where “a non-practitioner third party . . . refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party.”

Note the use of the term “non-practitioner third party.” The USPTO’s “guidance” was not limited to the invention promotion entity, which is but one example of a non-practitioner third party that operates as a conduit between an inventor and a U.S. IP practitioner.

Although the PTO’s narrative addresses the invention promoter as one example of a third-party non-practitioner referral

source, the analysis plainly is not limited to this situation. On the contrary, the broad language of the USPTO's "Notice" would seem to apply in many situations where a patent practitioner receives a referral from, and is paid, by any type of "non-practitioner third party." Indeed, the guidance would appear to apply in many respects when the "non-practitioner third party" is a foreign associate or client liaison—both of which are, by definition, "non-practitioners" under U.S. law because neither is a U.S. licensed attorney or U.S. licensed patent agent.

According to the USPTO's Notice, the following ethics rules, many of which are interrelated, "apply to such situations."

**Conflicts of Interest.** The Notice states that "prior to entering into a practitioner-client relationship with an inventor who is referred by a non-practitioner third party, the practitioner should consider the various conflicts of interest that already exist or may arise during the relationship. *See generally* 37 C.F.R. §§ 11.107 and 11.108." There are several different types of conflicts that need to be considered in this arrangement:

- Conflicts between the inventor and other inventors previously referred to the practitioner by the non-practitioner third party.
- Conflicts between the inventor and the practitioner due to the practitioner's personal financial interest in continuing to receive inventor referrals from the non-practitioner third party.
- Conflicts arising from the fact that the practitioner is being paid by the non-practitioner third party.

None of these issues were addressed in the 1987 or 1988 O.G. Notices. Of particular note when considering the nature of the practitioner-foreign associate or client liaison business relationship is the probability of the existence of a business conflict of interest. Foreign associates or other corporate liaisons can have very deep, extensive, and long-term business relationships with their U.S. counterparts. The Notice in *Mikhailova* expressly addresses this concern: "Such conflicts may also include those between the inventor and the practitioner due to the practitioner's personal financial interest in continuing to receive inventor referrals from the nonpractitioner third party."

Notably, with regard to the payment of legal fees by the intermediary (which implicates 37 CFR 11.108(f)), that arrangement is allowed provided that: (i) the lawyer maintains the duty of confidentiality, (ii) there is no interference with the lawyer's independent professional judgment, and (iii) the lawyer receives "informed consent" of the client, confirmed in writing. While not stated expressly in this new guidance, the USPTO has interpreted "informed consent" after "full disclosure" in the context where a third-party is paying for the U.S.

practitioner's legal services requires the U.S. patent practitioner to disclose to the client how much the practitioner was paid by the third-party. *See Bender v. Dudas*, 490 F.3d 1361, 1367 (Fed. Cir. 2007) (deferring to USPTO interpretation of "full disclosure" consent rule as requiring disclosure to client of amount paid by third-party).

**Informed Consent Waivers** – The USPTO noted that conflicts may be waivable, but only if (among other requirements) the practitioner obtains "informed consent" from the client, confirmed in writing.

"Informed consent" does not simply mean "I consent." The Notice, following the definition of "informed consent" set forth in the PTO Rules (37 CFR 11.1), explains that "Informed consent means the agreement by a prospective client to be represented by a practitioner after the practitioner has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the client being represented by the practitioner." In other words, details must be provided—both good and bad—to "inform" the client's "consent."

In light of the ethics guidance in *Mikhailova*, it would seem that it may be necessary for a practitioner to obtain "informed consent" to waive the business conflict caused by a practitioner's financial interest in continuing to receive referrals from an intermediary. Informed consent may be required where the practitioner receives repeat business from the non-practitioner referral source, the third-party pays the client's fees and/or the U.S. counsel is expected to provide reciprocal referrals to the intermediary.

**Fee-Splitting** – The Notice in *Mikhailova* further states that a practitioner shall not share legal fees with the non-practitioner third party that refers the inventors to the practitioner. *See* 37 C.F.R. § 11.504(a). The Notice further explains:

Under circumstances where a non-practitioner third party regularly refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party, practitioners may unwittingly violate the fee-sharing prohibition if the practitioner does not know the amount the inventor has paid to the third party for patent legal services. If the entire amount received by the third party for the practitioner's compensation is not distributed to the practitioner and any undistributed compensation held by the third party is not returned to the inventor, then the practitioner has likely impermissibly shared fees with a non-practitioner. Hence, a practitioner is reasonably expected to question carefully the inventor and

the referring non-practitioner third party about the amounts being charged to the inventor for the patent legal services to ensure the entire amount is remitted to the practitioner.

Notably, the issue of fee-splitting was not addressed in the 1987 or 1988 O.G. Notices. If applied to the typical U.S. IP lawyer – foreign associate relationship, this more recent “guidance” may be interpreted as imposing on U.S. counsel an affirmative duty to ensure that no part of the legal fee that the client paid for U.S. legal services was shared with the intermediary.

**Exercising Independent Professional Judgment** – The Notice in *Mikhailova* also addresses the practitioner’s duty to exercise independent professional judgment. This means:

Where a non-practitioner third party refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party, the practitioner may not merely fill a purchase order. Instead, the practitioner must independently assess the suitability of the sought-after patent protection and communicate his or her assessment to the inventor. By remaining passive and merely providing the patent legal services purchased by the referred inventor, a practitioner may be found to have formed a de facto partnership with the non-practitioner and also may be assisting the company to commit the unauthorized practice of law.

This statement seems to be arguably inconsistent with the 1987 and/or 1988 O.G. Notices, in which the USPTO made clear at that time that it was perfectly appropriate for a U.S. patent counsel to “take instructions” from a non-registered practitioner. There was nothing in the 1987 or 1988 Notices that required the patent practitioner to communicate directly with the client, in effect, end running the foreign associate, and ensure that whatever legal services have been “ordered” by the foreign associate or intermediary (whether that be a provisional application, non-provisional application, or design application) are suitable for the client. Indeed, in *Mikhailova*, the USPTO suggests that by “merely providing the patent legal service purchased by the referred client” the U.S. practitioner may have formed, in effect, a “partnership” with the intermediary/referral source, in violation of the PTO ethics rules that proscribe a practitioner from forming a partnership with a non-practitioner when any part of the business of the partnership involves the practice of law.

**Client Communications** –The Notice in *Mikhailova* further explains that a practitioner is ethically obligated to communicate with the inventor (or presumably, if the invention is

assigned, the assignee). The USPTO explained that “ethical communication between a practitioner and an inventor requires the practitioner to consult reasonably with the inventor about the means by which the inventor’s objectives are to be accomplished; keep the inventor reasonably informed about the status of the application, including informing the inventor promptly of Office correspondence; and explain a matter to the extent reasonably necessary to permit the inventor to make informed decisions regarding the prosecution of the application. See § 11.104; see also § 11.102(a).”

**Unauthorized Practice of Law** –The Notice in *Mikhailova* also warns about the danger of passivity and “merely providing” the patent legal services that the client requested from the intermediary. That practice could implicate the unauthorized practice of law by the non-practitioner middleman who may “induce” a client to apply for a provisional, non-provisional, or design patent application. The Notice reminded that, “[a] practitioner shall not assist a non-registered individual to practice before the Office in patent matters. See generally 37 C.E.R. § 11.505.”

### 1987 And 1988 OG Notices Live On

The *Mikhailova* decision expressly references the 1987 and 1988 OG Notices. With regard to those earlier notices, the Office stated:

a practitioner may communicate with someone other than the client in cases where there is a bona fide corporate liaison or a foreign agent who conveys instructions to the practitioner. In such an arrangement, the practitioner may rely upon instructions of the corporate liaison or the foreign agent as to the action to be taken in a proceeding before the Office so long as the practitioner is aware that the client has consented to have instructions conveyed through the liaison or agent.

The decision further states that “nothing in this notice should be construed as contradictory to the discussion” in the 1987 or 1988 OG Notices, and that “this notice is to be read as providing additional, specific guidance to practitioners under circumstances where a non-practitioner third party refers inventors to registered practitioners to provide the patent legal services purchased by inventors from the third party.”

In other words, according to the USPTO:

(1) the guidance provided in the 1987 and 1988 OG Notices still applies to practitioners who interface with foreign associates and similar types of intermediaries; and

(2) the additional guidance provided in *Mikhailova* also applies to practitioners who interface with foreign associates and similar types of intermediaries unless that guidance is

“contradicted” by the 1987 or 1988 OG Notices, in which case the latter controls.

Many questions were not addressed in the 1987 and 1988 OG Notices that were expressly raised in *Mikhailova*.

For example, the 1987 Notice provided no indication of what level of detail or “information” must be “disclosed” to the client for the client to “consent after full disclosure” to be “represented by the liaison or agent.” This is an issue for which clarification would be helpful.

As noted in *Mikhailova*, “informed consent” (which is no different than “consent after full disclosure”) is a defined term meaning “the practitioner has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the client being represented by the practitioner.” Thus, while reaffirming the 1987 Notice, the *Mikhailova* decision provides no insight into the required foreign associate-client “agreement” and the need for the client to give “informed consent” to the intermediary working with U.S. counsel.

The 1987 Notice also never considered or discussed the providing of “instructions” by unlicensed individuals in the context of UPL rules, such as aiding or abetting the unauthorized practice of law. Nor to the OG Notices address how simply following the orders of a non-U.S. patent practitioner “intermediary” comports with the duty of competence. Unfortunately, the *Mikhailova* decision, in confirming the continued vitality of the 1987 Notice, did not attempt to deconstruct the whole “authority to give instructions” by non-licensed intermediaries issue or explain the meaning of that Notice in terms of the current USPTO Rules of Professional Conduct. Clear guidance on what a foreign practitioner, who is not licensed by the USPTO, is authorized to do in terms of engaging in the practice of law before the Office would be helpful.

It is somewhat difficult to understand the continued vitality of the 1987 Notice “instructions” rule in light of the many post-1987 USPTO disciplinary decisions that reaffirm the importance of the ethical duty of counsel to exercise independent professional judgment. The old OG Notices appear to be saying that practitioners who work with a particular type of intermediary — a foreign associate or a client liaison — are held to a different (more lenient) ethical standard than those who work with other types of intermediaries. But that surely could not be what the USPTO intended to say in the *Mikhailova* decision. See *IP Counsel Who Blindly Follow Client “Instructions” Risk Loss of Law License* (Mar. 20, 2015).

One could reach the conclusion that the USPTO in *Mikhailova* is applying different interpretations of the USPTO ethics rules depending on the national origin of the client or the client’s middleman (e.g. a “foreign associate” working with a “foreign client”). If that is in fact the case, one might

legitimately question whether one interpretation of the ethics rules that favor one type of middleman entity based on national origin (the “foreign associate or client intermediary”), and a different interpretation if the intermediary is not a “foreign associate or client intermediary (a domestic non-practitioner middleman), passes muster under the Equal Protection Clause of the United States Constitution. Although no tribunal has passed on this issue, in at least one published decision, the USPTO Director confirmed that the 1987 and 1988 OG Notices apply only to foreign associate and client liaisons and rejected the assertion that an invention promoter could rely on the 1987 and 1988 OG Notices. See *Moatz v. Colitz*, Proc. No. 99-04 at 4-13 (USPTO Dir. Jan. 2, 2003) (interpreting 1987 and 1988 O.G. Notices as applying only to foreign agents and intermediaries)

### Summary of *Mikhailova*

In *Mikhailova*, the USPTO did an excellent job in providing a detailed analysis of how the Office interprets many of the USPTO Rules of Professional Conduct in the context of practitioners dealing with non-practitioner client intermediaries. The rules in this area are complex and nuanced. That guidance is incredibly valuable and should be read by every practitioner. Indeed, even those practitioners who do not interact with “middlemen” will learn a lot about the USPTO’s ethics rules and how those rules interconnect with one another by just reading the guidance provided in this decision. This decision is one of the most informative of any USPTO ethics decision in recent memory both in terms of its scope, level of detail, organization, and clarity. It is a great resource.

It would be helpful if sometime in the future, the USPTO could find an opportunity to provide further guidance regarding the concerns addressed in this article about some of the questions left unanswered by the 1987 and 1988 OG Notices. Clarification is in order especially in light of the fact that the old OG Notices were written under an old ethics code that was replaced in 2013 with the USPTO Rules of Professional Conduct.

If the USPTO still intends to follow the “guidance” from those old OG Notices, then additional direction or analysis would be instructive for practitioners who interface with non-practitioner intermediaries, particularly with respect to the issues of whether a non-practitioner foreign associate is authorized to provide patent-related legal services for their clients, why that practice is not considered UPL, and why U.S. counsel is free to rely on legal instructions from such unregistered individuals.

# America Invents Act

By Bryan Wheelock

The America Invents Act (“AIA”) was enacted September 16, 2011. Senator Leahy, one of its sponsors, promised that the AIA “will promote American innovation, create American jobs and grow America’s economy.”<sup>1</sup> He called it “common-sense legislation that will help preserve America’s position as the global leader in invention and innovation.”<sup>2</sup> But, this was a deferred promise. Some of the AIA provisions took effect immediately, many of the significant provisions<sup>3</sup> took effect a year later on September 12, 2012, and the balance of its provisions<sup>4</sup> took effect on March 16, 2013. We are approaching five years of the full impact of the AIA, making this a good time to assess the impact of the AIA on inventors.

Just as you cannot judge a book by its cover, you cannot judge legislation by its euphonious title – although we probably should have noticed when Congress named it the America *Invents Act*, and not the America *Patents Act*.

## Inter Partes Reviews

Clearly the biggest impact on inventors from the AIA comes from the three post-issuance challenges to patent validity created by the AIA: *inter partes* review; post grant review, and covered business method review. As a result of these procedures inventors “lost” patent rights as more than 1,100 patents have been taken from their inventors - the inventions now branded with the stigma of “unpatentability”.

These procedures have been wildly popular with patent challengers. Through September 30, 2017, 7,557 petitions have been filed. The institution rate has dropped from 78% in the first year to 63% in the year that just ended.<sup>5</sup> Nevertheless, patent challengers have been successful in having patents declared unpatentable. Of the 1,771 Final Written Decisions, 81% resulted in at least some of the challenged claims being found unpatentable, and 65% resulted in all of the challenged claims being found unpatentable. When settlements, requests for adverse judgments are factored in, the patent challenger leaves satisfied 55% of the time, and partially satisfied and 5% of the time. In about 40% of the cases the petitioner does not leave satisfied, but the patent owner cannot claim victory because of the weak estoppel provisions, the petitioner remains free to challenge the patent on the same or similar grounds in a subsequent proceeding.

The petitioner in an *inter partes* review has several procedural advantages, including a favorably broad claim construction giving the claims are given their broadest reasonable construction (as opposed to their actual, *Phillips* construction),

and a reduced threshold of proving invalidity – by a preponderance of the evidence (rather than clear and convincing evidence required in court). Moreover, as alluded to above, there is a very weak estoppel effect, so an unsuccessful petitioner lives to fight again another day –both in court and in a subsequent *inter partes* review.

The only positive in *inter partes* reviews for the patent owner is the “ability” to amend the claims<sup>6</sup> – something that cannot be done when a patent is challenged in district court. However, the Patent Trial and Appeal Board had so encumbered the amendment process as to effectively make the amendment procedure an unavailable and illusory promise. As recently noted by the Federal Circuit<sup>7</sup>, as of February 2017, only eight motions to amend have been granted.<sup>8</sup> In addition to meeting the requirements of 37 CFR §42.121 (in IPRs) or 37 CFR §42.221 (in PGRs and CBMs), the patent owner also had to meet the requirements imposed by the Board in *Idle Free Systems v Bergstrom*, IPR2012-00027, Paper 26 (PTAB June 11 2013) – that is the Patent Owner had the burden of proving the patentability of the proposed amended claims. It was not until this month that the Federal Circuit, in a fractured *en banc* decision,<sup>9</sup> held that the burden of proving unpatentability of the amended claims remains with the petitioner, potentially making it easier for patent owners to amend their claims, and thus preserve their patents. The Federal Circuit earlier chipped away at the burdens on amendments posed by the Board in *Veritas Technologies LLC v. Veeam Software Corp.*,<sup>10</sup> finding that the Board acted in an arbitrary and capricious manner when it insisted the patent owner discuss whether each newly added feature in the claims was separately known in the prior art, rather than discussing the newly added features in combination with other known features.

Overall, the Federal Circuit has worked to bring discipline to the PTAB, reversing the Board when their broadest reasonable construction of the claims becomes unreasonable;<sup>11</sup> when the Board failed to provide adequate reasoning<sup>12</sup> or faulty reasoning<sup>13</sup> in its obvious analysis; when the petitioner’s late presentation of its argument denied the patent owner due process;<sup>14</sup> and when the Board improperly shifted the burden on patentability to the patent owner.<sup>15</sup>

The constitutionality of the post grant review system is currently under review by the Supreme Court in *Oil States Energy Services, LLC v. Green’s Energy Group, LLC*,<sup>16</sup> scheduled for argument on November 27, 2017. While a decision

that the post-grant proceedings are unconstitutional would cause considerable confusion in the 1,440 cases where claims were found to be unpatentable, it might provide a second chance for Congress to design a system that is more fair to inventors.

### Virtual Marking

The AIA made two changes to patent marking that helped inventors and patentees. First, the AIA amended 35 USC §292 to limit patent mismatching suits, and second the AIA amended 35 USC §287(a) to provide for virtual patent marking.

Prior to the AIA, 35 USC §292(a) provided a fine of “not more than \$500” for falsely marking a product as patented, and 35 USC §292(b) allowed any person to sue for the penalty and split the proceeds with the government. False marking had been a feature of patent law for more than 150 years, and like its predecessors, §292(b) was largely ignored because it simply was not worth the effort of a civil action to recover \$250. However in *Forest Group, Inc. v. Bon Tool Co.*,<sup>17</sup> the Federal Circuit held that the §292(a) penalty should be assessed on a *per article* basis. The following year more than 630 false marking suits were filed, mostly complaining about the continued marking of expired patent numbers. In *Pequignot v. Solo Cup*,<sup>18</sup> the Federal Circuit clarified that §292 requires a heightened burden of proof that the patent owner falsely marked for the purpose of deceiving the public. But in *Stauffer v. Brooks Brothers, Inc.*,<sup>19</sup> the Federal Circuit rejected the argument that injury as a result of the alleged false marking was required.

Against this backdrop, the AIA made several improvements to the false marking statute. First the AIA cut third parties out of the \$500 per article penalty, providing that it can only be collected by the government. The AIA still allows third parties to bring an action for false marking, but requires them to show competitive injury as a result of the alleged false marking. In *Sukumar v. Nautilus, Inc.*<sup>20</sup> the Federal Circuit explained that a claimant must be in the market, or must have actually take steps to enter the market – it was no longer a bounty hunt.

The AIA also made it easier for patent owners to comply with the patent marking requirement. In addition to marking the product or its package with the patent, amended §287(a) allows the patentee to mark by “fixing thereon the word “patent” or the abbreviation “pat.” together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent.” Thus when patents issue or expire, a patent owner simply has to update a website – not change molds or printing plates.

A Report<sup>21</sup> to Congress on virtual marking in 2014 concluded that “virtual marking has likely met its intended objectives of reducing manufacturing costs and facilitating public notice in certain situations.” This assessment was probably

correct, but virtual marking remains under-utilized. Among virtual markers, some provide on line lists:

- TIVO: [www.tivo.com/patents](http://www.tivo.com/patents)
- Nanoleaf: <http://nanoleaf.me/patents/>
- Densify: <http://www.densify.com/company/virtual-patent-marking.html>
- Arthrex: [www.arthrex.com/corporate/virtual-patent-marking](http://www.arthrex.com/corporate/virtual-patent-marking)
- Hill-Rom: [http://www2.hill-rom.com/usa/PDF/Patent\\_20120609.pdf](http://www2.hill-rom.com/usa/PDF/Patent_20120609.pdf)
- Actifio: <https://www.actifio.com/patents/>

some provide a downloadable list:

- Bunn: [www.bunn.com/patents](http://www.bunn.com/patents)

some provide lists for individual products:

- Kimberly Clark [www.kimberly-clark.com/patents](http://www.kimberly-clark.com/patents)

and some provide a searchable database:

- St. Jude Medical: <http://patent.sjmneuro.com/Public>.

Virtual patent marking is a benefit of the AIA, but inventors and their assignees do not appear to be taking advantage of it.

### Third Party Preissuance Submissions

The AIA created a mechanism for submitting prior art during the pendency of a patent application. Any member of the public (other than someone who has a duty to disclose prior art pursuant to 37 CFR 1.56) may file any patents, published patent applications, or other printed publications of potential relevance to the examination of a patent application.

The submission must be made before the earlier of: (a) the date a notice of allowance under 35 U.S.C. 151 is given or mailed in the application; or (b) the later of (i) six months after the date on which the application is first published under 35 U.S.C. 122 by the Office, or (ii) the date of the first rejection under 35 U.S.C. 132 of any claim by the examiner during the examination of the application. This typically means that the submission must be made before the first Office Action on the merits, but can be filed within six months of publication if that is later.

The Submission must include:

1. Form PTO/SB/429 (or equivalent document list), identifying the publications, or portions of publications, being submitted.
2. A concise description of the asserted relevance (no argument) of each item identified in the document list. This can be made in the form of claim charts.
3. A legible copy of each item identified in the document list, other than U.S. patents and U.S. patent application publications.

4. An English language translation of any non-English language item identified in the document list.
5. A statement by the party making the submission that (i) the party is not an individual who has a duty to disclose information with respect to the application under § 1.56; and (2) the submission complies with the requirements of 35 U.S.C. 122(e) and § 1.290.
6. Any required fee, or the statement that the fee exemption applies to the submission. There is not a fee for the first 3 items submitted. Otherwise there is a \$180 fee for each group ten references.

While the submitter must be identified, the real party in interest need not be identified, so the submission can be made anonymously.

The USPTO has established an informational webpage about third party submissions at:

<https://www.uspto.gov/patent/initiatives/third-party-pre-issuance-submissions>

and an on-line system for making third party submissions, available at <https://efs.uspto.gov/EFSWebUIUnregistered/EFSWebUnregistered?preSelTPS=TRUE>.

The USPTO has not updated its statistics on preissuance submissions in two years, but as of September 4, 2015, 80% of such submissions were found to be compliant with the regulations. Of the prior art included in these submissions 31% is non-patent publications, 30% patents; 22% published applications and 17% foreign references. Although the USPTO initially published detailed statistics regarding the disposition of these submissions, it no longer does so.

However, from September 16, 2012, to November 6, 2015 the Office received a total of 3,285 submissions. Considering that during the same period 1,145,345 applications were published, this seems like an extremely low rate about 0.28%.

Without some indication of the effectiveness of preissuance submissions it is difficult to assess whether or not this feature of the AIA is underutilized or not.

### Supplemental Examination

Another potential benefit of the AIA is the creation of Supplemental Examination. Supplemental Examination is simply reexamination that has the effect of curing any inequitable conduct that may have occurred during the original prosecution. Specifically, the AIA added 35 U.S.C. § 257(c) (1), which provides:

A patent shall not be held unenforceable on the basis of conduct relating to information that had not been considered, was inadequately considered, or was incorrect in a prior examination of the patent if the information was considered, reconsidered, or corrected during a supplemental examination of the patent.

Supplemental Examination begins with the filing of a request by the patent owner. Each request for Supplemental Examination is limited to the submission of ten items of “information,” but the patent owner can submit more than one request for Supplemental at a time. The request for Supplemental Examination must be accompanied by the fee for filing a request for supplemental examination as set forth in § 1.20(k)(1), the fee for reexamination ordered as a result of a supplemental examination proceeding as set forth in § 1.20(k)(2), and any applicable document size fees as set forth in § 1.20(k)(3).<sup>22</sup> The request must contain:

1. An identification of the patent.<sup>23</sup>
2. A list of the items of information to be considered.<sup>24</sup>
3. A list of any other prior or concurrent post-patent Office proceedings involving the patent.<sup>25</sup>
4. An identification of the claim for which supplemental examination is requested.<sup>26</sup>
5. A detailed explanation of the relevance and manner of applying each item of information to the claims.<sup>27</sup>
6. A copy of the patent.<sup>28</sup>
7. A copy of each item of information, and an English translation if needed.<sup>29</sup>
8. A summary of the relevant portions of any document over 50 pages in length.<sup>30</sup>
9. An identification of the owner(s) of the patent.<sup>31</sup>

Upon the filing of a compliant request, it will be assigned a filing date. If the Supplemental Examination request is defective, the USPTO will give the patent owner an opportunity to remedy the defect. Within three months of the filing date, the USPTO will determine whether a SNQ exists, *i.e.*, whether there is a substantial likelihood that a reasonable examiner would consider the item of information important in determining patentability.

If an SNQ is found, then supplemental *ex parte* reexamination, which is substantially the same as regular *ex parte* reexamination, is ordered.<sup>32</sup> If an SNQ is not found, *ex parte* reexamination will not be ordered and the *ex parte* reexamination fee paid with the filing of the request will be refunded.

The Supplemental Examination proceeding concludes when a Supplemental Examination certificate is issued. The certificate will indicate whether any of the items of information presented in the request raise an SNQ.

While the USPTO does not publish current statistics on Supplement Examination, there have been less than 240 filings. This may be due to the Federal Circuit’s contemporaneous decision in *Therasense, Inc. v. Becton, Dickinson & Co.*,<sup>33</sup> which established a “but for” test for materiality. In essence if a reference does not defeat patentability, it is generally not ma-

terial for purposes of inequitable conduct. Thus Supplemental Examination does not provide any significant advantage over regular *ex parte* reexamination – if the patent survives *ex parte* reexamination, then the references weren't material and there was no inequitable conduct to begin.

### First To File

One obvious effect of the adoption of the first to file system is the reduction in patent interferences. Between 2008 and 2013 there were on average 51 interferences pending at any time. Since 2013, the average is down to less than 25. The number will of course continue to diminish as the number of patents and applications subject to the pre-AIA Section 102 diminishes. This is arguably a benefit to individual inventors and their small companies, who would have difficulty mustering the resources to bring or defend an interference, but could readily secure a filing date for their invention, paying reduced fees as a small or even a micro entity.

### New Section 102

Perhaps the most surprising thing about the AIA is that after more than five years we still do not know what is and what is not prior art – the fundamental of concept in any patent system. The AIA changed the definition of prior art under 35 U.S.C. §102, effective March 16, 2013. Post AIA, Section 102(a)(1) provides that a person is entitled to a patent unless “the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.”

Some, including the U.S. Patent and Trademark Office, take the position that “or otherwise available to the public” modifies the meaning of “in public use” and “on sale.” For example the USPTO takes the position that the exclusion is limited to “uses that are available to the public.”<sup>34</sup> Similarly the USPTO takes the position the exclusion for sales “does not cover secret sales or offers for sale.”<sup>35</sup> Others take the position that in retaining terms from the prior §102, if Congress had intended to change their meanings it would have done so more clearly. To these observers “or otherwise available to the public” is simply a catch-all that makes other public disclosures that might not qualify as a printed publication, prior art. The Federal Circuit considered this section earlier this year in *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.*<sup>36</sup> The Federal Circuit held that a sale need not be disclosing, provided that the fact of the sale was public. *En banc* review is under consideration, and whichever side loses is likely to seek review by the Supreme Court.

The fact that even after five years we cannot speak with certainty about what is or is not prior art to an invention is a disservice to inventors, and a major failing of the AIA.

### Conclusion

There are myriad other minor changes effected by the AIA related to who may apply for a patent, declarations, and assignments, that are neither so good for, or bad for, inventors to merit discussion. The AIA did protect inventors from frivolous patent mismarking suits. However the other benefits it provided, amendment, virtual patent marking and supplemental examination to cure inequitable conduct, are rarely used or rarely effective. The provision for third party submission of prior art, which while it might negatively impact the particular inventor against whose application the information is submitted, improves the overall quality of patents, and the inventors benefit from stronger, better examined patents. Unfortunately, preissuance submission are infrequently used.

In two respects the AIA has failed inventors. The post grant review procedures place too great a burden on inventors. A patent owner can be dragged into a \$300,000 plus fight for merely owning a patent. If he or she manages to keep the patent, it can be challenged again, even by the same challenger. Finally, the patent is construed more broadly for validity than they can assert for infringement purposes, and the presumption of validity is all but lost. Hardly what one would expect from the America *Invents* Act. Finally, the failure to properly define what is patentable and what is not is a major failing of the AIA for inventors.

The AIA may have been “the most significant reform to the U.S. Patent System in 60 years,”<sup>37</sup> but the work to providing a better patent system is not finished.

### About the Author

*Bryan Wheelock is a partner in the St. Louis Office of Harness, Dickey & Pierce, PLC, and an Adjunct Professor of Law at Washington University in St. Louis. His practice focuses on the prosecution of patents and trademark applications, and related Patent Office proceedings. He is a frequent speaker and author on intellectual property topics.*

### Endnotes

- 1 Senator Patrick Leahy Press Release, March 8, 2011 (<https://www.leahy.senate.gov/press/comment-of-senator-patrick-leahy-on-senate-passage-of-s-23-the-america-invents-act>).
- 2 *Id.*
- 3 The third party submission provisions, the supplemental examination provisions, the inter partes review and post grant review, covered business method review
- 4 The first-inventor-to-file provisions, the Derivation Proceedings provisions, and the repeal of Statutory Invention Registration provision.
- 5 [https://www.uspto.gov/sites/default/files/documents/Trial\\_Stats\\_2017-09-30.pdf](https://www.uspto.gov/sites/default/files/documents/Trial_Stats_2017-09-30.pdf).

- 6 35 USC §316(d) (for IPRs), and 35 USC §326(d) (for PGR and CBM).
- 7 *Aqua Products, Inc. v. Mata-I*, [2015-1177] (Fed.Cir. October 4, 2017).
- 8 *Global Tel\*Lin v. Securus Technologies* (IPR2015-01255) (PTAB December 14, 2016); *Google and Apple v. Contentguard Holdings* (CBM2015-00040) (PTAB June 21, 2016); *Shin Fu Co of America v. The Tire Hanger Corp* (IPR2015-00208) (PTAB April 22, 2016); *Reg Synthetic Fuels v. Neste Oil Oyj* (IPR2014-00192) (PTAB June 5 2015); *Chicago Mercantile Exchange v. 5th Market* (CBM2013-00027) (PTAB March 23, 2015); *Riverbed Technology v Silver Peak Systems* (IPR2013-00402, IPR2013-00403) (PTAB December 30, 2014); *Int'l Flavors & Fragrances v. United States* (IPR2013-00124) (PTAB May 20, 2014).
- 9 *Aqua Products, Inc. v. Matal*, [2015-1177] (Fed.Cir. October 4, 2017).
- 10 *Veritas Techs. LLC v. Veeam Software Corp.*, 835 F.3d 1406, [120 USPQ2d 1046] (Fed. Cir. 2016)
- 11 *D'Agostino v. Mastercard Int'l*, 844 F.3d 945 [121 USPQ2d 1134] (Fed. Cir. 2016); *Pride Mobility Prods. Corp. v. Permobil, Inc.*, 818 F.3d 1307 [118 USPQ2d 1549] (Fed. Cir. 2016); *PPC Broadband, Inc. v. Corning Optical Commc'ns RF, LLC*, 815 F.3d 747 [118 USPQ2d 1056] (Fed. Cir. 2016); *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, [115 USPQ2d 1198] (Fed. Cir. 2015).
- 12 *In re Warsaw Orthopedic, Inc.*, 119 USPQ2d 1716 [832 F.3d 1327] (Fed. Cir. 2016); *Cutsforth, Inc. v. Motivepower, Inc.*, [2015-1316] (Fed. Cir. 2016) (non-precedential).
- 13 *Duke University v. Biomarin Pharm. Inc.* [2016-1106](Fed. Cir. 2017); *Software Rights Archive, LLC v. Facebook, Inc.* (Fed. Cir. 2016); *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355 [119 USPQ2d 1822] (Fed. Cir. 2016).
- 14 *EmeraChem Holdings, LLC v. Volkswagen Grp. of Am., Inc.*, 859 F.3d 1341 [123 USPQ2d 1146] (Fed. Cir. 2017); *Dell v. Acceleron, LLC*, 818 F.3d 1293 [118 USPQ2d 1353] (Fed. Cir. 2016)
- 15 *In re Magnum Oil Tools Int'l, Ltd.*, 119 USPQ2d 1541 (Fed. Cir. 2016)
- 16 *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, Docket No. 16-712.
- 17 590 F.3d 1295 (Fed. Cir. 2009).
- 18 608 F.3d 1356 (Fed. Cir. 2010).
- 19 619 F. 3d 1321 (Fed. Cir. 2010).
- 20 *Sukumar v. Nautilus, Inc.*, 785 F.3d 1396 [114 USPQ2d 1626] (Fed. Cir. 2015)
- 21 [https://www.uspto.gov/sites/default/files/aia\\_implementation/VMreport.pdf](https://www.uspto.gov/sites/default/files/aia_implementation/VMreport.pdf)
- 22 37 CFR §1.610(a).
- 23 37 CFR §1.610(b)(1).
- 24 37 CFR §1.610(b)(2).
- 25 37 CFR §1.610(b)(3).
- 26 37 CFR §1.610(b)(4).
- 27 37 CFR §1.610(b)(5).
- 28 37 CFR §1.610(b)(6).
- 29 37 CFR §1.610(b)(7).
- 30 37 CFR §1.610(b)(8).
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- 32 35 USC §257(b).
- 33 649 F.3d 1276, 1288-89 (Fed. Cir. 2011).
- 34 MPEP § 2152.02(c).
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- 36 855 F.3d 1356 [123 USPQ2d 1045] (Fed. Cir. 2017).
- 37 [https://www.uspto.gov/sites/default/files/documents/Report\\_on\\_Implementation\\_of\\_the\\_AIA\\_September2015.pdf](https://www.uspto.gov/sites/default/files/documents/Report_on_Implementation_of_the_AIA_September2015.pdf).



## Contact Information Changes

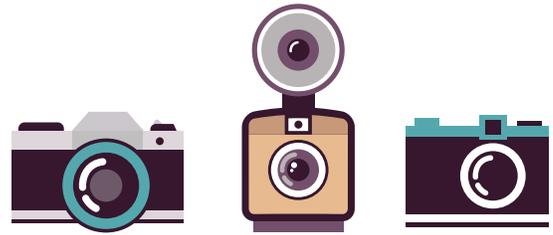
In order to safeguard your member information, changes to your member record must be provided in one of the following ways:

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- [Complete contact information change form](#) and return by email, fax, or mail. Be sure to include your full name and P-number when submitting correspondence.
  - Fax form to Member Records at (517) 372-1139.
  - Mail form to State Bar of Michigan, Member Records, 306 Townsend St., Lansing, MI 48933-2012.
  - Email completed form to [sbmaddressfix@michbar.org](mailto:sbmaddressfix@michbar.org)
- [Name Change Request Form](#)—Supporting documentation is required

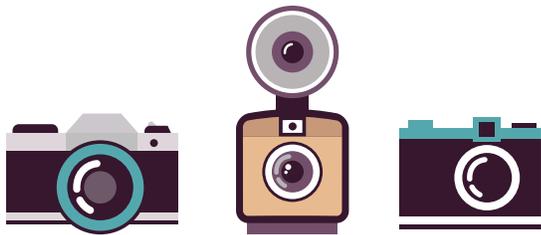
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Outgoing Council President David C. Berry and Judge Jimmie V. Reyna stand with the 'Excellence in Intellectual Property Award' winner Susan Kornfield



Conference Attendees Enjoy Afternoon Tea at the Grand Hotel



David C. Berry delivers Opening Remarks

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### Schedule

- 8:00am Continental Breakfast and Registration
- 9:00am Welcome and Introductions
- 9:10am Autonomous Vehicles: Your Comprehensive IP Primer
- 10:00am Networking Break

	Patent Track	Trademark Track
10:20am	Dos and Don'ts of Writing Opinions	How Enterprise Rent-A-Car Protects Its Trademarks
11:20am	Use of Experts on Damages	From Cars to Clothing: Best Practices for Trademark Clearance Searches
12:20pm	Lunch Presentation: Can IP Save Football?	
1:50pm	Choose the Right Client, Set the Right Payment Structure, and Get Paid	
2:50pm	Networking Break: Wine Tasting	
3:20pm	Corporate Espionage and Theft of Intellectual Property	

# 2017 Annual Report—Michigan Patent Pro Bono Project

## A Service Project of the State Bar of Michigan Intellectual Property Law Section

### Summary

The Michigan Patent Pro Bono Project addresses the unmet need for patent legal services in Michigan by matching low-income inventors and innovators with volunteer patent attorneys. In 2017, the Project received requests for legal services from 24 persons. Of these, four were placed with volunteer attorneys and two more were placed with law school patent clinical programs. Several outreach programs introduced the Project to the community and attorneys.

### Organization

On September 17, 2015, the State Bar of Michigan Intellectual Property Law Section (“IPLS” or “Section”), formally amended its by-laws to establish the Project as a standing committee of the Section. The Section Council appointed a Steering Committee, chaired by David Berry, the 2016-2017 Section chair. The Steering Committee for 2017 included the following people:

- Frank Angileri, Brooks Kushman
- John S. Artz, Dickinson Wright
- David Berry, Brooks Kushman/Wayne State Law School
- Sharon Brady, Formerly Dow Corning
- William Coughlin, Ford Global Technologies
- Denise Glassmeyer, Young Basile
- Fernando Alberdi, Ph.D., Honigman
- Matthew H. Szalach, Honigman
- Stephen Olson, Harness, Dickey & Pierce
- Karl Ondersma, Gardner Linn Burkhardt & Flory
- Daniel Aleksynas, Dobrusin Law Offices
- Michael Stewart, Fishman Stewart PLLC
- Adam Strauss, Stryker Corporation
- John VanOphem, VanOphem IP Law

### Operation:

**Funding.** The Project’s operating costs are limited to the cost of additional insurance premiums to include the Project in the State Bar of Michigan’s pro bono policy, and expenses associated with promoting the Project. The Section is currently holding funds representing excess sponsorship donations relating to the Gala Reception to celebrate the opening of the

Elijah McCoy Regional U.S. Patent Office on July 12, 2012, and those excess donations are earmarked for the pro bono effort. During 2017 SBM fiscal year, \$974.32 in Project-related expenditures were approved by the IPLS Council.

Ongoing operating expenses for the Project are minimal. The SBM Access to Justice Initiative provides administrative support services at no cost to the Project. Currently, there is no immediate need for the Project to secure additional start-up or operations funding.

In 2016, Landon-IP, a division of CPA Global, volunteered to provide pro bono patentability search reports to Project clients. Once a request for pro bono assistance with the filing of a non-provisional patent application has been approved by the Screening Committee and accepted by a participating volunteer attorney, the attorney can ask Landon IP to perform a patentability search on a pro bono basis. Landon IP performs a focused patentability search and provides a feature matrix deliverable with a one-week turn-around. Landon has provided several pro bono searches as part of their support of the Project.

**Clients Served.** Since the Project launch, a screening committee has worked with the PBI to screen applicants based on their legal needs and available program resources. The following attorneys served on the committee: Sharon Brady, Denise Glassmeyer, Dan Aleksynas, Robert Mathis (SBM), and David Berry.

During 2017:

Applications for assistance submitted: .....24  
Applicants placed: .....6  
    4 with volunteer attorneys  
    2 with law school clinical programs

Reasons for not accepting applicants:

No application filed with USPTO .....11  
Over income .....2  
Client not responsive .....0  
Lack of panel attorney interest .....2  
Rejected by attorney after placement .....1  
Not a patent issue .....1  
Not a Michigan resident .....0

Since launch of the Project in 2014, 101 applications have been received for assistance, and 25 clients have been placed

with volunteer attorneys at firms or other organizations.

The following firms/organizations accepted pro bono referrals through the date of this report (those accepting clients in 2017 are in **bold**.)

- **Brooks Kushman PC**
- **Dobrusin Law Firm**
- **Dickinson Wright PLLC**
- Gifford Krass/Dinsmore & Shohl
- **Fishman Stewart PLLC**
- Ford Global Technologies LLC
- Harness Dickey & Pierce PLC
- Kreis Enderle
- University of Detroit Mercy Law School International IP Clinic
- **Wayne State Law School Patent Procurement Clinic**

**Coordination.** The Project closely coordinates its operations with the USPTO and a national association of regional patent pro bono programs. The USPTO has collaborated with regional IP law associations to establish a network of regional programs, servicing low-income inventors in all 50 states. David Berry serves on the Board of Directors of the Pro Bono Advisory Council, a non-profit corporation which provides support, coordination, and educational services to the regional programs.

**Promotion.** During 2017, the following public programs and communications have introduced the program to the public and interested attorneys:

- Presentations at Small Business Legal Academy 2017, held at Wayne State University in conjunction with 2017 Detroit Entrepreneur Week (DEW17) (May 20, 2017).

- Michigan Inventors Entrepreneurs Coalition, 5<sup>th</sup> Annual Innovate MI Event, Lansing (September 15-16, 2017).
- The Project collaborated with the Michigan IP Inn of Court to produce a short video production with basic information about IP law and a listing of resources available to low income innovators, including the Project.
- 17th Annual Collaboration for Entrepreneurship (ACE'17), Southfield (January 26, 2017).
- USPTO Midwest Regional Seminar: "Seminar for Start-ups: Protecting Your Intellectual Property," MSU Technology Innovation Center, East Lansing (September 26, 2017).
- In addition, detailed information concerning the Project, online application forms, and links to additional information are located on the State Bar of Michigan website ([connect.michbar.org/iplaw/patent](http://connect.michbar.org/iplaw/patent)).
- Additional links to the Project are located on the USPTO website (<http://www.uspto.gov/patents-getting-started/using-legal-services/pro-bono/patent-pro-bono-program>) and the Federal Circuit Bar Association website.
- A link to a video created by the Michigan Intellectual Property American Inn of Court: [https://drive.google.com/file/d/0Bxq6WKGhe\\_LbNUtPaklwNzIGYTA/view](https://drive.google.com/file/d/0Bxq6WKGhe_LbNUtPaklwNzIGYTA/view)

**Coordination with Other IP Resources.** In addition to coordinating with law firms and in-house law departments, the project has coordinated with other IP legal resources. It has referred inquiries involving non-patent IP legal issues to Creative Many of Michigan, which operates the Lawyers for the Creative Economy ("LCE") program. It has referred clients to USPTO-certified law school patent clinical programs at Wayne State University Law School and University of Detroit Mercy Law School.

