Does the Federal PTO Code of Professional Responsibility preempt the state's Model Code of Professional Responsibility?

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In Dorsey, attorneys were appealing from an order from the Commissioner of Patents disbarring them from practicing before the United States Patent Office ("PTO") for gross misconduct.[1] The attorney's prepared and presented an article on a glass working to the PTO naming William P. Clarke the author, who in fact was not the actual author.[2] The District court found that the hearings had been "fairly conducted" after due notice of charges and that there was "substantial evidence to support the findings."[3] The District Court affirmed the PTO's decision.[4] The Court of Appeals subsequently reversed, stating that the notice of charges inadequate and that the proceedings before the Commission were unfair.[5] The Supreme Court of the United States reversed the Court of Appeals decision and noted that they agreed with the Commission that "[b]y 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*."[6] (Emphasis added) The Supreme Court added that Congress enabled the Commissioner, not the courts, the primary person responsible for "protecting the public from the evil consequences that might result if practitioners should betray their high trust."[7] Chicoski states in "A Trademark Attorney's Ethical Guide to the Patent and Trademark Office and Its Code of

Professional Responsibility" that the underlying rationale for this duty lay in the fact that the PTO must protect the public from fraudulently obtained patent monopolies.[8] The standard of Dorsey would be embodied in the PTO Code of Professional Responsibility ("PTO Code") where attorneys must maintain the dutiful standard of PTO Rule 37 C.F.R. § 10.18.[9] This good faith requirement is similar to the good faith requirement of Rule 11 of the Federal Rules of Civil Procedure.[10]

The PTO Code describes the ethical conduct necessary in order to practice before the PTO. The PTO requires that those agents and attorneys who appear before the PTO to be "of good moral character and reputation."[11] Representatives of applicants must be "possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office."[12] Further requirements of the Patent Code enumerate the grounds for suspension and exclusion of practice, which include being disreputable, incompetent, or guilty of gross misconduct or fraud.[13] The entire patent system is anchored in honesty with the requirement of an oath by the applicant that he or she is entitled to the applied-for patent.[14] There is a strong public policy argument to be made that good faith and fair dealing are the prerequisite ethical obligations necessary in order to deal

with the PTO because you are in fact dealing with Society as a whole when preparing and presenting before the PTO. The rules define the minimum level of conduct which a practitioner must follow.[15] Any attorney or agent will be subjected to disciplinary hearings for any misconduct violation if their conduct falls below the minimum level.[16] In determining a penalty, four factors are to be analyzed: (1) the public interest, (2) the seriousness of the violation of the Disciplinary Rule, (3) the deterrent effects deemed necessary, and (4) the integrity of the legal profession.[17]

An intellectual property attorney must not only contend with their obligations to the Model Rules of Professional Conduct ("Model Code"), but must also abide by the rules set forth by the PTO Code in order to practice before the Patent Bar.[18] The Model Code would get modified before each state would adopt the rules.[19] The PTO Code of Professional Responsibility was based upon the original Model Code, before the states modified their own standard, but was not fully adopted until 1985.[20] The PTO chose specifically not to include the Model Code because of the nonstandard application across the States.[21] There is some overlap of the rules between the PTO Code and the Model Code, including the competency requirement, the scope of a lawyer's representation, and the termination of representation.[22] An intellectual property attorney has two sources to reference

when in doubt to the ethical duties imposed on them in any given situation.[23] By adopting different rules on similar topics, it begs the question as to what happens when the PTO's rules come in conflict with a jurisdiction that adopted the Model Code or even their own rule.[24] The main issue with having two or three standards of ethical conduct requirements is that this divergence of ethical standards could potentially create conflicts as to which code supersedes the other one in any given situation, especially when their state bar association's code supplies another standard. This raises the issue of supremacy with this potential conflict.[25]

The Supreme Court has addressed this issue and created three specific standards to determine whether federal regulations preempt state law.[26] In Hillsborough County v. Automated Medical Lab., Inc., the Supreme Court states that the three ways that preemption occurs is (1) through an express term in a congressional statute; (2) via an inference of preemption where the scheme of federal regulation is sufficiently comprehensive; (3) even when Congress has not completely displaced state regulation in a specific area, state law is nullified when, and to the extent that, it actually conflicts with federal law.[27] Because there is such a significant state interest in attorney misconduct matters, potentially pre-emptive federal regulations must make a showing of actual conflicts.[28] In

Sperry, the Supreme Court held that "conflicting state law was pre-empted under the Supremacy Clause by Federal patent law affecting attorney regulation."[29] Based upon this precedent, if a conflict arose between the PTO Code and the state Model Code, then the court would recognize that the PTO Code preempts the state code. [30]

The potential conflicts have not been fully resolved and it still remains to be seen which of the code of ethics will reign supreme.[31] In evaluating whether the federally administered PTO code or the state bar association Model Code there needs to be a balancing test in order to find out which interest, either the states or the federal government's, is higher. In weighing the interests, it is important to understand the interest of the PTO itself.

The PTO is a federal agency in the Department of Commerce.[32] The primary services the agency provides include processing patent and trademark applications and disseminating patent and trademark information.[33] The fundamental role of the PTO is "to promote the progress of science and the useful arts by securing for limited times to inventors the exclusive right to their respective discoveries."[34] Through the issuance of patents, the PTO encourages technological advancement by providing incentives to invent, invest in, and disclose new technology worldwide.[35] The benefits of registering trademarks, patents or copyrights

with the PTO is that in exchange for the government granting you temporary monopoly for patents, and protections for copyright and trademarks, you must publicly disclose your invention, copyright or trademark instead of keeping the item secret. This exchange is for the benefit of society, in that society benefits from the knowledge of the work, while the inventor, or author benefit from the protections afforded by the federal government.

In conclusion, due to the significant public benefit of disclosure, the Constitution provides the basis for federal patent and trademark protection, directly in the case of patents and indirectly through the Commerce Clause for trademarks.[36] The federal government offers powerful protections, and because of these protections the requirements of the application process and the level of accountability of the lawyer and applicant are so very high.[37] The PTO Code was established in order to provide bright line rules to those that seek these same protections. The public has significant interest in what comes before the PTO and therefore the penalties should be delegated to the PTO. This would allow uniformity to the ethical standards of those that come before the PTO. The entire system is built upon the presumption of honesty in the transaction, starting from the application process itself.[38] It seems clear that the PTO Code would be found to be supreme to that of the Model Code and the state's interest because the PTO deals with the public benefit,

public interest and represents all of society, which from a totalitarian perspective trumps the interest specific to the sovereignty of any one particular state.

[1] Kingsland v. Dorsey, 338 U.S. 318, 70 S.Ct. 123 (1949).
[2] Id.
[3] Id.
[4] Id.
[5] Id.
[6] Id.
[7] Id.
[8] Jennifer S. Chicoski, A Trademark Attorney's Ethical Guide to the Patent and Trademark Office and Its Code of Professional Responsibility, 8 Geo. J. Legal Ethics 1013 (1995).
[9] Chicoski, *supra* at 13
[10] Chicoski, *supra* at 13
[11] 35 U.S.C. §31, Signature and certificate for correspondence filed in the Patent and Trademark Office.
[12] LANHAM ACT § 1113
[13] *Id.* § 1114.
[14] Chicoski, *supra* at 3
[15] Chicoski, *supra* at 6
[16] Chicoski, *supra* at 6
[17] Chicoski, *supra* at 7
[18] Chicoski, *supra* at 13
[19] Chicoski, *supra* at 5
[20] Chicoski, *supra* at 5
[21] Chicoski, *supra* at 5
[22] Chicoski, *supra* at 13
[23] Chicoski, *supra* at 13
[24] Chicoski, *supra* at 14
[25] Chicoski, *supra* at 14
[26] Chicoski, *supra* at 14
[27] Hillsborough County v. Automated Medical Lab., Inc., 471 U.S.707 (1985).
[28] Chicoski, *supra* at 14
[29] Sperry v. Florida *ex rel.* Florida Bar, 373 U.S. 379 (1963).
[30] Chicoski, *supra* at 15
[31] Chicoski, *supra* at 15
[32] Introduction page, Our Business: An Introduction to the USPTO (April 6, 2007), http://www.uspto.gov/web/menu/intro.html
[33] Our Business: An Introduction to the USPTO, *supra*
[34] Article 1, Section 8 of the United States Constitution
[35] Our Business: An Introduction to the USPTO, *supra*
[36] Chicoski, *supra* at 2

[37] Chicoski, *supra* at 3
[38] Chicoski, *supra* at 3