

NAPP Guidelines Regarding Best Practices For Patent Practitioners¹

PURPOSE: This document serves as a set of guidelines for Practitioner Members of the National Association of Patent Practitioners. The purpose of these guidelines is to provide sound advice to the patent practitioner. These guidelines have been reviewed and approved by the Board of Directors for the National Association of Patent Practitioners and are reviewed on an annual basis.

Client Representation

Check for conflicts of interest

1. Clearly identify the client or clients as well as the technology involved.
2. Determine whether a conflict of interest exists or is likely to arise for the patent practitioner or any other patent practitioners affiliated with the patent practitioner.
3. Decide whether the representation may be undertaken despite the potential conflict, e.g., is client consent available after disclosure of the potential conflict?
4. If client consent is available, consult with all clients affected and obtain their informed consent in writing.

Technology is outside practitioner's area of competency

A patent practitioner should only undertake representation of clients in technology areas that the practitioner is competent.² If the practitioner is not competent in a particular technology area and is unable to promptly obtain sufficient training, he should either decline representation or associate with another registered practitioner who is competent in that technology. If the practitioner decides to associate with another practitioner, this must be disclosed to the client, and the patent practitioner must obtain permission from the client before he discloses the client's invention to the other practitioner.³

Referring clients to another practitioner outside of the patent practitioner's firm

To avoid responsibility/liability for the work performed by the other practitioner, it is advised that the referring practitioner should send the prospective client a letter of nonengagement and not accept a referral fee or division of fee from the other practitioner.

Division of fees with another practitioner

If the practitioner associates with another practitioner and the fee is to be divided, the following things must occur:

- The client must consent to employment of the other practitioner after a full disclosure of the fee split
- The division must be made in proportion to the services performed and responsibility assumed by each party

1 Approved by the NAPP Board of Directors January 2005.

2 37 CFR §10.77(a)

3 37 CFR §10.57.

- The total fee cannot exceed reasonable compensation for all legal services rendered to the client.⁴The client's consent should be made in writing

Letter of Engagement

The letter of engagement should contain the following:

1. Define the scope of representation – set forth the responsibilities that the practitioner will and will not undertake. Be wary of broad articulations of the representation to avoid future conflicts.
2. Identify the client – Resist establishing a routine of communicating with anyone who is not your client. Always undertake direct communication with the client.
3. Client's responsibilities – Keeping the practitioner informed of current address and contact information.
4. Nature of fees to be charged – Attach a detailed schedule of the fees involved.
5. Client's responsibility for certain costs, expenses and USPTO fees.
6. Identify the staff on the case.
7. Set forth the typical stages of representation – e.g., prior art search, patentability opinion, drafting and filing the application, etc.

Calendars/Docketing

Each practitioner should have dual calendars, one of which should be perpetual so a deadline cannot be passed simply because a calendar page was not turned. The second calendar should have a date calculator for calculating deadlines with reference to the set date. The two calendars should not effectively be the same, e.g., the second calendar should not simply be a computer printout of an electronic first calendar.

Communication with the Client

Lack of communication is one of the leading causes of ethics complaints against practitioners. Establish a systematic communication process with the client from the beginning of the relationship and provide the client with copies of USPTO correspondence.

Educate the Client

Provide the client with not only information regarding the possible scope of patent protection but also disclosure and other ethical requirements as well as an explanation of the legal process of obtaining patents.

Client's Files

Provide the client with a full copy of the file as the relationship progresses. Make copies of the client's originals and return the originals to him. Use caution in withholding any documents other than those clearly falling within the category of internal memoranda, such as conflicts analysis, staffing considerations, and accounting records which go beyond the client's bill. Never hold the client's file for "ransom" even if the client has not paid his bill.

4 37 CFR §10.37.

Screen Clients

Screen prospective clients to ascertain whether or not representation should be accepted. Things to consider:

1. Watch out for the client who second-guesses legal work.
2. The prospective client who is rude, discourteous, or hostile can be vindictive.
3. Watch out for the prospective client who is concerned/unconcerned with fees or has financial difficulties. Where possible, obtain some sort of assurance from the client that he will be able to pay the fee – letter from his bank affirming adequate funds in his account or credit report.
4. Watch out for the client who “shops” for a practitioner. This is an indication that the client may have unrealistic or unmanageable expectation of case costs/outcomes.
5. Watch out for the client who has a matter outside the practitioner’s area of expertise.

Letter of Disengagement

Develop a letter that informs the client when representation has ceased. The letter can be used to inform the client about the nature of PTO fees or documents that may become due in the near future. The letter may also be used to report abandonment of the application.

Fee Management

A practitioner is required to deposit in an identifiable bank account all funds paid to the practitioner which are advanced for professional fees, maintain complete records of all funds of a client coming into the practitioner’s possession, and render appropriate accounts to the client of the funds.⁵ The trust funds should not be held in the same account as the practitioner’s funds except for practitioner funds sufficient to pay bank charges and client funds belonging in part to the client and in part to the practitioner.⁶ A practitioner must promptly pay or deliver to the client any funds or properties the client is entitled to receive.

Advertising and Solicitation

A registered practitioner is proscribed from soliciting professional employment from a prospective client with whom the practitioner has no family or prior professional relationship by mail or in-person, when a significant motive for the solicitation is the practitioner’s pecuniary gain under circumstances evidencing undue influence or overreaching.⁷ While a practitioner may advertise, any such advertisement shall include the name of one or more practitioners responsible for the content of the advertisement.⁸

5 37 CFR §§10.112(a), 10.112(c)(3), and 10.112(c)(4).

6 37 CFR §10.112(b)

7 37 CFR §10.23(b)

8 37 CFR § 10.23(c)