Analysis Of The Duty Of Candor And Good Faith In Patent Practice

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SECTION I - INTRODUCTION

THE PURPOSE OF THIS ARTICLE

As an attorney practicing in the United States one is subject to the ethical rules adopted by the State in which one is licensed to practice law. These rules are designed to provide standards to which an attorney can gauge the conduct of legal practice and conform as necessary to the standards described in the rules. Further, these rules describe conduct which is considered unacceptable and may subject an attorney to disciplinary action.

In addition to the attorney's state adopted rules, attorneys recognized to practice before the United States Patent and Trademark Office[1] must meet the ethical rules promulgated by the PTO. This paper addresses one aspect of those ethical rules which an attorney must follow to comply with one's state and the PTO. More specifically this paper analyzes the patent practitioner's duty of candor which is owed to the PTO from the perspective of the American Bar Association Model Rules of Professional Conduct (ABA Model Rules)[2], the PTO Code of Professional Responsibility (the PTO Code), and the Court of Appeals for the Federal Circuit's (CAFC or the Federal Circuit) interpretation of the duties owed to the PTO.

The method selected to analyze these conflicts was to identify situations or scenarios that could occur in practice and then to analyze each of these using the above-identified interpretations of the ethical rules. Discussions went beyond original application situations and include both reissue and reexamination proceedings. In the case of reexaminations, an analysis of the proposed changes allowing for the increased participation of reexamination requesters is examined to determine whether the current level of candor to the tribunal is necessary. The primary goal of this paper is to provide insight to the attorney regarding some of the potential discrepancies and conflicts that might arise under the dual obligations owed by the attorney to the client and to the PTO, and to resolve those discrepancies, if possible, within the parameters of the discussed rules.

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1 The author refers to the Patent and Trademark Office by using "Office" and "PTO" interchangeably throughout this paper.

2 To avoid confusion, this paper uses the ABA Model Rules because they have been adopted in one form or another by approximately eighty percent of the United States.

SECTION II - BACKGROUND INFORMATION

SOURCES FOR PROFESSIONAL CONDUCT CODES

Attorney Rules to Regulate Conduct

The practice of law requires an attorney to meet a number of duties; to represent clients as well as the judicial system, to act as an intermediary between opposing parties, to advocate a specific legal position, and to negotiate terms between parties. Because the legal profession is largely self-governing and it was recognized that at times these duties could conflict, a set of rules was developed to assist the practitioner in choosing the correct course of action.[3] Through time various iterations of these rules have resulted in the current version, known as the ABA Model Rules.

PTO's Power to Regulate Conduct

Article I, section 8, clauses 8 and 18 of the U.S. Constitution state: "[that Congress shall have the power] [8] To promote the Progress of Science and useful Arts by securing for limited Times to . . . Inventors the exclusive Right to their respective . . . Discoveries . . . .; [and] [18] To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers. . . ." Congress has delegated its authority over the United States patent system to the Commissioner of Patents under 35 USC §6(a). This section states inter alia; "[t]he Commissioner . . . may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office."[4]

PTO Code of Professional Responsibility

Of particular importance are §§10.20 through 10.112, which set forth the PTO Code. The PTO Code, similar in construction to the ABA Model Code of Professional Responsibility, currently consists of nine canons which set forth the goals to which a practitioner is supposed to strive. Also there are a number of disciplinary rules considered mandatory which subject a practitioner to disciplinary action if not obeyed. A cursory look at the PTO Code reveals that it was derived predominantly from the ABA Model Code of Professional Responsibility with the

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[3] See generally Preamble to the Model Rules.

[4] For a detailed analysis of the history and scope of the Commissioner's authority see; H. C. Wamsley, *The Rulemaking Power of the Commissioner of Patents and Trademarks* (Parts 1 and 2), 64 J. Pat. & Trademark Off. Soc'y 490 and 539, respectively (1982).

addition of elements from the ABA Model Rules of Professional Responsibility.[5] However, the Virginia Code of Professional Responsibility, Federal Rules of Civil Procedure, case law, statutes, and specific concerns of the PTO also played an important role in the final form of the Code.[6]

Prior to enacting the PTO Code, the practitioner's standard of conduct was expected to conform to the requirements of the 1970 ABA Model Code of Professional Responsibility.[7] Notwithstanding, promulgation of the PTO Code was expected to improve upon this by taking into consideration situations specific to practice before the Office.[8] An additional reason for the PTO to create its own code of conduct was to provide a standard set of rules for both the patent attorney and the patent agent.[9] Now, all practitioners recognized by the Office regardless of status, whether agent or attorney, are expected to follow the rules and guidelines set forth in the PTO Code. Lastly, the PTO Code provides the PTO with a means for disciplining practitioners without forcing the pursuit of disciplinary action to occur through the attorney's local bar.

The aspect of most concern to this paper, common to both the Model Rules and the PTO Code, is that an attorney owes a duty of candor to a tribunal as well as a duty of confidentiality to the client. At times, by their very nature, these duties appear to come into conflict. This paper seeks to alert the practitioner to some of the situations in which these duties appear to conflict and provides a reasonable basis for the resolution of such apparent conflict. Consequently, a detailed discussion of these areas, necessary to a proper understanding of the topic, follows.

Ethical Duty of Candor Owed to Tribunals

A Brief Discussion of the Model Rules

No obligation can be considered more basic to the practice of law than the attorney's duty to maintain the client's confidentiality. The Supreme Court in *Upjohn v. United States*[10] reiterated that the purpose for maintaining the client's confidence is to encourage the client to provide the

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5 50 Fed. Reg. 5170, Table 2 (1985).

6 *Id.*

7 50 Fed. Reg. 5159 (1985).

8 Cameron Weiffenbach, *Attorney Conduct and the U.S. Patent and Trademark Office*, 14 AIPLA Q.J. 73, 75 (1986).

9 *Id.* at 75.

10 449 U.S. 383 (1981).

attorney with "full and frank disclosure"[11] of information even though it may be "embarrassing or legally damaging"[12] to the client. This duty to maintain the client's confidence is probably no better stated than in *People v. Belge*.[13] In *Belge*, the attorney was found to have acted properly in refusing to reveal the location of a victim's body who had been previously murdered by the attorney's client. This duty of confidentiality is so fundamental to legal practice that Model Rule 1.6 expressly prohibits an attorney from "[revealing] information related to the representation of a client unless;" the client consents or disclosure is impliedly authorized. Model Rule 1.6 does however sanction some disclosure which is against the client's wishes to the extent necessary to (1) prevent a criminal act "likely to result in imminent death or substantial bodily harm"[14], or (2) to establish a claim against, or to protect the attorney from some action resulting from the attorney's representation of that client.[15] However, this power is considered to be within the attorney's discretion and the attorney is under no ethical obligation to invoke it.

In *Belge*, a situation involving knowledge of certain information from a past crime, it was held that the attorney had no option but to maintain the client's confidence unless otherwise authorized. A completely different result would have been possible if the attorney had been given physical evidence rather than information or where the client's crime was prospective. If the former had occurred, in which client had provided the attorney with some physical evidence of the crime such as the murder weapon, the attorney would have been obligated to turn the evidence over to the proper authorities.[16] If the latter had occurred, where the crime was prospective, the attorney has the option to disclose information regarding the crime only if the attorney knows that the crime is "likely to result in imminent death or substantial bodily harm." So long as the client's action does not rise to this level, the attorney is prohibited from disclosing the information unless authorization can be found elsewhere.

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11 *Id.* at 389.

12 Model Rule 1.6 Comment [3].

13 372 N.Y.S. 2d 798 (Co. Ct. 1975).

14 Model Rule 1.6(b)(1).

15 Model Rule 1.6(b)(2).

16 Model Rule 3.4(a) provides that "[A lawyer shall not] unlawfully obstruct another party's access to evidence or unlawfully alter, destroy or conceal a document or other material having potential evidentiary value. . . ."

One area of the Model Rules which at times conflicts with the duty of confidentiality set forth in Model Rule 1.6 is found in Model Rule 3.3. Model Rule 3.3 requires an attorney to maintain a duty of candor toward the tribunal and prohibits attorneys from knowingly; making false statements of material fact,[17] failing to disclose material facts necessary to avoid assisting the client in criminal or fraudulent acts,[18] failing to disclose legal authority directly adverse to the client not offered by the opposing side,[19] and offering evidence known by the attorney to be false.[20]

A detailed examination of Model Rule 3.3 reveals that an attorney has a number of obligations which must be met.[21] The first obligation is that the attorney is prohibited from making any false statements of material fact to the tribunal.[22] Likewise, if the client lies or offers false evidence to the tribunal, the attorney is obligated to reveal this.[23] Even where it only comes to the attorney's attention that the client intends to offer false evidence; the attorney cannot allow it. Attorneys finding themselves in this predicament must attempt to dissuade the client from committing the fraud;[24] if unsuccessful, the attorney may be forced to withdraw from further representation to avoid assisting the fraudulent activity.[25] In the event the attorney is not permitted to withdraw, Model Rule 3.3(b) obligates the attorney to correct the falsity through the use of corrective testimony or disclosure to the tribunal if necessary. Although the attorney is not permitted to commit fraud or otherwise allow fraud to be committed, one unexpected antithesis to

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17 Model Rules 3.3(a)(1).

18 Model Rules 3.3(a)(2).

19 Model Rules 3.3(a)(3).

20 Model Rules 3.3(a)(4).

21 See generally ABA Comm. on Ethics and Professional Responsibility, Formal Opinion 87-353 (1987) for a discussion of the attorney's duty of candor to the tribunal.

22 Model Rule 3.3(a)(1).

23 Model Rules 3.3(a)(2) and (4).

24 In *Nix v. Whiteside*, 475 U.S. 157, 174 (1986), the Supreme Court held that it was not a breach of the attorney's duty to dissuade the client from perjuring himself. To require the attorney to remain silent would be incompatible with professional ethics.

25 *Nix v. Whiteside*, supra and generally Wolfram, *Client Perjury*, 50 S. Cal. L. Rev. 809 (1977) especially at 860.

this rule occurs where the attorney becomes aware that either opposing counsel or the tribunal have made an incorrect material assumption and the attorney possesses the correct information previously provided to the attorney by the client. In such a case the attorney is under no obligation to remedy the assumption, and in fact under Model Rule 1.6 is prohibited from doing so.[26] In the event the attorney is asked to affirm or otherwise verify some mistaken fact and the attorney is aware that the tribunal's assumption is incorrect, the attorney is still not permitted to disclose. The attorney must request to be excused from answering; consequently for all practical purposes this alerts the tribunal to an inconsistency which leads the tribunal to further inquiry with the likely result that the correct facts are eventually revealed. So long as the attorney does not commit or allow fraud to be committed upon the tribunal, mistakes by the opposition are not remedied by the attorney.

Duty of Candor as it Pertains to the PTO

The PTO as a tribunal is also owed this duty of candor which is in fact set out in 37 CFR §1.56 in the case of patent applications and 37 CFR §1.555 in the case of patent reexaminations. The former section, more commonly referred to as Rule 56, was originally created to codify the duty of candor and good faith the Supreme Court held that applicants owed to the PTO.[27] The duty of candor and good faith requires the disclosure of "all facts concerning possible fraud or inequitableness"[28] in order to best allow the PTO to assess the validity of the pending application for patent.[29] From the codification of Rule 56 in 1977[30] until 1992, the duty of candor and good faith required the applicant to disclose all information in which "there was a substantial likelihood that a reasonable examiner would consider the information material to patentability".[31] However, the PTO quickly discovered that this definition of materiality carried with it the added burden of

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[26] See generally ABA Comm. on Professional Ethics, Formal Opinion 287 (1953).

[27] *Kingsland v. Dorsey*, 338 U.S. 318, 319 (1949).

[28] *Id.*

[29] *Precision Instrument Mfg. Co. v. Automotive Maintenance Mach. Co.*, 324 U.S. 806, 818 (1945).

[30] 37 CFR §1.555 was promulgated in 1981, for reexamination proceedings. (See 46 Fed. Reg. 29187, (1981) for the legislative history.) The only significant difference between §1.56 and §1.555 is that material information under the latter is limited to information found in patents and printed publications that can be considered material.

[31] 37 CFR §1.56 (1991).

the Office being swamped with information. Practitioners often times submitted questionable information in order to minimize the possibility that information known by the applicant yet withheld would retrospectively be analyzed, considered relevant, and subsequently be used to invalidate the patent.

Therefore, in 1992 the PTO amended Rule 56 and §1.555 to provide a more objective definition of information considered material to patentability.[32] The amendments were designed to encourage the voluntary disclosure of information material to each patent application and reexamination yet balance both the resources available and the effectiveness of the PTO.[33] The substantive changes affect the definition and determination of materiality. Now information is considered material[34] only:

> if it is not cumulative to information of record or being made of record and it establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or it refutes, or is inconsistent with, a position the patent owner takes in either opposing an argument of unpatentability relied on by the Office, or asserting an argument of patentability.[35]

The preamble to new Rule 56 states that; "[a] patent by its very nature is affected with a public interest . . . ."[36]. The PTO considers the public interest to be met when all available information is evaluated prior to the granting of a patent.[37] This duty, on its face, appears to require the disclosure of more information than would otherwise be required under Model Rule 3.3. In fact, however, Model Rule 3.3(d) requires, in an ex parte proceeding, the disclosure "of all material facts known to the lawyer which will enable the tribunal to make an informed decision, whether or not the facts are adverse." Taking into account the increased duty of disclosure which is owed during an ex parte proceeding, it becomes more apparent that the duty of disclosure owed

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32 57 Fed. Reg. 2024, *Reply to Comment 10*, (1992). For an in depth analysis of both the old and new Rule 56, see AIPLA Quarterly Journal, Vol. 16, No. 1 (1988) and AIPLA Quarterly Journal, Vol. 20, No. 3 and 4 (1992), respectfully.

33 57 Fed. Reg. 2023-24, *Comments 1 and 5* and their respective *Replies* (1992).

34 In the case of reexaminations, material information is limited to information found in patents and printed publications.

35 37 CFR §§1.56(b) and 1.555(b).

36 Preamble to 37 CFR §1.56 (1992).

37 57 Fed. Reg. 2025-26, *Reply to Comment 22* (1992).

to the PTO during patent prosecution may in fact be no broader than that required by Model Rule 3.3(d).[38]

One problem which remains, however, is that the Office believes it to be in the applicant's best interests to disclose all information regardless of materiality because "[to do so will] strengthen the patent and avoid the risks of an incorrect judgment . . . [as to] materiality . . . or intent to deceive the Office."[39] Because the Office considers it the patent examiner's task to make a determination as to materiality,[40] the risk of this type of incorrect judgment is greater where the applicant makes and relies on the applicant's own personal determination of materiality.[41] Therefore, "the Office believes that most applicants will wish to submit information . . . even though they may not be required to do so."[42] The issue of most concern with this situation is that the PTO's current position is that the duty of candor and good faith includes but is broader than the duty to disclose information material to patentability.[43] However the PTO has not yet attempted "to define the spectrum of conduct that would lack the candor and good faith . . . expected of individuals who are associated with the filing or prosecution of a patent application."[44] Therefore, in order to understand how the duty of disclosure and the general duty of candor and good faith to the PTO interrelate, one must look to recent court decisions.

Duty of Candor to the PTO as Perceived by the CAFC

Not surprisingly, because the duty of candor and good faith owed to the PTO was first elucidated by the Supreme Court in *Kingsland v. Dorsey*, discussed *supra*; in general the courts agree with the PTO's interpretation of the duties owed them. One of the major points of

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38 The PTO qualifies as a "quasi-judicial" tribunal and thus falls under the parameters which Model Rule 3.3 addresses. See generally; *In re Alappat*, 33 F.3d 1526, (Fed.Cir., Jul 29, 1994), *Ball Corp. v. Xidex Corp.*, 967 F.2d 1440, (10th Cir.[Colo.] Jun 18, 1992), *Application of Herr*, 377 F.2d 610, (Cust. & Pat.App., May 11, 1967), *et al.;* all holding that the PTO was at least a quasi-adjudicative body.

39 57 Fed. Reg. 2023, *Reply to Comment 3* (1992).

40 57 Fed. Reg. 2025-2026, *Reply to Comment 22* (1992).

41 57 Fed. Reg. 2023 - 2024, *Reply to Comment 4* (1992).

42 57 Fed. Reg. 2023, *Reply to Comment 3* (1992).

43 57 Fed. Reg. 2025, *Reply to Comment 14* (1992).

44 57 Fed. Reg. 2022 (1992).

contention between the two, however, regards the definition of what constitutes material information. Whereas the PTO uses the new Rule 56 standard, the courts continue to use the pre-1992 "material to a reasonable examiner" definition of materiality. In fact, when the PTO amended Rule 56 to redefine materiality in 1992, controversy arose over whether the new rule was "not inconsistent with law" as that term has been interpreted under 35 USC §6(a)[45] and whether or not the courts were even required to adopt the new standard set by the PTO.[46]

A convenient starting point for analysis is that the Federal Circuit considers the duty of candor and good faith to be applicable to all contacts with the Office; particularly to the oath of inventorship, to the use of affidavits regarding the date of invention and evidence of patentability, and also to the disclosure of information known by the applicant to be material to patentability.[47] A breach of this duty constitutes either fraud or inequitable conduct. Such a breach may occur through bad faith, an intentional misrepresentation, or the omission of material information to the PTO.[48] To establish either, the injured party must show by clear and convincing evidence that the accused party had an intent to: (1) withhold material information, or (2) submit false material information.[49] Whether the action is considered inequitable conduct or rises to the level of fraud, relates primarily to the degree of culpability and intent in the breach of the duty.[50]

For instance, in *Walker Process Equipment, Inc.*,[51] the Court believed the evidence demonstrating that the patentee "had sworn before the Patent Office that it neither knew nor

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[45] For a general discussion of whether the PTO rules are "not inconsistent with law" see Wamsley article, supra note 4. For general discussions on whether Rule 1.56 is consistent with law, see: R. Carl Moy, *The Effect of New Rule 56 on the Law of Inequitable Conduct*, 74 J. Pat. & Trademark Off. Soc'y 257 (1992) and Stanley L. Amberg, *The PTO's New Duty of Disclosure Rules May Be a Trap for Unwary Practitioner's*, 20 AIPLA Q.J. 163 (1992).

[46] The passage of time seems to have caused this controversy to subside, the result being that no real dilemma remains. Since the courts are continuing to use the old "material to a reasonable examiner" standard, the PTO itself suggests that the "applicant follow the conduct required by the broader standard in old Rule 56" (see Patent Practice & Procedure Manual - *Duty of Candor/IDS*, Release 60 - 6/94 Pub. 605, Note on p.6-3).

[47] 5 D. Chisum, Patents §19.03[2], at 19-117 (Rel. 43-1992) (There is no need for a separate discussion of each of these acts because the author has found no legal distinction in how the court assesses the duty of candor and good faith.).

[48] 5 D. Chisum, Patents §19.03, at 19-99 (Rel. 43-1992).

[49] *J.P. Stevens & Co., Inc. v. Lex Tex Ltd., Inc.*, 747 F.2d 1553, 1559 (Fed.Cir.1984), cert. denied, 474 U.S. 822 (1985).

[50] See *Walker Process Equipment, Inc. v. Food Machine & Chemical Corp.*, 382 U.S. 172 (1965) (for a discussion of fraud); and *E.I. du Pont de Nemours & Co. v. Berkley & Co.*, 620 F.2d 1247, 1273-1275 (8th Cir. 1980) (for a discussion of inequitable conduct).

believed that its invention had been in public use in the United States for more than one year prior to filing its patent application when, in fact, [it] was a party to prior use within such time."[52] This action was held to have constituted "intentional fraud", because the patentee knowingly and willfully misrepresented facts to the Patent Office in order to further the issuance of the patent. However, "[t]he patent fraud proscribed by Walker is extremely circumscribed, . . . [it excludes] . . . [w]holly inadvertent errors or honest mistakes which are caused by neither fraudulent intent or design, nor by the patentee's gross negligence."[53] "'[K]nowing and willful fraud' as the term is used in *Walker*, can mean no less than clear, convincing proof of intentional fraud involving affirmative dishonesty, 'a deliberately planned and carefully executed scheme to defraud . . . the Patent Office.'"[54] In essence, *Walker* type fraud amounts to common law fraud. In contrast, inequitable conduct is basically the doctrine of unclean hands applied to particular conduct before the PTO,[55] and it encompasses more actions than does common law fraud.[56]

A finding of inequitable conduct results in the patent being rendered valid but unenforceable whereas the result of intentional fraud renders the patent invalid and may also lead to antitrust liability.[57] In the event the court determines that inequitable conduct did occur during the prosecution of the patent, the whole patent and not just the claim in question, is rendered unenforceable.[58] Because both inequitable conduct and fraud require a showing of materiality coupled with an intent to deceive, if either is missing, neither inequitable conduct nor fraud can legally exist. However, the subjective good faith of the party charged with fraud if accepted, can only serve to remove the breach from a fraudulent action to one of inequitable conduct because

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51 382 U.S. 172 (1965).

52 *Walker Process* at 174-75.

53 *Cataphote Corp. v. Desoto Chemical Coatings, Inc.*,450 F.2d 769, 772 (9th Cir. 1971) citing *Walker Process* at 177.

54 *Id.* citing *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238, 245 (1944).

55 *Consolidated Aluminum Corp. v. Foseco International Ltd, et al.*, 910 F.2d 804,812 (Fed. Cir. 1990).

56 *Argus Chemical Corp. v. Fibre Glass-Evercoat Co., Inc.*, 759 F.2d 10, 14 (Fed.Cir.1985) *cert denied*, 474 U.S. 903 (1985).

57 *Korody-Colyer Corp.* v. *General Motors Corp.*, 828 F.2D 1572, 1578 (Fed. Cir. 1987) citing *Argus Chemical Corp. v. Fibre Glass-Evercoat Co., Inc.*, 812 F.2d 1381, 1384-85 (Fed.Cir.1987).

58 *Kingsdown Medical Consultants Ltd. v. Hollister Inc.*, 863 F.2d 867, 877 (Fed.Cir.1988).

good faith, a complete defense to fraud, does not necessarily negate a finding of inequitable conduct.[59]

Assuming a threshold level of materiality and intent are established by clear and convincing evidence, "the court must weigh them to determine whether the equities warrant a conclusion that inequitable conduct occurred."[60] "[M]ateriality [alone] does not presume intent, . . . [intent] is a separate and essential component of inequitable conduct."[61] Once the two are weighed "[i]n light of all the circumstances, an equitable judgment must be made concerning whether the applicant's conduct is so culpable that the patent should not be enforced."[62] Therefore, the courts view the duty to disclose information to the PTO as well as any potential violation of the duty of candor and good faith on a case-by-case, fact dependent basis.

Unlike the quandry which might occur in assessing information under the PTO's interpretation of information which should be submitted, the courts provide greater leeway to the attorney in maintaining the client's confidences. So long as there was no intent to deceive the PTO or the attorney was unaware of the materiality of the information, the attorney cannot have committed inequitable conduct by withholding information. Although a previous line of cases suggested that intent could be established by a showing of gross negligence,[63] the Federal Circuit in an en banc decision from *Kingsdown Medical Consultants Ltd. v. Hollister Inc.*,[64] abandoned that premise. In *Kingsdown*, the court adopted the view defined in *Norton v. Curtiss*,[65] "a finding that particular conduct amounts to 'gross negligence' does not of itself justify an inference of

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59 *Argus Chemical Corp.* 759 F.2d 10, 14-15.

60 *Molins PLC v. Textron Inc.*, 33 USPQ2d 1823, 1827 (Fed. Cir. 1995) citing *J.P. Stevens*, at 1560.

61 *Allen Organ Co. v. Kimball International Inc.*, 839 F.2d 1556, 1567 (Fed. Cir. 1988) *cert denied*, 488 U.S. 850 (1988).

62 *Molins PLC* at 27 citing *Labounty Manufacturing, Inc. v. U.S. International Trade Commission*, 958 F.2d 1066, 1070 (Fed. Cir. 1992).

63 See *In re Jerabek*, 789 F.2d 886, 891 (Fed. Cir.1986) (where the court found that the failure to disclose an important reference to the PTO constituted reckless and grossly negligent behavior which resulted in the reissue application being rejected.); and *Driscoll v. Cebalo*, 731 F.2d 878, 885 (Fed. Cir.1984) (where patent was invalidated because applicant violated his duty to the PTO by acting with gross negligence in withholding material prior art from the PTO).

64 863 F.2d 867 (Fed.Cir.1988).

65 433 F.2d 779 (CCPA 1970).

intent to deceive; the involved conduct, viewed in light of all the evidence, including evidence indicative of good faith, must indicate sufficient culpability to require a finding of intent to deceive."[66] However, gross negligence continues to be an essential element when weighing the totality of the circumstances of the involved conduct.[67]

Nonetheless, though the courts may appear more willing to provide the applicant or attorney with a broader opportunity in determining the materiality of information prior to submittal "[an intentional disregard of] numerous warnings that material information or prior art existed, in order to avoid actual knowledge" would constitute inequitable conduct.[68] At this point to further understand the obligations the patent practitioner owes, it becomes necessary to analyze potential conflicts under the various ethical standards by interpreting the duties owed under the various application, reissue and reexamination scenarios.

SECTION III - SCENARIOS

PATENT APPLICATIONS

Actions Rising to Common Law Fraud

As discussed in Section II, to support a finding of inequitable conduct, the movant must show by clear and convincing evidence; the existence of material information, knowledge of such information by the opposing party, and an intentional misrepresentation or failure to disclose such information. Therefore it should come as no surprise that if it were proven, for example, that the applicant had knowledge of invalidating prior art or the application fell under a 35 USC §102(b) on-sale bar, inequitable conduct would per se be found and the patent would be deemed unenforceable. Under such a scenario, were it not for the concealment of the information, the applicant would never have received the patent. Therefore, it is only right that the patent be invalid; "but for" the fraudulent activity, the patent would never have been granted. Inequitable

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[66] *Kingsdown*, at 876.

[67] See generally *SGS-Thomson MicroElectronics Inc. v. International Rectifier Corp.*, 29 USPQ2d 1641 (C.D. Cal 1993) (in which the most significant factor in the totality of factors leading to a summary judgment finding of inequitable conduct was gross recklessness, which could not be overcome even by a good faith failure to disclose the information) (But also see *SGS-Thomson MicroElectronics Inc. v. International Rectifier Corp.*, 32 USPQ2d 1496 (Fed. Cir. 1994) in which the lower court decision was subsequently modified by the CAFC. The finding of inequitable conduct was vacated because the CAFC considered there to be a genuine issues of material fact, making summary judgment inappropriate).

[68] *FMC Corporation v. Hennessy Industries, Inc.*, 836 F.2d 521, 526 n.6 (Fed. Cir. 1987) and *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 882 F.2d 1556, 1562 (Fed. Cir. 1989).

conduct this severe, would likely constitute fraud on the Patent Office and could subject the party committing such fraud to state unfair competition as well as federal antitrust damages.[69] To establish antitrust liability, all that need be proven is that the fraudulent patent grant had "the ability to lessen or destroy competition, including market power in the relevant market . . . ."[70]

Under each of the interpretations of the duty of candor and good faith owed to the tribunal, the attorney discovering such activity during prosecution would ultimately be responsible for bringing it to the attention of the PTO. However if the attorney discovered the fraud after the patent grant, none of the interpretations would allow the attorney to disclose the matter without the client's consent.[71] To further complicate matters, if it were discovered that the attorney assisted or was otherwise aware of the illicit activity during the patent prosecution, that attorney's fitness to practice law would likely be called into question. Sanctions and the possible revocation of the attorney's license to practice could result.

Attorney Becomes Aware of a Mistake in the Application

Similarly if the attorney becomes aware of a material mistake that occurred while the patent was undergoing prosecution, the attorney must disclose the mistake to avoid allegations of inequitable conduct. This situation continues to hold true even if the attorney learns of the mistake after being dismissed by the applicant. So long as the patent has not been granted, the attorney's duty of candor and good faith to the PTO supercedes any duty of confidentiality to the applicant as it pertains to material information. However if the mistake is immaterial, then the attorney must refrain from disclosure. The problem this creates is that information is often times assessed in hindsight and what once appeared immaterial is later considered material..

This leaves the attorney with a dilemma, i.e., how to assess the materiality of mistaken information and whether or not such information should be submitted. It is difficult to imagine an error that lies between the range of materiality and immateriality that would not obviously fall

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[69] *Albert v. Kevex Corp.*, 729 F.2d 757 *on rehearing* 741 F.2d 396 (Fed. Cir. 1985) and *Litton Industrial Products, Inc. v. Solid State Systems Corp.*, 755 F.2d 158 (Fed. Cir. 1985).

[70] *Abbott Laboratories v. Brennan*, 952 F.2d 1346, 1354 (Fed. Cir. 1991).

[71] Under Rule 56 the duty to disclose information does not end when the patent is allowed, but continues until the actual patent grant has been awarded (see 57 Fed. Reg. 2025, *Reply to Comment 17*). Model Rule 3.3(b), requires a continuing duty of disclosure until the proceeding is concluded. For an interpretation of when a proceeding is concluded, see G.C. Hazard, Jr., & W.W. Hodes, *The Law of Lawyering* § 3.3:301 at 616 (2d ed. Supp. 1993) which suggests that "[t]he conclusion of a proceeding . . . should be the point where the time to appeal has normally expired, or the point of affirmance if there has been an appeal".

strongly toward one direction or the other, however as previously discussed, the PTO considers it to be the examiner's task to assess materiality. Therefore the PTO recommends that applicants submit information they might otherwise not be obligated to disclose. The Federal Circuit appears to support this recommendation but prior to any decision on whether or not the information should have been disclosed; the mistake would be assessed as to its level of materiality as well as the level of intent displayed in preserving the nondisclosure. The Federal Circuit maintains that if an attorney could make a "reasonable decision" that the information need not be disclosed, that attorney should disclose the information.[72] "Close cases should be resolved by disclosure, not unilaterally by the applicant."[73] To be deemed material, information need not actually be assessed by the examiner, so long as a reasonable examiner could have considered the information material, it is material.[74] Model Rule 3.3(a)(4) also requires the attorney to correct information that is later found to be false so long as it is material. However, as to what constitutes a material versus an immaterial error, is not expanded upon. Thus, the attorney can only be guided by common sense and the Federal Circuit's interpretation of materiality in determining whether or not to withhold disclosure on an arguably immaterial error.

Additionally, the attorney who is dismissed prior to the discovery of the error would also be obligated to reveal such error if the client refused to do so. Both the PTO and the Federal Circuit maintain that every person substantively involved in the preparation or prosecution of the application is under the obligation to disclose material information to the PTO.[75] Duty ends with the patent grant not the representation.

Negligence or Intent

Since the *Kingsdown* decision put an end to a finding of gross negligence automatically compelling a finding of intent to deceive; the line between what constitutes purely negligent behavior and what constitutes a negligence that masks an intent to deceive is hazy. In the former case, in *Manville Sales Corp. v. Paramount Systems, Inc.*[76], the Federal Circuit upheld the lower

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72 *Labounty Manufacturing, Inc.*, at 1076.

73 *Id.*

74 *Merck & Co., Inc. v Danbury Pharmacal, Inc.*, 873 F.2d 1418, 1421 (Fed. Cir. 1989).

75 37 CFR §1.56(a) and (c).

court's determination that there was no intent to deceive the PTO in withholding the fact that the applicant's invention had been tested more than one year prior to application. Although this information is certainly material and the applicant's failure to disclose it rises at least to the level of negligence, since there was no specific intent to keep the information secret the Federal Circuit could not find fraud or inequitable conduct. Additionally, in *Kimberly Clark v. Proctor & Gamble*,[77] the Federal Circuit affirmed the lower court's finding that where an attorney intentionally withheld a prior art patent for ten weeks in order to make an assessment regarding its materiality, there was no intent to deceive the PTO since once the information was determined to be material, the attorney disclosed it. "While prudence might have dictated telling the Patent and Trademark Office about the patent immediately, there is no evidence of an intent to deceive. . . "[78]

On the other hand, intent can still be found by the overall assessment of the materiality of the information, the knowledge of its existence, and the circumstances surrounding its nondisclosure.[79] Therefore, negligence does continue to be a factor under this analysis. It is resolved that an applicant cannot ignore clear indications of the existence of material prior art and as a result of this ignorance claim that intent per se could not exist.[80] Although there may be no specific intent to conceal the information, there is an intent to avoid learning its materiality. "[A] patentee facing clear proof that . . . it should have known of [the] materiality [of the information], can expect to find it difficult to establish 'subjective good faith' sufficient to prevent the drawing of an inference of an intent to mislead."[81]

No realistic situations are believed to exist that create a dilemma regarding whether or not an action or inaction on the part of the applicant or attorney constitutes negligence or an intent to deceive. The determination of either is readily assessed by common principles of law. No longer

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[76] 917 F.2d 544 (Fed. Cir. 1990).

[77] 973 F.2d 911 (Fed. Cir. 1992).

[78] *Id.* at 918

[79] *Amgen Inc. v. Chugai Pharmaceutical Co.*, 927 F.2d 1200 (Fed. Cir. 1991) *cert. denied* 112 S. Ct. 169 (1991)

[80] *FMC Corporation v. Hennessy Industries, Inc.*, 836 F.2d 521, 526 n.6 (Fed. Cir. 1987).

[81] *LaBounty Manufacturing, Inc.* at 1076 citing *FMC v. Manitowoc Co., Inc.*, 835 F.2d 1411, 1416 (Fed. Cir. 1987).

do any of the interpretations of the duty of candor and good faith justify the finding of an intent to deceive from negligence or gross negligence without first examining the surrounding circumstances. Therefore so long as one truly acts in good faith, no inequitable conduct should arise.

REISSUE APPLICATIONS

Typical Errors Made on Original Patent Disclosure

35 USC §251 authorizes the reissue of defective patents so long as, inter alia, the defect arose "through error without deceptive intent" and "no new matter is introduced" into the reissue application. The reissued patent must be for the invention disclosed in the original patent grant and may only enlarge[82] or reduce the claims as necessary to validate the status of the patent.

> The inquiry that must be made is to examine the entire original disclosure and determine whether through the objective eyes of the hypothetical person having ordinary skill in the relevant art, an inventor could have fairly claimed the newly submitted subject matter in the original application using a 35 USC §112, 1st paragraph analysis. Under one aspect of that analysis, it must be ascertained whether the disclosure originally filed conveys to those skilled in the art that the applicant had invented the subject matter later claimed. . . .[83]

It is not necessary that the error be discovered by the actual patentee, any party discovering an error which results in the inoperativeness of a patent can with the surrendering of the original patent to the Commissioner and payment of the requisite fee have the patent reissued.[84] However, merely submitting an affidavit showing that an error was made in the original patent does not provide prima facie evidence as to the necessity of a reissue application.[85] "Reissue is not intended to grant the patentee a second chance to prosecute de novo the original application."[86] An error that would cause the patent to be inoperative requires a factual error in the patent as well

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82 35 USC §251 permits enlargment of the scope of the claims only within the first two years of the original patent grant.

83 *In re Amos*, 953 F.2d 613, 618 (Fed. Cir. 1991) citing *In re Mead*, 581 F.2d 251 (CCPA 1978).

84 See *In re Richman*, 424 F.2d 1388 (CCPA), in which a consultant hired by the inventors assignee to review the patent discovered the error. Also see *In re Altenpohl*, 500 F.2d 1151 (CCPA 1974).

85 *Alcon Laboratories Inc. v. Allergan Inc.*, 17 USPQ2d 1365, 1375 (ND Tex 1990).

86 *In re Weiler*, 790 F.2d 1576, 1582 (Fed. Cir. 1986).

The patentee would be charged with the requisite knowledge especially due to the ease of obtaining the file wrapper.

Although no discrepancies in the various interpretations of the duty of candor and good faith arise in the above situations, if the applicant voluntarily withdrew a claim on the original application because knowledge of an invalidating reference was discovered and withheld, a more difficult situation arises. Under the Model Rules and the PTO's interpretation, an applicant has no duty to disclose information that is not material to the patentability of the invention. However, the Federal Circuit unlike the PTO maintains that "claims are not born, and do not live in isolation. The duty to disclose does not come to an end simply because a claim is no longer pending.[93] In *Fox Industries v Structural Preservation Systems*[94], the Federal Circuit stated that:

> [t]he duty of candor extends throughout the patent's entire prosecution history. . . [A] trial court may look beyond the final claims to their antecedents. . . . Each [claim] is related to other claims . . .[and] to earlier or later versions of itself in light of amendments made to it. . . Therefore, a breach of the duty of candor early in the prosecution may render unenforceable all claims which eventually issue from the same or a related application.[95]

As a result, inequitable conduct would be found if the applicant had withheld information, yet purposefully designed the claims to avoid the withheld information.

This activity is likely to occur more often in certain situations, such as for example, where testing was performed. For instance, assume a series of tests is performed which provide information that is potentially patentable. After filing the application a second series of tests is performed which contradict the first series of tests and partially invalidate some of the original filed claims. The simple solution might be to determine where the disparity lies, cancel the claims

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[93] 37 CFR §1.56(a) states: "The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned. Information material to the patentability of a claim that is cancelled or withdrawn from consideration need not be submitted if the information is not material to the patentability of any claim remaining under consideration in the application. There is no duty to submit information which is not material to the patentability of any existing claim." 37 CFR §1.555 is essentially the same, except claims cannot be withdrawn since they exist in an issued patent, only cancellation of the questionable claim will permit the withholding of information otherwise material to that claim.

[94] 922 F.2d 801 (Fed. Cir. 1990).

[95] *Fox Industries*, at 803-804 quoting from *Kingsdown*,at 874 (The court found it to be a breach when applicant failed to disclose a brochure to the PTO even though none of the claims issued in the form in which they were originally drafted. "A fortuitous rejection does not cure a breach of the duty of candor."). Also see *Driscoll v. Cebalo*, 731 F.2d 878, 885 (Fed.Cir.1984).

that are invalidated, and attempt to redraft or add claims covering the invention as modified by the second series of tests. However, to avoid a finding of inequitable conduct both series of tests and their results must be disclosed. An applicant must disclose the two tests and their results especially "if the results are contradictory to those of an earlier application."[96] Furthermore, "there is even a duty to go so far as to red flag contradictory information with regard to test results, where the results appear to be in sharp contrast with what the applicant is telling the Patent Office."[97] It is important to be aware of this because inequitable conduct committed during reissue renders the entire patent including the claims carried over from the original patent unenforceable. "Even related patents may be rendered unenforceable if the action is within the scope of the shadow cast by the inequitable conduct."[98]

Material Information Subsequently Discovered By Attorney

In the event the applicant sought reissue of the original patent and the attorney discovered that the applicant was aware of undisclosed invalidating material information at the time of the original grant, the prudent attorney would refuse to accept that patentee as a client regarding the reissue application. This would be true whether or not the attorney drafted the original patent application. Some question arises however, as to whether this attorney would be obligated to disclose the existence of the inequitable conduct in the original application.

All of the interpretations of the duty of candor and good faith allow the attorney the freedom to make the relatively safe assumption that the attorney is obligated to maintain the client's confidence. The reasons are because under Model Rule 3.3 the attorney could not reveal the client's inequitable conduct since the proceeding in which the fraud occurred has ended, i.e., the patent has been granted. Therefore, Model Rule 1.6(a) would preserve the confidentiality of this information. Assuming the attorney first tried to persuade the client into revealing the former fraud and was unsuccessful, the attorney is, however, left with little choice but to withdraw from the representation of the client. Model Rule 1.16, states that an attorney cannot be forced into an association with a client responsible for the commission of an illegal conduct notwithstanding the

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96 *Golden Valley Microwave Foods, Inc. v. Weaver Popcorn Co.*, 24 USPQ 1801, 1826 (ND Ind. 1992).

97 *Id.*

98 See generally *Consolidated Aluminum Corp. v. Foseco Int'l Ltd.*, 910 F.2d 804 (Fed. Cir. 1990).

fact that the attorney provides no assistance.[99] Attorney withdrawal is mandatory under Model Rule 1.16(a)(1) if "representation will result in violation of the rules of professional conduct or other law." Since any person substantively involved in the preparation or prosecution of the patent has the duty of candor and good faith, but in the present case is prohibited from disclosing past frauds; to ensure that the duty is met, under the Model Rules withdrawal becomes necessary. Furthermore, an attorney may withdraw from the representation if such withdrawal will not materially affect the client in an adverse manner; or in the event a number of other situations arise. These include but are not limited to situations in which: (1) the client persists in involving the services of the attorney "that the attorney reasonably believes is criminal or fraudulent,"[100] or (2) the "client [had previously] used the attorney's services to perpetrate a crime or fraud."[101]

However, after withdrawal, if the client were to seek the representation of another attorney having no prior knowledge of the original fraud; the original attorney could be forced under the PTO's interpretation of the duty of candor and good faith to disclose the existence of the original fraud. The key to whether or not the attorney would be forced into revealing the original fraud is whether or not the attorney had been "substantively involved" as that term is understood in Rule 56. It is unlikely that a simple telephone conversation from the client to the original attorney would categorize the attorney as being substantively involved. However, if the client solicited any advice which the attorney "knew"[102] furthered the client's perpetuation of the fraud, that action would place the attorney in a position rising to the level of being substantively involved. "If it looks, tastes and smells like legal advice, then a court may decide that it is legal advice."[103] Additionally, the attorney's action would also be an outright violation of Model Rule 1.2(d).[104] The result being that since the attorney is furthering an ongoing fraud during the reissue

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99 Model Rule 1.16 Comment - Optional Withdrawal [7].

100 Model Rule 1.16(b)(1).

101 Model Rule 1.16(b)(2).

102 "Know", is defined in the Preamble to the Model Rules as "actual knowledge of the fact in question, [but] knowledge may be inferred from the circumstances."

103 Rosalind Resnick, *A Shingle in Cyberspace:Lawyers online find clients -- and some risks,* The National Law Journal, September 27, 1993 (downloaded from LEXIS).

104 Model Rule 1.2(d) states that: "A lawyer shall not counsel a client to engage, or assist a client, in conduct that the lawyer knows is criminal or fraudulent, but a lawyer may discuss the legal consequences of any proposed course of conduct

process, and as such would be forced to disclose said fraudulent activity; the fraudulent activity would be fairly traceable to the original fraudulent grant without it being necessary that the attorney volunteer information violating any former attorney-client relationship.

The simplest solution to avoid problems of this type is to avoid forming or reestablishing even the semblance of an attorney-client relationship regarding the reissue application. A general guideline to follow for determining whether an attorney-client relationship has been formed is that "the more tailored the advice becomes, the more likely it is that an attorney-client relationship is being created."[105] So long as no relationship is formed, it would probably be safe to assume that no duty of candor exists because the attorney never became substantively involved in the reissue process.

REEXAMINATION APPLICATIONS

Analysis Under Current Reexamination Procedures

For the most part, the analysis of the duty of candor and good faith owed to the PTO and the results that derive from that analysis have been addressed in the original application and reissue scenarios. The interpretation of the duties owed should not differ in any substantial manner. That is, an attorney is prohibited from disclosing the existence of any fraud which the applicant, unbeknownst to the attorney, may have engaged in during that attorney's representation so long as the knowledge of the fraud is not discovered until after the patent grant. The only matter which could possibly lead to a different result is that during a reexamination proceeding the sole material which may be cited as raising a question regarding the patentability of the subject invention is information contained within other patents or printed publications. What this means is that a simple claim that the applicant acted inequitably without more, will not suffice. Therefore, in order to raise the specter of fraudulent procurement of the original patent or some other inequitable conduct, some connection must be made to prior art patents or printed publications. This results in the same recommendations applicable to reissue applications, essentially so long as the original attorney does not become substantively involved in the

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with a client and may counsel or assist a client to make a good faith effort to determine the validity, scope, meaning or application of the law."

[105] Daniel B. Kennedy, *PC Practitioners Proliferate: Experts Warn It May Be Criminal To Dispense Legal Advice Via Bulletin Boards*, ABA Journal, June 1993 at 36 (downloaded from LEXIS).

reexamination procedure, no duty extending beyond that attorney's representaion would continue beyond the patent grant.

Analysis Under Proposed Reexamination Procedures

The entire basis of the duty of candor and good faith owed to the PTO during reexamination as well as during the original application derives from the concept that inasmuch as these proceedings are conducted ex parte, a higher duty of candor is owed to the public than would otherwise be if the public were involved. Under the current reexamination procedures, once a third party requests reexamination and is given the opportunity to respond to the patentee's statement, the requester is excluded from providing any further input into any subsequent process. The rest of the reeexamination proceeding is conducted ex parte, but the requester is provided copies of Office actions and any responses the patentee may make.[106]

Proposed changes have been recommended which would expand the reexamination procedure to permit greater third-party participation.[107] These changes would permit the third party requester to comment on any issues covered in the Office action or the patentee's response as well as provide the third party requester with the right to appeal any final decision favoring the patentee. Additionally, any failure in the original patent to comply with the requirements of 35 USC §112, with the exception of the best mode requirement, would be an added foundation for requesting a reexamination. These changes, the former more so than the latter, eliminate the status of a reexamination as an ex parte proceeding and place it into that of a semi-inter partes proceeding. The Federal Circuit maintains that "[t]he duty of candor . . . does not apply to judicial actions in which the adversary system of justice prevails. While counsel in court proceedings may have a duty of candor, there is no requirement that counsel 'volunteer uncertainties'".[108] Therefore, this shift from a purely ex parte proceeding to a semi-inter partes proceeding raises the question as to whether a strict duty of candor and good faith is as applicable.

Under the current interpretation of the duty of candor and good faith owed to the PTO, situations can be envisioned in which more information would be volunteered than would

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106 Manual of Patent Examining Procedure, §2254, Rev. 14, Nov. 1992.

107 Senate bill S. 2341 passed the Senate on October 4, 1994 but remains to be discussed in the House.

108 *Atlas Powder Co. v. IRECO Co.*, 773 F.2d 1230, 1234 (Fed. Cir 1985).

ordinarily be the case during an inter partes proceeding. For instance, it would be possible for the third party to raise some issue thereby placing the applicant in a position that calls for the applicant to fully volunteer information not normally warranted during an inter partes proceeding. To fulfill the duty of candor and good faith the patentee must be fully candid regarding the response even though the third party need only raise the possibility of some inequitable action. Therefore, to accomodate the proposed revision, it is this authors opinion that the duty of candor which the applicant owes to the PTO should be measurably reduced from the extreme duty owed during ex parte proceedings to the normal duty owed during the above quoted judicial proceedings.

SECTION IV - CONCLUSION

Although on the surface these standards do appear to differ in some respects, they are for the most part compatible with one another. First of all, the PTO as a federal agency has greater authority under the Supremacy Clause of the Constitution with regard to the ethical rules a practitioner is obligated to follow when prosecuting a patent application.[109] Even the preamble to the PTO Code states that no further preemption of state law beyond the extent necessary for the PTO to accomplish its Federal objectives is permissible.[110] Therefore no real problems exist with the application of the state promulgated ethical rules.

Second, the PTO only recommends that the applicant disclose non-material information, there is no requirement to comply. However, the fear is that the potential does exist for an attorney to intentionally decide to withhold information that is later considered material. To avoid this dilemma, it is recommended that attorneys keep a vigilant eye on the decisions from the Federal Circuit pertaining to inequitable conduct. To avoid a violation of the duty of candor and good faith, the attorney must ensure that careful scrutiny is given to the potential materiality of information known to anyone substantively involved in the patent prosecution, reissue or reexamination proceeding; and that there is no intent to withhold such information or otherwise deceive the PTO in any way. The standard that should continue to be used regarding materiality

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[109] See generally, *Sperry v. State of Florida*, 373 U.S. 379 (1963), in which the Supreme Court held that the power of the State must yield to that of the Federal Government where the Commissioner of Patents has been authorized by federal law to regulate the recognition and conduct of patent practitioners.

[110] 37 CFR §10.1 states in relevant part, "This part governs solely the practice of patent, trademark, and other law before the Patent and Trademark Office. Nothing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary".

is whether or not there is a substantial likelihood that a reasonable examiner would consider the information material to the patentability of the application.[111] So long as the attorney contemplates any considered action with these concerns in mind, the withholding of any non-material information should not be problematical.

Third, an application for patent is an ex parte procedure before the PTO and the "applicant and all associated with the applicant owe an uncompromising duty to safeguard the public from fraudulent patent monopolies."[112] Therefore, the duty of candor to a tribunal enunciated in Model Rule 3.3 also can be harmonized with the duty of candor and good faith owed to the PTO. This especially holds true when one is reminded that Model Rule 3.3(d) requires a level of disclosure of all material facts which will enable the tribunal to make an informed decision, regardless of potential adversity to the client. As discussed, howbeit, the extent of information that must be volunteered to comply with this duty of candor and good faith goes beyond the level that should be maintained if the reexamination proceedings shift from purely ex parte to semi-inter partes procedures.

In sum, it is in the attorney's best interest to fully understand the duty of candor and good faith owed to the PTO. Though at times this duty might appear to conflict with the duties owed to the client, the author has found no actual conflict that cannot be rectified by a careful interpretation of those duties coupled with the current case law. However, to minimize confusion, the attorney should explain each of these duties to the client, describe the specific patent process the client is involved in, and ensure that the client is fully aware of what is required in order to obtain and ensure the validity of the patent. By doing so, all ethical obligations to the client and to the PTO can be met in addition to minimizing the legal exposure of the attorney to both the client and the PTO.

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111 37 CFR §1.56(a) (1988).

112 *Precision Instrument* at 818.