

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR
OF THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In the Matter of

Michael S. Spradley,

Respondent

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Proceeding No. D2019-04

FINAL ORDER

The Director of the Office of Enrollment and Discipline (“OED Director”) for the United States Patent and Trademark Office (“USPTO” or “Office”) and Mr. Michael S. Spradley (“Respondent”) have submitted a Proposed Settlement Agreement (“Agreement”) to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO Director”) for approval.

The Agreement, which resolves all disciplinary action by the USPTO arising from the stipulated facts set forth below, is hereby approved. This Final Order sets forth the parties’ joint stipulated facts, joint legal conclusions, and agreed upon sanctions found in the Agreement.

Jurisdiction

1. At all times relevant hereto, Respondent of Richmond, Texas, has been a patent attorney registered to practice before the Office in patent matters and is subject to the USPTO Rules of Professional Conduct, which are set forth at 37 C.F.R. §§ 11.101 through 11.901.

2. The USPTO Director has jurisdiction over this matter pursuant to 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26.

Joint Stipulated Facts

3. Respondent of Richmond, Texas, was registered by the USPTO as a patent attorney on January 18, 2012.
4. Respondent's registration number is 69,177.
5. Respondent is admitted to practice law in Texas.
6. During an approximate two-year period from 2015-2017, Respondent received Office Actions in patent and trademark applications and often failed to report the Office Actions to the clients.
7. Respondent also often failed to respond to the Office Actions prior to the due date, resulting in the applications becoming abandoned without the clients' knowledge or consent.
8. Respondent also received Notices of Abandonment in the applications and often failed to report the Notices of Abandonment to the clients.
9. Respondent often failed to adequately communicate with his clients regarding these applications and Office communications received therein.
10. Respondent represents the following:
 - a. Respondent has accepted responsibility for his misconduct. Respondent recognizes the seriousness of his misconduct and has expressed remorse for it and for its potential detrimental effect on his clients and former clients as well as on the reputation of the legal profession.
 - b. Prior to receiving notice of OED's investigation of this matter, Respondent was in the process of implementing a software-based docketing system to alleviate what he recognized was inadequacies in his docket management. Respondent has completed the implementation of the software-based docketing system and is using this system for patent and trademark applications.

- c. Respondent has hired a person to perform docket management services for his firm and to oversee the docket. Under this system, the docket manager reviews emails, updates the docket daily, and updates Respondent daily on the status of the docket. The overall docket is also reviewed on a monthly basis.
- d. Respondent has developed standard operating procedures for docketing, reporting Office communications to clients, and record keeping in applications.
Respondent has also trained his staff on such procedures.
- e. During the course of OED's investigation and on his own initiative, Respondent participated in and completed an office management course and will complete, within the first six months of his probation, at least one additional continuing legal education class to ensure that he does not make similar mistakes again.
- f. Respondent has counseled his clients regarding the abandoned applications.
- g. After counseling his clients regarding the abandoned applications, Respondent has paid the petition to revive fee for revival of the applications where clients have instructed him to file a petition to revive an abandoned application.
- h. Respondent contends that his failure to report the Office Actions and Notices of Abandonment to clients and his failure to timely respond to the Office Actions in the applications were a result of an inadequate docketing, calendaring and/or tickler system. Respondent asserts that various issues in his personal life also contributed to his mishandling of client matters.
- i. Respondent has provided full and fair disclosures to OED during OED's investigation into his conduct.

Joint Legal Conclusions

11. Respondent admits that, based on the above joint stipulated facts, he violated the following provisions of the USPTO Rules of Professional Conduct:

- a. 37 C.F.R. § 11.103 (failing to act with reasonable diligence and promptness in representing a client) by failing for approximately 12-24 months to timely notify the client of the Office Actions in the applications; failing to respond to the Office Actions; allowing the applications to become abandoned without the clients' consent; and failing for approximately 9-24 months to notify the clients of the Notices of Abandonment in the applications; and
- b. 37 C.F.R. § 11.104 (failing to promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required, failing to reasonably consult with the client about the means by which the client's objectives are to be accomplished, and failing to keep the client reasonably informed about the status of a matter) by failing to timely provide the clients with the Office Actions in the applications; failing to respond to the Office Actions without the clients' consent; allowing the applications to become abandoned without the clients' consent; failing to timely provide the clients with the Notices of Abandonment in the applications; and failing to timely explain to the clients the significance of the Notices of Abandonment.

Agreed Upon Sanction

12. Respondent freely and voluntarily agrees, and it is hereby ORDERED that:
- a. Respondent shall be publicly reprimanded;
 - b. Respondent shall serve a twenty-four (24) month probationary period commencing on the date on which the Final Order is signed;

- c. Respondent shall be permitted to practice before the USPTO in patent, trademark, and other non-patent law before the USPTO during his probationary period, unless his probation is revoked and he is suspended by order of the USPTO Director or otherwise no longer has the authority to practice before the USPTO;
- d. Respondent, during his probationary period, shall submit a report to the OED Director every 12 months (*i.e.*, at 12 months and 24 months) commencing from the date the Final Order is signed and shall report the following:
 - (1) Identify by application number each U.S. utility patent application entrusted to Respondent to prosecute in which the Office issued during the probationary period a Notice of Abandonment predicated on the failure to file a timely and/or proper response to any Office communication, including, but not limited to a non-final Office Action, a final Office Action, an Office Advisory, and a Notice of Allowance;
 - (2) State whether, how and when Respondent reported the Office communication to the client prior to the application becoming abandoned;
 - (3) Provide documentary evidence that Respondent reported the Office communication to the client prior to the application becoming abandoned (*e.g.*, copies of the correspondence to the client about the Office communication);
 - (4) State whether, how and when Respondent reported the Notice of Abandonment to the client;

- (5) State whether, how and when Respondent counseled the client about the abandonment of the application, including whether he counseled the client in adequate time to take appropriate action to avoid abandonment;
 - (6) Provide documentary evidence that Respondent reported the Notice of Abandonment to the client and counseled the client about it (*e.g.*, copies of the correspondence to the client about the Notice of Abandonment);
 - (7) For each application where Respondent did not counsel the client about an Office communication in adequate time to take appropriate action to avoid abandonment, identify each application by application number and each client by full name and address and provide a detailed explanation as to why Respondent did not counsel the client about the Office communication in adequate time to take appropriate action to avoid abandonment; and
 - (8) If no applications are reported under paragraph numbers (1)-(7) above in any reporting period, Respondent shall affirmatively report to OED that there are no such applications to report in that period.
- e. (1) If the OED Director is of the opinion that Respondent, during the Respondent's probationary period, failed to comply with any provision of the Agreement, the Final Order, or any provision of the USPTO Rules of Professional Conduct, the OED Director shall:
- (A) issue to Respondent an Order to Show Cause why the USPTO Director should not enter an order immediately suspending the Respondent for up to twelve (12) months for the violations set forth in the Joint Legal Conclusions, above;

- (B) send the Order to Show Cause to Respondent at the last address of record Respondent furnished to the OED Director pursuant to 37 C.F.R. § 11.11(a); and
- (C) grant Respondent fifteen (15) days to respond to the Order to Show Cause;

and

(2) in the event that after the 15-day period for response and consideration of the response, if any, received from Respondent, the OED Director continues to be of the opinion that Respondent, during the probationary period, failed to comply with any provision of the Agreement, the Final Order, or any provision of the USPTO Rules of Professional Conduct, the OED Director shall:

- (A) deliver to the USPTO Director or his designee: (i) the Order to Show Cause; (ii) Respondent's response to the Order to Show Cause, if any; and (iii) argument and evidence supporting the OED Director's position; and
- (B) request that the USPTO Director enter an order suspending Respondent from practice before the USPTO for up to twelve (12) months for the violations set forth in the Joint Legal Conclusions, above;

- f. Nothing in the Agreement or the Final Order shall prevent the USPTO from seeking discipline against Respondent pursuant to 37 C.F.R. §§ 11.19 through 11.57 for any misconduct engaged in by Respondent prior to, during, or after his

probationary period including that which formed the basis for an Order to Show Cause issued pursuant to the preceding paragraph “e” above;

- g. If Respondent is suspended during any portion his twenty-four (24) month probationary period pursuant to the terms of the Final Order, Respondent shall comply with 37 C.F.R. § 11.58;
- h. If Respondent is suspended during any portion his twenty-four (24) month probationary period pursuant to the terms of the Final Order, the OED Director shall comply with 37 C.F.R. § 11.59;
- i. Respondent shall: (1) within six (6) months from the date of the Final Order, enroll, complete, and receive Continuing Legal Education credit under the Rules of the Texas State Bar for at least one course where the primary subject matter is case management (*e.g.*, docketing and communicating with clients) for small firms and/or solo practitioners; and (2) within seven (7) months from the date of the Final Order, provide the OED Director corroborating proof of successful completion of such a course, including: a) documentary evidence of his attendance and completion of such a case management course, b) a description of the content of the course for which credit was received, and c) a copy of all written materials provided to the course participants or other corroborating proof acceptable to the OED Director;
- j. Nothing in the Agreement or the Final Order shall prevent the Office from seeking discipline against Respondent pursuant to 37 C.F.R. §§ 11.19 through 11.57 for any misconduct engaged in by Respondent prior to, during, or after his probationary period including that which led to the imposition of a suspension pursuant to paragraph “e” above;

- k. The record of this disciplinary proceeding, including the Agreement and the Final Order, shall be considered (1) when addressing any further complaint or evidence of the same or similar conduct brought to the attention of the Office, and/or (2) in any further disciplinary proceeding (a) as an aggravating factor to be taken into consideration in determining any discipline to be imposed and/or (b) to rebut any statement or representation by or on Respondent's behalf;
- l. The OED Director electronically publish the Final Order at OED's electronic FOIA Reading Room, which is publicly accessible at:
<http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;
- m. The OED Director publish a notice in the *Official Gazette* that is materially consistent with the following:

Notice of Public Reprimand and Probation

This notice concerns Mr. Michael S. Spradley of Richmond, Texas, who is a registered practitioner (Registration No. 69,177). In settlement of a disciplinary proceeding, the Director of the United States Patent and Trademark Office ("USPTO" or "Office") has publicly reprimanded Mr. Spradley and placed him on probation for twenty-four (24) months from the date of the Final Order for violating 37 C.F.R. §§ 11.103 (failing to act with reasonable diligence and promptness in representing a client) and 11.104 (failing to promptly inform the client of any decision or circumstance with respect to which the client's informed consent is required, failing to reasonably consult with the client about the means by which the client's objectives are to be accomplished, and failing to keep the client reasonably informed about the status of a matter).

The public reprimand and probation is predicated upon Mr. Spradley's violations of provisions of the USPTO Rules of Professional Conduct in connection with his providing patent and trademark services for clients. During an approximate two-year period from 2015-2017, Mr. Spradley often failed to timely report Office Actions to clients, often failed to respond to the Office Actions, allowed certain applications to become abandoned for failure to timely respond to the Office Actions without the clients' knowledge or consent, often failed to timely notify the clients of the abandonment of the applications, and often failed to report the Notices of Abandonment to the clients. Mr. Spradley also often failed to adequately communicate with his clients regarding the patent and trademark applications and the Office communications.

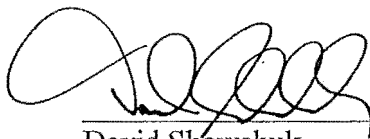
In reaching this settlement, the OED Director considered the following: (i) Mr. Spradley has expressed remorse and has taken responsibility for his actions; (ii) prior to receiving notice of OED's investigation, Mr. Spradley was in the process of implementing a software-based docketing system to address the inadequacies he recognized in his docketing management; (iii) Mr. Spradley has completed the implementation of the software-based docketing system which will assist Mr. Spradley in timely notifying clients of Office communications; (iv) Mr. Spradley has hired a docket manager for his firm to oversee the docket, review emails, update the docket daily, and update Mr. Spradley daily on the status of the docket; (v) Mr. Spradley has developed standard operating procedures for docketing and reporting Office communications to clients, and record keeping in applications; (vi) Mr. Spradley has trained his staff on the standard operating procedures; (vii) during the course of OED's investigation and on his own initiative, Mr. Spradley participated in and completed an office management course and is willing to take at least one additional office management course; (viii) Mr. Spradley has counseled his clients regarding the abandoned applications; (ix) after counseling his clients regarding the abandoned applications, Mr. Spradley has paid the petition to revive fees for revival of the applications where clients have instructed him to file a petition to revive an abandoned application; and (x) Mr. Spradley has provided full and fair disclosures to the Office of Enrollment and Discipline during the investigation of this matter.

This action is the result of a settlement agreement between Mr. Spradley and the OED Director pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32 and 37 C.F.R. §§ 11.19, 11.20, and 11.26. Disciplinary decisions involving practitioners are posted for public reading at the OED Reading Room, available at: <http://e-foia.uspto.gov/Foia/OEDReadingRoom.jsp>;

- n. Nothing in the Agreement or the Final Order shall prevent the Office from considering the record of this disciplinary proceeding, including the Final Order:
- (1) when addressing any further complaint or evidence of the same or similar misconduct concerning Respondent brought to the attention of the Office; (2) in any future disciplinary proceeding against Respondent (i) as an aggravating factor to be taken into consideration in determining any discipline to be imposed, and/or (ii) to rebut any statement or representation by or on Respondent's behalf; and (3) in connection with any petition for reinstatement submitted by Respondent pursuant to 37 C.F.R. § 11.60;

- o. Respondent waives all rights to seek reconsideration of the Final Order under 37 C.F.R. § 11.56, waives the right to have the Final Order reviewed under 37 C.F.R. § 11.57, and waives the right otherwise to appeal or challenge the Final Order in any manner; and
- p. The OED Director and Respondent shall each bear their own costs incurred to date and in carrying out the terms of the Agreement and the Final Order.

14 Dec 2016
Date



David Shewchuk
Deputy General Counsel
United States Patent and Trademark Office

on delegation by

Andrei Iancu
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

cc:

OED Director
U.S. Patent and Trademark Office

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