STATE OF MAINE

Board of Overseers of the Bar
Grievance Commission
File No. 88-K-133

BOARD OF OVERSEERS OF THE BAR, ]
] Petitioner,
]
]
]
vs.
]
]
DAVID F. GOULD,
]
]
Respondent.
]
]

REPORT OF PROCEEDINGS,
FINDINGS, AND
DETERMINATIONS

This matter came on for hearing before Panel A of the Grievance Commission on April 17, 1990 sitting at Bangor, Maine. The hearing was open to the public pursuant to Maine Bar Rule 7(e)(2) to determine whether grounds existed for the issuance of a reprimand against respondent. The panel consisted of Chairman John P. Foster, Susan R. Kominsky, and Marc V. Schnur (substituting for Lawrence Hadley). The petitioner was represented by bar counsel, Scott Davis. The respondent appeared pro se.

The petition alleged, inter alia, that respondent is an attorney licensed to practice in Maine and that he had been hired to file patent applications in the United States and Canada to protect the invention of a remote vehicle starting device on behalf of its inventor, Steve S. Scott, and additionally to assure the assignment of those patent rights to a corporation by the name of E Z Start Inc. The petition goes on to allege that the respondent neglected part of this work.

I. Jurisdiction

By his answer to the petition, and throughout the subsequent proceedings in this grievance matter, the respondent contested the right of the Grievance Commission (or any agency or branch of State government) to exercise disciplinary jurisdiction over his activities while he is practicing patent law. Petitioner maintained that the United States Constitution (Article I, §8, cl.8) and the federal statutes enacted pursuant thereto establishing the United States Patent Office have preempted the right of any state to control the professional behavior of practitioners of that branch of the law.

As authority for this jurisdictional argument the respondent has cited only Sperry v. Florida, 373 U.S. 379 (1963). That case established that the State of Florida could not prohibit a patent agent (a non-lawyer) who was registered with the Patent Office from practicing that occupation within Florida despite a state's power to control the unauthorized practice of law. This
limitation on a state's ability to interfere with the practice of patent law has its historical roots in the fact that patent applications have been the province of engineers at least as much as attorneys since the inception of the Patent Office. Because it deals only with a state's attempted regulation of non-lawyers, the holding of Sperry falls far short of a determination that federal law precludes the right of a state to discipline attorneys practicing within that state as attorneys.

When faced with a situation similar to that presented in the present case, the Supreme Court of Minnesota held that "although this court has no jurisdiction to prohibit the respondent from pursuing his profession as a patent attorney [citing Sperry], his misconduct in that capacity may be grounds for disbarring him from practice in the state courts." Matter of Davis, 264 N.W.2d 371, 373 (1978). This panel accordingly concludes that the Board of Overseers has jurisdiction to discipline the respondent simply because he is licensed to practice law in this state. See also, Water v. Barr, 747 P.2d 900 (Nev. 1987). In some situations the Patent Office will have concurrent jurisdiction with Maine over respondent's professional activities, but not necessarily exclusive jurisdiction.

II. The Substance of This Case.

The evidence in this matter consisted of essentially the respondent's entire file concerning the patent work on behalf of Mr. Scott and testimony from Mr. Scott, his corporation's attorney, and the respondent. The evidence established that:

a. In March, 1986 respondent was hired by Mr. Scott to do a patent search for devices similar to the remote starting device. In August, 1986 respondent was additionally directed to apply for United States and Canadian patents for the invention, and to get the patent rights assigned to a corporation which had been formed by investors to market the device.

b. During the first part of 1987 the U.S. patent application was prepared and by July, 1987 it had been filed with the United States Patent Office. This gave the invention the protection of a "patent applied for" designation.

c. From that date, the patent invention automatically received Canadian protection for a period of twelve months.

d. Although the evidence was conflicting on this point, the panel concludes that the petitioner did not establish any neglect in the way respondent had handled the U.S. patent application itself.

e. The evidence does establish that the respondent failed to file the necessary documents with the
U.S. Patent Office to assign the newly acquired patent rights to the corporation known as E Z Start Inc. Furthermore, in a telephone conversation with Mr. Scott's corporate counsel in late 1987, respondent may have misrepresented the status of that assignment.

f. During the period of September, 1987 through February, 1988, respondent failed to take the necessary steps to apply for the Canadian patent rights for the invention. Although the patent was automatically protected in Canada during this period as indicated above, and although respondent has argued that his inattention to this matter was actually designed to benefit his client by taking maximum advantage of the right to extend the time period available for patent protection, the panel concludes that respondent in fact neglected this matter. In fact, by letter to Mr. Scott on September 13, 1987 [Board Exhibit 14], respondent implied that the Canadian patent application was to be filed forthwith. In his testimony at the hearing respondent admitted that it was the press of other business that kept him from completing the work on the Canadian patent. [Transcript p. 32]

g. Although the respondent has argued that his neglect of these matters should be overlooked because he was physically incapacitated for a period of several weeks during October, 1987 due to surgery, the evidence strongly suggests that respondent reacted to this interruption in his ability to practice law by taking on many new cases after his recuperation rather than by attending to the pre-existing cases on which he was behind.

h. More serious to this panel than the neglect discussed above, is respondent's failure under these circumstances to keep his client advised of the status of the matters entrusted to him. Not only did respondent fail to advise Mr. Scott of the interruption in his work due to his illness and make a misleading description of the status of the patent assignment, but also he failed to respond to three inquiries from Mr. Scott's corporate counsel about the status of the work. Board exhibits 3, 4 and 5 were copies of letters written to respondent inquiring about the details of work performed or not performed on the patent applications, written in April, July and August of 1988. The respondent did not reply to any of them.
i. Respondent's explanation for not replying was that he was then still trying to catch up with his case backlog caused by his October, 1987 surgery. [Transcript, p.27] The panel does not accept this explanation for two reasons: the respondent was actually increasing his case load during this period and responding to this client's inquiries would have taken very little of respondent's time.

For the reasons described above the panel concludes that respondent has violated Bar Rule 3.6(a)(3) in that he neglected a matter entrusted to him and Bar Rule 3.6(a) in that he failed to take reasonable measures to keep his client informed on the status of the client's affairs.

With respect to the proper disposition of this matter the panel has taken into consideration the fact that respondent has been previously suspended from the practice of law for six months for aiding a disbarred attorney commit unauthorized practice. The panel notes that that former offense was substantially different in nature than the matter complained of here.

The panel has also considered that respondent has recognized to some extent in this case the need for some disciplinary action and has himself recommended that a reprimand be issued with a requirement that he have to give his clients in the future a written estimate of the date of completion of their legal work. The panel has no authority to require that this estimate be given, but believes that respondent has demonstrated some increased awareness of the need to avoid the behavior which gave rise to this grievance.

Accordingly the panel believes that a reprimand is warranted by the facts of this case. Respondent is hereby reprimanded and Bar Counsel is directed to forward a copy of this report to him forthwith and to file it with the Board of Overseers of the Bar.

DATED: June 13, 1990

John P. Foster

Susan R. Kominsky

Marc V. Schnur