

attorney or agent may establish an agency relationship between the foreign attorney or agent and the client such that the practitioner may obtain instructions from the foreign attorney or agent, except if the instructions are adverse to the client's interests. For example, if the foreign attorney or agent instructs the practitioner to abandon the application because the client had not paid the foreign attorney or agent, the practitioner should consult with the client directly before acting on the instructions.

Ordinarily, the information to be provided is that appropriate for a client, who is a comprehending and responsible adult. This should obtain in all instances involving filing replies to Office actions. However, fully informing the client according to this standard may be impracticable, for example, where the client is a child or suffers from mental disability. See proposed rule 11.114. When the client is an organization or group, it is often impossible or inappropriate to inform every one of its members about its legal affairs; ordinarily, the practitioner should address communications to the appropriate officials of the organization. See proposed rule 11.113. Where many routine matters are involved, a system of limited or occasional reporting may be arranged with the client. Such communications as Office actions, notices of abandonment, and notices of allowance are not routine matters for a client. Practical exigency may also require a practitioner to act for a client without prior consultation. When the practitioner is attending an appeal hearing, for example, it is often not possible for the practitioner to consult with the client and obtain the client's acquiescence in tactical matters arising during the course of the hearing. It is sufficient if the practitioner consults with the client in advance of the hearing on significant issues that can be anticipated as arising during the course of the hearing, and consults after the hearing.

In rare circumstances, a practitioner may be justified for humanitarian reasons, in delaying or not conveying transmission of information, for example, where the information would merely be upsetting to a terminally ill client. A practitioner may not withhold information to serve the practitioner's own interest or convenience, e.g., to conceal abandonment of an application. See *Weiffenbach v. Logan*, 27 USPQ2d 1870 (Comm'r Pat. 1993), *aff'd. sub nom.*, *Logan v. Comer*, No. 93-0335 (D.D.C. 1994), *aff'd. sub nom.*, *Logan v. Lehman*, 73 F.3d 379 (Fed. Cir. 1995). No Office rules governing practice

before the Office justify withholding information from a client to serve a practitioner, or to keep the client uninformed about an Office action.

Paragraph (d) of § 11.104 would define some, but not all, acts that would constitute violations of paragraph (a) of this section. The USPTO believes that it would be helpful to practitioners if some specific prohibitions were set out in the rules. The prohibitions set out in paragraph (1) of § 11.104(d) represents violations that have occurred in the past or that the Office specifically seeks to prevent. The specific acts set out in paragraph (d) would not constitute a complete description of all acts in violation of paragraph (a).

Paragraph (1) of § 11.104(d) would address failure to inform a client or former client, or failure to timely notify the Office of an inability to notify a client or former client, of correspondence received from the Office or the client's or former client's opponent in an *inter partes* proceeding before the Office when the correspondence (i) could have a significant effect on a matter pending before the Office, (ii) is received by the practitioner on behalf of a client or former client and (iii) is correspondence of which a reasonable practitioner would believe under the circumstances the client or former client should be notified.

Section 11.105 would continue to require fees be reasonable, and would introduce a requirement for written fee agreements.

*Basis or rate of fee.* Paragraph (a) of § 11.105 would continue the present practice for determining reasonableness of basis or rate of fees. When a practitioner has regularly represented a client, they ordinarily will have evolved an understanding concerning the basis or rate of the fee. In a new client-practitioner relationship, however, an understanding as to the fee should be promptly established. It is not necessary to recite all the factors that underlie the basis of the fee, but only those that are directly involved in its computation. It is sufficient, for example, to state that the basic rate is an hourly charge or a fixed amount or an estimated amount, or to identify the factors that may be taken into account in finally fixing the fee. When developments occur during the representation that render an earlier estimate substantially inaccurate, a revised estimate should be provided to the client. A written statement concerning the fee reduces the possibility of misunderstanding. Furnishing the client with a simple memorandum or a copy of the practitioner's customary fee schedule is

usually sufficient if the basis or rate of the fee is set forth.

Paragraph (b) of § 11.105(b) would introduce a new requirement. A written statement concerning the fee, required to be furnished in advance in most cases by this section, would reduce the possibility of misunderstanding. In circumstances in which paragraph (b) requires that the basis for the practitioner's fee be in writing, an individualized writing specific to the particular client and representation is generally not required. Unless there are unique aspects of the fee arrangement, the practitioner may utilize a standardized letter, memorandum, or pamphlet explaining the practitioner's fee practices, and indicating those practices applicable to the specific representation. Such publications would, for example, explain applicable hourly billing rates, if billing on an hourly rate basis is contemplated, and indicate what charges (such as filing fees, Office fees, transcript costs, duplicating costs, and long-distance telephone charges) are imposed in addition to hourly rate charges.

Where the services to be rendered are covered by a fixed-fee schedule that adequately informs the client of the charges to be imposed, a copy of such schedule may be utilized to satisfy the requirement for a writing. Such services as patentability opinions, for example, may be suitable for description in such a fixed-fee schedule.

*Written fee agreement.* If a practitioner has not regularly represented a client, e.g., an inventor, the basis or hourly rate of the fee must be communicated directly to the client, in writing. The written communication must distinguish between the fees charged for preparing and filing a patent application, and the fee(s) for prosecuting a patent application. A clearly written communication regarding fees can avoid confusion regarding whether a fee for an application includes fees for prosecuting an application.

A practitioner may require advance payment of a fee, but would be obliged to return any unearned portion. See proposed rule 11.116(d). A practitioner may accept property in payment for services, such as an ownership interest in an enterprise. However, a fee paid in property instead of money may be subject to special scrutiny. For example, it involves questions concerning both the value of the services and the practitioner's special knowledge of the value of the property. See Formal Opinion 300, Legal Ethics Committee of the District of Columbia (2000) (addressing ethical considerations when