

tribunal's power in some circumstances to prevent a withdrawal that would otherwise be proper. Section 11.116(c) would require the practitioner who is ordered to continue a representation before a tribunal to do so. However, § 11.116(c) is not intended to prevent the practitioner from challenging the tribunal's order as beyond its jurisdiction, arbitrary, or otherwise improper while, in the interim, continuing the representation.

*Paragraph (d) of § 11.116* would address return of a client's property or money. This paragraph would require a practitioner to make timely return to the client of any property or money "to which the client is entitled." Where a practitioner holds property or money of a client at the termination of a representation and there is a dispute concerning the distribution of such property or money—whether such dispute is between the practitioner and a client, the practitioner and another practitioner who is owed a fee in the matter, or between either the practitioner or the client and a third party—the practitioner would have to segregate the disputed portion of such property or money, hold that property or money in trust as required by § 11.115, and promptly distribute any undisputed property and amounts. *See* § 11.115(c).

Notwithstanding the foregoing, where a practitioner has a valid lien covering undisputed amounts of property or money, the practitioner might continue to hold such property or money to the extent permitted by the substantive law governing the lien asserted. *See* generally §§ 11.108, and 11.115(c).

The ethical mandate "to protect a client's interests" is recognized as displacing the common law retaining lien. *See* Formal Opinion 1690, Legal Ethics Committee of the Virginia State Bar (1997). Therefore, the proposed rule would provide an exception regarding retention of any part of a client's patent and trademark application files that had been filed with the Office. For example, this would include application itself, as well as any amendment, or reply filed in the Office. Documents filed in the Office are not within the attorney work product exception. Once the documents are filed with the Office, they no longer constitute work product. *See* Formal Opinion 250, Legal Ethics Committee of the District of Columbia (1994) (Files containing copies of applications filed with the FCC and amendments and correspondence relating to those applications, also filed with the FCC, are not within the work product exception). Also excepted from retention is any patent or trademark

application prosecution work product for which a practitioner has been paid. Further excepted is any prosecution-related paper whenever assertion of a retaining lien on the paper would prejudice or imperil the protection of the client's interests. *See* Formal Opinion 1690, Legal Ethics Committee of the Virginia State Bar (1997).

It is recognized that more is required to establish material prejudice with regard to attorney work product than to client-provided papers. In situations wherein a client is represented by a new practitioner, material prejudice does not occur simply because a new practitioner must create work product, such as research, drafting, and memoranda, that are contained in the original practitioner's file. Creating work product may be inconvenient and an expense to the client, but it does not rise to the level of material prejudice to a client's interest in subsequent representation. *Accord*, Formal Opinion 1690, Legal Ethics Committee of the Virginia State Bar (1997).

*Section 11.117* would introduce rules regarding the sale of a practice before the Office involving patent matters. The practice of law is a profession, not merely a business. Clients are not commodities that can be purchased and sold at will. Pursuant to § 11.117, when a registered practitioner ceases to practice and another registered practitioner or firm of registered practitioners takes over the representation, the selling practitioner could obtain compensation for the reasonable value of the practice, as could withdrawing partners of law firms. *See* §§ 11.504 and 11.506.

*Termination of practice by the seller.* The requirement of § 11.117(b) that all of the private practice be sold would be satisfied if the seller in good faith makes the entire practice available for sale to the purchaser. The fact that a number of the seller's clients decide not to be represented by the purchaser but take their matters elsewhere, therefore, does not result in a violation. Neither does a return to private practice as a result of an unanticipated change in circumstances result in a violation. For example, a registered practitioner who has sold the practice to accept an appointment to judicial office would not violate the requirement that the sale be attendant to cessation of practice if the practitioner later resumes private practice upon being defeated in a contested or a retention election for the office.

The requirement that the seller cease to engage in the private practice of law, including practice before the Office in patent matters, does not prohibit

employment of a registered patent attorney as a lawyer on the staff of a public agency or a legal services entity which provides legal services to the poor, or as in-house counsel to a business.

Section 11.117 would permit a sale attendant upon retirement from the private practice of law within the jurisdiction. Its provisions, therefore, would accommodate the registered practitioner who sells the practice upon the occasion of moving to another state. Some states are so large that a move from one locale therein to another is tantamount to leaving the jurisdiction in which the practitioner has engaged in the practice of law. To also accommodate registered practitioners so situated, the sale of the practice would be permitted when the registered practitioner leaves the geographic area rather than the entire state.

*Single purchaser.* Section 11.117 would require a single purchaser. A prohibition against piecemeal sale of a practice protects those clients whose matters are less lucrative and who might find it difficult to secure other counsel if a sale could be limited to substantial fee-generating matters. Inasmuch as the practice being sold involves patent applications pending before the Office, the purchaser would be required to be practitioner(s) which include registered practitioners willing to undertake all client pending patent matters in the practice, subject to client consent. If, however, the purchaser is unable to undertake all client matters because of a conflict of interest in a specific matter respecting which the purchaser is not permitted by § 11.107 or another rule to represent the client, the requirement that there be a single purchaser would be nevertheless satisfied.

*Client confidences, consent, and notice.* Negotiations between seller and prospective purchaser prior to disclosure of information relating to a specific representation of an identifiable client would no more violate the confidentiality provisions of proposed § 11.106 than do preliminary discussions concerning the possible association of another practitioner or mergers between firms, with respect to which client consent is not required. Providing the purchaser access to client-specific information relating to the representation and to the file, however, requires client consent. Section 11.117 would provide that before such information can be disclosed by the seller to the purchaser, the client must be given actual written notice of the contemplated sale, including the identity of the purchaser and any proposed change in the terms of future