



**MEETING RECAP**  
**THE PAULINE NEWMAN**  
**IP AMERICAN INN OF COURT**  
**TUESDAY, NOVEMBER 19, 2013**



The third Inn meeting of the 2013-2014 year was in the offices of Oblon Spivak near the U.S. Patent & Trademark Office. There was an initial reception, beginning at 5:30 p.m., at which drinks only were served. The presentation began at 6:20 p.m.

President O'Grady made introductory remarks. Patent Examiner Sean Burke gave an overview of the presentation. His art unit examines nuclear technologies, including "purported cold fusion

devices". The story of Rube Goldberg, a professor of Mongolian romance literature, who has developed a cold fusion invention, continues.

Bruce Wieder played the attorney, Joe Izuzu. Dr. Goldberg called him on the telephone regarding his cold fusion invention. He said that his firm did a lot of work in the cold fusion area, and scheduled an interview with Dr. Goldberg "a month from today".



Steve Baxter moderated the discussion between the skits. In the phone conversation, the attorney failed to gain information from the client, and failed to manage the client's expectations. He did not attempt to determine if Goldberg's discussions of his invention with his friends constituted public disclosures. He did not ask when the discussions took place, and scheduled a meeting a month later without determining whether a grace period was about to expire. He did ask about his employment

contract with Fahrenheight University. He did not ask if his partner had an ownership interest in the invention. He apparently led Dr. Goldberg to believe that he had already retained him as his attorney, without having run a conflict check.

There was a discussion about whether confidential information should be discussed over the telephone. There may a reasonable expectation of privacy in phone conversations, but they can in fact be intercepted. The Russians are listening to our conversations, and we know they are, because we are listening to their conversations.



One month later, Goldberg meets Izuzu in his office. In his garage, Goldberg produces cold fusion by running an electric current through nickle plate in heavy water, by placing the electrodes and current on the left side of the plate, harmonizing the electric field with the earth's magnetic field and creating an endless loop of cycling energy, "which amplifies itself over and over." The electrodes are always placed on the left side "from where I am looking at it." Izuzu guarantees that he can get Goldberg a patent on it. He says, "this thing is going to fly through the Patent Office."

Cold fusion, like perpetual motion machines, belongs to a small class of inventions considered to be inoperative by the Patent Office. Hair growth tonics and cancer cures used to be in this class. Cold fusion inventions are nevertheless examined by "with an open mind", in case physics books need to be rewritten.

Izuzu quotes a fee of \$15,000, then agrees to take a stake in Goldberg's company as payment. He describes a conflict check and engagement letter as mere formalities. He promises to have the patent application made special. "We can always find some excuse to have it made special, don't worry about that."



Izuzu has received confidential information from Goldberg, before doing a conflict check. Izuzu should know that cold fusion applications will not "fly through the Patent Office." It is never a good idea to guarantee that you can get a patent for a client. Izuzu did not tell Goldberg what \$15,000 would cover (e.g. just to get the application filed, or the whole process). It is permissible for a patent attorney to take an ownership stake in a patent, but not necessarily in the company. He did tell Goldberg that he may not be able to take his case if a conflict is found.

Promising to have the application made special was a misrepresentation and/or unethical to the Patent Office.

Izuzu has not obtained all the information he needs to run an adequate conflict check. There may be business conflicts as well as ethical conflicts. Ethically, you should not form a business relationship with a client where your interests and the client's interests may diverge. Attorneys may rely on the representations of their clients, unless they raise red flags. There is a big difference between doing the minimum that the ethical rules require, and doing what makes sense.

A sample engagement letter was discussed. Engagement letters benefit both attorney and client. They should let clients know what to expect, while protecting the attorney. The scope of representation should be defined. Fees and billing practices should be explained. You should reserve the right to withdraw under appropriate circumstances. It is desirable to have an advance fee deposit (formerly known as a retainer) from a small company or independent inventor. Who is the client should be defined. (Who is not the client may also be defined.) An advance waiver of conflicts of interest is honored in some jurisdictions but not in others. Either party may have the right to terminate the engagement. File retention policy and hiring of foreign firms should be discussed.

The program concluded at 7:20 p.m. After the program, members socialized at the main reception, with both food and drink, until about 8:30 p.m.



*Photographs were taken by Doug Pearson  
Assistant Secretary-Treasurer  
and Rob T. Burns  
Inn Administrator*

Respectfully submitted,

Stephen Christopher Swift  
Secretary-Treasurer