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WEBINAR FEATURE

Ethical Issues of Remote Work for IP Professionals

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The impact of the COVID-19 pandemic on the legal profession is stark. For example, the normalization of remote work and spending time with family are key positive attributes that happened to emerge from an otherwise difficult time for many.

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Many lawyers and their clients had the ability to spend time with family, balance childcare needs, and explore—all without having to travel. As time went on, some lawyers considered taking a "gap year" to travel. Of course, while not everyone had that luxury, there was a potential compromise. With the advent of long-term rentals, some lawyers spent a few months in coastal and rural communities—while still working. This permitted an escape, while also immersing a family in a new place and potentially a new language, and allowing a mix of fun and work.

However, one thing that many lawyers often failed to consider was whether the local law of the jurisdiction where they were working-while-traveling permitted such conduct. The legal profession is full of abstract ideas on what is the practice of law—in fact, many states, prior to the pandemic, cared more about where you practiced from rather than what you practiced. A litany

of cases discussed the nuances of where one was practicing from, what law they were practicing, when they applied for admission, and finally, what constitutes temporary practice.

For example, in a case in Ohio where a Kentucky lawyer applied for admission to the Ohio bar, lawyer Alice Jones went through an extremely difficult situation as a result of lack of guidance regarding these issues. [1] The month after she applied for admission in Ohio, Jones moved to the Cincinnati, Ohio, office of her law firm and practiced only Kentucky law. [2] Unfortunately for her, she was held by the character and fitness board to have engaged in the unauthorized practice of law, and it was recommended that the Ohio Supreme Court not approve her application for admission to the bar. [3] Luckily for Jones, the court found her practice to be temporary (and permitted) based on the pendency of her application to practice. [4]

In another case from Oregon, lawyer James Harris moved from Pennsylvania to Oregon to work as the general counsel for Portland Public Schools. [5] Less than three months after moving to Oregon, Harris applied for admission to the Oregon bar. [6] In the course of investigating an unrelated matter, the Oregon bar charged Harris with the unauthorized practice of law. [7] At the trial panel level, Harris was found to have been practicing law, but on a temporary basis—in compliance with an exception. [8] However, the Oregon bar appealed to the Oregon Supreme Court, which affirmed the finding that temporary practice includes accepting permanent employment pending admission. [9]

While these cases had a positive result, the analysis in each is specific to unique facts involving pending applications. However, not everyone seeks admission (which is seemingly permanent) for temporary travel. The following hypothetical can help a traveling lawyer understand the nuances and whether intellectual property (IP) attorneys get a free pass: Lawyer is a registered patent attorney licensed to practice law in California. However, Lawyer wants to work from Hawai'i (without applying for admission). What steps should Lawyer take to ensure compliance with the appropriate rules?

Who Regulates Me?

First, it is helpful to understand who regulates you as an IP lawyer. If you are admitted to practice law in a state, you are always subject to that state's disciplinary jurisdiction—regardless of where your conduct occurred. [10] However, if you are not admitted to a particular state, and you

practice law from that state, you might be subject to that state's jurisdiction. [11] Under ABA Model Rule of Professional Conduct 8.5, lawyers not admitted to practice in the jurisdiction in which they provide legal services, i.e., out-of-state lawyers, may still be subject to the disciplinary authority of the jurisdiction in which they are deemed to have practiced, or in some other jurisdiction in which the predominant effect of the alleged misconduct occurred. [12] For lawyers who litigate, pro hac vice admission subjects those lawyers to the ethics rules and disciplinary jurisdiction of the forum in which they are temporarily admitted, even if they never physically enter the state. [13]

Particularly now during the COVID-19 era, lawyers are frequently working from their primary or secondary residences, or even long-term vacation rentals, which may be outside of their admitted jurisdiction. This scenario is often referred to as the "butt-in-seat" rule, meaning that your physical presence defines where you are practicing law.

In an effort that may seem to add more confusion, the U.S. Patent and Trademark Office (USPTO) takes a broad approach on what it means to practice before the USPTO. The regulation states:

> Practice before the [USPTO] includes, but is not limited to, law-related service that comprehends any matter connected with the presentation to the [USPTO] or any of its officers or employees relating to a client's rights, privileges, duties, or responsibilities under the laws or regulations administered by the [USPTO] for the grant of a patent or registration of a trademark, or for enrollment or disciplinary matters. [14]

One might think that practice *before* the USPTO literally means what it says: that the lawyer interfaces with the USPTO, signs papers, makes an appearance, conducts interviews, argues to the examiner or judge, and otherwise openly and notoriously represents their clients in front of the USPTO. Unlike most jurisdictions, though, the USPTO rule removes any physical location requirement from "before the Office"—one can be practicing before the USPTO in patent matters by simply talking to a client about the possibility of filing a patent application. [15] As such, even a nonregistered patent attorney, who does not practice IP law, could be subject to the jurisdiction of the USPTO by virtue of a seemingly innocuous conversation with a client about the difference between a patent and a trademark.

What Are the Rules?

The ABA Model Rules, which form the basis of the professional conduct rules in most states, are a good place to start. While not defining the practice of law, these rules include a specific provision about the unauthorized practice of law, in addition to multijurisdictional practice. Specifically, the rules make it a violation for a lawyer to "practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so." [16] The rules also proscribe nonadmitted lawyers from holding themselves out as admitted and opening offices or having a "systematic and continuous presence . . . for the practice of law." [17]

However, the rules further provide some exceptions for temporary practice, including work done with local counsel, or related to a proceeding in the lawyer's home jurisdiction—so long as they are not suspended or disbarred and certain other conditions are met. [18] An ABA ethics opinion explains that a lawyer does not have a "systematic" presence in a jurisdiction merely by their physical presence in that state. [19]

Hawai'i and Multijurisdictional Practice

Traditionally, Hawai'i did not follow the ABA Model Rule for multijurisdictional practice. [20] The result was that a strict reading of the rule meant that a lawyer from another state could (at least in theory) not practice there even temporarily (i.e., when on vacation). That literal reading changed in early 2022 when, effective July 1, 2022, the Supreme Court of Hawai'i amended its professional conduct rules to add the following comment:

> Lawyers not authorized to practice law in Hawai'i might lawfully remotely practice the law of the jurisdictions in which they are permitted to practice, to the extent permitted by that jurisdiction, while they are physically present in Hawai'i, provided they do not (a) hold themselves out as being licensed to practice in Hawai'i, (b) advertise or otherwise hold themselves out as having an office in Hawai'i, (c) provide or offer to provide Hawai'i legal services, or (d) engage in any other activity connected to the practice of law in Hawai'i other than their mere physical presence in Hawai'i. Having Hawai'i contact information listed on websites, letterheads, business cards, advertising, or the like would tend to improperly suggest a Hawai'i office or presence that could be deemed to constitute the unauthorized practice of law in Hawai'i. On the other hand, lawyers authorized to practice law in Hawai'i may remotely practice law in Hawai'i while they are physically present outside of Hawai'i, provided they are not prohibited from doing so in

> the jurisdiction where they are physically present. *C.f.*, ABA Formal Opinions 495 (2020) and 498 (2021). [21]

It doesn't get much simpler than this—if you are practicing the law of your state from Hawai'i, while not advertising or holding out as admitted in Hawai'i, and not practicing Hawai'i law, you seem to be generally permitted to work remotely from Hawai'i.

California and the USPTO may still be important to consider. California's rule states: "A lawyer admitted to practice law in California shall not: (1) practice law in a jurisdiction where to do so would be in violation of regulations of the profession in that jurisdiction; or (2) knowingly assist a person in the unauthorized practice of law in that jurisdiction." [22] Meanwhile, the USPTO's rule is very succinct—"A practitioner shall not practice law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, or assist another in doing so." [23] In other words, both jurisdictions do care about the permissiveness of your practice in another jurisdiction. Going back to Hawai'i's comment—it would appear that the hypothetical California patent lawyer would be in compliance with the three sets of rules.

Other jurisdictions are not always simple. For example, D.C. had an opinion whose remote practice authorization was tied to the pendency of the pandemic, among other things. [24] The comments in D.C. were later changed to state:

> A person who occasionally practices law from the person's residence in the District of Columbia, either by telecommuting or working from home, or who practices temporarily from a hotel or short-term rental accommodation while on vacation in the District of Columbia, does not violate Rule 49, provided the person: (1) maintains a law office in a jurisdiction where the attorney is admitted to practice; (2) avoids using a District of Columbia address in any business document or otherwise holding out as authorized to practice law in the District of Columbia; and (3) does not regularly conduct in-person meetings with clients or third parties in the District of Columbia. [25]

The problem with such a rule is that it requires the practice to be occasional, and requires the maintenance of an office in a home jurisdiction (where properly licensed).

Federal Practice

But wait—doesn't the supremacy clause fit in somewhere? More than 50 years ago, in *Sperry v. Florida*, the U.S. Supreme Court ruled that a registered patent practitioner who was not admitted to practice law in the state where his physical presence was (Florida) when he practiced federal patent law did not violate Florida's unauthorized practice of law rules. [26] Therefore, theoretically under federal law, wouldn't a patent practitioner be free to open a practice for federal law no matter where they reside?

While the answer is generally yes, there are some limitations. While *Sperry* spent a great deal discussing the supremacy clause, the analysis focused on the underlying statute authorizing the USPTO to engage in the regulation of patent attorneys—and the court explained that by stating: "the more circumscribed language . . . tends to indicate that the provision was intended only to emphasize that registration in the [USPTO] does not authorize the general practice of patent law, but sanctions only the performance of those services which are reasonably necessary and incident to the preparation and prosecution of patent applications." [27] The regulations further explain that "[n]othing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary for the [USPTO] to accomplish its Federal objectives." [28]

This means that the federal practice exception under *Sperry* seems to work, but only permits the performance of what appears to be patent law before the USPTO. So what constitutes the "practice of patent law"? The USPTO defines the practice of patent law "before the Office" as including:

> preparing or prosecuting any patent application; consulting with or giving advice to a client in contemplation of filing a patent application or other document with the Office; drafting the specification or claims of a patent application; drafting an amendment or reply to a communication from the Office that may require written argument to establish the patentability of a claimed invention; drafting a reply to a communication from the Office regarding a patent application; and drafting a communication for a public use, interference, reexamination proceeding, petition, appeal to or any other proceeding before the Patent Trial and Appeal Board, or other patent proceeding. [29]

But what about the intersection with state law? The USPTO specifically authorizes incidental practice by stating that "[r]egistration to practice before the Office in patent matters authorizes the performance of those services that are reasonably necessary and incident to the preparation and

prosecution of patent applications or other proceeding before the Office involving a patent application or patent in which the practitioner is authorized to participate." [30] This includes advising on alternative forms of protection (e.g., trade secret law), as well as the drafting of assignments. [31]

Are Trademark Lawyers Equally Lucky?

Many prominent attorneys have expanded the rationale of *Sperry* to permit nationwide federal trademark practice, and nationwide practice of law before other federal agencies, subject to meeting certain requirements. However, the text of *Sperry* leaves much to be desired. Specifically, the Supreme Court stated: "That no more was intended is further shown by the contrast with the regulations governing practice before the [USPTO] in trademark cases, also issued by the Commissioner of Patents." [32] In other words, it appears that the high court compared the intent of Congress in licensing patent versus trademark attorneys as being a key element in understanding where the intent to preempt was. Moreover, the USPTO's regulations strictly define trademark law, without any application of services incident to the preparation and prosecution as on the patent side. [33] Since trademark attorneys don't have a specific license to practice before the USPTO in trademark matters (i.e., their authority is governed by the Administrative Procedure Act), the analysis is not so simple.

That is not to say that trademark attorneys cannot cross borders; however, practitioners whose physical presence is in a state where they are not licensed, relying on *Sperry* supremacy, must be sure that they don't stray from their lane. Even a one-off matter involving state law could trigger unauthorized practice of law allegations, and *Sperry* is no help there. Therefore, trademark practitioners, like non-patent practitioners, must look carefully at state rules to ensure compliance with remote practice requirements.

Keeping Compliant

Beyond the unauthorized practice of law considerations discussed above, lawyers should continue to be mindful of general security and confidentiality issues with working remotely. The ABA Standing Committee on Ethics and Professional Responsibility described some of these issues in an ethics opinion, which include confidentiality issues, supervision of subordinate lawyers and staff, and physical and cybersecurity concerns. [34] However, as law practice adapts, so do changes in these issues, including the normalization of videoconferencing and

cloud computing. Moreover, special consideration should be given to something we take for granted—internet speed and security. Prior to working remotely, check to see if the internet access you are seeking can support things like videoconferencing, VoIP communications, and required security protocols, or if a VPN can solve that issue.

Before You Travel

Before crossing borders, whether within the United States or abroad, practitioners should look to the rules applicable in each jurisdiction, including their "home jurisdiction," to ensure compliance with requirements related to remote practice.

Endnotes

1. *See In re* Jones, 123 N.E.3d 877 (Ohio 2018).
2. *Id.* at 878.
3. *Id.* at 879.
4. *Id.* at 881.
5. *See In re* Harris, 466 P.3d 22 (Or. 2020).
6. *Id.* at 23.
7. *Id.* at 23–24.
8. *Id.* at 25–26.
9. *Id.* at 28.
10. *See* Model Rules of Pro. Conduct r. 8.5(A) (Am. Bar Ass'n 2002) ("A lawyer admitted to practice in this jurisdiction is subject to the disciplinary authority of this jurisdiction, regardless of where the lawyer's conduct occurs.").
11. *Id.*
12. *Id.* ("A lawyer not admitted in this jurisdiction is also subject to the disciplinary authority of this jurisdiction if the lawyer provides or offers to provide any legal services in this jurisdiction.").
13. *See id.* r. 8.5(b).
14. 37 C.F.R. § 11.5(b).

15. *Id.*; *see also id.* § 11.19(a).

16. Model Rules of Pro. Conduct r. 5.5(A) (Am. Bar Ass'n 2016).

17. *Id.* r. 5.5(b).

18. *Id.* r. 5.5(c).

19. ABA Comm. on Ethics & Pro. Resp., Formal Op. 495 (2020).

20. *See Variations of the ABA Model Rules of Professional Conduct: Rule 5.5*, A.B.A. CPR Pol'y Implementation Comm. (Mar. 10, 2023), https://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/mrpc-5-5.pdf.

21. Haw. Rules of Pro. Conduct r. 5.5 cmt. 3 (2022).

22. Cal. Rules of Pro. Conduct r. 5.5(a) (2018).

23. 37 C.F.R. § 11.505.

24. D.C. Comm. on Unauthorized Prac. of L., Op. 24-20 (2020).

25. D.C. App. R. 49 (2022).

26. 373 U.S. 379 (1963).

27. *Id.* at 386.

28. 37 C.F.R. § 11.1.

29. *Id.* § 11.5(b)(1).

30. *Id.*

31. *See id.* § 11.5(b)(1)(i), (ii).

32. *Sperry*, 373 U.S. at 386.

33. *See* 37 C.F.R. § 11.5(b)(2).

34. *See* ABA Comm. on Ethics & Pro. Resp., Formal Op. 498 (2021).

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