

Ethical Considerations for Teleworking and Multijurisdictional Practice for the IP Practitioner

2018 Salishan Patent Law Conference
April 14, 2018

Michael E. McCabe, Jr.

McCabe Law LLC
www.IPethicsLaw.com



*“Once a new technology rolls over you, if you’re not
part of the steamroller, you’re part of the road.”*

- Stewart Brand, author

Virtual Law Office and Mobile Lawyering



Traditional Law Office (TLO)

- “Brick and mortar” location.
- Physical offices & work stations.
- Set up for face-to-face interaction.
- Collaborative environment for legal service execution and delivery.
- Supervisors have “eyes on” supervisees.
- “Back office” and office support on-site.

Hybrid TLO + Virtual Law Office

- Home office.
- Time-share office.
- Mobile office.
 - Any or all of these *could be* TLO+ outposts.
 - Or these “offices” may be true “virtual law office,” intentionally created with no base TLO.
 - VLO systematic/continuous presence by design.

5

The Virtual Law Office (VLO)

- “A law office that exists without a traditional physical counterpart, in which attorneys primarily or exclusively access client and other information online, and where most client communications are conducted electronically, e.g., by email, etc.”
 - *Ethical Obligations on Maintaining a Virtual Office for the Practice of Law in Pennsylvania*, Pa. Bar Assoc. Formal Op. 2010-200.

6

VLO Ethics Issues

- Unauthorized Practice of Law (UPL)
- Competency
- Communications
- Advertising

7

UPL – General Rule

(a) “A lawyer 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.”

Or. RPC 5.5(a); 37
C.F.R. 11.505(a)



8

Prohibiting UPL By Statute

- “Except as provided in this section, a person may not practice law in this state, or represent that the person is qualified to practice law in this state, unless the person is an active member of the Oregon State Bar.”
 - 2017 ORS 9.160
- Supreme Court may adopt rules governing practice of law by attorneys licensed elsewhere
 - 2017 ORS 9.241-242

9

Defining “Practice of Law”

- Oregon “case-by-case basis”
 - “Any exercise of an intelligent choice, or an informed discretion in advising another of his legal rights and duties . . .”
 - *Oregon State Bar v. Security Escrows*, 223 Or. 80 (1962)
 - “[C]onsultation, explanation, recommendation or advice or other assistance in selecting particular forms, in filling out any part of the forms, or suggesting or advising how the forms should be used” in solving customer’s legal problem.
 - *Oregon State Bar v. Gilchrist*, 272 Or. 552 (1975)

10

UPL – General Rule (cont'd)

(b) “A lawyer who is not admitted to practice in this jurisdiction shall not:

- (1) except as authorized by these Rules or other law, establish an office or other systematic and continuous presence in this jurisdiction for the practice of law; or
- (2) hold out to the public or otherwise represent that the lawyer is admitted to practice in this jurisdiction.”

- ABA M.R. 5.5(b); Or. RPC 5.5(b)

11

UPL Example 1

- NY lawyers come to California to represent Cal. client in preparing for Cal. arbitration based upon K governed by Cal. law.
- Court holds NY lawyers engaged in UPL.
- Holds UPL even if never physically present by advising Cal. client on Cal. law in Cal. dispute.
- Court denies fee request based upon UPL.
 - *Birbrower, Montalbano, Condon & Frank, P.C. v. Superior Court*, 949 P.2d 1 (Cal. 1998)

12

UPL Example 2

- Colorado lawyer represents in-laws in debt collection matter in Minnesota.
- Negotiates by telephone and email.
- No physical presence in Minnesota.
- Court holds this is UPL.
- Lawyer receives public discipline.
 - *In re Charges of Unprofessional Conduct*, 884 N.W.2d 662 (Minn. 2016).

13

UPL – Example 3

- Pa. atty maintained office near Delaware border.
- Represented scores of Delaware clients.
- Clients were Delaware residents, involved in Delaware car accidents, seeking recovery under Delaware law and insurance policies.
- Atty did everything short of appearing in Delaware court.
- Settled cases and only engaged Delaware counsel if litigation filed.
- Disbarred for UPL under Del. R. 5.5(b).
 - *In re Tonwe*, 929 A.2d 744 (Del. 2007).

14

“Except as authorized . . .”

- What are you practicing: “state law” or “federal law”?
 - States may prohibit non-state licensed practice to extent deals with state law issues.
 - Federal courts/agencies regulate power to practice before those bodies.

See R. Minkoff, U.S. Courts v. 50 States – New MJP Issues (2007)

15

Sperry & PTO Practice

- Florida Bar enjoins non-Florida barred atty, who was licensed before USPTO, to practice from an office in Florida.
- “[T]he law of the State . . . must yield when incompatible with federal legislation.”
- Supremacy Clause prohibits state from requiring state license to perform services permitted by federal law.

See Sperry v. Florida ex. rel Florida Bar, 373 U.S. 379 (1963)

16

Sperry Federal Perspective Adopted in Rule 5.5

- “A lawyer admitted in another jurisdiction . . . may provide legal services in this jurisdiction that are services that the lawyer is authorized to provide by federal law or other law of this jurisdiction.”
 - Or. RPC 5.5(d)
- What about non-federal work?
 - E.g. licensing

17

Temporary Basis Exception

- May provide legal services on a temporary basis where not licensed when:
 - Associate;
 - Related to proceeding where lawyer is going to get admitted;
 - Related to arbitration; or
 - “arise out of or are reasonably related to the lawyer’s practice in a jurisdiction in which the lawyer is admitted to practice.”
 - ABA M.R. 1.5(c); Or. RPC 5.5(c)

18

Communication – M.R. 1.4

- Ethical duty to communicate, keep client informed, explain matter to extent needed for client to make informed decisions.
 - Or. RPC 1.4
- Lawyers who only communicate with client electronically “must take appropriate steps to confirm that the client has read and understands the information provided.”
 - Pa. Bar Op. 2010-200.

19

Competency – M.R. 1

- “A lawyer shall provide competent representation to a client.”
 - Or. RPC 1.1.
- Atty must take reasonable steps to set up client intake system to ensure receiving from prospective client sufficient information to determine if she can provide requested services.
- If Atty concludes cannot competently deliver legal services to the client through VLO, must decline the representation.
 - Cal. Op. 2012-184.

20

Technical Competency

- Technical Competency based on cloud-based nature of service.
 - Attorney's obligation to take reasonable steps to protect and secure the client's information.
Cal. Op. 2012-184.
- Counsel should go through checklist of ethical duties of confidentiality and safekeeping client property in cloud-based service.
 - See *The Use of Cloud Computing in the Practice of Law*, NH Bar Ethics Opinion No. 2012-13/4.

21

Advertising – M.R. 7.1

- A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services.
- False/misleading if it contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.
 - Or. RPC 7.1

22

VLO Advertising

- Must you advertise the physical address of your home or other VLO?
- Is it ethical to use a P.O. Box or rent-an-address to comply with lawyer advertising rules?
 - Pa. Bar Op. 2010-200: Atty need not list a “physical address” in advertisements or on letterhead.
 - NYSBA Op. 2014-2: law firm may ethically utilize a VLO address as the principal office address.
- States non-uniform on “bona fide” office and ads.
 - *Lawyerist.com* post entitled: *States Require a Bona Fide Office*, <https://lawyerist.com/86459/states-require-bona-fide-office/> (Aug. 26, 2015).

23

Outsourcing and Ethics



Outsourcing Ethics

- Competence
- Supervision
- Consultation
- Communication
- Confidentiality
- Fees and fee-splitting
 - *Lawyer's Obligations When Outsourcing Legal and Nonlegal Support Services*, ABA Form. Op. 08-451

27

Competence and Supervision

- ABA recommendations:
 - Reference/background checks;
 - Interview/assess education and experience of outsource provider;
 - Investigate security of provider's facilities (including computer systems)

28

Confidentiality

- ABA suggests:
 - Written confidentiality agreement with provider;
 - Check for conflicts on provider's part; and
 - GET CLIENT INFORMED CONSENT

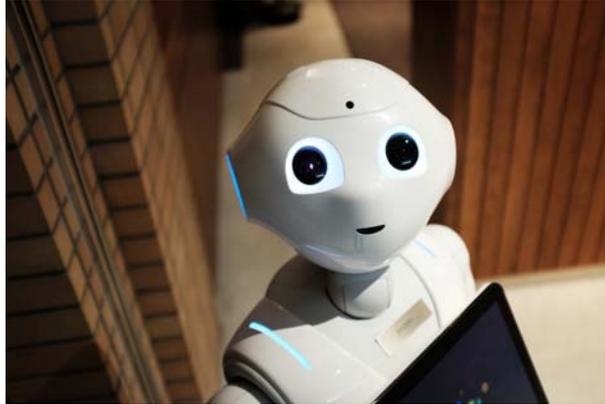
29

Fee-Splitting

- Some "outsourcing" may involve subcontracting legal work to another lawyer or law firm.
- Division of fees between lawyers not in same firm **unethical** unless:
 - Client consents;
 - Total fee reasonable; and
 - Proportionate division or each lawyer assumes joint responsibility.
 - Or. RPC 1.5(e); 37 C.F.R. 11.105(e)

30

Software & A.I. Practicing Law



The LegalZoom Boom

- Explosion of interactive, online programs to create legal documents.
 - LegalZoom, Rocket Lawyer, etc.
- Many online providers have combination of software drafting, human review/editing.
 - Some offer attorney review for added fee.
- Includes drafting and filing TM and patent applications.

ROCKETLAWYER.
vs
legalzoom[®]
Who is right for you?

Can Software Practice Law?

- When software is doing the creation of the legal document, who (or what) is “practicing law”?
 - Programmers?
 - Owners of s/w provider?
 - People who may interface with public?
- Where is the lawyer?
 - Could be aiding UPL?

33

The DoNotPay Bot

- Parking ticket fighter
 - Developed by 19-year old college student.
 - Asks users questions, determines if appeal should be filed, and prepares papers.
 - Won 160,000 of 250,000 cases!!!
- Available in 50 states.



34

Other Applications

- **LawGeex – Contract review**
 - uses natural language processing that reads contracts for particular terms; places pre-programmed comments or preferred terms; drafts revisions
 - Currently for lawyer review
- **“It’s Over Easy” - Divorce**
 - Website asks questions, creates legal documents, allows downloading, service of process, all to make divorce easy and without a lawyer.

35

To Regulate Or Not?

- | | |
|--|--|
| • Technology fills access to justice gap. | ➤ Lawyers have training needed to protect the public. |
| • Consumers should have freedom to make own choices. | ➤ Lawyers have MP insurance. |
| • The Bar is only out to protect the Bar. | ➤ Lawyers can prevent consumers from losing valuable rights. |

36

THANK YOU!

Michael E. McCabe, Jr.
McCabe Law LLC
Potomac, MD

mike@ipethicslaw.com
301.538.1110

www.IPethicsLaw.com

