United States Patent and Trademark Office

An Agency of the Department of Commerce

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June 11, 2004

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This is response to the proposed new Rules for Representation of Others Before the USPTO.

Several suggested Rules, namely Sections 11.19(c)(1)(ii) and (iii), 11.24, 11.25 and 11.803(f)(4) are in clear violation of the authority granted the Director under 35 U.S.C. § 32, and thus should be deleted, or modified.

Under 35 U.S.C. § 32, Suspension or Exclusion From Practice,

The Director may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Patent and Trademark Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct ..The Director shall have the discretion to designate any attorney who is an officer or employee of the United States Patent and Trademark Office to conduct the hearing required by this section.

Sections 11.19(c)(1) and 11.804(f)(4)

Proposed Section 11.19, Disciplinary Jurisdiction, Section (c) Misconduct—grounds for discipline. (1) Practitioners, reads as follows:

Acts or omissions by a practitioner.constituting gross misconductshall constitute misconduct and shall be grounds for discipline Grounds for discipline include:

(ii) Conviction of a crime (see §§ 11.24, 11.803(d) and 11.804(b));
(iii) Discipline imposed by another jurisdiction (see §§ 11.24, 11.803(e)(1) and (f)(4));

35 U.S.C. § 32 requires that the practitioner to be disciplined be guilty of gross misconduct, which means that the practioner must have committed whatever conduct the practitioner is to be found guilty of.

Conviction of a crime (ii above), or Discipline imposed in another jurisdiction (iii above) is not conduct of a practitioner, but is conduct of another. Only the conduct of the practitioner resulting in the conviction or discipline can reasonably be considered conduct of the practitioner. While a conviction or discipline may be a result of acts of misconduct of the practitioner, and may be evidence, perhaps even conclusive evidence, of misconduct, they are not, per se, “conduct of a practitioner”. The same analysis is applicable to Section 11.803(f)(4).

Therefore, these Sections should either be deleted, or alternatively, recite what is currently inherent therein, namely the phrase “Conduct which results in” before the term “Conviction” or “Discipline”, respectively. Otherwise, they would be inconsistent with the intent of the regulation, and of the statute which gives authority for the regulation.

The reason these corrections are suggested is that otherwise, the director would be given an apparent, and in violation of the statute, authority to discipline an attorney who had commited misconduct more than five years before disciplinary proceedings were brought against him by the Director. These proceedings are barred by the Statute of Limitations, see Johnson v. SEC, 87 F.3d, 484 (D.C.Cir. 1996); 3M Company v. Browner, 17 F.3d 1453 (D.C. Cir. 1994). However, if these improper words were incorrectly literally interpreted by the Director as authorizing him to bring disciplinary proceedings within five years of the disbarment, the attorney would have to defend himself as to the improper interpretation above.

The proposed regulation is contrary to the position the USPTO itself espoused in an Action Paper prepared for the USPTO 21st Century Strategic Plan, entitled Monitor Practitioner Adherence to Rules of Practice, Disciplinary Proceedings, found at the following USPTO web site, http://www.uspto.gov/web/offices/com/strat21/action/lr1cp51.htm,. In this paper, the USPTO is concerned with how it can discipline practitioners violating the disclosure requirements of 37 CFR §1.56, when in practice, knowledge of such misconduct would not be obtained until after the five-year statute of limitations had expired. The Action paper

includes the following:
? The current Disciplinary Rules prohibit a practitioner from knowingly violating or causing to be violated the requirements of 37 CFR 1.56. Final decisions by courts that a practitioner has engaged in inequitable conduct in obtaining a patent, e.g., by withholding material information, usually occur more than five years after the conduct first occurred. By statute, 28 U.S.C. 2462, a disciplinary action cannot be brought against such practitioners unless the action is taken within five years from the date when the event first occurred. See Johnson v. SEC, 87 F.3d 484 (D.C. Cir. 1996); 3M Company v. Browner, 17 F.3rd 1453 (D.C. Cir. 1994). (Emphasis added).
? A new section for the Patent Statute has been drafted to codify the doctrine of inequitable conduct and narrow the scope of conduct constituting inequitable conduct by requiring intent. The number of cases involving inequitable conduct by registered practitioners is expected to be few. However, those few cases should be subject to investigation and, where appropriate, disciplinary action. The draft provides an opportunity to set a new statute of limitations for addressing court decisions containing a factual finding that a practitioner engaged in inequitable conduct in obtaining a patent. (Emphasis added).
? Option 1: Provide in the new statutory section that final decisions containing findings that a practitioner engaged in inequitable conduct be referred to the OED. Further provide in the statutory section that no disciplinary action can be brought against a practitioner unless the action is taken within five years from the date of when a final decision is entered by a court of record, and the decision holds a patent unenforceable for inequitable conduct and contains a factual finding of inequitable conduct by the practitioner. (Emphasis added).

Section 11.24 and 11.25

Section 11.24 Interim Suspension and Discipline based on Reciprocal Discipline should be deleted in its entirety since it would be in violation of 35 U.S.C. § 32.
Section 11.24 (b) reads as follows:

Notice to Show Cause and Interim Suspension. (1) Following receipt of a certified copy of the record, the USPTO Director shall enter an order suspending the practitioner from practice before the Office and afford the practitioner an opportunity to show cause, within 40 days, why an order for identical disciplinary action should not be entered.

Such suspension is in direct contravention of 35 U.S.C. § 32 that allows suspension only after a hearing before a Hearing Officer.

Section 11.24 also raises the likelihood of unequal treatment of attorneys in different jurisdictions, as well as between registered practitioners attorneys and agents, to wit:

1. An agent, not being a member of a Bar, cannot be disbarred or suspended. An attorney can be suspended or disbarred. If the misconduct occurred more than five years before the USPTO brings a Complaint, the agent cannot be accused of misconduct by OED since the five-year statute of limitation period within which formal action must be taken to discipline a practitioner has expired. See Johnson v. SEC, 87 F.3d, 484 (D.C.Cir. 1996); 3M Company v. Browner, 17 F.3d 1453 (D.C. Cir. 1994).

However, if the language in Section 11.19 is not corrected as suggested above, and the USPTO considers the bar suspension or disbarment to be the misconduct of the attorney which starts the five-year statute of limitations anew, the attorney would be able to be disciplined by OED, while jurisdiction could not be had over the agent.

Such a result would also be contrary to the fundamental premise underlying the statute of limitations as enunciated by the court in the 3M v. Browner decision -- that it is inappropriate for a government regulator to wield such an open-ended penalty, and that the purpose of the statute of limitation is to impose on the initiator of the action the obligation to take the action within a sufficiently short time to afford the respondent of that action reasonable opportunity to defend his conduct before memories fade, witnesses disappear and evidence lost.

2. An attorney may be disciplined in one State for certain conduct not deemed subject to discipline by another State. By making the suspension or disbarment the criteria justifying identical reciprocal action by the USPTO, without allowing a Hearing Officer to make a decision based on the nature of the conduct, the Section subjects the process to a charge of being arbitrary and capricious.

The same illegalities are found in Section 11.25, since suspension occurs before a hearing.

Respectfully submitted,

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