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Changes to Representation of Others Before the United States Patent and Trademark Office; Final Rule

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Parts 1, 2, 7, 10, 11, and 41

[Docket No.: PTO–C–2005–0013]

RIN 0651–AB55

Changes to Representation of Others Before the United States Patent and Trademark Office

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The United States Patent and Trademark Office (Office) is adopting new rules governing the conduct of disciplinary investigations, issuing warnings when closing such investigations, disciplinary proceedings, non-disciplinary transfer to disability inactive status and reinstatement to practice before the Office. The Office is adopting a new rule regarding recognition to practice before the Office in trademark cases. The Office also is adopting a new rule to address a practitioner's signature and certificate for correspondence filed in the Office. These changes will enable the Office to better protect the public from practitioners who do not comply with the Office's ethics rules and from incapacitated practitioners.

DATES: *Effective Date:* September 15, 2008.

FOR FURTHER INFORMATION CONTACT: Harry I. Moatz ((571) 272–6069), Director of Enrollment and Discipline (OED Director), directly by phone, by facsimile to (571) 273–6069 marked to the attention of Mr. Moatz, or by mail addressed to: Mail Stop OED-Ethics Rules, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, Virginia 22313–1450.

SUPPLEMENTARY INFORMATION: Congress granted express authority to the Office to ''establish regulations, not inconsistent with law, which * * * may govern the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Office.'' 35 U.S.C. 2(b)(2)(D). Congress also provided that 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 * * * agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 2(b)(2)(D) of this title, or who shall, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The reasons for any such suspension or exclusion shall be duly recorded.'' 35 U.S.C. 32. In so doing, Congress vested express and implied authority with the Office to prescribe rules of procedure that are applicable to practitioners recognized to practice before the Office.

On December 12, 2003, the Office published *Changes to Representation of Others Before the United States Patent and Trademark Office,* a Notice of Proposed Rule Making in the **Federal Register** (68 FR 69441), 1278 *Off. Gaz. Pat. Office* 22 (Jan. 6, 2004) proposing to amend parts 1 and 2 of the rules and procedures governing patent and trademark prosecution (Title 37 of the Code of Federal Regulations), reserving part 10 and introducing part 11. Included in the proposed rules for part 11 were rules governing the conduct of investigations, disciplinary proceedings, issuing warnings, disciplinary proceedings, reinstatement, recognition to practice before the Office in trademark cases, and a practitioner's signature and certificate for correspondence filed in the Office—principally rules 11.2, 11.3, 11.5, and 11.14 through 11.61. One hundred sixty-three written comments were received. After reviewing the written comments, the Office decided to revise a number of the rules published in the December 12, 2003 Notice. The Office published *Changes to Representation of Others Before the United States Patent and Trademark Office,* a Supplemental Notice of Proposed Rule Making (SNPR), on February 28, 2007, in the **Federal Register** (72 FR 9196), 1316 *Off. Gaz. Pat. Office* 123 (Mar. 27, 2007) regarding rules 11.1, 11.2, 11.3, 11.5, and 11.14 through 11.61 and requested additional comments on those revised proposed rules. The Office received fifteen comments from professional and intellectual property organizations, law firms, individual practitioners and members of the public. Many of the revised proposed rules were similar to the approach of the current regulations. Other revised proposed rules were intended to introduce new disciplinary procedures for practitioners who have been suspended or disbarred in other disciplinary jurisdictions for ethical or professional misconduct, practitioners convicted of serious crimes, and practitioners having disability issues.

The December 12, 2003 Notice also proposed changes to the ethics rules governing the conduct of recognized patent practitioners and others practicing before the Office as well as rules governing enrollment of recognized practitioners. Following receipt and consideration of the comments, provisions included in the December 12, 2003 Notice regarding enrollment were adopted in final rules on July 26, 2004. See *Changes to Representation of Others Before the United States Patent and Trademark Office,* Final Rule, published in the **Federal Register**, 69 FR 35428 (June 24, 2004), 1288 *Off. Gaz. Pat. Office* 109 (November 16, 2004). Comments on proposed changes to the substantive ethics rules remain under consideration by the Office, and it is expected that the ethics rules will be the subject of a later, separate notice.

In addition, several rules proposed in the December 12, 2003 Notice are directly or indirectly dependent on the development of electronic systems to implement rules governing annual fees, § 11.8, and continuing legal education, §§ 11.12 and 11.13. For example, proposed §§ 11.8(d), 11.12 and 11.13 are directly dependent on development of the systems, whereas proposed § 11.11(b) through 11.11(f) are indirectly dependent on the development. Further consideration of rules dependent on implementing electronic systems awaits completion of the development and implementation of the systems. Accordingly, the rules below do not refer to §§ 11.8(d), 11.11(b) through 11.11(f), 11.12 and 11.13.

The primary purposes for adopting procedures for disciplining practitioners who fail to conform to adopted standards and non-disciplinary procedures for transferring practitioners to disability inactive status include affording practitioners due process, protecting the public, preserving the integrity of the Office, and maintaining high professional standards.

These final rules will be applied only prospectively, not retroactively. In implementing the foregoing, with respect to investigations, the rules will be applied to the future actions in pending investigations and in investigations commencing on or after the effective date of the final rules. With respect to disciplinary proceedings that have already been commenced by filing a complaint under 37 CFR 10.134 before the effective date of the final rules, the final rules will not apply. Instead, these disciplinary proceedings will continue under the rules in effect on the date the complaint under § 10.134 was filed. With regard to disciplinary proceedings

commenced after the effective date of the rules, the final rules will apply. With regard to § 11.5, the final rule will be applied only prospectively to assignments and licenses written on or after the effective date of the final rules.

Discussion of Specific Rules

Title 37 of the Code of Federal Regulations, Parts 1, 2, 7, 11 and 41, are revised by amending §§ 1.4, 1.8, 1.9, 2.2, 2.11, 2.17, 2.18, 2.19, 2.24, 2.33, 2.101, 2.102, 2.105, 2.111, 2.113, 2.119, 2.161, 2.193, 7.25, 7.37, 11.1, 11.2, 11.3, 11.5 and 41.5, and adding §§ 11.14 through 11.99 as follows:

Sections 1.4, 1.8, 1.9, 2.2, 2.11, 2.17, 2.18, 2.19, 2.24, 2.33, 2.101, 2.102, 2.105, 2.111, 2.113, 2.119, 2.161, 2.193, 7.25, 7.37: Sections 1.4(d)(3), 1.4(d)(4)(i), 1.4(d)(4)(ii)(C), 1.8(a)(2)(iii)(A), 1.9(j), 2.2(c), 2.11, 2.17(a)–(c), 2.18(a), 2.19(b), 2.24, 2.33(a)(3), 2.101(b), 2.102(a), 2.105(b)(1) and (c)(1), 2.111(b), 2.113 (b)(1), 2.119(d), 2.161(b)(3), 2.193(c)(2), 7.25(a) and 7.37(b)(3) are revised to change or add an appropriate cross-reference to Part 11 or change a cross-reference to an appropriate section in Part 11.

Section 11.1: The definitions of ''disqualified,'' ''Federal agency,'' ''Federal program'' and ''Serious Crime'' are added to the definitions, and the definitions of ''attorney or lawyer'' and ''State'' are revised. ''Disqualified,'' which appears in § 11.24, would mean any action that prohibits a practitioner from participating in or appearing before the program or agency, regardless of how long the prohibition lasts or the specific terminology used. ''Federal program'' is defined as meaning any program established by an Act of Congress or administered by a Federal agency and ''Federal agency'' is defined as meaning any authority of the executive branch of the Government of the United States.

The definition of ''attorney or lawyer'' is revised to correct an error. The Office published a final rule in the **Federal Register** of June 24, 2004 (69 FR 34428) entitled ''Changes to Representation of Others Before the United States Patent and Trademark Office.'' In that final rule, there was an inadvertent omission of the word ''not'' preceding the term ''under'' in the first sentence of the definition of ''attorney or lawyer'' in § 11.1. An attorney or lawyer in good standing with the highest court of a State should not also be ''under an order of any court or Federal agency suspending, enjoining, restraining, disbarring or otherwise restricting the attorney from practice before the bar of another State or Federal agency.'' The definition is corrected by inserting ''not'' before ''under'' in the first sentence.

The definition of state is revised to clarify that state includes Commonwealths and territories of the United States, as well as the fifty states and the District of Columbia. Thus, the ''court of * * * any State'' in § 11.25(a) would include any courts of the fifty states, the District of Columbia, and Commonwealths and territories of the United States.

Section 11.2: Section 11.2 provides for the appointment and duties of the Director of Enrollment and Discipline (OED Director), as well as petitions for review of decisions of the OED Director. Section 11.2(a) is revised to delete provisions for appointment of an OED Director in the event the OED Director is absent or recuses himself or herself from a case, as provision for these circumstances by rule is believed to be unnecessary.

Section 11.2(b)(4) is revised to provide for conducting investigations of matters involving possible grounds for discipline of practitioners. Except in matters meriting summary dismissal, the OED Director will afford an accused practitioner an opportunity to respond to a reasonable inquiry before a disposition is recommended or undertaken. Section 11.2(b)(5) is added to include among the OED Director's duties the initiation of a disciplinary proceeding and performance of such other duties in connection with investigations and disciplinary proceedings as may be necessary, provided the consent of a panel of three members of the Committee on Discipline is first obtained when required. Section 11.2(b)(6) is added to provide among the OED Director's duties oversight of the preliminary screening of information and closing investigations as provided for in § 11.22.

The titles of §§ 11.2(c) and 11.2(d) are revised to limit the petition provisions of these subsections to matters ''regarding enrollment or recognition.'' Section 11.2(c) is revised to provide that a petition to the OED Director be accompanied by payment of the fee set forth in § 1.21(a)(5)(i). A sentence in § 11.2(d) proposed in December 2003 providing that ''[a] decision dismissing a complaint or closing an investigation is not subject to review by petition'' has been deleted from § 11.2(d).

Section 11.2(d) also is revised to provide that a petition under this section must be accompanied by the fee set forth in § 1.21(a)(5)(ii), that a petition not filed within thirty days may be dismissed as untimely, that briefs and supporting memoranda must accompany the petition, and that an oral hearing will not be granted except when considered necessary by the USPTO Director.

Section 11.2(e) is added to provide for filing a petition to invoke supervisory authority of the USPTO Director in disciplinary matters in appropriate circumstances. For example, a person dissatisfied with a decision dismissing a grievance or closing an investigation may petition the USPTO Director to exercise supervisory authority over the OED Director. The procedure in subsection (e) is comparable to the supervisory review procedure in § 1.181 and assures supervisory review when appropriate. No fee is required for a petition to invoke the supervisory authority of the USPTO Director in disciplinary matters.

A petition under § 11.2(e) must contain a statement of the facts involved and the point or points to be reviewed and the action requested. Briefs or memoranda in support of the petition must accompany the petition. Where facts are to be proven, the proof in the form of affidavits or declarations (and exhibits, if any) must accompany the petition. The OED Director may be directed by the USPTO Director to file a reply to the petition, supplying a copy to the petitioner. An oral hearing will not be granted except when considered necessary by the USPTO Director. The filing of a petition will not stay an investigation, disciplinary proceeding or other proceedings. The petition may be dismissed as untimely if it is not filed within thirty days of the mailing date of the action or notice from which relief is requested. Any request for reconsideration of the decision of the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision.

Section 11.3: Section 11.3(a), which provides for suspension of rules, in essence, continues the provisions of former § 10.170 that could be applied to regulations addressing procedures. For example, the provisions of this section may be invoked by an applicant for registration to waive the sixty-day period set in § 11.7 for completing an application for registration where events beyond applicant's control, such as a flood or fire, prevented applicant from supplying information to complete an application. The inclusion of § 11.3(a) should not be construed as an indication that there could ever be any extraordinary situation when justice requires waiver of a disciplinary rule.

Section 11.3(b) is added to provide that no petition under this section may stay a disciplinary proceeding unless ordered by the USPTO Director or a hearing officer.

Section 11.5: The sole paragraph of § 11.5 is renumbered as § 11.5(a). Section 11.5(a) substantially continues the provisions of § 11.5, except that ''applications'' has been changed to ''matters'' at the end of the first sentence.

Subsection 11.5(b) is added to define practice before the Office as including a law-related service that comprehends any matter connected with the presentation to the Office 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 Office for the grant of a patent or registration of a trademark, or for enrollment or disciplinary matters. The section provides that nothing in § 11.5 prohibits a practitioner from employing or retaining non-practitioner assistants under the supervision of the practitioner to assist the practitioner in matters pending or contemplated to be presented before the Office.

Section 11.5(b)(1) provides a definition of practice before the Office in patent matters, which includes preparing and 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; and drafting a communication for a public use, interference, reexamination proceeding, petition, appeal to the Board of Patent Appeals and Interferences, or other proceeding. This section also provides that registration to practice before the Office in patent cases sanctions the performance of those services which 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. The services are identified as including consideration of the advisability of relying upon alternative forms of protection which may be available under state law, and drafting an assignment or causing an assignment to be executed in contemplation of filing or prosecution of a patent application if the practitioner is filing or prosecuting the patent application, and assignment does no more than replicate the terms of a previously existing oral or written obligation of assignment from one person or party to another person or party.

Section 11.5(b)(2) provides a definition of practice before the Office in trademark matters which includes consulting with or giving advice to a client in contemplation of filing a trademark application or other document with the Office; preparing and prosecuting an application for trademark registration; preparing an amendment or response which may require written argument to establish the registrability of the mark; and conducting an opposition, cancellation, or concurrent use proceeding; or conducting an appeal to the Trademark Trial and Appeal Board.

The provision in proposed rule 11.5(b)(3) regarding a practitioner's conduct occurring in a non-practitioner capacity has been withdrawn as being unnecessary. The provisions of revised proposed § 11.19 would cover misconduct occurring in a non-lawyer or non-agent capacity. Section 11.19 identifies several grounds for discipline, including, but not limited to, conduct that violates a mandatory disciplinary rule of the USPTO Code of Professional Responsibility and a conviction of a serious crime.

Section 11.14: Section 11.14 is added to set forth who may practice before the Office in trademark and other non-patent cases. Section 11.14(a), in essence, continues present practice under § 10.14(a) except as noted in the following discussion. The last sentence of § 11.14(a) adds a provision that registration as a patent practitioner does not entitle an individual to practice before the Office in trademark matters. An attorney who is no longer a member in good standing of the bar of the highest court of one state and not admitted to the bar in another state is not entitled to practice before the Office in trademark matters on the basis of the attorney's registration as a patent practitioner.

Thus, a practitioner registered with the Office as a patent attorney, but suspended or disbarred in the only state where the practitioner had been admitted to practice law, may not rely on the registration to continue to practice before the Office in trademark matters. Similarly, a practitioner registered as a patent attorney, but suspended or disbarred in the only state where the practitioner had been admitted to practice law, may not revert to registration as a patent agent prior to January 1, 1957, to continue to practice before the Office in trademark cases.

Section 11.14(b) continues the present practice under § 10.14(b). A second sentence has been added to § 11.14(b) to assure clarity under the present practice that, but for the one exception in the first sentence of this section, registration as a patent agent does not itself entitle an individual to practice before the Office in trademark matters.

Section 11.14(c) is added to continue the present practice under § 10.14(c), except as further clarified by the following provisions. The first sentence of § 11.14(c) is revised to provide that a foreign attorney or agent not a resident of the United States who seeks reciprocal recognition must file a written application for reciprocal recognition under paragraph (f) of § 11.14 and prove to the satisfaction of the OED Director that he or she is possessed of good moral character and reputation.

Sections 11.14(d) and (e) continue the present practices under former sections 10.14(d) and (e), except as noted in the following discussion. In § 11.14(e), ''on behalf of a client'' has been added to the end of the first sentence to make it clear that no individual is permitted to represent others before the Office in trademark matters other than those specified in paragraphs (a), (b), and (c) of this section.

Section 11.14(f) is added to expressly provide for filing an application for reciprocal recognition under § 11.14(c). This section codifies the practice of requiring an individual seeking reciprocal recognition under § 11.14(c) to apply in writing to the OED Director for reciprocal recognition and pay the fee specified in § 1.21(a)(1)(i).

Section 11.15: Section 11.15 is added to provide for refusal to recognize a practitioner. This section continues the present practice under former § 10.15. The second sentence makes clear that a practitioner who is suspended or excluded is not entitled to practice before the Office in patent, trademark, or other non-patent matters while suspended or excluded.

Sections 11.16–11.17: Sections 11.16–11.17 are reserved.

Section 11.18: Section 11.18(a) is added to continue the present practice under former § 10.18(a), and extend the practice to all documents filed with a hearing officer in a disciplinary proceeding. But for specified exceptions, every document filed with the Office or a hearing officer in a disciplinary proceeding must bear a signature, personally signed by such practitioner, in compliance with § 1.4(d)(1).

Section 11.18(b)(1) is added to continue the present practice of providing that a party presenting a paper certifies to the truthfulness of the content of his or her submissions to the Office. The term ''party'' is not limited to practitioners, and includes

applicants. The provisions of § 11.18(b)(1) continue the present practice under § 10.18(b)(1), except for extending the practice to submissions to a hearing officer in a disciplinary proceeding. Inasmuch as the hearing officer may be employed by another Federal agency, extension of the provisions of this section to submission to the hearing officer is believed to be appropriate. The provisions of § 11.18(b)(1) continue the present practice under § 10.18(b)(1) except as follows. Section 11.18(b)(1) is clarified to prohibit ''willfully and knowingly'' making false, fictitious or fraudulent statements or representations or ''willfully and knowingly'' making or using a false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry. This section repeats an obligation all parties submitting papers to the Office otherwise have under 18 U.S.C. 1001. This section applies the statutory standard of conduct applicable to the submission of material facts in courts to proceedings in the Office and to disciplinary proceedings.

Section 11.18(b)(1) also provides that whoever violates the provisions of § 11.18(b)(1) is subject to penalties in criminal statutes in addition to those under 18 U.S.C. 1001. Inasmuch as an offending paper may have little or no probative value, § 11.18(b)(1) provides that violation of the rule may jeopardize the probative value of the paper.

Unlike § 10.18(b)(1), § 11.18(b)(1) does not provide that violations of paragraph (b)(1) may jeopardize the validity of the application or document inasmuch as the conditions for valid application are set by statute. Similarly, unlike § 10.18(b)(1), § 11.18(b)(1) does not provide that violations of paragraph (b)(1) may jeopardize the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom. It is unnecessary that the regulation remind parties of any civil jeopardy to which they are subject for a violation of paragraph (b)(1).

Section 11.18(b)(2) is added to provide that a party submitting a paper certifies to the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, that the paper is not being presented for any improper purpose, that other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the establishment of new law, that allegations and factual contentions have evidentiary support, and that denials of factual contentions are warranted on the evidence or are reasonably based on a lack of information or belief. Section 11.18(b)(2) continues the current practice under former § 10.18(b)(2) except for substitution of ''any proceeding'' for prosecution in subsection 11.18(b)(2)(i).

Section 11.18(c) is added to provide a non-exhaustive list of sanctions or actions the USPTO Director may take, after notice and reasonable opportunity to respond, for a violation of paragraph (b)(2)(i) through (b)(2)(iv) of § 11.18. Section 11.18(c) continues some of the sanctions under former § 10.18(c), including precluding a party or practitioner from submitting a paper, or presenting or contesting an issue; requiring a terminal disclaimer; or terminating the proceedings in the Office. Section 11.18(c) adds specific sanctions and actions, for example, striking the offending paper, referring a practitioner's conduct to the Director of Enrollment and Discipline for appropriate action; affecting the weight given to the offending paper; and terminating the proceedings in the Office.

These sanctions in § 11.18(c) conform to those discussed in conjunction with the 1993 Amendment to Rule 11 of the Federal Rules of Civil Procedure. The commentary to the 1993 Amendment indicated that a court ''has available a variety of possible sanctions to impose for violations, such as striking the offending paper; * * * referring the matter to disciplinary authorities.'' Like Rule 11 of the Fed. R. Civ. P., the provisions in § 11.18 do not attempt to exhaustively enumerate the factors that should be considered or the appropriate sanctions. The Office anticipates that in taking action under § 11.18 in applying sanctions, it would use the proper considerations utilized in issuing sanctions or taking action under Rule 11. Consideration may be given, for example, to whether the improper conduct was willful or negligent; whether it was part of a pattern of activity, or an isolated event; whether it infected an entire application, or only one particular paper; whether the person has engaged in similar conduct in other matters; whether the conduct was intended to injure; what effect the conduct had on the administrative process in time and expense; whether the responsible person is trained in law; what is needed to deter that person from repetition in the same case; and what is needed to deter similar conduct by others. All of these in a particular case may be proper considerations. See, 28 U.S.C.A. Fed. R. Civ. P. 11, Adv. Comm. Notes, 1993 Amendments, Subdivisions (b) and (c).

Section 11.18(d) is added to continue the present practice under former § 10.18(d) of providing notice that any practitioner violating the provisions of § 11.18 may also be subject to disciplinary action.

Section 11.19: Section 11.19 is added to set forth the disciplinary jurisdiction of the Office. Section 11.19(a) sets forth a list of practitioners who are subject to the disciplinary jurisdiction of the Office. These include practitioners administratively suspended, all practitioners engaged in practice before the Office; practitioners registered to practice before the Office in patent cases; inactivated practitioners, practitioners authorized to take testimony; and practitioners who have been transferred to disability inactive status, reprimanded, suspended, or excluded from the practice of law. Inasmuch as these rules are being adopted before the adoption of § 11.11(b) regarding administrative suspension and § 11.11(c) regarding administrative suspension, in connection with continuing education and annual fees, § 11.19(a) does not reference those actions. Instead, § 11.19(a) references practitioners inactivated under § 10.11. Also practitioners who have resigned are subject to such jurisdiction with respect to conduct undertaken prior to the resignation and conduct in regard to any practice before the Office following the resignation.

Section 11.19(b) is added to set forth the grounds for discipline and grounds for transfer to disability inactive status. The grounds for discipline include conviction of a serious crime, § 11.19(b)(1); discipline on ethical grounds imposed in another jurisdiction or disciplinary disqualification from participating in or appearing before any Federal program or agency, § 11.19(b)(2); and failure to comply with any order of a Court disciplining a practitioner, § 11.19(b)(3); or any final decision of the USPTO Director in a disciplinary matter; violation of the mandatory Disciplinary Rules identified in sections 10.20(b), § 11.19(b)(4); or violation of the oath or declaration taken by the practitioner, § 11.19(b)(5).

Section 11.19(b)(2) is added to set forth grounds for transfer to disability inactive status. The grounds include being transferred to disability inactive status in another jurisdiction; being judicially declared incompetent, being judicially ordered to be involuntarily committed after a hearing on the grounds of insanity, incompetency or disability, or being placed by court order under guardianship or conservatorship; or filing a motion requesting a disciplinary proceeding be held in abeyance because the

practitioner is suffering from a disability or addiction that makes it impossible for the practitioner to adequately defend the charges in the disciplinary proceeding.

Section 11.19(c) is added to set forth the manner for handling petitions to disqualify a practitioner. This section continues the present practice under former § 10.130(b).

Section 11.19(d) is added to provide for the OED Director to refer the existence of circumstances suggesting unauthorized practice of law to the authorities in the appropriate jurisdiction(s).

Section 11.20: Section 11.20 is added to set forth the disciplinary sanctions the USPTO Director may impose on a practitioner after notice and opportunity for a hearing, as well as to set forth transfer to disability inactive status. Section 11.20(a)(2) provides for exclusion from practice before the Office. Suspension may be imposed for a period that is appropriate under the facts and circumstances of the case. Section 11.20(a)(3) provides for reprimand, including both public and private reprimand.

Section 11.20(a)(4) provides for probation *in lieu* of or in addition to any other disciplinary sanction. The order imposing probation sets forth in writing the conditions of probation as well as whether, and to what extent, the practitioner is required to notify clients of the probation. The order also establishes procedures for the supervision of probation. Violation of any condition of probation is cause for the probation to be revoked, and the disciplinary sanction to be imposed for the remainder of the probation period. Revocation of probation occurs after an order to show cause why probation should not be revoked is resolved adversely to the practitioner.

Section 11.20(b) is added to provide that the USPTO Director may require a practitioner to make restitution either to persons financially injured by the practitioner's conduct or to an appropriate client's security trust fund, or both, as a condition of probation or of reinstatement. The restitution is limited to the return of unearned practitioner fees or misappropriated client funds. The rule does not contemplate restitution for the value of an invention or patent.

Section 11.20(c) is added to set forth transfer to disability inactive status. This section provides that the USPTO Director may, after notice and opportunity for a hearing, and where grounds exist to believe a practitioner has been transferred to disability inactive status in another jurisdiction, or has been judicially declared incompetent; judicially ordered to be involuntarily committed after a hearing on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship, transfer the practitioner to disability inactive status.

Section 11.21: Section 11.21 is added to codify the practice of issuing warnings. This section provides that a warning is not a disciplinary sanction. This section also provides that the ''OED Director may conclude an investigation with the issuance of a warning,'' which ''shall contain a brief statement of facts and imperative USPTO Rules of Professional Conduct relevant to the facts.'' Inasmuch as a warning is not a disciplinary sanction, a warning would not be made public.

Section 11.22: Section 11.22 is added to set forth provisions regarding the conduct of investigations of possible grounds for discipline. Section 11.22(a) authorizes the OED Director to investigate possible grounds for discipline. This section provides that an investigation may be initiated when the OED Director receives a grievance, information or evidence from any source suggesting possible grounds for discipline. The section further provides that neither unwillingness nor neglect by a grievant to prosecute a charge, nor settlement, compromise, or restitution with the grievant, shall in itself justify abatement of an investigation.

Section 11.22(b) provides for reporting information or evidence concerning possible grounds for discipline to the OED Director. Any person possessing information or evidence concerning possible grounds for discipline of a practitioner may report the information or evidence to the OED Director, who may request that the report be presented in the form of an affidavit or declaration.

Section 11.22(c) provides that information or evidence coming from any source that presents or alleges facts suggesting possible grounds for discipline of a practitioner will be deemed a grievance.

Section 11.22(d) provides for preliminary screening of information or evidence. This section provides that the ''OED Director shall examine all information or evidence concerning possible grounds for discipline of a practitioner.''

Section 11.22(e) provides for notifying a practitioner of an investigation. The section provides that the ''OED Director shall notify the practitioner in writing of the initiation of an investigation into whether a practitioner has engaged in conduct constituting possible grounds for discipline.''

Section 11.22(f) provides for the OED Director requesting information and evidence in the course of an investigation. Subsection 11.22(f)(1) provides that in the course of conducting an investigation, the OED Director may request information or evidence regarding possible grounds for discipline of a practitioner from the grievant, the practitioner, or any person who may reasonably be expected to provide information and evidence needed in connection with the grievance or investigation.

Subsection 11.22(f)(2) provides that the OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from a non-grieving client either after obtaining the consent of the practitioner or upon a finding by a Contact Member of the Committee on Discipline, appointed in accordance with § 11.23(d), that good cause exists to believe that the possible ground for discipline alleged has occurred with respect to non-grieving clients. This section further provides that ''[n]either a request for, nor disclosure of, such information shall constitute a violation of any of the Mandatory Disciplinary Rules identified in § 10.20(b) of Part 10 of this Subsection.''

Section 11.22(g) provides where the OED Director makes a request under paragraph (f)(2) of this section to the Contact Member of the Committee on Discipline, the Contact Member will not, with respect to the practitioner connected to the OED Director's request, participate in the Committee on Discipline panel that renders a probable cause decision.

Section 11.22(h) sets forth the actions the OED Director may take upon the conclusion of an investigation. The OED Director may close an investigation without issuing a warning or taking disciplinary action, issue a warning to the practitioner, institute formal charges upon approval of the Committee on Discipline, or enter into a settlement agreement with the practitioner and submit the same for approval to the USPTO Director.

Section 11.22(i) provides for closing investigation without issuing a warning or taking disciplinary action. There are four circumstances under this section when the OED Director must terminate an investigation and decline to refer a matter to the Committee on Discipline. Under § 11.22(i)(1), the OED Director closes an investigation without issuing a warning or disciplinary action upon determining that either the information or evidence is unfounded. Under

§ 11.22(i)(2), the OED Director closes the investigation without issuing a warning or taking disciplinary action when it is determined that the information or evidence relates to matters not within the jurisdiction of the Office. Under § 11.22(i)(3), the OED Director closes the investigation without issuing a warning or taking disciplinary action upon determining that as a matter of law, the conduct about which information or evidence has been obtained does not constitute grounds for discipline, even if the conduct may involve a legal dispute. Under § 11.22(i)(2)(4), the OED Director closes the investigation without issuing a warning or taking disciplinary action when the available evidence is insufficient to conclude that there is probable cause to believe that grounds exist for discipline.

Section 11.23: Section 11.23 is added to provide for a Committee on Discipline. Section 11.23(a) provides for the Committee to be appointed by the USPTO Director. The Committee on Discipline consists of at least three employees of the Office, and none of the Committee members are permitted to report directly or indirectly to the OED Director or any employee designated by the USPTO Director to decide disciplinary matters. This section further provides that each Committee member must be a member in good standing of the bar of the highest court of a State. The Committee members select a Chairperson from among themselves. Three Committee members constitute a panel of the Committee.

Section 11.23(b) sets forth the powers and duties of the Committee on Discipline. The Committee is empowered and has the duty to meet in panels at the request of the OED Director and, after reviewing evidence presented by the OED Director, by majority vote of the panel, determine whether there is probable cause to bring charges under § 11.32 against a practitioner; and to prepare and forward its own probable cause findings and recommendations to the OED Director.

Section 11.23(c) provides that no discovery is authorized of, and no member of the Committee may be required to testify about deliberations of, the Committee or of any panel.

Section 11.24: Section 11.24 is added to provide procedures for reciprocal discipline of a practitioner. Section 11.24(a) provides that a practitioner who is subject to the disciplinary jurisdiction of the Office and has been publicly censured, publicly reprimanded, subjected to probation, disbarred or suspended in another jurisdiction, or has been disciplinarily disqualified from participating in or appearing before any Federal program or agency shall notify the OED Director in writing of the same. This section also provides that a practitioner is deemed to be disbarred if he or she is disbarred, excluded on consent, or has resigned in lieu of a disciplinary proceeding.

Section 11.24(a) further provides for the OED Director, upon receiving notification that a practitioner subject to the disciplinary jurisdiction of the Office has been disciplined, to obtain a certified copy of the record or order regarding the public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification and file the same with the USPTO Director. The information received by the OED Director may come from any source, and therefore, the actions by OED Director are independent of whether the practitioner has self-reported. Without Committee on Discipline authorization, the OED Director can file a complaint complying with § 11.34 with the USPTO Director against the practitioner predicated upon the public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification, and request the USPTO Director to issue a notice and order as set forth in § 11.24(b).

Under § 11.24(a) regarding a practitioner who has been disqualified from participating in or appearing before any Federal program or agency, the program or agency need not use the term ''disqualified'' to describe the action. For example, an agency may use analogous terms, such as ''suspend,'' ''decertify,'' ''exclude,'' ''expel,'' or ''debar'' to describe the practitioner's disqualification from participating in the program or the agency.

Section 11.24(b) provides a procedure for initiating a reciprocal disciplinary proceeding. Under this section, the USPTO Director, upon receipt of a certified copy of the record or order regarding the practitioner, issues a notice directed to the practitioner in accordance with § 11.35 and to the OED Director. The notice includes (1) a copy of the record or order regarding the public censure, public reprimand, probation, disbarment, suspension, or disciplinary disqualification; (2) a copy of the complaint; and (3) an order directing the practitioner to file a response with the USPTO Director and the OED Director, within forty days of the date of the notice, establishing a genuine issue of material fact predicated upon the grounds set forth in §§ 11.24(d)(1)(i) through (d)(1)(iv) that the imposition of the identical public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification would be unwarranted and the reasons for the claim. In conformity with the changes to § 11.24(a), ''disciplined'' has been changed to ''censured, publicly reprimanded, subjected to probation, disbarred, suspended'' in the first sentence of this section; ''public censure, public reprimand, probation,'' has been added to § 11.24(b)(1); and ''publicly censured, publicly reprimanded, placed on probation,'' has been added to § 11.24(b)(3)(i).

Section 11.24(c) sets forth the effect of a stay in another jurisdiction on a reciprocal disciplinary proceeding occurring in the Office. Under this section, if the discipline imposed by another jurisdiction, probation or disciplinary disqualification imposed in the Federal program or agency has been stayed, any reciprocal discipline imposed by the USPTO may be deferred until the stay expires. In conformity with the changes to § 11.24(a), ''discipline'' has been changed to ''censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification'' in § 11.24(c).

Section 11.24(d) provides for a hearing and imposition of discipline. Under this section the USPTO Director hears the matter on the documentary record and imposes the identical discipline unless the USPTO Director determines that there is a genuine issue of material fact of the nature set forth in §§ 11.24(d)(1)(i) through (iv). In conformity with the changes to § 11.24(a), each occasion of ''discipline'' has been changed to ''censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification'' in the second sentence of this section.

The situation identified in § 11.24(d)(1)(i) is that the procedure elsewhere was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process. The situation identified in § 11.24(d)(1)(ii) is that there was such infirmity of proof establishing the conduct as to give rise to the clear conviction that the Office could not, consistently with its duty, accept as final the conclusion on that subject. The situation in § 11.24(d)(1)(iii) is that the imposition of the same discipline by the Office would result in grave injustice. The situation in § 11.24(d)(1)(iv) is that the practitioner was not the person involved in the prior disciplinary matter. In conformity with the changes to § 11.24(a), ''discipline'' has been changed to ''censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification'' in § 11.24(d)(1)(iii).

Under § 11.24(d)(2), if the USPTO Director determines that there is no genuine issue of material fact, the USPTO Director enters an appropriate final order. If the USPTO Director is unable to make such a determination because there is a genuine issue of material fact, the complaint is referred to a hearing officer for disposition and the practitioner is directed to file an answer to the complaint.

Section 11.24(e) provides for the effect of the adjudication in another jurisdiction or Federal agency or program. This section sets forth that a final adjudication in another jurisdiction or Federal agency or program that a practitioner, whether or not admitted in that jurisdiction, has been guilty of misconduct shall establish a *prima facie* case for discipline or probation for purposes of a disciplinary proceeding in this Office. In conformity with the changes to § 11.24(a), ''discipline'' has been changed to ''censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification'' in this section.

Section 11.24(f) sets forth the only circumstance when reciprocal discipline may be imposed *nunc pro tunc.* This section provides for imposing reciprocal discipline only upon the practitioner's request and only if the practitioner promptly notified the OED Director of his or her censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification in another jurisdiction, and establishes by clear and convincing evidence that the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58. This section further provides that the effective date of any censure, public reprimand, probation, disbarment, suspension, or disciplinary disqualification imposed *nunc pro tunc* shall be the date the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58. In conformity with the changes to § 11.24(a), ''discipline'' has been changed to ''censure, public reprimand, probation, disbarment, suspension'' in the first sentence. In conformity with the changes to § 11.24(a), in the second sentence, ''censure, public reprimand, probation,'' has been inserted before ''suspension''; a comma has been inserted after ''suspension''; ''or'' has been inserted between ''suspension'' and ''disbarment''; and ''or disciplinary disqualification'' has been added after ''disbarment.''

Section 11.24(g) provides for reinstatement following a reciprocal discipline proceeding. Under this section, a practitioner may petition for reinstatement under conditions set forth in § 11.60 no sooner than completion of the period of reciprocal discipline imposed, and compliance with all provisions of § 11.58.

Section 11.25: Section 11.25 is added to provide a procedure for interim suspension and discipline, after notice and opportunity for a hearing on the documentary record, based upon conviction of committing a serious crime. The first sentence of § 11.25(a) provides that upon being convicted of a crime in a court of the United States, any state, or a foreign country, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing of the same within thirty days from the date of such conviction. If the crime is not a serious crime, the OED Director processes the matter in the same manner as any other information or evidence of a possible violation of the Mandatory Disciplinary Rules identified in § 10.20(b) of Part 10. The reference to the Mandatory Disciplinary Rules of Part 10 will obtain until such time as the Rules of Professional Conduct are adopted, at which time this section will be amended to reference the imperative Rules of Professional Conduct.

The second sentence of § 11.25(a) provides that the OED Director, upon being advised or learning that a practitioner subject to the disciplinary jurisdiction of the Office has been convicted of a crime, must make a preliminary determination whether the crime constitutes a serious crime warranting interim suspension. The third sentence of § 11.25(a) provides that where the crime is a serious crime, the OED Director will file with the USPTO Director proof of the conviction and request that the USPTO Director issue a notice and order as set forth in § 11.25(b)(2) of this section. The fourth sentence of § 11.25(a) provides that the OED Director must also, without Committee on Discipline authorization, file with the USPTO Director a complaint against the practitioner complying with § 11.34, predicated upon the conviction of a serious crime. The fifth sentence of § 11.25 provides that in the event the crime is not a serious crime, the OED Director must process the matter in the same manner as any other information or evidence of a possible violation of an imperative Rule of Professional Conduct coming to the attention of the OED Director.

Section 11.25(b) provides a procedure for imposing interim suspension and referral for disciplinary proceeding in the case of a practitioner convicted of a serious crime. Section 11.25(b)(1) provides that the USPTO Director has authority to place a practitioner on interim suspension, after a hearing on the documentary record.

Section 11.25(b)(2) provides for notifying the practitioner convicted of commission of a serious crime with notice of the proceeding. The USPTO Director issues a notice to the practitioner in accordance with § 11.35(a), (b) or (c), and to the OED Director. The notice contains a copy of the court record, docket entry, or judgment of conviction; a copy of the complaint; and an order directing the practitioner to inform the USPTO Director and OED Director, within thirty days of the date of the notice, of any genuine issue of material fact that the crime did not constitute a serious crime, that the practitioner is not the individual found guilty of the crime, or that the conviction was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process.

Section 11.25(b)(3) provides procedures for a hearing on and entry of a final order on the OED Director's request for interim suspension. The request for interim suspension is heard by the USPTO Director on the documentary record unless the USPTO Director determines that the practitioner's response establishes a genuine issue of material fact that the crime did not constitute a serious crime, the practitioner is not the person who committed the crime, or the conviction was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process. If the USPTO Director determines that there is no genuine issue of material fact regarding those defenses an appropriate final order is entered regardless of the pendency of any criminal appeal. Conversely, if the USPTO Director is unable to make such determination because there is a genuine issue of material fact, the USPTO Director would enter a final order dismissing the request for interim suspension and referring the complaint to a hearing officer for a hearing. Under the latter circumstances, the USPTO Director would also direct the practitioner to file an answer to the complaint in accordance with § 11.36. Section 11.25(b)(4) provides the USPTO Director with authority to terminate an interim suspension when it is in the interest of justice, and upon a showing of extraordinary circumstances, after affording the OED Director an opportunity to respond to the request to terminate interim suspension.

Section 11.25(b)(5) provides a procedure whereby the USPTO Director, upon entering an order for interim suspension, refers the complaint to the OED Director for institution of a formal disciplinary proceeding for an initial decision recommending the final disciplinary sanction to be imposed. The hearing officer, however, shall stay the disciplinary proceeding until all direct appeals from the conviction are concluded. Review of the initial decision of the hearing officer shall be pursuant to § 11.55.

Section 11.25(c) sets forth the standard for proving conviction and guilt. Section 11.25(c)(1) addresses conviction in the United States. Under this section, for purposes of a hearing for interim suspension and a hearing on the formal charges in a complaint filed as a consequence of the conviction, a certified copy of the court record, docket entry, or judgment of conviction in a court of the United States or any state establishes a *prima facie* case by clear and convincing evidence that the practitioner was convicted of the crime and that the conviction was not lacking in due process. Section 11.25(c)(2) addresses conviction in a foreign country. For purposes of a hearing for interim suspension and on the formal charges filed as a result of a finding of guilt, a certified copy of the court record, docket entry, or judgment of conviction in a court of a foreign country establishes a prima facie case by clear and convincing evidence that the practitioner was convicted of the crime and that the conviction was not lacking in due process. Nothing in this section precludes the practitioner from demonstrating in any hearing for interim suspension that there is a genuine issue of material fact to be considered when determining if the elements of a serious crime were committed in violating the criminal law of the foreign country and whether a disciplinary sanction should be entered.

Section 11.25(d) provides that if the USPTO Director determines that the crime is not a serious crime, the complaint is to be referred to the OED Director for investigation under § 11.22 and appropriate processing.

Section 11.25(e) provides a procedure for reinstatement upon reversal or setting aside a finding of guilt or a conviction. Under § 11.25(e)(1), if the practitioner demonstrates that the underlying finding of guilt or conviction of serious crimes has been reversed or vacated, the order for interim suspension is to be vacated and the practitioner be placed on active status unless the finding of guilt was reversed or the conviction was set aside with respect to less than all serious crimes for which the practitioner was found guilty or convicted. Vacating the interim suspension does not terminate any other disciplinary proceeding then pending against the practitioner, the disposition of which is determined by the hearing officer on the basis of all available evidence other than the finding of guilt or conviction. Section 11.25(e)(2) sets forth the reinstatement procedure for a practitioner convicted of a serious crime. The practitioner petitions for reinstatement under conditions set forth in § 11.60 no sooner than five years after being discharged following completion of service of his or her sentence, or after completion of service under probation or parole, whichever is later.

Section 11.25(f), which pertains to notifying clients and others of a practitioner's interim suspension, by providing that an interim suspension under this section constitutes a suspension of the practitioner for the purpose of § 11.58. Therefore, the practitioner must notify clients and others in accordance with § 11.58.

Section 11.26: Section 11.26 is added to introduce provisions for settlement in disciplinary matters. Under this section a settlement conference may occur between the OED Director and the practitioner before or after a complaint is filed under § 11.34. Any offers of compromise and any statements made during the course of settlement discussions are not admissible in subsequent proceedings. The OED Director may recommend to the USPTO Director any settlement terms deemed appropriate, including steps taken to correct or mitigate the matter forming the basis of the action, or to prevent recurrence of the same or similar conduct. A settlement agreement is effective only upon entry of a final decision by the USPTO Director.

Section 11.27: Section 11.27 is added to provide a procedure for excluding a practitioner on consent. Section 11.27(a) provides that a practitioner who is the subject of an investigation or a pending disciplinary proceeding based on allegations of grounds for discipline, and who desires to resign, may only do so by consenting to exclusion and delivering to the OED Director an affidavit declaring the consent of the practitioner to exclusion. The content of the affidavit is set forth in §§ 11.27(a)(1)(i) through 11.27(a)(3)(ii). Section 11.27(b) provides a procedure for the USPTO Director to review, and if appropriate, approve the exclusion on consent. Upon approval, the USPTO Director enters an order excluding the practitioner on consent and providing other appropriate actions. Upon entry of the order, the excluded practitioner must comply with the requirements set forth in § 11.58. Under § 11.27(c), when an affidavit under § 11.27(a) is received after a complaint under § 11.34 has been filed, the OED Director notifies the hearing officer. The hearing officer then enters an order transferring the disciplinary proceeding to the USPTO Director, who may enter an order excluding the practitioner on consent. Section 11.27(d) provides for reinstatement following exclusion on consent. Under this section, a practitioner excluded on consent under this section may not petition for reinstatement for five years. This section provides that an excluded practitioner who intends to reapply for admission to practice before the Office must comply with the provisions of § 11.58, and apply for reinstatement in accordance with § 11.60. This section provides that failure to comply with the provisions of § 11.58 constitutes grounds for denying an application for reinstatement.

Section 11.28: Section 11.28 is added to provide procedures for addressing disciplinary proceedings involving an incapacitated practitioner. Section 11.28(a) provides a procedure for holding a disciplinary procedure in abeyance because of a practitioner's incapacitation due to a current disability or addiction. Under § 11.28(a)(1), in the course of a disciplinary proceeding, before the date set for a hearing, the practitioner may file a motion requesting the hearing officer to enter an order holding such proceeding in abeyance based on the contention that the practitioner is suffering from a disability or addiction that makes it impossible for the practitioner to adequately defend the charges in the disciplinary proceeding. The required content of the motion is set forth in § 11.28(a)(1)(i). The time for filing and serving the OED Director's response, and the content of the response are set forth in § 11.28(a)(1)(ii). Section 11.28(a)(2) provides a procedure for disposition of the practitioner's motion. Upon granting the practitioner's motion, the OED Director transfers the practitioner to disability inactive status and publishes notice. The order may provide that, in the case of addiction to drugs or intoxicants, the practitioner will not be returned to active status absent satisfaction of specified conditions. Upon receipt of the order, the OED Director transfers the practitioner to disability inactive status, gives notice to the practitioner, causes notice to be published, and gives notice to appropriate authorities in the Office that the practitioner has been placed on

disability inactive status. The practitioner is required to comply with the provisions of § 11.58, and not engage in practice before the Office in patent, trademark and other non-patent law until a determination is made of the practitioner's capability to resume practice before the Office in a proceeding under §§ 11.28(c) or 11.28(d). A practitioner on disability inactive status must seek permission from the OED Director to seek employment authorized under § 11.58(e). Permission will be granted only if the practitioner has complied with all the conditions of §§ 11.58(a) through 11.58(d) applicable to disability inactive status. In the event that permission is granted, the practitioner must fully comply with the provisions of § 11.58(e).

Section 11.28(b) provides a procedure whereby a practitioner transferred to disability inactive status in a disciplinary proceeding may move for reactivation once a year beginning at any time not less than one year after the initial effective date of inactivation, or once during any shorter interval provided by the order issued pursuant to § 11.28(a)(2) or any modification thereof. If the motion is granted, the disciplinary proceeding is resumed under a schedule established by the hearing officer. Section 11.28(c) sets forth the content of the practitioner's motion for reactivation.

Section 11.28(d) provides a procedure whereby the OED Director may move to terminate a prior order holding a pending disciplinary proceeding in abeyance and resume a disciplinary proceeding. The OED Director bears the burden of showing by clear and convincing evidence that the practitioner is able to defend himself or herself, and the hearing officer will hold an evidentiary hearing if there is any genuine issue as to one or more material facts.

Section 11.28(e) provides for a hearing officer to take appropriate action if, in deciding a motion under § 11.28(b) or § 11.28(d), the hearing officer determines that there is good cause to believe the practitioner is not incapacitated from defending himself or herself, or is not incapacitated from practicing before the Office. The appropriate action may include entry of an order directing the reactivation of the practitioner and resumption of the disciplinary proceeding.

Section 11.29: Section 11.29 is added to provide for reciprocal transfer or initial transfer to disability inactive status of practitioners. Section 11.29(a) provides for notification of the OED Director. Section 11.29(a)(1) addresses transfer to disability inactive status in another jurisdiction as grounds for reciprocal transfer by the Office. Within thirty days of being transferred to disability inactive status in another jurisdiction a practitioner subject to the disciplinary jurisdiction of the Office is required to notify the OED Director in writing of the transfer. Upon notification from any source that a practitioner subject to the disciplinary jurisdiction of the Office has been transferred to disability inactive status in another jurisdiction, the OED Director is required to obtain a certified copy of the order and file it with the USPTO Director together with a request that the practitioner be transferred to disability inactive status, including the specific grounds therefor, and a request that the USPTO Director issue a notice and order as set forth in § 11.29(b).

Section 11.29(a)(2) sets forth as grounds for initial transfer to disability inactive status, situations where a practitioner has been involuntarily committed, there is an adjudication of incompetency, or there is a court-ordered placement of a practitioner under guardianship or conservatorship. Within thirty days of being judicially declared incompetent, being judicially ordered to be involuntarily committed after a hearing on the grounds of incompetency or disability, or being placed by court order under guardianship or conservatorship in another jurisdiction, a practitioner subject to the disciplinary jurisdiction of the Office must notify the OED Director in writing of the transfer. Upon notification from any source that a practitioner subject to the disciplinary jurisdiction of the Office has been transferred to disability inactive status in another jurisdiction, the OED Director is required to obtain a certified copy of the order and file it with the USPTO Director along with the requests described in 11.29(a)(1).

Section 11.29(b) provides for serving notice on a practitioner to show cause why transfer to disability inactive status should not occur. The OED Director issues the notice, comporting with § 11.35, directed to the practitioner upon receiving the information and requests from the OED Director. The notice contains a copy of the order or declaration from the other jurisdiction. The notice also contains an order directing the practitioner to inform the USPTO Director and OED Director, within 30 days from the date of the notice, a) his or her response to the OED Director's request to transfer to disability status which shall establish any genuine issue of material fact supported by affidavit based on the grounds set forth in § 11.29(d) (1) through (4) that the transfer to disability inactive status would be unwarranted and the reasons therefor.

Section 11.29(c) addresses the effect of stay of transfer or of a stay of a judicially declared incompetence, judicially ordered involuntary commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship. This section provides that in the event the transfer, judicially declared incompetence, judicially ordered involuntary commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship in the other jurisdiction has been stayed, any reciprocal transfer or transfer by the Office may be deferred until the stay expires.

Section 11.29(d) provides for a hearing and transfer to disability inactive status. The request for transfer to disability inactive status shall be heard by the USPTO Director on the documentary record unless the USPTO Director determines that there is a genuine issue of material fact, in which case the USPTO Director may deny the request. Upon the expiration of 30 days from the date of the notice pursuant to the provisions of § 11.29(b), the USPTO Director shall consider any timely filed response and impose the identical transfer to disability inactive status unless the practitioner demonstrates by clear and convincing evidence and the USPTO Director finds there is a genuine issue of material fact by clear and convincing evidence that: (1) The procedure was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process; (2) there was such infirmity of proof establishing the transfer to disability status, judicial declaration of incompetence, judicial order for involuntary commitment on the grounds of incompetency or disability, or placement by court order under guardianship or conservatorship that the USPTO Director could not, consistent with the Office's duty, accept as final the conclusion on that subject; (3) the imposition of the same disability status or transfer to disability status by the USPTO Director would result in grave injustice; or (4) the practitioner is not the individual transferred to disability status, judicially declared incompetent, judicially ordered for involuntary commitment on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship.

One example that it would be a grave injustice to impose disability status or

transfer to disability status might be that the reason no longer exists for the original transfer to disability inactive status, judicial declaration of incompetence, judicial order to be involuntarily committed on the grounds of incompetency or disability, or placement by court order under guardianship or conservatorship. A further example would be that the practitioner was not the person transferred to disability inactive status, judicially declared incompetent, judicially ordered to be involuntarily committed on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship. If the USPTO Director determines that there is no genuine issue of material facts with regard to any of the elements of §§ 11.29 (d)(1) through (4), the USPTO Director shall enter an appropriate final order. If the USPTO Director is unable to make that determination because there is a genuine issue of material fact, the USPTO Director shall enter an appropriate order dismissing the OED Director's request for such reason.

Section 11.29(e) provides for the effect of adjudication in other jurisdictions. This section provides that in all other aspects, a final adjudication in another jurisdiction that a practitioner is transferred to disability inactive status, is judicially declared incompetent, is judicially ordered to be involuntarily committed on the grounds of incompetency or disability, or is placed by court order under guardianship or conservatorship establishes the disability for purposes of a reciprocal transfer to or transfer to disability status before the Office.

Section 11.29(f) provides that a practitioner who is transferred to disability inactive status under this section shall be deemed to have been refused recognition to practice before the Office so that the agency's final order may be reviewed under 35 U.S.C. 32.

Section 11.29(g) provides for an order imposing reciprocal transfer to disability inactive status or order imposing initial transfer to disability inactive status. Under this section, an order by the USPTO Director imposing reciprocal transfer to disability inactive status, or transferring a practitioner to disability inactive status is effective immediately for an indefinite period until further order of the USPTO Director. A copy of the order transferring a practitioner to disability inactive status is served upon the practitioner, the practitioner's guardian, and/or the director of the institution to which the practitioner has been committed in the manner the USPTO Director may direct. A practitioner reciprocally transferred or transferred to disability inactive status must comply with the provisions of § 11.58, and must not engage in practice before the Office in patent, trademark and other non-patent law unless and until reinstated to active status.

Section 11.29(h) provides for confidentiality of the proceeding and that orders transferring a practitioner to disability status be public. Under § 11.29(h)(1) all proceedings under § 11.29 involving allegations of disability of a practitioner are kept confidential unless and until the USPTO Director enters an order reciprocally transferring or transferring the practitioner to disability inactive status. Under § 11.29(h)(2), the OED Director must publicize any reciprocal transfer to disability inactive status or transfer to disability inactive status in the same manner as for the imposition of public discipline.

Section 11.29(i) addresses activities provided for under § 11.58(e) of practitioners on disability inactive status. A practitioner on disability inactive status must seek permission from the OED Director to engage in an activity authorized under § 11.58(e). Permission will be granted only if the practitioner has complied with all the conditions of §§ 11.58(a) through 11.58(d) applicable to disability inactive status. In the event that permission is granted, the practitioner must fully comply with the provisions of § 11.58(e).

Section 11.29(j) provides for reinstatement from disability inactive status. Section 11.29(j)(1) provides that no practitioner reciprocally transferred or transferred to disability inactive status under § 11.29 may resume active status except by order of the OED Director. Section 11.29(j)(2) provides that a practitioner reciprocally transferred or transferred to disability inactive status is entitled to petition the OED Director for transfer to active status once a year, or at whatever shorter intervals the USPTO Director may direct in the order transferring or reciprocally transferring the practitioner to disability inactive status or any modification thereof. Section 11.29(j)(3) provides that upon the filing of a petition for transfer to active status, the OED Director may take or direct whatever action is deemed necessary or proper to determine whether the incapacity has been removed, including a direction for an examination of the practitioner by qualified medical or psychological experts designated by the OED Director. The expense of the examination is paid and borne by the practitioner. Section 11.29(j)(4) provides that with the filing of a petition for reinstatement to active status, the practitioner will be required to disclose the name of each psychiatrist, psychologist, physician and hospital or other institution by whom or in which the practitioner has been examined or treated since the transfer to disability inactive status. The practitioner must furnish the OED Director with written consent for the release of information and records relating to the incapacity if requested by the OED Director. Section 11.29(j)(5) provides that the OED Director may direct that the practitioner establish proof of competence and learning in law, which proof may include passing the registration examination. Section 11.29(j)(6) provides that the OED Director shall grant the petition for transfer to active status upon a showing by clear and convincing evidence that the incapacity has been removed. Section 11.29(j)(7) provides that if a practitioner reciprocally transferred to disability inactive status on the basis of a transfer to disability inactive status in another jurisdiction, the OED Director may dispense with further evidence that the disability has been removed and may immediately direct reinstatement to active status upon such terms as are deemed proper and advisable. Section 11.29(j)(8) provides that if a practitioner transferred to disability inactive status on the basis of a judicially declared incompetence, judicially ordered involuntary commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship has been declared to be competent, the OED Director may dispense with further evidence that the incapacity to practice law has been removed and may immediately direct reinstatement to active status.

Sections 11.30 through 11.31: Sections 11.30 through 11.31 are reserved.

Section 11.32: Section 11.32 is added to provide a procedure for instituting a disciplinary proceeding. Section 11.32, in essence, continues the provisions of former § 10.132, except as noted in the following discussion. Section 11.32(a) authorizes the OED Director to convene a meeting of ''a panel of the Committee on Discipline,'' as opposed to a ''meeting of the Committee on Discipline'' provided for in former § 10.132, and § 11.32(a) provides that the meeting may be convened after an investigation is conducted and after complying, where necessary, with the provisions of 5 U.S.C. 558(c), if ''the OED Director is of the opinion that grounds exist for discipline under

§ 11.19(b)(3)–(5).'' The panel of the Committee then determines as specified in § 11.23(b) whether a disciplinary proceeding shall be instituted.

Section 11.33: Section 11.33 is reserved.

Section 11.34: Section 11.34 is added to provide for the content and sufficiency of a complaint. Section 11.34, in essence, continues the provisions of former § 10.134, except as noted in the following discussion. Section 11.34(a)(2) provides that the complaint must give a plain and concise description of the respondent's ''alleged grounds for discipline'' instead of the ''alleged violations of the Disciplinary Rules by the practitioner'' found in former § 10.134(a)(2). Section 11.34(a)(3) adds a provision that the complaint state the time ''not less than thirty days from the date the complaint is filed'' for respondent to file an answer.

Section 11.34(b) provides that the complaint will be deemed sufficient if it fairly informs the respondent of ''any grounds for discipline, and where applicable, Mandatory Disciplinary Rules identified in § 10.20(b) of Part 10 of this Subsection that form the basis for the disciplinary proceeding,'' whereas former § 10.134(b) provided that the complaint must fairly inform the respondent of ''any violation of the Disciplinary Rules which form the basis for the disciplinary proceeding.'' The reference to the Mandatory Disciplinary Rules of Part 10, instead of the imperative Rules of Professional Conduct, will obtain until such time as the Rules of Professional Conduct are adopted, at which time reference will be made to the imperative Rules of Professional Conduct. Section 11.34(c) adds a provision that ''[t]he complaint shall be filed in the manner prescribed by the USPTO Director.''

Section 11.35: Section 11.35 is added to provide for service of the complaint. Section 11.35, in essence, continues the provisions of former § 10.135, except as noted in the following discussion. Section 11.35(a)(2) provides for serving a complaint on a respondent by mailing a copy of the paper by ''other delivery service'' to respondent. The use of ''other delivery service that provides the ability to confirm delivery or attempted delivery,'' in addition to first class mail and ''Express Mail,'' recognizes additional delivery services not recognized when former § 10.135 was adopted. Section 11.35(a)(4) adds a provision for delivery of a complaint ''[i]n the case of a respondent who resides outside the United States, by sending a copy of the complaint by any delivery service that provides ability to confirm delivery or attempted delivery, to: (i) [a] respondent who is a registered practitioner at the address provided to OED pursuant to § 11.11; or (ii) [a] respondent who is a nonregistered practitioner at the last address for the respondent known to the OED Director.'' Unlike the provision of former § 10.135(b), § 11.35 does not require a second attempt to serve the complaint by any one of the procedures in § 11.35(a) before service is effected by publication. Section 11.35(b) provides for service by publication ''for two consecutive weeks,'' instead of the ''four consecutive weeks'' required by former § 10.135(b), and the time for filing an answer is set at ''thirty days from the second publication of the notice.'' Section 11.35(b) also provides that ''[f]ailure to timely file an answer will constitute an admission of the allegations in the complaint in accordance with paragraph (d) of § 11.36, and the hearing officer may enter an initial decision on default.'' Section 11.35(c), which addresses serving a copy of a complaint on the attorney known to represent a respondent, provides that service on the attorney is in lieu of service on the respondent in the manner provided for in sections 11.35(a) or (b).

Section 11.35(b) provides a procedure for accomplishing service if a copy of the complaint cannot be delivered to the respondent through any one of the procedures in § 11.35(a). In these circumstances, the OED Director serves the respondent by causing an appropriate notice to be published in the Official Gazette for two consecutive weeks, in which case, the time for filing an answer shall be thirty days from the second publication of the notice. Section 11.35(b) provides that failure to timely file an answer will constitute an admission of the allegations in the complaint in accordance with § 11.36(d), and the hearing officer may enter an initial decision on default.

Section 11.35(c) provides that if the respondent is known to the OED Director to be represented by an attorney under § 11.40(a), a copy of the complaint is to be served on the attorney in lieu of the respondent in the manner provided for in § 11.35(a) or § 11.35(b).

Section 11.36: Section 11.36 is added to provide for the respondent's answer to a complaint. Section 11.36, in essence, continues the provisions of former § 10.136, except as noted in the following discussion. Section 11.36(a) provides that the minimum thirty days for filing an answer runs ''from the date the complaint is filed.''

In § 11.36(b), the first sentence provides that when filing the answer with the hearing officer, it is to be filed ''at the address specified in the complaint.'' In § 11.36(c), the third sentence requires respondent to state affirmatively any intent to raise a disability as a mitigating factor. The last three sentences in § 11.36(c) provide: that ''if respondent intends to raise a special matter of defense or disability, the answer shall specify the defense or disability, its nexus to the misconduct, and the reason it provides a defense or mitigation''; that ''a respondent who fails to do so cannot rely on a special matter of defense or disability''; and that ''the hearing officer may, for good cause, allow the respondent to file the statement late, grant additional hearing preparation time, or make other appropriate orders.'' Disability, such as mental disability or chemical dependency, including alcoholism or drug abuse, would be a mitigating factor only if the respondent practitioner makes an adequate showing of nexus and mitigation. Such a showing would be expected to include (1) medical evidence that the practitioner is affected by a chemical dependency or mental disability; (2) evidence that the chemical dependency or mental disability substantially caused the misconduct; (3) the practitioner's recovery from the chemical dependency or mental disability is demonstrated by a meaningful and sustained period of successful rehabilitation; (4) the recovery arrested the misconduct; and (5) recurrence of the misconduct is unlikely. These are substantially the same standards as those set forth Section 9.32(i) of the American Bar Association Standards for Imposing Lawyer Sanctions (1992). Section 11.36(d) provides that the hearing officer need receive no further evidence with respect to an allegation that is not denied by a respondent in the answer inasmuch as the allegation is deemed to be admitted and may be considered proven. Section 11.36(e) provides for entry of a default judgment if an answer is not timely filed.

Section 11.37: Section 11.37 is reserved.

Section 11.38: Section 11.38 is added to provide for a contested case. Section 11.38, in essence, continues the provisions of former § 10.138.

Section 11.39: Section 11.39 is added to provide for a hearing officer, the appointment and responsibilities of the hearing officer, and review of a hearing officer's interlocutory orders and stays. Section 11.39, in essence, continues the provisions of former § 10.139, except as noted in the following discussion. Section 11.39(a), in addition to providing for the appointment of a

hearing officer by the USPTO Director under 5 U.S.C. 3105, also provides for a hearing officer appointed under 35 U.S.C. 32. The hearing officer conducts the disciplinary proceedings.

Section 11.39(b) provides that the hearing officer be independent of improper influence by requiring that the officer ''not be subject to first level or second level supervision by the USPTO Director or his or her designee,'' ''not be subject to supervision of the person(s) investigating or prosecuting the case,'' ''not be an individual who has participated in any manner in the decision to initiate the proceedings,'' and ''not have been employed under the immediate supervision of the practitioner.'' The hearing officer must be admitted to practice law and have suitable experience and training to conduct the hearing, reach a determination, and render an initial decision in an equitable manner. Section 11.39(b)(11) authorizes the hearing officer to impose against a party any of the sanctions provided in Rule 37(b)(2) of the Federal Rules of Civil Procedure in the event that said party or any attorney, agent or designated witness of that party fails to comply with a protective order made pursuant to § 11.44(c).

Section 11.39(c)(8) provides that the hearing officer has authority to adopt procedures and modify procedures for the orderly disposition of proceedings and sets forth a hearing officer's responsibilities. Section 11.39(c)(10) provides that the hearing officer has authority to promote not only the efficient and timely conduct of a disciplinary proceeding, but also to promote the impartiality of the proceeding.

Section 11.39(d) provides for the hearing officer issuing an initial decision ''normally* * * within nine months of the date a complaint is filed,'' instead of the six-month period used in former § 10.139(c). Section 11.39(d) provides for the initial decision issuing more than nine months after a complaint in the same circumstances contemplated by former § 10.139(c).

Section 11.39(f) provides that if the OED Director or a respondent seeks review of an interlocutory order of a hearing officer under § 11.39(b)(2), any time period set by the hearing officer for taking action shall not be stayed unless ordered by the USPTO Director or the hearing officer. The language appearing in proposed § 11.39(f), ''any time period set by the hearing officer for taking action shall not be stayed'' has been changed to ''any time period set by the hearing officer for taking action shall not be stayed.'' The hearing officer sets times for the OED Director and respondent to act under §§ 11.39(c)(5) and (c)(8), but not for the hearing officer to act. Accordingly, the language was changed sua sponte to conform to the hearing officer's recited responsibilities.

Section 11.39(g) prohibits the hearing officer from engaging in *ex parte* discussions with any party on the merits of the complaint, beginning with appointment and ending when the final agency decision is issued.

Section 11.40 is added to provide for representation of the respondent and the OED Director. Section 11.40(a), in essence, continues the provisions of former § 10.140(a). Section 11.40(b) provides for the OED Director to be represented by the Deputy General Counsel for Intellectual Property and Solicitor, and attorneys in the Office of the Solicitor. The attorneys representing the OED Director in disciplinary proceedings must not consult with the USPTO Director, the General Counsel, or the Deputy General Counsel for General Law regarding the proceeding. The General Counsel and the Deputy General Counsel for General Law must remain screened from the investigation and prosecution of all disciplinary proceedings in order that they be available as counsel to the USPTO Director in deciding disciplinary proceedings, unless access is appropriate to perform their duties. After a final decision is entered in a disciplinary proceeding, the OED Director and attorneys representing the OED Director shall be available to counsel the USPTO Director, the General Counsel, and the Deputy General Counsel for General Law in any further proceedings, for example, as they arise in a United States District Court or the United States Court of Appeals for the Federal Circuit.

Section 11.41: Section 11.41 is added to provide for filing of papers. Section 11.41, in essence, continues the provisions of former § 10.141 except as noted in the following discussion. The first sentence of § 11.41(a) provides that the provisions of not only § 1.8, but also § 2.197, do not apply to disciplinary proceedings. The first sentence of former § 10.141 has been moved to be the second sentence of § 11.41(a). Section 11.41(b) provides that all papers filed after entry of an initial decision by the hearing officer are to be filed with the USPTO Director and that a copy of the paper shall be served on the OED Director. The provision of former § 10.141(c) has been moved to be the third sentence of § 11.41(b).

Section 11.42: Section 11.42 is added to provide for service of papers other than a complaint in a disciplinary proceeding. Section 11.42, in essence, continues the provisions of former § 10.142 except as noted in the following discussion. Sections 11.42(a)(2) and 11.42(b)(2) provide for serving a paper on the respondent's attorney, or upon a respondent who is not represented, by mailing a copy of the paper by ''other delivery service'' to the attorney or the respondent. The use of ''other delivery service,'' in addition to first class mail and ''Express Mail,'' recognizes additional delivery services not recognized when former § 10.142 was adopted. Similarly, § 11.42(c)(2) provides for the respondent serving a paper on the representative of the OED Director by mailing a copy by ''other delivery service.''

Section 11.43: Section 11.43 is added to provide for motions. In essence, § 11.43 continues the provisions of former § 10.143.

Section 11.44: Section 11.44 is added to provide for hearings in disciplinary proceedings. Except as noted in the following discussion, § 11.44, in essence, continues the provisions of former § 10.144. The third sentence of § 11.44(a) provides that the hearing officer will set the time and place for the hearing. In doing so, the hearing officer should normally give preference to a Federal facility in the district where the Office's principal office is located or Washington, DC, inasmuch as the practitioner is practicing before the Office. Nevertheless, the hearing officer should also give due regard to the convenience and needs of the parties, witnesses, or their representatives. The fifth sentence of § 11.44(a) provides that in cases involving an incarcerated respondent, any necessary oral hearing may be held at the location of incarceration. The seventh sentence of § 11.44(a) provides that the hearing be conducted as if the proceeding were subject to 5 U.S.C. 556. In some instances, such as when the OED Director and respondent reach a settlement, an oral hearing is unnecessary, and therefore, no oral hearing is conducted. The eighth sentence of § 11.44(a) provides that a copy of the transcript shall be provided to the OED Director and the respondent at the expense of the Office.

Section 11.44(b) provides that when the respondent to a disciplinary proceeding fails to appear at the hearing after a notice of hearing has been given by the hearing officer, the hearing officer may deem the respondent to have waived the right to a hearing and may proceed with the hearing in the absence of the respondent.

Section 11.44(c) provides that a hearing under this section will not be

open to the public except that the hearing officer may grant a request by a respondent to open his or her hearing to the public and make the record of the disciplinary proceeding available for public inspection, *provided,* a protective order is entered to exclude from public disclosure information which is privileged or confidential under applicable laws or regulations.

Section 11.45: Section 11.45 is added to provide for amendment of pleadings. This section permits the OED Director to amend the complaint to include additional charges with the authorization of the hearing officer, but without authorization from the Committee on Discipline. The amended charges may be based upon conduct committed before or after the complaint was filed. If amendment of the complaint is authorized, the hearing officer must authorize amendment of the answer. To avoid prejudice by the amendments to any party, reasonable opportunity is given to meet the allegations in the complaint or answer as amended, and the hearing officer makes findings on any issue presented by the complaint or answer as amended.

Sections 11.46–11.48: Sections 11.46–11.48 are reserved.

Section 11.49: Section 11.49 is added to provide each party's burden of proof. This section, in essence, continues the provisions of former § 10.149.

Section 11.50: Section 11.50 is added to provide for applicable rules of evidence. This section, in essence, continues the provisions of former § 10.150.

Section 11.50(c), which provides for discovery of government documents, in essence, continues the provisions for former § 10.150(c) and further specifies that the discovery ''include[es], but [is] not limited to, all papers in the file of a disciplinary investigation,'' which are admissible without extrinsic evidence of authenticity.

Section 11.51: Section 11.51 is added to provide for the use of depositions. Except as noted in the following discussion, § 11.51, in essence, continues the provisions of former § 10.151. The last sentence in § 11.51(a), ''[d]epositions may not be taken to obtain discovery, except as provided for in paragraph (b) of this section,'' is not found in former § 10.151, and has been added to § 11.51(a) to preclude the use of depositions to obtain discovery that the hearing officer has not authorized.

Section 11.52: Section 11.52 provides for discovery. Except as noted in the following discussion, § 11.52, in essence, continues the provisions of former § 10.152. Section 11.52, like former § 10.152, requires a party to establish that discovery is reasonable and relevant. However, § 11.52 does not specify that the party seeking discovery must do so ''in a clear and convincing manner.'' It is sufficient that the party establish that discovery is reasonable and relevant. Section 11.52(b)(1), unlike former § 10.152(b), does not prohibit reasonable and relevant discovery that will be used solely for cross-examination.

Section 11.53: Section 11.53, which provides for proposed findings and conclusions as well as post-hearing memorandum, in essence continues the provisions of former § 10.153.

Section 11.54: Section 11.54 provides for proposed findings and conclusions as well as post-hearing memoranda. Except as noted in the following discussion, § 11.54, in essence, continues the provisions of former § 10.154. To codify long-standing practice, § 11.54(a)(2) adds a provision specifically referencing inclusion of ''an order of default judgment'' in the decision, and for the hearing officer to transmit the entire record to the OED Director after issuing the decision. To improve efficiencies, § 11.52(a)(2) provides for the hearing officer to transmit a copy of the decision to the OED Director, instead of transmitting copies to both the OED Director and the OED Director's representative. To conform with the inclusion of ''an order of default judgment'' in the decision, the last sentence of § 11.52(a)(2) also provides that in the absence of an appeal to the USPTO Director, the decision of the hearing officer, including a default judgment, will, without further proceedings, become the decision of the USPTO Director thirty days from the date of the decision of the hearing officer. Section 11.54(b) provides that in determining any sanction after a finding that a practitioner has violated a ground for discipline, the following four factors must be considered if they are applicable: (1) Whether the practitioner has violated a duty owed to a client, to the public, to the legal system, or to the profession; (2) whether the practitioner acted intentionally, knowingly, or negligently; (3) the amount of the actual or potential injury caused by the practitioner's misconduct; and (4) the existence of any aggravating or mitigating factors.

Section 11.55: Section 11.55 is added to provide a procedure for appealing a decision to the USPTO Director. While § 11.55, in essence, continues a number of the provisions of former § 10.155, numerous provisions have been added to clarify and codify procedures. For example, beginning with the second sentence, § 11.55(a) provides: that the ''appeal shall include the appellant's brief;'' that ''[i]f more than one appeal is filed, the party who files the appeal first is the appellant for purpose of this rule;'' ''[i]f appeals are filed on the same day, the respondent is the appellant;'' ''[i]f an appeal is filed, then the OED Director shall transmit the entire record to the USPTO Director;'' that ''[a]ny cross-appeal shall be filed within fourteen days after the date of service of the appeal pursuant to § 11.42, or thirty days after the date of the initial decision of the hearing officer, whichever is later;'' that ''[t]he cross-appeal shall include the cross-appellant's brief;'' that ''[a]ny appellee or cross-appellee brief must be filed within thirty days after the date of service pursuant to § 11.42 of an appeal or cross-appeal;'' and that ''[a]ny reply brief must be filed within fourteen days after the date of service of any appellee or cross-appellee brief.''

Section 11.55(b) provides that an appeal or cross-appeal must include exceptions to the decisions of the hearing officer and supporting reasons for those exceptions, and that any exception not raised will be deemed to have been waived and will be disregarded by the USPTO Director in reviewing the initial decision.

Section 11.55(c) provides specific information regarding where briefs are filed, the content and arrangement of briefs, and paper size. Section 11.55(d) sets page limit lengths for briefs, as well as other requirements. Section 11.55(e) provides that the USPTO Director may refuse entry of a nonconforming brief. Section 11.55(g) proscribes filing further briefs or motions unless permitted by the USPTO Director. Section 11.55(i) provides that in the absence of an appeal by the OED Director, failure by the respondent to appeal under the provisions of this section shall be deemed to be both acceptance by the respondent of the initial decision and waiver by the respondent of the right to further administrative or judicial review.

Section 11.56: Section 11.56 is added to provide for a decision of the USPTO Director. Section 11.56, in essence, continues the provisions of former § 10.156, except as noted in the following discussion. The second sentence of § 11.56(a) provides that the USPTO Director may, in addition to affirming, reversing or modifying the initial decision of the hearing officer, ''remand the matter to the hearing officer for such further proceedings as the USPTO Director may deem appropriate.''

Section 11.56(b) provides that the final decision of the USPTO Director

may, in addition to the actions authorized in former § 10.156(b), reverse or modify the initial decision. This section also provides that a ''final decision suspending or excluding a practitioner shall require compliance with the provisions of § 11.58;'' and that the ''final decision may also condition the reinstatement of the practitioner upon a showing that the practitioner has taken steps to correct or mitigate the matter forming the basis of the action, or to prevent recurrence of the same or similar conduct.''

Section 11.56(c) adds several provisions not set forth in former § 10.156. The respondent and the OED Director are limited to making a single request for reconsideration or modification of the decision by the USPTO Director, and the request must be filed within twenty days from the date of entry of the decision. No request for reconsideration or modification will be granted unless the request is based on newly discovered evidence or error of law or fact, and the requester must demonstrate that any newly discovered evidence could not have been discovered any earlier by due diligence. The request has the effect of staying the effective date of the order of discipline in the final decision. The decision by the USPTO Director is effective on its date of entry.

Section 11.57: Section 11.57 is added to provide for review of the final decision of the USPTO Director. Section 11.57, in essence, continues the provisions of former § 10.157, except as noted in the following discussion. Section 11.57(a) provides that review of final decisions of the USPTO Director is available by petition filed in the United States District Court for the District of Columbia in accordance with the court's local rule. Section 11.57(a) draws the practitioner's attention to the necessity of serving the USPTO Director and complying with service requirements of Rule 4 of the Federal Rules of Civil Procedure and 37 CFR 104.2.

Section 11.57(b), unlike former § 10.156(b), provides that except for a request for reconsideration in § 11.56(c), ''an order for discipline in a final decision will not be stayed except on proof of exceptional circumstances.''

Section 11.58: Section 11.58 is added to set forth the duties of a disciplined or resigned practitioner. Section 11.58, in essence, continues the provisions of former § 10.158, except as noted in the following discussion. Section 11.58, in addition to referring to a practitioner who is excluded or suspended, also refers to practitioners who have resigned. Practitioners who resign are those addressed in § 11.11(e). Section 11.58(a) provides that an excluded, suspended or resigned practitioner will not be automatically reinstated at the end of his or her period of exclusion or suspension, that they must comply with the provisions of this section and §§ 11.12 and 11.60 to be reinstated, and that failure to comply with the provisions of this section may constitute both grounds for denying reinstatement or readmission and be cause for further action, including seeking further exclusion, suspension, and for revocation of any pending probation.

Section 11.58(b)(1)(i) requires the practitioner to file, within thirty days after the date of entry of the order of exclusion, suspension, or acceptance of resignation, a notice of withdrawal as of the effective date of the exclusion, suspension or acceptance of resignation in each pending patent and trademark application, each pending reexamination and interference proceeding, and every other matter pending in the Office, together with a copy of the notices sent pursuant to sections 11.58(b) and 11.58(c).

Section 11.58(b)(1)(iii) requires that the practitioner give notice to state and Federal jurisdictions and administrative agencies to which the practitioner is admitted to practice and clients ''of the practitioner's consequent inability to act as a practitioner after the effective date of the order; and that, if not represented by another practitioner, the client should act promptly to substitute another practitioner, or to seek legal advice elsewhere, calling attention to any urgency arising from the circumstances of the case.'' Section 11.58(b)(1)(iii) requires practitioners to ''provide notice to the practitioner(s) for all opposing parties (or, to the parties in the absence of a practitioner representing the parties) in matters pending before the Office of the practitioner's exclusion, suspension or resignation and, that as a consequence, the practitioner is disqualified from acting as a practitioner regarding matters before the Office after the effective date of the suspension, exclusion or resignation, and state in the notice the mailing address of each client of the excluded, suspended or resigned practitioner who is a party in the pending matter.''

Section 11.58(b)(1)(iv) requires the practitioners to ''deliver to all clients having immediate or prospective business before the Office in patent, trademark or other non-patent matters any papers or other property to which the clients are entitled, or shall notify the clients and any co-practitioner of a suitable time and place where the papers and other property may be obtained, calling attention to any urgency for obtaining the papers or other property.''

Section 11.58(b)(1)(v) requires practitioners to ''relinquish to the client, or other practitioner designated by the client, all funds for practice before the Office, including any legal fees paid in advance that have not been earned and any advanced costs not expended.''

Section 11.58(b)(1)(vii) requires practitioners to ''serve all notices required by paragraphs (b)(1)(ii) and (b)(1)(iii) of this section by certified mail, return receipt requested, unless mailed abroad. If mailed abroad, all notices shall be served with a receipt to be signed and returned to the practitioner.''

Section 11.58(b)(2) provides that within forty-five days after entry of the order of suspension, exclusion, or of acceptance of resignation, the practitioner must file with the OED Director an affidavit of compliance certifying that the practitioner has fully complied with the provisions of the order, § 11.58, and with Mandatory Disciplinary Rules identified in § 10.20(b) of Part 10 for withdrawal from representation. Appended to the affidavit of compliance must be copies of specified documents, a schedule regarding bank accounts in which the practitioner holds or held as of the entry date of the order any client, trust, or fiduciary funds for practice before the Office, a schedule describing the practitioner's disposition of all client and fiduciary funds for practice before the Office, proof of proper distribution of the funds and closing of the accounts, a list of all other state, Federal and administrative jurisdictions to which the practitioner is admitted to practice, and an affidavit providing information specified in § 11.58(b)(2)(vi).

Section 11.58(c) provides that after entry of the order of exclusion or suspension, or acceptance of resignation, the practitioner is proscribed from accepting any new retainer regarding immediate or prospective business before the Office, or engaging as a practitioner for another in any new case or legal matter regarding practice before the Office. The practitioner will be granted limited recognition for a period of thirty days. During the thirty-day period of limited recognition, the practitioner is to conclude work on behalf of a client on any matters that were pending before the Office on the date of entry of the order of exclusion or suspension, or acceptance of resignation. If such work cannot be concluded, the practitioner must so advise the client so that the client may make other arrangements.

Section 11.58(d) requires the practitioner to keep and maintain records of the various steps taken under § 11.58 so that proof of compliance with this section and with the exclusion or suspension order will be available in any subsequent proceeding. The OED Director will require the practitioner to submit such proof as a condition precedent to the granting of any petition for reinstatement.

Section 11.58(e) continues the practice under former § 10.158(c) for an excluded and suspended practitioner to act as a paralegal for another practitioner, and extending the practice to resigned practitioners and practitioners on disability inactive status.

Section 11.58(f) continues the practice under former § 10.158(d) proscribing reinstatement of excluded and suspended practitioners who act as a paralegal or perform services under § 11.58(e) unless they satisfy specified conditions, and extends the practice to resigned practitioners and practitioners on disability inactive status.

Section 11.59: Section 11.59 is added to improve information dissemination to protect the public from disciplined practitioners. Section 11.59(a) provides for informing the public of the disposition of each matter in which public discipline has been imposed and of any other changes in a practitioner's registration status. Public discipline is identified as exclusion, including exclusion on consent, suspension, and public reprimand. In the usual circumstances, the OED Director would give notice of public discipline and the reasons for the discipline to disciplinary enforcement agencies in the state where the practitioner is admitted practice, to courts where the practitioner is known to be admitted, and the public. The final decision of the USPTO Director would be published if public discipline is imposed. A redacted version of the final decision would be published if a private reprimand is imposed. Changes in status, such as suspended, excluded, or disability inactive status, would also be published.

Section 11.59(b) provides that the OED Director's records of every disciplinary proceeding where a practitioner is reprimanded, suspended, or excluded, including when said sanction is imposed by default judgment, shall be made available to the public upon written request, unless the USPTO Director orders that the proceeding or a portion of the record be kept confidential. This section further provides that information may be withheld as necessary to protect the privacy of third parties or as directed in a protective order issued pursuant to § 11.44(c). This section also provides that the record of a proceeding that results in a practitioner's transfer to disability inactive status shall not be available to the public.

Section 11.59(c) provides that an order excluding a practitioner on consent under § 11.27 and the affidavit required under paragraph (a) of § 11.27 shall be available to the public unless the USPTO Director orders that the proceeding or a portion of the record be kept confidential. The section also provides that information in the order and affidavit may be withheld as necessary to protect the privacy of third parties or as directed in a protective order under § 11.44(c)(2). This section also provides that the affidavit required under § 11.27(a) shall not be used in any other proceeding except by order of the USPTO Director or upon written consent of the practitioner.

Section 11.60: Section 11.60 is added to address petitions for reinstatement by excluded, suspended or resigned practitioners. Section 11.60 continues the practices of former § 10.160, except as noted in the following discussion. In addition to referencing suspended and excluded practitioners throughout the section, as did former § 10.160, § 11.60 also specifically references and applies the provisions to a resigned practitioner. Section 11.60(a) prohibits the practitioners from resuming the practice of patent, trademark, or other non-patent law before the Office until reinstated by order of the OED Director or the USPTO Director.

Section 11.60(b) provides that excluded or suspended practitioners are eligible to apply for reinstatement only upon expiration of the period of suspension or exclusion and the practitioner's full compliance with § 11.58. An excluded practitioner can be eligible to apply for reinstatement no earlier than at least five years from the effective date of the exclusion. The section also provides that a resigned practitioner can be eligible to petition for reinstatement and must show compliance with § 11.58 no earlier than at least five years from the date the practitioner's resignation is accepted and an order is entered excluding the practitioner on consent.

Section 11.60(c) provides for filing a petition for reinstatement with the OED Director accompanied by the fee required by § 1.21(a)(10). A practitioner who has violated any provision of § 11.58 is not eligible for reinstatement until a continuous period of the time in compliance with § 11.58 that is equal to the period of suspension or exclusion has elapsed. A resigned practitioner is not eligible for reinstatement until compliance with § 11.58 is shown. If a practitioner who is not eligible for reinstatement files a petition, or if the petition is insufficient or defective on its face, the OED Director may dismiss the petition. Otherwise the OED Director considers the petition for reinstatement. The practitioner seeking reinstatement has the burden of proof by clear and convincing evidence. The evidence must be included in or accompany the petition. The evidence must establish: that the practitioner has the good moral character and reputation, competency, and learning in law required under § 11.7 for admission; that resumption of practice before the Office will not be detrimental to the administration of justice or subversive to the public interest; and that the practitioner has complied with the provisions of § 11.58 for the full period of the suspension, or at least five years if the practitioner resigned or was excluded.

Section 11.60(d)(1) provides for the OED Director to grant a petition for reinstatement where the practitioner has complied with §§ 11.60(c)(1) through (c)(3) by entering an order for reinstatement conditioned on payment of the costs of the disciplinary proceeding to the extent set forth in § 11.60(d)(2). Section 11.60(d)(3) provides for granting relief, in whole or part, from an order assessing costs on grounds of hardship, special circumstances, or other good cause. Good cause may include, for example, the disciplinary proceeding costs in excess of $1,500 incurred by the practitioner were not anticipated because the disciplinary proceeding began before the effective date of these rules and concluded thereafter. Under the old rules, the maximum cost that could be recovered was $1,500.

Section 11.60(e) provides that where the OED Director finds the practitioner is unfit to resume the practice of patent law before the Office, the practitioner is first provided with an opportunity to show cause in writing why the petition should not be denied. If unpersuaded by the practitioner's showing, the OED Director must deny the petition. The OED Director may require the practitioner, in meeting the requirements of § 11.7, to take and pass an examination under § 11.7(b), ethics courses, and/or the Multistate Professional Responsibility Examination. The OED Director must provide findings, together with the record. The findings must include specified information regarding ''Prior Proceedings.''

Section 11.60(f) provides for resubmission of petitions for reinstatement if a petition for reinstatement is denied. A petition for reinstatement may not be resubmitted until the expiration of at least one year following the denial unless the order of denial provides otherwise.

Section 11.61: Section 11.61 is added to provide savings clauses and continues the current practice under former § 10.161, except as discussed below. Section 11.61(c) provides that sections 11.24, 11.25, 11.28 and 11.34 through 11.57 apply to all proceedings in which the complaint is filed on or after the effective date of these regulations. Section 11.61(c) also provides that §§ 11.26 and 11.27 apply to matters pending on or after the effective date of these regulations. Section 11.61(d) provides that sections 11.58 through 11.60 apply to all cases in which an order of suspension or exclusion is entered or resignation is accepted on or after the effective date of these regulations.

Sections 11.62—11.99. Sections 11.62–11.99 are reserved.

Section 41.5: Section 41.5(e) would be revised to change a cross-reference to § 11.22.

Response to comments: The Office published a notice proposing changes to the Office's rules governing disciplinary proceedings for attorneys, registered patent agents and persons granted limited recognition to practice before the Office. See *Changes to Representation of Others Before the United States Patent and Trademark Office*; Notice of proposed rule making, 68 FR 69442 (Dec. 12, 2003), 1278 *Off. Gaz. Pat. Office* 22 (Jan. 6, 2004) (proposed rule). The Office received one hundred forty-seven comments (from intellectual property organizations and patent practitioners) in response to this notice. The Office thereafter published a supplemental notice of proposed rule making for the rules governing disciplinary proceedings. See *Changes to Representation of Others Before The United States Patent and Trademark Office*, Supplemental Notice of Proposed Rule Making, 72 FR 9196 (Feb. 28, 2007), 1316 *Off. Gaz. Pat. Office* 123 (Mar. 27, 2007) (supplemental proposed rule). The Office received fourteen comments (from intellectual property organizations and patent practitioners) in response to this notice. The Office's responses to the comments follow:

Comment 1: Two comments suggested that the word ''add'' in the instructions for the amendment to § 11.1 be changed to ''revise'' inasmuch as a definition of ''State'' was contained in the section in the rules adopted June 24, 2004.

Response: The suggestion in the comment has been adopted.

Comment 2: A comment inquired as to the meaning of ''other proceedings'' in § 11.2(c), and suggested that the rule either permit the Director to stay other proceedings or to stay the proceedings based on good and sufficient reasons presented by a prospective registrant in a petition.

Response: The suggestion has not been adopted. This section, like § 1.181(f), makes clear that the filing of a petition does not operate to stay any other proceeding. Thus, a petition by an applicant for registration who has paid the $1600 application fee and is seeking review of the decision requiring the payment, would not stay another proceeding in the Office regarding the same applicant, such as the processing of the individual's application to take the registration examination. No rule is believed necessary to enable the OED Director, where appropriate, to coordinate other proceedings within the OED Director's jurisdiction.

Comment 3: Two comments suggested that clarification is required regarding whether a fee is needed for a petition under § 11.2(e).

Response: No clarification is believed necessary. Section 11.2(e) does not provide for or otherwise refer to a fee to invoke the supervisory authority of the USPTO Director in appropriate circumstances in a disciplinary matter. Therefore, no fee for the petition is required in disciplinary matters.

Comment 4: One comment, after noting that § 11.3 as revised to eliminate a prohibition against petitioning to waive a disciplinary rule and the explanation for the revision, suggested the elimination of provisions in § 11.3 for suspensions of the rules.

Response: The disciplinary rules containing the ethical standards of practice for practitioners will be only one of several subjects addressed in Part 11. Part 11 currently includes, *inter alia,* rules addressing registration to practice, rules addressing investigations and rules for disciplinary procedures. Section 11.3 in Part 11, like § 1.183 in Part 1, provides both a procedure for requesting suspension of a rule, and a standard upon which the decision is made.

Comment 5: A comment noted that § 11.3 no longer provides immunity for complainants, witnesses, and disciplinary counsel, that the lack of immunity is contrary to longstanding policy found in Rule 12 of the Model Rules of Lawyer Disciplinary Enforcement for the reasons explained in the Commentary to Rule 12, and recommended that this section provide absolute immunity for complainants, witnesses and OED personnel.

Response: While we appreciate the provisions of Rule 12 of the Model Rules of Lawyer Disciplinary Enforcement and the expressed reasons for providing immunity, it is beyond the authority of the USPTO Director to provide immunity by rule. For example, as discussed below regarding § 11.18, all persons filing written communications with the Office, including complainants, are subject to the provisions of 18 U.S.C. 1001. The Office cannot provide complainants with immunity from violation of a criminal law.

Comment 6: One comment observed that the first sentence of § 11.5 could be construed to imply that preparation and prosecution privileges do not encompass practice before the Board of Patent Appeals and Interferences inasmuch as an ex parte proceeding before the Board arguably is not prosecution of a patent application. The comment suggested revising the language to read ''including representing applicants in patent matters before the Board of Patent Appeals and Interferences.''

Response: The suggestion to revise § 11.5(a) is adopted in part. In the first sentence, the word ''applications'' has been changed to ''matters,'' and the sentence now provides for keeping a register of the names of attorneys and agents who are ''recognized as entitled to represent applicants having prospective or immediate business before the Office in the preparation and prosecution of patent matters.'' The change is inclusive of representing applicants before the Board of Patent Appeals and Interferences in a patent matter.

Comment 7: Two comments suggested that ''or retaining'' be added after ''employing'' in the last sentence of § 11.5(b). One comment pointed out that the addition conforms to Rule 5.3(a) of the American Bar Association's Rules of Professional Conduct. The other comment pointed out that a practitioner may retain, as opposed to employ, a non-practitioner assistant, under the supervision of the practitioner to prepare presentations to the Office.

Response: The suggestion to add ''or retaining'' after ''employing'' in the last sentence of § 11.5(b) has been adopted.

Comment 8: Two comments presented similar suggestions for replacement of the phrase ''in preparation of said presentations'' in the last sentence of § 11.5(b). One comment suggested replacing the phrase with ''in matters pending or contemplated to be presented before the Office''; the other suggested using ''matters pending or

contemplated to be presented to the Office.'' Both comments suggested the change would more accurately define the activities and be consistent with other language in this section. A third comment suggested the non-practitioner should be broadened to include a person or entity which is not technically the practitioner's employee or on the practitioner's payroll, and who may be an independent contractor who communicates or consults with a client in working with a practitioner.

Response: The two similar suggestions for replacement of the phrase ''in preparation of said presentations'' have been adopted by replacing phrase with ''matters pending or contemplated to be presented to the Office'' in the last sentence of § 11.5(b).

The suggestion to broaden the non-practitioner to include a person or entity which is not technically the practitioner's employee or on the practitioner's payroll to communicate or consult with clients working for the practitioner has not been adopted. The persons and entities would not be subject to a practitioner's supervision, and absent supervision or other controls, could be engaged in the unauthorized practice of law by providing unsupervised and incorrect legal advice. The Office's Disciplinary Rules prohibit a practitioner from aiding another in the unauthorized practice of law. See 37 CFR 10.47. Persons or entities engaging in the unauthorized practice of law will be reported to the authorities in the appropriate jurisdiction(s). See § 11.19(d). The persons and entities contemplated by the suggestion are beyond the ambit of the Office's Disciplinary Rules. Under the suggestion, the practitioners have no supervisory authority over the persons or entities, and therefore could violate the Disciplinary Rules for non-supervision or aiding unauthorized practice of law. Thus, the Office could not protect the public from the actions of the persons or entities, though Congress has made the USPTO Director responsible for protecting the public from the misdeeds of those who practice before the Office.

Comment 9: One comment urged that § 11.5 places unnecessary and improper restrictions on practitioners who may work with non-practitioner invention developers who communicate or consult with clients who may want to file documents with the Office. The comment said it is unreasonable and improper for the Office to interfere with the relationship between invention promoters and practitioners by restricting practitioners from working with non-practitioners, including invention promoters who may consult or communicate with clients regarding their inventions, so long as legal advice and the filing of patent applications, attending hearings, etc. remain the responsibility of the practitioner. The comment suggested changes to § 11.5 to eliminate the following ''overly broad'' language: law-related services ''that comprehend[] any matter connected with the presentation to the Office,'' the preparation of necessary documents ''in contemplation of filing the documents'' with the Office, and ''communicating with * * * a client concerning matters pending or contemplated to be presented before the Office'' in § 11.5(b); ''consulting with * * * a client in contemplation of filing a patent application or other document with the office'' in § 11.5(b)(1). The comment urged that a person who may have prospective business before the Office may want to utilize both lay and legal service providers in connection with his invention, including non-practitioners who merely assemble information to provide non-legal services at a much lower cost than practitioners would charge.

Response: The Office disagrees that § 11.5 places unnecessary and improper restrictions on practitioners who may work with non-practitioners who communicate or consult with clients. Nothing in the rule prevents a person having prospective business before the Office from utilizing both lay and legal service providers in connection with that person's invention. Non-practitioners who assemble information to provide only non-legal services at a cost may continue to provide non-legal services. However, non-practitioners who, for example, provide law-related services ''that comprehend[] any matter connected with the presentation to the Office'' or prepare necessary documents, such as patent applications, ''in contemplation of filing the documents'' with the Office must be employed or retained by the practitioner and under the practitioner's supervision. The suggestion to change the language of § 11.5 to enable non-practitioners to consult or communicate with clients regarding their inventions, and enable clients to obtain services at lower cost than practitioners can provide has not been adopted. Contrary to the comment, assembly of information is not always a non-legal service; for example, providing a list of patent references found in a search of the prior art is a non-legal service whereas transmitting information to the practitioner to use to describe the invention in a patent application is a legal service. The value of competent legal service and advice, including communications, consultations, and assembly of information for inventors can be significantly more valuable than its cost. Its value may be more significant for unsophisticated inventors who need expert evaluation of the merits or real prospects of legal protection for their invention. The Office ''frequently finds itself challenged by so-called 'invention promoters' who exploit unsophisticated inventors, heap every invention with praise regardless of the merits or the real prospects of legal protection, and entice inventors into engagement agreements filled with hollow guarantees of patent protection and promises of royalty-bearing licenses that seldom yield anything of any significant value.'' *Bender* v. *Dudas,* 490 F.3d 1361, 1363 (Fed Cir. 2007). A practitioner working with an unsupervised non-practitioner facilitates such practices. For example, in *Bender,* the Court found ''[a]t no point did Gilden [a practitioner] consult with the inventors regarding the filing of a design patent application or the embellished drawings.'' *Id.* at 1364. At a minimum, it is necessary that the practitioner representing the client not only consult with the client, but also that the consultation ''otherwise advise[] that inventor on how best to proceed in his or her particular case.'' *Id.* at 1365. Non-practitioners are not entitled to provide legal advice or otherwise practice law. To the extent practice of law includes a law-related service that comprehends any matter connected with the presentation to the Office, the preparation of necessary documents in contemplation of filing the documents with the Office, and communicating with * * * a client concerning matters pending or contemplated to be presented before the Office as in § 11.5(b), a practitioner authorized by relevant law must provide the legal services. For example, consultation with a client in contemplation of filing a patent application or other document with the Office as in § 11.5(b)(1) requires a registered practitioner to provide the services. A practitioner may not circumvent the Disciplinary Rules through the actions of another. See 37 CFR 10.23(b)(2). For example, a non-practitioner who is neither employed nor retained by the practitioner, or who is not under the supervision of the practitioner, may not assist the practitioner in matters pending or contemplated to be presented to the Office.

Comment 10: Several comments responded to the Office's inquiry

whether the rules ''should explicitly provide for circumstances in which a patent agent's causing an assignment to be executed might be appropriate incidental to preparing and filing an application.'' Two comments pointed out that § 11.5(b)(1) would be internally inconsistent if patent agents could provide advice about ''alternative forms of protection that may be available under state law'' but not prepare and file assignments in connection with the applications they have prepared. One comment suggested that the Office lacks the authority to, and should not, prohibit a patent agent or registered patent attorney licensed only by the Office from preparing an assignment for an application he or she is prosecuting, while another comment recommended that the rule explicitly provide for preparing assignments and licenses for patent applicants and patentees. One comment said that it has been the Office's position that a registered patent agent could both prepare a patent assignment or license if not prohibited by state law and submit the assignment or license for recordation, and recommended that this position be explicitly stated in the rules. The comment also urged that the rule follow the practice of states that permit paraprofessionals, such as patent agents to complete and modify assignment and license documents under an attorney's supervision. The comment pointed out that allowing these types of activities is particularly important in a corporate environment where only one or two form agreements may be used in certain clearly defined situations. One comment suggested it is unnecessary for the Office to explicitly provide for appropriate circumstances when a patent agent may prepare an assignment and/or cause an assignment to be executed not only because these activities are incidental to the preparation and prosecution of patent applications or incidental to the record for an issued patent, but also because of the Office's long-standing position a registered patent agent may prepare a patent assignment and cause such assignment to be executed if not prohibited by state law. One comment objected to a requirement that if a document is submitted for recordation by an attorney or agent, that the attorney or agent submitting the document must be separately licensed by the state bar in which the assignor and/or assignee lives, in addition to being licensed by the Office. Two comments inquired how the transfer of rights in the U.S. invention from a foreign inventor to a foreign company should be handled. One comment suggested the attorney or agent who is handling the substantive prosecution needs to be able to act fast to resolve ownership questions, for example to file a terminal disclaimer, or, for example, to ensure the correctness of the assignment recordation affirmations that the prosecuting attorney or agent makes when submitting the assignee's name on the issue fee transmittal sheet. Several comments cited impracticalities and difficulties if a patent agent is unable to prepare assignments, for example, where the application to be assigned has multiple inventors living in different states, hiring an attorney for each state simply to cause an assignment to be executed in such State would be an unnecessary administrative burden. One comment suggested that agents be allowed to select, not draft or vary, one or more form assignments by having the Office adopt standard form assignments, and that the Office establish well-defined, common, specific ''safe harbor'' situations in which agents can recommend such standard forms to their clients.

Response: The filing of an assignment, while not legally required for prosecution, is no doubt ''reasonably necessary and incident to'' prosecution of a patent application. This is true to enable an assignee of record of the entire interest to control prosecution of the application to the exclusion of the assignor. See 37 CFR 1.33(b)(4) and 3.71.

The diverse comments regarding the authority of practitioners to preparing assignments and licenses for patent applicants and patentees demonstrate the necessity for the Office to provide for appropriate circumstances when registered practitioners, including patent agents, may do so. Inasmuch as numerous situations involving assignments arise, the Office is not attempting by rule to explicitly identify all circumstances when a registered practitioner may prepare or cause an assignment to be signed. Instead, the provisions of § 11.5(b)(1) are written to broadly outline the circumstances when a practitioner may prepare an assignment for patent applicants and patentees by virtue of the practitioner's registration.

There is no statute or rule requiring training in contract law as a condition to be registered as a patent agent. No comment suggested any means whereby patent agents could receive adequate training and the competence to provide legal advice could be confirmed. Absent adequate training, a person drafting an assignment could overlook issues for which lawyers have received training. For example, in addition to preparing an assignment form, it may be necessary to advise whether the inventor is obligated to assign the invention, and if so, to whom. It may be necessary to resolve ownership questions, for example, to file a terminal disclaimer where there is no previously existing employment agreement or where an employment agreement contains no obligation to assign patent rights. In some situations, assignments lead to serious complexities, which can impact title and prevent patent enforcement. Patent agents are not empowered by their registration to provide advice about title and enforcement of patents. Accordingly, it is appropriate to set forth authority of practitioners to prepare an assignment or cause an assignment to be executed by virtue of their registration.

Preparing an assignment or causing an assignment to be executed is appropriate only when they are reasonably necessary and incidental to the preparation and prosecution of a patent application, or other proceeding before the Office involving a patent application or patent in which the practitioner is authorized to participate. The patent application may be, for example, a provisional, nonprovisional or reissue application. Other proceedings include, for example, an interference or reexamination proceeding. A practitioner, by virtue of being registered, may prepare an assignment or cause it to be signed in the foregoing circumstances if in drafting the assignment the practitioner does no more than replicate the terms of a previously existing oral or written obligation of assignment from one person or party to another person or party. Registration does not authorize a registered practitioner to recommend or determine the terms to be included in an assignment. The practitioner is not authorized to select or recommend a particular form assignment from among standard form assignments. Registration does not authorize a practitioner to draft an assignment or other document in circumstances that do not contemplate a proceeding before the Office involving a patent application or patent. For example, where an assignment is prepared in contemplation of selling a patent or in contemplation of litigation, there is no proceeding before the Office. When, after a patent issues, there is no proceeding before the Office in which the patent agent may represent the patent owner, drafting an assignment or causing the assignment to be signed are not activities reasonably necessary and incidental to representing a patent owner before the Office.

Section 11.5(b)(1) provides circumstances in which a registered practitioner may prepare an assignment or cause an assignment to be executed. The assignment must be reasonably necessary and incidental to filing and prosecuting a patent application for the patent owner or the practitioner represents the patent owner after the patent issues in a proceeding before the Office. In drafting the assignment the practitioner must not do more than replicate the terms of a previously existing oral or written obligation of assignment from one person or party to another person or party. Thus, where a previously existing written employment agreement between an inventor and the employing corporation contains one or more clauses obligating an inventor to assign to the company inventions made in the course of employment, a practitioner may draft an assignment wherein the provisions replicate those of the employment agreement.

Contrary to several comments, the Office has not taken the position that a registered patent agent could prepare a patent assignment or license for a patent if not prohibited by state law. The Office's long-standing position has been that ''[p]atent agents * * * cannot * * * perform various services which the local jurisdiction considers as practicing law. For example, a patent agent could not draw up a contract relating to a patent, such as an assignment or a license, if the state in which he/she resides considers drafting contracts as practicing law.'' See *General Information Concerning Patents, http://www.uspto.gov/web/offices/pac/doc/general/index.html.* Drawing up an assignment for an issued patent is not necessarily always reasonably necessary and incidental to filing or prosecuting a patent application or other proceeding before the Office involving a patent. For example, where a first party is selling and a second party is purchasing a patent, the transfer of patent rights between the parties is not a proceeding before the Office. Drafting an assignment for either party would be beyond the scope of recognition practice before the Office.

A license is neither reasonably necessary nor incidental to filing or prosecuting a patent application or a proceeding before the Office involving a patent. Under Office rules only an assignee of the entire interest, not a licensee, may revoke previous powers in a patent application and be represented by a registered practitioner of the assignee's own selection. See 37 CFR 1.36. Similarly, the rules do not authorize a licensee to control the representation of a party in a reexamination or interference proceeding. Accordingly, the Office has not authorized patent agents to draft license agreements in contemplation of filing or prosecuting patent applications or conduct proceedings before the Office regarding issued patents.

The suggestion to follow the practice of most states permitting paraprofessionals, such as patent agents, to complete and modify assignment and license documents under an attorney's supervision need not be adopted. Although 35 U.S.C. 152, 202, 204 and 261 refer to assignment or licensure of patents or patent rights, assignments and licenses are forms of contracts, which are creatures of state, not Federal law. Contracts are enforceable under state law. The authority to prepare contracts and provide advice regarding the terms to include in contracts is subject to the state law regarding who is authorized to practice law. It is unnecessary for the Office to authorize practitioners to comply with state laws permitting paraprofessionals to act under the supervision of an attorney where the State's authority to control the acts are not preempted by Federal law. It is not apparent from any comment that corporations or other organizations using few agreements in certain clearly defined situations have been or would be adversely impacted by the lack of an Office rule permitting patent agents to complete and modify documents assignment and license documents under an attorney's supervision.

No state was identified as prohibiting paraprofessionals from modifying assignments and license documents under a lawyer's supervision. Modifying assignment and license documents could necessitate expert knowledge of state principles for which registered practitioner status does not prepare agents. Whereas a corporation or other organization may employ paraprofessionals, including patent agents, to act under a lawyer's supervision, the attorney would remain responsible for the completed or modified document. There remains, however, registered patent agents who are self-employed and do not act under a lawyer's supervision. Adopting a rule requiring registered patent agents to act under the supervision of lawyers to modify assignment and license documents does not address in a satisfactory manner when patent agents may prepare the documents in reliance on their registration to practice before Office. Thus, the circumstances contemplated in the suggestion do not obtain for all patent agents practicing before the Office. Inasmuch as assignments and licenses are the creation of state, not Federal, statute, authority to prepare these agreements and provide advice regarding the terms to include in them is subject to the state law regarding who is authorized to practice law.

In a corporate or other organizational environment, where only one or two form agreements may be used in certain clearly defined situations, the provisions of § 11.5(b)(1) allowing a practitioner to replicate the terms of the form agreements support efficiencies sought by all interested parties. Section 11.5(b)(1) is not limited to practitioners employed by a corporation or practitioners acting under the supervision of a lawyer. The practitioners may be self-employed or in firms. Section 11.5(b)(1) permits any registered practitioner to replicate the terms of the form agreements for an assignment in contemplation of filing or prosecuting a patent application, and submit the same to the Office for recordation in connection with a concurrently filed or pending patent application. For example, where an inventor and investor, each possibly represented by their own counsel, have reached terms for assignment of an invention in contemplation of filing a patent application, a patent agent may draft the assignment if the agent does no more than replicate the terms of the previously existing oral or written assignment agreement between the inventor and investor. It is not necessary for the registered practitioner to be under the supervision of a lawyer to provide the service inasmuch as the agent is functioning as a scrivener.

It is not and has not been the intent of the Office to require the agent or attorney physically submitting a document for recordation to be separately licensed by the state bar in which the assignor and/or assignee lives. Additionally, there is no requirement that the attorney submitting a document for recordation in the Office be registered to practice before the Office. The recordation of documents is a ministerial act by the Office. The Office does not require the person or party submitting the document be registered to practice before the Office. For example, an assignment or license document may be submitted to the Office for recordation by a patent or trademark owner, a registered patent agent or a registered patent attorney who is separately licensed in a state other than the state wherein the attorney practices. However, whoever submits an assignment or license is responsible for ensuring the correctness of the

submitted documents. See 37 CFR 11.18. Likewise, the registered practitioner submitting the assignee's name on the issue fee transmittal sheet is responsible for ensuring the correctness of the contents of the sheet, including any representation that a party identified as an assignee is in the assignee. See § 11.18.

Comments regarding the transfer of rights in the United States of inventions from a foreign inventor to a foreign company implicitly address an invention that occurs abroad. Any transfer of rights would likely arise under foreign law, which would determine the appropriate person to draft any original assignment or license reflecting the transfer of rights. A patent agent may draft assignment that transfers rights in the United States that merely replicates the provisions of the previously existing oral or written obligation of assignment in a foreign country between the persons or parties. In the absence of a previously existing obligation of assignment in a foreign country, an attorney, presumably after consultation with the client, could draft the assignment for the client.

Suggestions that administrative burdens caused by not permitting patent agents to prepare assignments would justify permitting agents to draft assignments are unpersuasive. A typical situation cited is the administrative burden incurred when there is an application having multiple inventors living in different states if it is necessary to hire an attorney for each state simply to cause an assignment to be executed in such state instead of having an agent draft the assignment. The comments commonly assumed that all agents are competent to provide the legal services and the invention is to be assigned. First, there is no requirement that patent agents be trained in contract law to be registered to practice before the Office in patent cases. Absent adequate training, the client may not receive the legal advice and service the client has every right to expect. The possible temporary ''convenience'' of having a practitioner inadequately trained in the legal service the practitioner provides does not outweigh the need for competence. A practitioner is prohibited from handling a legal matter which the practitioner knows or should know that the practitioner is not competent to handle, without associating with another practitioner who is competent to handle it. See 37 CFR 10.77(b). Therefore, clients represented by a practitioner would be disserved by that practitioner if the practitioner is not competent to provide advice whether multiple inventors living in different states are subject to the contract laws of all the states or one state, whether the inventors are obligated to assign the invention, whether the inventors should assign as opposed to license the invention absent a legal obligation to assign, and other legal implications of any agreement. Burdens may arise for practitioners and clients when the clients are not competently advised about available legal options, such as licensure or assignment, as well as the benefits, terms and costs of each option. The convenience of having a registered practitioner provide a legal service for which no training is required for registration does not outweigh the benefits of obtaining competent legal advice and assistance.

The Office is not adopting the suggestion to allow agents to select, but not draft or vary, one or more form assignments by adopting standard form assignments, and that the Office establish well-defined, common situations, that would be specific ''safe harbor'' situations in which agents can recommend such standard forms to their clients. The very suggestion demonstrates the necessity for clients to receive competent legal advice before they sign any document transferring rights. There are numerous employment situations as well as other contractual and non-contractual situations requiring legal analysis and advice regarding whether and when an inventor is obligated to assign an invention, transfer shop rights in an invention, or license an invention. The situations are subject to state law, which varies from state to state. It would be inappropriate for the Office to adopt standard form assignments or adopt ''safe harbors'' inasmuch as no form or harbor could address or anticipate all possible terms and situations. Though the comment did not recommend that adoption of standard licensing forms and safe harbors for licensing, such action by the Office would be similarly imprudent. The fact that legal reference books provide numerous forms, rather than a single one, demonstrates that there is no standard for assignments or licenses, for which a ''safe harbor'' could be provided. Competent legal training is necessary to assess whether any rights in an invention should be transferred by assignment or license, as well as the terms for the transfer.

Comment 11: Two comments urged that the weight of authority holds that a patent agent may not advise about the content of alternate forms of state intellectual property protection. One comment urged that the USPTO lacks jurisdiction over state law forms of intellectual property protection, under state law, patent agents are not licensed to provide such advice. One comment made the same observation for a registered lawyer who is not licensed in the state where he or she is practicing.

Response: The Office is not expanding its jurisdiction over state law forms of intellectual property protection. Thus, § 11.5(b)(1) does not provide for a patent agent advising about the content of alternate state forms of intellectual property protection. Section 11.5(b)(1), consistent with Supreme Court precedent, provides for ''considering the advisability of relying upon alternative forms of protection which may be available under statute law.'' In *Sperry* v. *State of Florida ex rel Florida Bar,* 373 U.S. 379, 83 S.Ct. 1322 (1963), the Supreme Court said that the preparation and prosecution of patent applications for others constitutes the practice of law, which ''inevitably requires the practitioner to consider and advise his clients as to the patentability of their inventions under the statutory criteria, 35 U.S.C. 101—103, 161, 171, as well as to consider the advisability of relying upon alternative forms of protection which may be available under state law.'' *Id.* 373 U.S. at 383, 83 S.Ct. at 1323. Patent agents should consider the advisability of relying on the alternative forms of protection available under statute law. Inasmuch as the state laws are public, agents should refer clients to the statutes and suggest that the client consult with an attorney of the client's choice in the state whether the statute has been adopted about the alternative forms of protection available under statute law. The same would obtain for a registered patent attorney who is not licensed in the state where the attorney is practicing unless the state where the attorney is practicing has authorized the attorney to provide legal services. For example, if the attorney is ''corporate counsel'' or ''in-house counsel'' and is licensed to practice law in another state, the attorney may provide legal advice about the state's statutes to the attorney's corporate employer if the state where the attorney is practicing has authorized the attorney to provide legal services for the attorney's employer in the state where the attorney is practicing.

Comment 12: One comment expressed doubt that listing explicit circumstances in which a patent agent may or may not participate is either necessary or helpful. Another comment urged that the ''includes, but is not limited to'' language in § 11.5 is vague and indefinite since it does not put the public on notice as to what else would constitute patent practice before the Office, that the Office needs to define

exactly what constitutes the practice of patent law subject to USPTO jurisdiction, and that the rule be amended to define practice before the Office as prosecution of patent applications before the Office, preparing assignments and licenses for patent applicants and patentees and rendering opinions on validity and infringement for clients.

Response: The Office will not attempt by rule to define exactly what constitutes practice of patent law that is subject to the Office's jurisdiction. The scope of activities involved in practice of patent law before the Office is not necessarily finite, and is subject to change as the patent statute changes and rules are promulgated to the implement statutory changes. Instead, § 11.5(b)(1) is written to provide that registration to practice before the Office in patent cases sanctions the performance of those services which are reasonably necessary and incident to the preparation and prosecution of patent applications or other proceedings before the Office involving a patent application or patent in which the practitioner is authorized to participate. The services are identified as including considering the advisability of relying upon alternative forms of protection which may be available under statute law, and drafting an assignment or causing an assignment to be executed for the patent owner in contemplation of filing or prosecution of a patent application for the patent owner, or the practitioner represents the patent owner after a patent issues in a proceeding before the Office, and in drafting the assignment the practitioner does no more than replicate the terms of a previously existing oral or written obligation of assignment from one person or party to another person or party.

The suggestion to define practice before the Office as prosecution of patent applications before the Office has not been adopted. Inasmuch as practice before the Office in patent cases also includes, for example, representing a patent owner seeking reexamination of an application or before the Board of Appeals and Interferences, limiting practice before the Office to only prosecuting patent applications would be inappropriately narrow.

The suggestion to define practice before the Office as rendering opinions on validity and infringement for clients has not been adopted. Whether a validity opinion involves practice before the Office depends on the circumstances in which the opinion is sought and furnished. For example, an opinion of the validity of another party's patent when the client is contemplating litigation and not seeking reexamination of the other party's patent could not be reasonably necessary and incident to the preparation and prosecution of patent applications or other proceedings before the Office involving a patent application or patent. In such situations, the opinion may constitute unauthorized practice of law. See *Mahoning Cty. Bar Assn.* v. *Harpman,* 608 N.E.2d 872 (Ohio Bd.Unauth.Prac. 1993). Similarly, a validity opinion for the sale or purchase of the patent is neither the preparation nor the prosecution of a patent application. Likewise, the opinion is not a proceeding before the Office involving a patent application or patent. Registration to practice before the Office in patent cases does not authorize a person to provide a validity opinion that is not reasonably necessary and incident to representing parties before the Office. In contrast, a validity opinion issued in contemplation of filing a request for reexamination would be in contemplation of a proceeding before the Office involving a patent. Due to registration to practice before the Office in patent cases, a practitioner may issue a validity opinion in contemplation of filing a request for reexamination.

In no circumstance would practice before the Office include the rendering of opinions on infringement. Under the law, the Office has no authority to resolve infringement cases. Thus, registration to practice before the Office in patent cases does not include authority to render infringement opinions. See *Mahoning Cty. Bar Assn.* v. *Harpman, supra.*

Comment 13: One comment suggested that the Office not adopt the last sentence of § 11.14(a), ''[r]egistration as a patent attorney does not itself entitle an individual to practice before the Office in trademark matters,'' inasmuch as any attorney meeting the qualification of being a member in good standing of a State or Federal Bar can practice before the Office in trademark cases. Another comment queried why registration as a patent attorney does not itself entitle an individual to practice before the Office in trademark matters.

Response: To clarify the intent of the last sentence of § 11.14(a), the term ''attorney'' has been changed to ''practitioner.'' The sentence now reads ''[r]egistration as a patent practitioner does not itself entitle an individual to practice before the Office in trademark matters.'' Whether a practitioner registered on or after January 1, 1956, has been registered as a patent attorney or patent agent, the practitioner's registration as an attorney or agent does not in itself entitle the practitioner to practice before the Office in trademark matters. To qualify to practice before the Office in trademark matters since January 1, 1956, a person must be an attorney meeting the statutory qualification of 5 U.S.C. 500 of being a member in good standing of the bar of the highest court of a State. However, the Office's recognition of a lawyer to practice before the Office in trademark matters does not authorize the attorney to engage in the practice of law where the attorney is not authorized to practice law. See § 11.14(d), and its predecessor rules, 10.14(d) and 2.14(d). Inasmuch as membership in a bar of a Federal court is not a qualifying criteria set forth in 5 U.S.C. 500 to practice before a Federal agency, it does not qualify a person to practice before the Office in trademark cases. A person lacking membership in good standing in the bar of the highest court of a state may not practice before the Office in trademark matters, even if the person is registered with the Office as a patent attorney. For example, a registered patent attorney who is suspended or disbarred on ethical grounds from practice of law or suspended on nonethical grounds, such as non-payment of annual dues, in State A, the only jurisdiction where the attorney was admitted to practice law, may not continue to practice before the Office in trademark matters following the effective date of the suspension or disbarment.

Further, a nonlawyer registered as a patent agent after January 1, 1956, is not qualified to practice before the Office in trademark matters. A person who was registered as a patent agent after January 1, 1956, and thereafter became an attorney who has remained in good standing with the bar of the highest court of a state may practice before the Office in trademark cases, even if the person never changed his or her registration status with the Office.

Furthermore, a person registered as a patent agent before January 1, 1956, who changed his or her registration status at any time to registered patent attorney cannot revert after 1956 to being a patent agent registered before January 1, 1956. If such a person does not maintain his or her membership in good standing with the bar of the highest court of a state, the person becomes an agent at that time and is not entitled to continue to represent others before the Office in trademark matters. Although the Office does not believe any person who was registered as a patent agent before January 1, 1956, has continuously remained registered as an agent and continues at this time to be so registered, the note at the end of § 11.14(a), which grandfathers their

authorization to practice before the Office in trademark cases, has been maintained for the benefit of any such practitioners.

Comment 14: A comment urged that § 11.14(a) is inconsistent with 5 U.S.C. 500(b), inasmuch as § 11.14(a) does not require attorneys to apply for recognition to practice, whereas section 500(b) can be construed as requiring an attorney to file with the Office a written declaration setting forth the attorney's current qualification.

Response: Inasmuch as nothing in 5 U.S.C. 500(b) directs any agency to require a written declaration setting forth an attorney's current qualification, the lack of such a requirement in § 11.14(a) is consistent with section 500(b). Except in the electronic filing of documents in trademark matters, the Office does not require an attorney to declare that he or she is currently qualified. If any change to the practice should occur, the change would be set forth in Part 2 of the Rules of Practice.

Comment 15: One comment sought clarification whether § 11.18(b)(1) refers to ''all disciplinary proceedings or only to those under section 11.32.''

Response: The provisions of § 11.18(b)(1) are inclusive of all disciplinary proceedings, including those instituted under § 11.32. This is made clear by § 11.18(a), which provides in pertinent part, that it is for ''all documents filed in the Office in * * * other non-patent matters, and all documents filed with a hearing officer in a disciplinary proceeding.'' For example, documents filed in the Office in ''other non-patent matters'' includes documents filed in disciplinary actions under §§ 11.24 through 11.26, and appeals under 11.55 in a disciplinary proceeding.

Comment 16: One comment recommended that § 11.18(b)(1) be amended to exclude complainants from its purview, as complainants should have immunity in disciplinary matters. The comment pointed out that Rule 12 of the Model Rules of Lawyer Disciplinary Enforcement of the American Bar Association provides for absolute immunity for members of the agency, complainants and witnesses although in a context of coordination with local law enforcement.

Response: The recommendation to provide complainants with immunity has not been adopted. While the rationale for providing complainants with immunity is appreciated, all persons filing written communications with the Office, including complainants, are subject to the provisions of 18 U.S.C. 1001, which provides, in pertinent part:

> [W]hoever, in any matter within the jurisdiction of the executive * * * branch of the Government of the United States, knowingly and willfully—(1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, imprisoned not more than 5 years.

The Office is without statutory authority to waive the foregoing statutory provisions, even for complainants submitting a grievance. Legislation granting immunity to complainants would first have to be enacted into law before any regulation could be adopted applying the law to complainants in the disciplinary process.

Comment 17: A comment suggested that the mandatory language in § 11.18(b), pertaining to ''disciplinary proceeding'' may conflict with § 11.22(b), which provides that the OED Director may request that a grievant verify via affidavit information indicating possible grounds for discipline.

Response: The mandatory language of § 11.18(b)(2) pertaining to a ''disciplinary proceeding'' is not seen as conflicting with § 11.22(b), which pertains to a grievance which may initiate an investigation. An investigation and a disciplinary proceeding are distinct processes. An investigation may be initiated when a grievance is received suggesting possible grounds for discipline. See § 11.22(a). A disciplinary proceeding is initiated generally after an investigation under § 11.22. See § 11.32. A disciplinary proceeding also may be initiated in accordance with § 11.24, pertaining to reciprocal discipline, and § 11.25(b), pertaining to interim suspension and discipline based on conviction of committing a serious crime.

Comment 18: One comment queried the meaning of the terms ''unnecessary delay'' or ''needless increase'' in § 11.18(b)(2)(i), and suggested that they be further defined. The comment suggested that if the terms are directed to prosecution laches, such laches is effectively diluted, if not eliminated, by the provisions in 35 U.S.C. 154 for a 20-year patent term. The comment also suggested that there could be good and sufficient reasons for a delay, such as poverty and that a practitioner's advice to a client to file an application to keep the case alive should not be regarded as unnecessary delay.

Response: The suggestion that the terms be further defined has not been adopted. The relevant language of § 11.18(b)(2)(i), ''not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of'' is taken from Rule 11 of the Federal Rules of Civil Procedure. Rule 11, titled ''Signing of Pleadings, Motions, and Other Papers; Representations to Court; Sanctions,'' provides, in pertinent part, ''(b) Representations to Court. By presenting to the court (whether by signing, filing, submitting, or later advocating) a pleading, written motion, or other paper, an attorney or unrepresented party is certifying that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, (1) it is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.'' The case law under Rule 11 construing the terms ''unnecessary delay'' or ''needless increase'' provides practitioners with sufficient guidance for construing the use of the same terms in § 11.18(b)(1)(i). Contrary to the suggestion, the provisions of § 11.18(b)(1)(i) cover an array of different situations occurring in both patent and trademark proceedings. For example, the provision applies to: Third party filing a paper requesting withdrawal of an applicant's previously published patent application from issue to consider prior art; to a third party filing papers in an applicant's patent application to assert that the third party owns the claimed invention and discharging the practitioner engaged by the applicant to prosecute the application; as well as to a third party filing a notice of express abandonment in an applicant's patent or trademark application. Applicants having legally sufficient reasons to properly file continuing applications may do so in compliance with § 11.18(b)(1)(i).

Comment 19: Two comments noted that § 11.19(a) referenced ''all practitioners administratively suspended under § 11.11(b);'' ''all practitioners inactivated under § 11.11(c);'' and ''[p]ractitioners who have resigned under § 11.11(e),'' but these sections were not included in the Supplemental Notice of Proposed Rule making.

Response: While sections 11.11(b), 11.11(c) and 11.11(e) were included in the Notice of Proposed Rule making published in 2004, these sections have not been adopted at this time. Accordingly, reference to these sections is deleted from § 11.19(a) at this time.

Instead of referring to practitioners inactivated under 11.11(c), § 11.19(a) refers to practitioners inactivated under § 10.11.

Comment 20: One comment suggested that § 11.19(b) appears to disclaim Federal pre-emption, that the comments make clear that the authority of State or other local Bar Associations is not diminished, and that § 11.19(b) is not necessarily inconsistent with that authority.

Response: Contrary to the comment, nothing in § 11.19(b) disclaims Federal preemption. As stated in § 11.1, ''Nothing 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 Patent and Trademark Office to accomplish its Federal objectives.'' The USPTO Director is entitled to and does regulate the conduct of patent practitioners before the Office. The USPTO Director's authority is not intended to and does preempt the authority of states to discipline attorneys.'' *Kroll* v. *Finnerty,* 242 F.3d 1359 (C.A.Fed. 2001).

Comment 21: One comment agreed with the conviction of crimes as a basis for discipline, but suggested that ''serious crime'' in § 11.19(b)(1) be further clarified in order to give the notice as to what constitutes the scope of a ''serious crime.''

Response: The suggestion that ''serious crime'' be further clarified has not been adopted. The definition of ''serious crime'' is believed to provide the public with adequate notice of those crimes that constitute a serious crime in the jurisdiction where the crime occurs. The first part of the definition of ''serious crime,'' ''any criminal offense classified as a felony under the laws of the United States, any state or any foreign country where the crime occurred,'' informs the public that they must look to the definition of felony in the jurisdiction where the crime occurred. The second part of the definition, ''any crime a necessary element of which, as determined by the statutory or common law definition of such crime in the jurisdiction where the crime occurred, includes interference with the administration of justice, false swearing, misrepresentation, fraud, willful failure to file income tax returns, deceit, bribery, extortion, misappropriation, theft, or an attempt or a conspiracy or solicitation of another to commit a 'serious crime' '' identifies for the public that non-felony crimes involving one of eleven elements would constitute a ''serious crime.'' The definition is derived from the definitions of ''serious crime'' included in Rule 19(C) of the American Bar Association Model Rules for Lawyer Disciplinary Enforcement and Rule I(B) of the American Bar Association Model Federal Rules of Disciplinary Enforcement. It is appreciated that criminal conduct may be a misdemeanor in one jurisdiction and a felony in another. Nevertheless, practitioners should conduct themselves in all jurisdictions to comport with the laws of the jurisdiction in which they are located.

Comment 22: Several comments observed that the references to the ''imperative USPTO Rules of Professional Conduct,'' ''§§ 11.100 *et seq.*'' or similar language in sections 11.19(b)(4), 11.19(c), 11.22(f)(2) and 11.25 have no meaning since the Office has not adopted the rules it proposed in December 2003, and suggested that the expression be changed to ''USPTO Rules of Professional Conduct as set forth in §§ 10.20 to 10.112 of Part 10 of this Subchapter'' until the new disciplinary rules are adopted.

Response: The suggestion to replace the reference to ''imperative USPTO Rules of Professional Conduct'' until the rules are adopted has been adopted, inasmuch as the disciplinary procedural rules are being adopted before the adoption of USPTO Rules of Professional Conduct. The current USPTO Code of Professional Responsibility in §§ 10.20 through 10.112 remains in effect until USPTO Rules of Professional Conduct are adopted. As is made clear in 37 CFR 10.20, not all of the rules of the USPTO Code of Professional Responsibility set forth in §§ 10.20 to 10.112 of Part 10 are mandatory. Some of the rules are aspirational. See 37 CFR 10.20(a). The Mandatory Disciplinary Rules of the Code of Professional Responsibility are identified in 37 CFR 10.20(b). The mandatory rules identified in § 10.20(b) are those that are referenced in sections 11.19(b)(4), 11.19(c), 11.22(f)(2), 11.25(a), 11.34(b), 11.58(b)(2) and 11.58(f)(1)(ii) until the Rules of Professional Conduct are adopted. In addition to replacing references to ''imperative USPTO Rules of Professional Conduct,'' references to § 11.100 et seq, §§ 11.100 through 11.806,'' and the like will be replaced. Sections 11.19(b)(4), 11.19(c), 11.22(f)(2), 11.25(a), 11.34(b), 11.58(b)(2) and 11.58(f)(1)(ii) are revised to refer to ''Mandatory Disciplinary Rules identified in § 10.20(b).'' Section 10.20(b) identifies the Mandatory Disciplinary Rules as §§ 10.22–10.24, 10.31–10.40, 10.47–10.57, 10.62–10.68, 10.77, 10.78, 10.84, 10.85, 10.87–10.89, 10.92, 10.93, 10.101–10.103, 10.111, and 10.112 of Part 10 of this Subchapter.

Comment 23: One comment inquired whether § 11.19(b)(3) meant that a disciplined practitioner who does not comply with proposed Rule 11.58(b) can again be disciplined upon seeking reinstatement because he or she did not comply with Rule 11.58(b), and whether the same obtained for a State Court that stipulates how the practitioner should wind up his or her business after a disciplinary action. The comment suggested that further clarification is necessary.

Response: The comment correctly recognized that a practitioner may be disciplined for failure to comply with an order issued by a court or a final decision issued by the USPTO Director disciplining the practitioner. For example, a suspended practitioner who continues to practice law in the jurisdiction where the practitioner has been suspended is subject to additional disciplinary action for practicing law with a suspended license.

Comment 24: One comment suggested that the language of § 11.20(a)(3) be changed to afford the public with notice that both private and public reprimand exist.

Response: The suggestion has been adopted by inserting ''private or public'' before ''reprimand''.

Comment 25: One comment said the Office should not limit restitution in § 11.20(b) to preclude an award of prejudgment interest, and suggested that the phrase '', along with any prejudgment interest'' be added after ''misappropriated client funds.'' Another comment pointed out that Rule 10(A)(6) of the Model Rules of Lawyer Disciplinary Enforcement (MRLDE) does not limit restitution.

Response: The suggestion has not been adopted. The restitution contemplated by § 11.20(b) is limited to the fees a client paid to a practitioner for the practitioner's legal services that were not earned, and client's funds that were delivered to and misappropriated by the practitioner. For example, where a client delivers funds to a practitioner to cover the practitioner's fee for filing a patent application as well as the Office's filing fee, and the practitioner neglects to file the application, the practitioner may be required to make restitution of funds for the filing fee and funds advanced for the practitioner's fee. The MRLDE presumes a disciplinary structural scheme operating under the aegis of the highest court in a state. The Office, unlike the MRLDE, is an agency in a department of an executive branch of the Federal Government. The Office operates within its statutory authority granted by Congress. It lacks statutory authority to

resolve legal disputes over fees or funds, or to award prejudgment interest. A client seeking prejudgment interest should consult with an attorney of the client's choice regarding available legal remedies, including enforcement of court-awarded judgments.

Comment 26: One comment suggested that § 11.21 be amended to require the OED Director to provide a hearing before a hearing officer prior to issuance of a warning. Two comments suggested that the recipient of the warning be permitted to demand a hearing as a form of appeal, particularly if any aspect of this is public or is deemed to adversely reflect upon the practitioner's fitness as a lawyer. To address the foregoing, the comments suggested additional language be added to § 11.23(b)(1) to provide a review process, or adoption of Rule 10(A)(5) of the Model Rules of Lawyer Disciplinary Enforcement (MRLDE) to require the practitioner's consent and the approval of the chair of a hearing committee.

Response: The suggestions have not been adopted as they are believed to be unnecessary. An avenue for review in a warning is already afforded by the rules. See § 11.2(e), which provides for filing a petition ''to the USPTO Director to invoke the supervisory authority of the USPTO Director in appropriate circumstances in disciplinary matters.'' Section 11.21 clearly provides that the warning is not public and is not a disciplinary action. Accordingly, no aspect of the warning adversely reflects upon the practitioner's fitness before the Office. Nevertheless, the review process afforded by § 11.2(e) provides adequate protection of a warned-practitioner's due process rights.

Comment 27: One comment suggested that a warning under § 11.21 appears to be inconsistent with § 11.2(b)(4), which provides that, unless the action to be taken as the result of an investigation is a summary dismissal of the matter, the OED Director must give a practitioner an opportunity to be heard or an opportunity to appeal from the warning.

Response: The comment misconstrues the provisions of § 11.2(b)(4). Section 11.2(b)(4) contemplates issuance of a summary dismissal without an investigation. A summary dismissal would be appropriate where, for example, a grievant seeks the intervention of the Office to collect a debt a practitioner allegedly owes the grievant. Section 11.21 contemplates that the ''OED Director may conclude an investigation with a warning.'' Accordingly, the OED Director may not summarily dismiss a grievance and issue a warning to the practitioner without an investigation. If a grievant supplements the grievance with sufficient facts to demonstrate that there are possible grounds for disciplinary action, an investigation would then ensue with the possibility of being concluded with a warning or other authorized disposition. If, following an investigation, the OED Director concludes that there is insufficient evidence to believe a disciplinary rule has been violated, but the investigated matter provides the practitioner with an opportunity to ensure conformity with the Office's disciplinary rules, the OED Director may issue a warning. The warning is neither public nor a sanction. The investigation provided the practitioner with an opportunity to be heard. A practitioner dissatisfied with the warning may petition to invoke the supervisory authority of the USPTO Director pursuant to § 11.2(e).

Comment 28: One comment suggested that § 11.22 provide for operations as set forth in Rule 4(B)(6) (provide grievant notice of the status of disciplinary proceedings at all stages of the proceedings, copies of the same notices and orders the respondent receives as well as copies of respondent's communications to the agency, except information that is subject to another client's privilege); Rule 4(B)(13) (refer appropriate cases to an Alternatives to Discipline Program pursuant to MRLDE Rule 11(G), to a central intake office, or to any of the component agencies of the comprehensive system of lawyer regulation established by MRLDE Rule 1); Rule 11(A) (evaluation of the information received); and Rule 11(B)(3) (provide for review of disciplinary counsel's recommended disposition other than a dismissal or a referral to the Alternatives to Discipline Program shall be reviewed by the chair of a hearing committee) of the ABA's Model Rules of Lawyer Disciplinary Enforcement (MRLDE).

Response: The suggestion to provide grievants by rule with the mechanisms and proceedings set forth in MRLDE Rules 1(B), 4(B)(6) and (13), 11(A) and 11(B)(3) has not been adopted. To the extent ''disciplinary proceeding'' in MRLDE Rule 1(B) contemplates investigations or other proceedings covered by the Privacy Act, 5 U.S.C. 552a, protected records may not be disclosed unless the subject of the record consents or one of twelve exceptions apply. The exceptions do not enable the Office to provide a grievant with status information about investigations or proceedings, or to routinely distribute copies of all communications the respondent receives from and sends to the OED. One of the twelve exceptions permits protected information to be released as a routine use to persons who can be expected to provide information needed in connection with a grievance. In accordance with the authorized routine use of information, OED may provide a grievant with a copy of the respondent's communication to obtain the grievant's input needed in connection with the grievance. Regarding the suggestion to adopt MRLDE Rule 4(B)(13), the Office has neither the resources nor means for creating an Alternatives to Discipline Program or ''component agencies'' for lawyer regulation. In appropriate circumstances, the Office may commend a receptive practitioner to the same or similar programs operated by state bars or other agencies in the state where the practitioner is located. Regarding the suggestion to adopt MRLDE Rule 11(A), the OED Director evaluates all information received regarding possible grounds for discipline. If the person is not subject to the jurisdiction of the Office, the matter is referred to the appropriate entity. If the information is true and would not constitute misconduct or incapacity, the matter is dismissed. If the practitioner is subject to the Office's jurisdiction and the information alleges facts which, if true, would constitute possible grounds for discipline, an investigation is conducted. At the conclusion of the investigation, the matter is evaluated and the OED Director may close the matter without taking further action, issue a warning under § 11.21, settle the matter under § 11.26, proceed with exclusion on consent in accordance with § 11.27, or pursue disciplinary action in accordance with § 11.32. Regarding the suggestion to adopt MRLDE Rule 11(B)(3), a recommendation by the OED Director to discipline or pursue a disciplinary proceeding against a practitioner is subject to review. For example, no disciplinary proceeding under § 11.34 can be instituted without the Committee on Discipline finding probable cause under § 11.32, and no settlement or exclusion on consent can occur without the concurrence of the USPTO Director in accordance with §§ 11.26 and 11.27, respectively. Further, practitioners dissatisfied with a warning issued by the OED Director under § 11.21 may use the provisions of § 11.2(e) to petition to invoke the supervisory authority of the USPTO Director in disciplinary matters.

Comment 29: One comment suggested that § 11.22(d) be amended to provide that the evidence the OED Director considers includes evidence indicating that a grievable offense did not occur.

Response: It is unnecessary to mention in § 11.22 that the OED

Director considers evidence tending to negate a finding that a violation occurred. The OED Director necessarily considers such evidence. Evidence tending to negate the occurrence of a violation is considered, for example, when an investigation is closed without a warning or taking disciplinary action as in § 11.22(i)(1). The OED Director, when terminating an investigation under §§ 11.22(i)(2), 11.22(i)(3) and 11.22(i)(4), also may consider such evidence.

Comment 30: One comment observed that § 11.22(f)(1) would allow the OED Director to request financial books and records, including the nonpublic and proprietary records of a corporation or law firm, as well as attorney-client privileged information, and recommended limiting document inspection to an examination of escrow accounts and trust accounts for compliance with proposed Rule 11.115(a).

Response: The suggestion to limit the rule to permitting inspection of only escrow and trust accounts has not been adopted. Records required to be kept by law are ''public records'' outside the scope of the Fifth Amendment protection. In *Shapiro* v. *United States,* 335 U.S. 1, 68 S.Ct. 1375, 92 L.Ed. 1787 (1948), the court concluded that records and documents-sales invoices, sales books, ledgers, inventory records, contracts and sales records—required to be kept by valid regulations of the Office of Price Administration—could be subpoenaed by the Price Administrator without violating the individual's right against self-incrimination. The required records doctrine has been applied in numerous and various circumstances, including records an attorney is required to maintain pertaining to client funds. See, for example, *Andresen* v. *Bar Association of Montgomery County,* 305 A.2d 845 (Md. 1973), *cert denied,* 414 U.S. 1065, 94 S.Ct. 572, 38 L.Ed.2d 470 (1973). Under § 10.112(c)(3), a practitioner is required to ''maintain complete records of all funds, securities and other properties of a client coming into the possession of the practitioner.'' Regardless of the repository of client property, these are the financial records anticipated for review if issues arise as to the preservation and proper handling of client property.

Comment 31: One comment suggested that § 11.22(f) be amended to provide safeguards to ensure that information in disciplinary investigations will be kept secure and confidential, free from requests from other government agencies or from the public under the Freedom of Information Act.

Response: The suggestion to amend § 11.22(f) to provide safeguards to ensure the security and confidentiality of the received information has not been adopted as it is believed to be unnecessary. Section 11.22 need not provide safeguards because information collected in an investigation is placed into a Privacy Act system of records, in this case COMMERCE/PAT-TM–2, Complaints, Investigations and Disciplinary Proceedings Relating to Registered Patent Attorneys and Agents, published at 70 FR 69522. Further the Privacy Act of 1974, 5 U.S.C. 552a, provides numerous protections for those records. Regarding the requests for release of these records under the Freedom of Information Act (FOIA), Privacy Act records may not be disclosed unless one of the subject parties of the record consents or one of twelve exceptions apply. One of the twelve exceptions provides for information that is releasable under FOIA. This is a statutory exception that cannot be altered by rule making. Generally, the information is protected from disclosure by FOIA exemptions 5 and 6. See 5 U.S.C. 552(b)(5) and (6), respectively. Thus, the collected information is subject to the numerous protections of the Privacy Act, and will not be released to FOIA requests as provided for under current Federal law.

Comment 32: One comment, pertaining to § 11.23, objected to the Committee on Discipline drawing any adverse inference when finding probable cause against a practitioner if the inference is based solely upon that practitioner's refusal to produce information in response to a request for information by the OED Director. The comment addressed a statement in the ''Discussion of Specific Rules'' in the SNPR about the ability of the Committee to ''draw an adverse inference from the practitioner's refusal to provide information or records in determining whether probable cause exists to believe a disciplinary rule has been violated.'' 72 FR 9200.

Response: While we appreciate an objection to a finding of probable cause if it is based solely on a practitioner's refusal to produce information, the ''Discussion of Specific Rules'' did not state that such a finding is justified where it is based ''solely'' on refusal to produce information in response to a request for information. During an investigation, a practitioner is given the opportunity to provide answers to a reasonable inquiry, and where appropriate, produce records that are not protected by the attorney-client privilege or other protections. When the practitioner refuses to answer or provide unprivileged information, the OED Director still has the burden of providing the members of the Committee panel with sufficient evidence to determine that there is probable cause to bring charges that practitioner engaged in conduct involving grounds for discipline. See § 11.23(b)(1). When the OED Director provides such sufficient, uncontested evidence, the Committee panel may properly find probable cause relying on the evidence presented by the OED Director, inferences drawn from that evidence, as well as adverse inferences drawn from the practitioner's refusal to answer the inquiry or produce unprivileged information. A practitioner's reliance on the Fifth Amendment to not answer or provide information may not preclude such inferences. *Baxter* v. *Palmigiano,* 425 U.S. 308, 318, 96 S.Ct. 1551, 1558, 47 L.Ed.2d 810 (1976) (''[T]he Fifth Amendment does not forbid adverse inferences against parties to civil actions when they refuse to testify in response to probative evidence offered against them.''); *AGC, Maryland* v. *DiCicco,* 802 A.2d 1014 (Md. 2002); In *re Henley,* 518 S.E.2d 418 (Ga. 1999).

Comment 33: Two comments expressed concern with regard to § 11.22(f)(2) that a client may waive the attorney-client privilege, as well as related protections by disclosing information to the OED Director. One comment suggested adding the following sentence to § 11.22(f)(2): ''The OED Director shall not request information or evidence from a non-grieving client absent either written consent of the practitioner or a signed acknowledgement from the non-grieving client acknowledging that complying with the request could jeopardize the privileged or confidential nature of information disclosed to the OED Director as well as other information on the same subject.'' Both comments suggested that in any request of a non-grieving client to provide information to the Office, the request be accompanied by a notice clearly warning that disclosure to the Office could waive any attorney-client privilege or other protection.

Response: The suggestion in the comment to add a sentence to § 11.22(f)(2) requiring a signed acknowledgement of the non-grieving client has not been adopted. Requiring the OED Director to obtain the written consent of the client before requesting information would not only make investigations inefficient, but also unduly complicate an investigation. By having to first obtain the non-grieving client's written consent, the process of

requesting and obtaining the consent would be time-consuming. It also provides a practitioner with an opportunity to communicate and dissuade the client from cooperating with the investigation, and otherwise obstruct the investigation. Requesting information and documents from practitioners, as well as from non-grieving clients is intended to enable the OED Director, and ultimately the Office, to efficiently and effectively ascertain whether grounds for disciplining a practitioner exist. The OED Director, when requesting information from complaining clients of lawyers or registered patent agents, has frequently informed the clients that providing the requested information may waive attorney-client privilege or other protection. The Office will expand the practice to any occasion when the OED Director requests a non-grieving client to provide information by accompanying the request with a notice clearly warning that disclosure to the Office could waive any attorney-client privilege or other protection.

Comment 34: A comment suggested, presumably with regard to § 11.22, that provision be made for an appeals mechanism, such as Rule 31 of the Model Rules of Lawyer Disciplinary Enforcement, whereby a grievant who is dissatisfied with the disposition of a matter by the OED Director may seek review, within a specified period, by an authority which may approve, modify or disapprove the dismissal, or direct that the matter be investigated by the OED Director.

Response: It is unnecessary to provide an appeal mechanism limited to enabling a grievant, dissatisfied with the disposition of a matter, to obtain review of the matter. The provisions of § 11.2(e) for a petition to invoke the supervisory authority of the USPTO Director in disciplinary matters provide the suggested mechanism without addition of another rule. Grievants will be informed of the mechanism under § 11.2(e) whereby they may obtain review of the disposition of the matter they grieve.

Comment 35: One comment suggested that the Office should avoid devotion of time and effort to investigating regarding ''importune grievances'' by amending § 11.22(h)(2) to add '', such as matters arising in proceedings in Federal or state courts of original or appellate jurisdiction or other tribunals not within the Office.''

Response: The suggestion to add language to § 11.22(h)(2) to provide that ''matters arising in proceedings in Federal or state courts of original or appellate jurisdiction or other tribunals [are] not within the Office'' has not been adopted. Neither the grounds for discipline, nor the jurisdiction of the Office to discipline practitioners is limited to conduct occurring ''within the Office.'' The grounds for discipline include conduct that may involve proceedings in Federal or state courts or other tribunals, such as conviction of a serious crime, discipline on ethical grounds imposed in another jurisdiction, disciplinary disqualification from participating in or appearing before any Federal program or agency, and failure to comply with any order of a court disciplining the practitioner.

Comment 36: One comment opined that § 11.22(h)(4) can be read to unduly limit the circumstances under which the OED Director can close an investigation, and suggested that it be broadened by revising the section to read as follows: ''There is insufficient clear and convincing evidence for a reasonable fact finder to conclude that there is probable cause to believe that grounds exist for discipline.''

Response: The suggestion to add language to § 11.22(h)(4) to provide that there must be ''insufficient clear and convincing evidence'' has not been adopted. The suggested language actually limits the circumstances under which the OED Director, with the concurrence of the Committee on Discipline, may bring a disciplinary action by raising the level of proof from ''probable cause'' to ''clear and convincing.'' The burden of proof before a grand jury to initiate a criminal proceeding is ''probable cause,'' not ''clear and convincing evidence.'' Moreover, there is nothing in the language of § 11.22(h)(4) that should be understood or construed as permitting the ''clear and convincing evidence'' standard to be read into this section.

Comment 37: One comment recommended that the panels of the Committee on Discipline referenced in § 11.23(a) not exceed three members, and, citing the McKay Report,[1] that each panel have a majority of non-Office employee members, and that no panel should function without one attorney practitioner member and one registered patent agent member. Another comment suggested that one member of the Committee be required to be a member of the public with experience representing clients before the Office.

Response: The recommendation that the Committee on Discipline panels not exceed three members is consistent with the rule as proposed, and no change to the last sentence of § 11.23(a) appears necessary.

The suggestions to require one or more non-Office employees or a member of the public to be on the Committee on Discipline have not been adopted as they are highly impractical for several reasons. First, adjudication of disciplinary proceedings is considered to be an inherently governmental function and the Federal Government may not contract for inherently governmental functions. See generally Federal Acquisition Regulation Part 7.5, and specifically § 7.503(c)(2). Further, there must be a mechanism to compensate those serving on the panel. It is impermissible to contract to pay the non-government employee panel members. In addition, even if it were permissible to add panel members by contract, such an arrangement would necessitate approval of a charter for the arrangement under the Federal Advisory Committee Act. The Federal Advisory Committee Act prohibits a collaborative group that is established or utilized by the government to provide advice or recommendations to an agency unless a charter is approved by the General Services Administration. See 5 U.S.C. App 2 section 1 *et seq.* Even if a charter is approved, the non-government employee panel members may provide only advice or recommendations; they may not adjudicate whether there is probable cause to bring disciplinary action against a practitioner.

An alternative approach to paying the members would be to make the private practitioners Special Government Employees (SGEs) during their period of service. See 18 U.S.C. 202. As SGEs, the practitioners would be Government employees during their period of service, and the Federal Advisory Committee Act would no longer apply. The Committee panels would then be groups comprised solely of Government employees, which are not subject to the Federal Advisory Committee Act. See 41 CFR 102–3.40(h). Appointment of private practitioners as SGEs would require a Federal statute creating such authority. For example, Patent Public Advisory Committee members may be appointed as SGEs under the authority of 35 U.S.C. 5. Currently the Office has no such statutory authority. Again, the non-government employee panel

[1] In 1968, the American Bar Association (ABA) established the Clark Committee (chaired by former U.S. Supreme Court Justice Tom Clark). The Clark Committee issued its Report, PROBLEMS AND RECOMMENDATIONS IN DISCIPLINARY ENFORCEMENT (Clark Report), 1 (1970). In 1989, the ABA established the McKay Commission (chaired by former N.Y.U. Law School Dean Robert B. McKay) to examine the effects of the Clark Report and to study additional reforms. The McKay Commission's Report, LAWYER REGULATION FOR A NEW CENTURY (1992) is referred to as the McKay Report.

members may provide only advice or recommendations; they may not adjudicate whether there is probable cause to bring disciplinary action against a practitioner.

However, this solution has a significant drawback. Private practitioners would be subject to many of the ethical rules of Government employees during their periods of service. See generally Summary of Government Ethics Rules for SGEs, Justice Management Division, February 6, 2006. Practitioners serving for greater than 60 days in the proceedings 365 days would be prohibited from receiving fees for representing anyone with a matter pending before the Government, and from acting as an attorney or agent for a party pursuing a claim, such as a patent application, before the Government. See 18 U.S.C. 203 and 205, respectively. While SGEs may serve up to 130 days in any 365-day period, the restrictions of 18 U.S.C. 203 and 205 are triggered at the 60-day point. Practitioners would be effectively barred from patent and trademark work by this provision. Additionally, the arrangement is not beneficial to the Office. If members of the panel could only serve 60 days or less in a year, the Office would have to find and appoint members frequently, and panel members would not develop the expertise that comes with lengthier service.

Second, including panel members from private practice would be extremely difficult due to screening for conflicts of interest. For example, if practitioner Smith is subject to review by a Committee panel, it is necessary to screen for conflicts between Smith and the panel members, and disclosure of the practitioner's identity of the panel members from private practice to ascertain such conflicts could violate the Privacy Act, as discussed below. Further, it would be necessary to ensure that panel members from private practice are impartial, for example, that they do not represent clients with interests adverse to Smith's clients. The Office does not know, and cannot compel Smith to disclose, the names of all of Smith's clients to facilitate a conflicts check of panel members from private practice. Even if Smith's clients were known, this could result in review of lists involving hundreds of clients. Using Office employees as panel members avoids this significant workload.

Third, while the McKay Report does urge that disciplinary officials be independent, the report does not specifically urge that those who administer discipline be non-government employees. Rather, the recommendation for independence of disciplinary officials rests in distinguishing judicial regulation from self-regulation, not distinguishing employees from non-employees. See the McKay Report at recommendations 1, 5, and 6. The two primary reasons cited by the McKay Report are one, that the disciplinary process should be directed solely by disciplinary policy and not influenced by the politics of bar associations, and two, that the process be free from even the appearance of conflicts of interest or impropriety. See the McKay Report, introduction to recommendations 5 and 6. Neither of these factors suggests non-government employees have greater independence than employees. Further, the McKay Report is focused on judicial regulation of disciplinary systems to avoid self-regulation by state bars, whereas attorneys and agents practicing before a Federal administrative agency are regulated by that agency.

The McKay Report criticizes self-regulation of the legal profession. Including private practitioners as members of the Office's Committee on Discipline adds an element of self-regulation. The practitioners, who could only serve a limited number of days per year, would remain a part of private practice, and would have less independence than the full-time employees of the Office.

In addition to the foregoing, release of information regarding an investigation to a member of the public on a panel would be inconsistent with the Privacy Act, 5 U.S.C. 552a. There are twelve exceptions under the Freedom of Information Act whereby information may be released with authorization. To the extent the suggestion contemplates attorneys and patent agents employed by other Government agencies, implementation would be operationally impractical. In view of the comments, the Office also considered and rejected having one or more members of the public serving in an advisory role to the panels as the panels consider whether there is probable cause. The Office appreciates the benefits that could accrue from including members of the public on the panels, including an increased credibility of the disciplinary process in the eyes of the public. There are a number of reasons the suggestions are not feasible. As already noted, non-employees may not make inherently governmental decisions, such as finding probable cause to bring disciplinary proceedings thereby authorizing the proceedings to be initiated. Disclosure of the grievances, investigation files and deliberations to members of the public is not authorized as a routine use of the system of records under which these documents are maintained, and is inconsistent with the Privacy Act. Further, no practical or feasible means is apparent or suggested for adequately screening the public for conflicts of interest with the practitioner and the practitioner's clients before disclosing records or information to the member of the public. The Office does not know all the clients of a practitioner and the members of the public, or even prior relationships between the practitioner and member of the public. Therefore, the Office could not ascertain the existence of potential or actual conflicts without obtaining the information voluntarily from each party, which is unlikely to occur. Therefore requiring a member of the public to be on each panel is neither legally nor realistically possible. The Office is considering establishing an advisory committee for the OED Director to provide advice regarding enrollment and disciplinary matters and will seek public input into the formation and role of such a committee.

Comment 38: One comment suggested that language be inserted in § 11.23 to provide that a complaint should not be approved unless sufficient probable cause exists for a fact finder to conclude ''by clear and convincing evidence'' that a violation has occurred.

Response: The suggestion to add ''by clear and convincing evidence'' to § 11.23 has not been adopted. The Office has used, and continues to use, a probable cause standard to initiate a disciplinary action. The ''probable cause'' standard differs from, and is not inclusive of, the ''clear and convincing evidence'' standard. A complaint is approved only after the Committee on Discipline, independent of the OED Director, reviews the record and information provided by the OED Director. A disciplinary proceeding is instituted under § 11.34 when the OED Director files a complaint, and the OED Director thereafter has the burden of proving the case against a practitioner by clear and convincing evidence. Use of the probable cause standard, as opposed to a ''clear and convincing evidence'' standard to initiate a disciplinary proceeding is appropriate. The Office, like the states and the District of Columbia, complies with due process standards applicable to administrative enforcement proceedings. All or most of the procedures specified in the ABA's Model Rules for Lawyer Disciplinary Enforcement, which were devised in light of applicable due process and similar constraints, have been followed

by many states. Under those rules a screening body, independent of the disciplinary counsel, determines whether probable cause exists warranting formal charges. See Restatement (Third) of the Law Governing Lawyers Current through August 2007, Chapter 1, Regulation Of The Legal Profession, Topic 2, Process Of Professional Regulation, Title C, Professional Discipline Introductory Note. Probable cause is sufficient to institute civil proceedings. See *Professional Real Estate Investors, Inc.* v. *Columbia Pictures Industries, Inc.*, 508 U.S. 49, 63, 113 S.Ct. 1920, 1929 (1993) (''Probable cause to institute civil proceedings requires no more than a 'reasonabl[e] belie[f]' that there is a chance that [a] claim may be held valid upon adjudication'' quoting *Hubbard* v. *Beatty & Hyde, Inc.*, 178 N.E.2d 485, 488 (Mass. 1961)). A probable cause determination is not a constitutional prerequisite to a charging decision in a criminal matter. *Gerstein* v. *Pugh*, 420 U.S. 103, 123, 95 S.Ct. 854, 868 (1974). Therefore, probable cause is an appropriate standard for the Office to use to initiate disciplinary proceedings.

Comment 39: One comment suggested with regard to § 11.23(b) that the OED Director be required to present to the Committee on Discipline evidence that tends to negate the conclusion that a disciplinary violation occurred by inserting the phrase ''including evidence that tends to negate the conclusion that a violation has occurred.''

Response: The suggestion to insert the phrase ''including evidence that tends to negate the conclusion that a violation has occurred'' into § 11.23(b)(1) has not been adopted. The Office agrees and follows the practice suggested by the comment. That is, the investigation file is available to the Committee as it considers all the available evidence. It long has been the OED Director's practice to make available to the Committee the entire investigation file, including every statement and document the practitioner has presented to explain his or her conduct. Thus, the Committee has the opportunity to consider evidence negating the conclusion that a disciplinary violation occurred and the insertion of the phrase is unnecessary.

Comment 40: One comment recommended that the provisions of § 11.24 be expanded to permit reciprocal disciplinary proceedings to also be initiated upon notice that a practitioner has been subject to public censure or public reprimand, probation, or placed on disability inactive status by a state or by a Federal court.

Response: The recommendation to expand reciprocal disciplinary procedures to circumstances when a practitioner has been subjected to public censure or public reprimand, probation, or placed on disability inactive status has been adopted in part. The phrase ''publicly censured, publicly reprimanded, subjected to probation,'' has been inserted in the first sentence of § 11.24(a) after ''being'' (first occurrence) and before ''disbarred.'' The same or similar language has been inserted into the third and fourth sentences of § 11.24(a), as well as in sections 11.24(b), 11.24(b)(1), 11.24(b)(3), 11.24(c), 11.24(d), 11.24(d)(1)(iii), 11.24(d)(1)(iv), 11.24(e), and 11.24(f) to enable the sections to be consistent in scope and application.

The recommendation to include practitioners placed on disability inactive status by a state or by a Federal court has not been adopted. Typically, states provide that where a lawyer has been judicially declared incompetent or committed to a mental hospital after a judicial hearing, or where a lawyer has been placed by court order under guardianship or conservatorship, or where a lawyer has been transferred to disability inactive status in another jurisdiction, the state's highest court, upon proper proof of the fact, is authorized to enter an order transferring the lawyer to disability inactive status. A copy of the order must be served, in the manner the court may direct, upon the lawyer, his or her guardian or conservator, and the director of the institution to which the lawyer is committed. In some jurisdictions, the court suspends the lawyer instead of transferring the lawyer to disability inactive status. While the nature of the proceeding is protective of the public, in no sense is the proceeding disciplinary in nature. Accordingly, it would be inappropriate to include a court's placement of a practitioner on disability inactive status in a reciprocal disciplinary rule.

The Office does share the concern implicit in the comment that a practitioner placed on disability inactive status may not be competent to represent others before the Office. Therefore, a practitioner who has been suspended or placed on disability inactive status in another jurisdiction should not continue to practice before the Office unless and until the practitioner is restored to active status in the jurisdiction where the practitioner first obtained disability inactive status.

Comment 41: Several comments suggested that the scope of crime required by the first sentence of § 11.25(a) to be reported is too broad. One comment queried whether particular conduct, such as jay walking and traffic offenses, would be included. One comment suggested that the administrative burden of requiring practitioners to report and the OED Director to process crimes as trivial as traffic violations dictates that a notification requirement encompassing a narrower scope of convictions should be adopted, and recommended adopting a notification rule requiring notification of ''serious crimes'' excluding ''misdemeanor traffic offenses or traffic ordinance violations, not including the use of alcohol or drugs.''

Response: The recommendation to narrow the scope of crimes reportable upon conviction has not been adopted. The definition of crime in § 11.1 provides the public with notice of the criminal conduct that must be reported to the OED Director upon conviction. The burdens on practitioners and the OED Director are reasonable. The Office, unlike state courts that adopt disciplinary procedure rules, cannot direct court clerks, judges or prosecuting attorneys to report the criminal conviction of an attorney or registered patent agent to the Office. A number of jurisdictions require attorneys to self-report that they have been found guilty of a crime or plead guilty to a criminal charge. For example, see Rule IX, Section 10(a) of the rules governing the District of Columbia Bar. The scope of reportable crimes in the first sentence of § 11.25(a) should be broad and expansive, as it is simply information that the OED Director should have available in the OED Director's continuing responsibility to oversee the good moral character of a practitioner and fitness in other respects necessary to continue to have the privilege to continue in the practice before the Office. If the crime is not a ''serious crime,'' the OED Director will process the matter in the same manner as any other information coming to the attention of OED.

Comment 42: One comment suggested, with regard to § 11.25, that a ''serious crime'' violating some Federal or State law includes all ''crimes'' because § 11.1 defines ''crime'' as including ''any offense declared to be a felony by Federal or State law'' and a violation of foreign law is only a ''serious crime'' and never a ''crime.'' The comment also suggested that if any felony is a ''serious crime,'' the reporting requirement may be too broad and administratively burdensome, and recommended limiting the reporting requirement to ''crimes involving moral turpitude,'' deleting the definition of

''serious crimes,'' and including violations of foreign laws as ''crimes.''

Response: The suggestions regarding ''serious crime'' have not been adopted. While a ''criminal offense classified as a felony under the laws of the United States, or any state * * * where the crime occurred'' is, by definition in § 11.1, a ''serious crime,'' all crimes are not serious crimes. For example, numerous criminal offenses under the laws of the United States and states are misdemeanors, not felonies. Only certain types of misdemeanors may qualify as a ''serious crime.'' By definition, a misdemeanor is a serious crime only if a necessary element of the crime ''includes interference with the administration of justice, false swearing, misrepresentation, fraud, willful failure to file income tax returns, deceit, bribery, extortion, misappropriation, theft, or an attempt or a conspiracy or solicitation of another to commit a 'serious crime'.'' See § 11.1, ''Serious Crime.'' As not all misdemeanors involve any of the foregoing elements, not all misdemeanors can be a serious crime, and not every crime that violates some Federal or State law is a ''serious crime.'' Likewise, a violation of foreign law is not necessarily a ''serious crime.'' For example, to be a serious crime, the foreign law violated must be a criminal law that is classified as a felony in the foreign country. The second sentence of § 11.25(a) distinguishes between ''serious crimes,'' as the triggering event for Reciprocal Discipline, and ''crime,'' as it refers to the self-reporting aspect of the first sentence of § 11.25(a). The definition of ''serious crime'' is necessarily a higher standard than the definition of ''crime.'' The higher threshold for ''serious crime'' conduct is beyond that for which there is a continuing presumption of fitness. It follows that the reporting requirement is neither too broad nor administratively burdensome. Conviction of a ''serious crime'' overcomes and thereby triggers an immediate or expedited review of such conduct to protect the public, the profession and the Office from unfit and unacceptable practitioners by the imposition of discipline in an expedited fashion. Unlike ''moral turpitude,'' the definition of serious crime identifies, by an objective standard, crimes for which interim suspension is appropriate.

Comment 43: One comment took issue with § 11.25(c) providing a practitioner with forty days to challenge the appropriateness of the entry of interim suspension where the practitioner has been convicted of a serious crime. The comment pointed out that given the conclusiveness of the criminal conviction under § 11.25(c), a long response time is not warranted in these cases because delay in these proceedings risks harm to the public.

Response: The suggestion has been adopted to shorten the time a practitioner subject to interim suspension proceedings for conviction of a serious crime has to challenge the appropriateness of the entry of such a suspension. The Office concurs that a long response time is not warranted in these cases because delay in these proceedings risks harm to the public. Inasmuch as some registered practitioners are located abroad, adequate time must be provided to receive and reply to the notice. Accordingly, the reply period has been changed in § 11.25(b)(2)(iii) to thirty days, which is the same time provided for responding to a complaint in a disciplinary proceeding.

Comment 44: One comment noted a typographical error in the first sentence of § 11.26 when reference should have been made to § 11.34 instead of § 11.24.

Response: The suggestion to change the reference in the first sentence of § 11.26 from § 11.24 to § 11.34 has been adopted.

Comment 45: One comment recommended that § 11.34 require that the complaint list the specific PTO Rule(s) allegedly violated by adding the phrase ''including citation to every imperative USPTO Rules of Professional Conduct allegedly violated'' to the end of § 11.34(a)(2).

Response: The recommendation to require the complaint to list the specific Office Rules of Professional Conduct that are alleged to be violated has not been adopted, as it is unnecessary. Listing the rules allegedly violated is provided for in § 11.34(b), which requires the complaint ''fairly informs the respondent of any grounds for discipline, and where applicable, the Mandatory Disciplinary Rules identified in § 10.20(b) of Part 10 of this Subsection that form the basis for the disciplinary proceeding.'' It is, and has long been, the practice to specifically list the Office rules allegedly violated by the practitioner's conduct.

Comment 46: Two comments urged the time provided in § 11.36(a) for answering a complaint should be measured from the date the complaint is served on the respondent, rather than the date it is filed to assure that respondents have an appropriate time within which to answer a complaint.

Response: The suggestion to revise the time for filing an answer to be measured from the date the complaint is served has not been adopted. The current procedure used in disciplinary proceedings, measuring the time for filing an answer from the date the complaint is filed, is the same procedure used for prosecution of patent and trademark matters. Practitioners are familiar with the procedure, and practitioners may and do obtain extensions of time to file an answer. No difficulties have arisen with its operation in disciplinary matters. The current procedure provides all parties with a date certain from which to measure when a response is due. Inasmuch as service of the complaint may be by mail, and not all complaint recipients sign for delivered mail, changing the period to be measured from the date of service would necessitate elimination of service by first class mail. It has not been apparent that any benefit currently unavailable would be obtained by the change.

Comment 47: Two comments urged, presumably with regard to § 11.39, that the USPTO Director adopt a policy of always appointing administrative law judges as hearing officers to maintain the requisite independence of the process.

Response: The Office appreciates and understands the need for the hearing officer to be independent. The Patent Statute provides that the USPTO ''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.'' See 35 U.S.C. 32. Accordingly, the provisions of § 11.39(a) have been written to be consistent with the statute. The USPTO's current practice is to use administrative law judges from EPA as the hearing officer in disciplinary matters; however, the statute does not require administrative law judges from outside the agency be employed. Furthermore, a hearing officer cannot be subject to first level or second level supervision by either the USPTO Director or OED Director, or his or her designee. See § 11.39(b). Thus, where an employee of the Office is appointed under 35 U.S.C. 32 to conduct a disciplinary proceeding, the employee cannot be subject to first level or second level supervision by either the USPTO Director or OED Director, or his or her designee.

Comment 48: One comment suggested amending § 11.43 to provide for ''motions, including all prehearing motions commonly filed under the Federal Rules of Civil Procedure, shall be filed with the administrative law judge.''

Response: The suggestion presumably pertains to the first sentence of § 11.43, which provided that ''[m]otions shall be filed with the hearing officer.'' The

suggestion has been adopted to the extent that the phrase '', including all prehearing motions commonly filed under the Federal Rules of Civil Procedure, shall'' has been substituted for ''may'' in the first sentence of § 11.43. Inasmuch as this section, as well as sections 11.39, 11.41, and other sections, reference a hearing officer, the suggestion to limit the applicability of this section to an administrative law judge has not been accepted.

Comment 49: One comment urged that § 11.44 be amended to require an oral hearing before the hearing officer should the practitioner request one in writing. The comment suggested that a practitioner should have, and probably constitutionally does have, an absolute right to have a hearing to confront witnesses and present evidence.

Response: The comment that the hearing officer not have authority to overrule a practitioner's request for an oral hearing is unpersuasive. The argument presumes that there are genuine issues of material fact. Under § 11.44, an oral hearing would occur where there is a genuine issue of material fact. However, an oral hearing would be unnecessary where, for example, there is a settlement, or the practitioner fails to file an answer and the hearing officer enters an order default judgment. Similarly, an oral hearing is unnecessary if a summary judgment is appropriate and entered. ''The case law in this Circuit is clear that an agency is not required to hold an evidentiary hearing where it can serve absolutely no purpose. In such a circumstance, denial of a hearing may be proper even though the statute provides for adjudicatory proceedings. The agency, however, carries a heavy burden of persuasion.'' *Indep. Bankers Assoc. of Georgia* v. *Bd. Of Governors of the Fed. Reserve System*, 516, F.2d 1206, 1120 (D.C. Cir. 1975). See also *Altenheim German Home* v. *Turnock*, 902 F.2d 582, 585 (7th Cir. 1990) (there is no right to an evidentiary hearing unless there is a genuine issue of material fact); *Consolidated Oil & Gas.* v. *FERC*, 806 F.2d 275, 279 (DC Cir. 1986) (quoting *Municipal Light Boards* v. *FPC*, 450 F.2d 1341, 1345 (D.C. Cir. 1971), *cert. denied*, 405 U.S. 989, 92 S.Ct. 1251, 31 L.Ed. 455 (1972)) (''An agency may dispose of a controversy on the pleadings without an evidentiary hearing when the opposing presentations reveal that no dispute of fact is involved * * *''); *Puerto Rico Aqueduct Sewer Auth.* v. *USEPA*, 35 F.3d 600, 608 (1st Cir. 1994) (quoting *John D. Companos & Sons, Inc.* v. *FDA*, 854 F.2d 510, 552 (D.C. Cir. 1988)) ''Summary judgment may be entered not only for failure to comply with precise regulations, but also 'on the basis of manifest noncompliance with general statutory or regulatory provisions * * *' ''. Clearly, a practitioner who has entered into a settlement, failed to answer a properly served complaint, or failed to raise a genuine dispute of material facts should not have an absolute right to an oral hearing to confront witnesses and present evidence.

Comment 50: One comment stated that § 11.44(c) conflicts with long-standing policy of the American Bar Association that disciplinary proceedings be public. The policy is set forth in Rule 16(C) of the Model Rules of Lawyer Disciplinary Enforcement (MRLDE). Section 11.44(c) proposed that disciplinary proceedings, in effect, be public at the election of the respondent. The comment pointed out that mistrust that can develop when a governmental function is not functioning openly—even when it is functioning well. The comment acknowledged the need for confidentiality of matters prior to the filing and service of a petition for discipline to protect the respondent from publicity regarding unfounded accusations, that by keeping the investigative process confidential, the Office ensures that allegations of misconduct will continue to be thoroughly investigated and scrutinized, and that a case will not proceed if the allegations are frivolous or there is a lack of sufficient evidence of wrongdoing to warrant the initiation of disciplinary proceedings under §§ 11.32 and 11.34. The comment further stated that once a finding of probable cause has been made, there is no longer a danger that the allegations against the practitioner are frivolous. The comment also recommended the addition of provisions providing for the imposition of protective orders where necessary set forth in Rule 16(E) of the MRLDE to address valid concerns regarding confidential and privileged information.

Response: The recommendation to adopt the provisions of Rules 16(C) and 16(E) of the MRLDE has not been adopted. The recommended change is not a logical extension of the rule proposed in Supplemental Notice of Proposed Rule Making on February 28, 2007, in the **Federal Register** (72 FR 9196). However, the recommendation will be further considered and public comment solicited to address a rule that would adopt the provisions of Rules 16(C) and 16(E) of the MRLDE.

Comment 51: Two comments suggested that the hearing officer's authority to exclude evidence under § 11.50(a) should be expanded from excluding ''irrelevant, immaterial, or unduly repetitious'' evidence to authority to exclude evidence if its ''probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence.'' This is the standard that applies under Fed. R. Evid. 403. One comment suggested that the Federal Rules of Evidence should apply, given the final appeal to the U.S. District Court for the District of Columbia. Another comment suggested that the Office follow Rule 18 of the American Bar Association's Model Rules of Lawyer Disciplinary Enforcement to provide for the applicability of state rules of evidence in disciplinary proceedings, except as otherwise provided in the Office rules.

Response: The suggestions to modify § 11.50 have not been adopted. The language in § 11.50, ''Agency may exclude evidence that is irrelevant, immaterial, or unduly repetitious,'' is derived from 5 U.S.C. 556(d). The explanation the Office provided in 1985 for not adopting the same or similar suggestions still obtains and is reproduced below.

''The PTO has explained in both the advance notice (49 FR 10020, column 2) and the notice of proposed rule making (49 FR 33801, columns 1 and 2) why it cannot adopt the Federal Rules of Evidence in disciplinary cases. The 'Federal Rules of Evidence * * * do not apply to administrative proceedings * * *.' Davis, Administrative Law Treatise, § 14.01 (Supp. 1970). The controlling law is set out in 5 U.S.C. 556(d) which provides in part: 'Any oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. A sanction may not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by an[y] party and supported by and in accordance with the reliable, probative, and substantial evidence.' It appears to be the concern of some of the comments that the Administrative Procedure Act does not articulate an appropriate standard of evidence and that hearsay may be admitted. Suffice it to say that many adjudications occur daily under the Administrative Procedure Act, including disciplinary proceedings. The following language appearing in an opinion of the Eleventh Circuit in *TRW-United Greenfield Division* v. *National Labor Relations Board*, 716 F.2d 1391, 1994 (11th Cir. 1983), may be helpful:

''At the hearing the ALJ refused to allow five additional employees to testify that other employees 'told them that such a statement had been made. TRW contends it was denied a full and fair hearing by the exclusion of this testimony. The general rule is that administrative tribunals are not bound by the strict rules of evidence governing jury trials. *Opp Cotton Mills, Inc.* v. *Administrator of Wage & Hour Div.*, 312 U.S. 126, 155, 61 S.Ct. 524, 537, 85 L.Ed. 624 (1971). Thus, the admission of testimony which would be deemed incompetent in judicial proceedings would not invalidate the administrative order. *Tagg Bros. & Moorhead* v. *United States*, 280 U.S. 420, 442, 50 S.Ct. 220, 225, 74 L.Ed. 524 (1930). But this assurance of a desirable flexibility in administrative procedure does not go so far as to justify orders without a basis in evidence having rational probative force. Mere uncorroborated hearsay or rumor does not constitute substantial evidence. *Consolidated Edison Co.* v. *N.L.R.B.*, 305 U.S. 197, 230, 59 S.Ct. 206, 217, 83 L.Ed. 126 (1938). Therefore, the hearsay testimony of other employees would not have amounted to substantial evidence sufficient to support a finding for the company. We find that TRW was not denied a full and fair hearing by the judge's refusal to admit hearsay testimony.'

''See also *Steadman* v. *Securities and Exchange Commission*, 450 U.S. 91, 98 n.17 (1981); *Richardson* v. *Perales*, 402 U.S. 389, 410–411 (1971); *Brown* v. *Gamage*, 377 F.2d 154, 158 (D.C. Cir.), cert. denied, 389 U.S. 858 (1967); Annotation, *Hearsay Evidence In Proceedings Before Federal Administrative Agencies*, 6 ALR Fed 76 (1971); and Davis, *Hearsay in Administrative Proceedings*, 32 Geo. Wash. L. Rev. 689 (1964).''

Comment 52: One comment took issue with the last sentence of § 11.51(b), which permits the hearing officer to refuse to admit deposition testimony that both the OED Director and the practitioner agree is admissible. The comment suggested that the phrase ''Unless the parties agree otherwise,'' be placed at the beginning of the last sentence.

Response: The suggestion to permit deposition testimony to be entered into the record if the parties agree has not been adopted. The rules should not limit the ability of the hearing officer to handle the proceedings, especially if the officer finds a reasonable basis to believe that the demeanor of the witness is involved.

Comment 53: One comment objected to the provision in § 11.52(e) permitting the hearing officer to decide not to require pretrial disclosures of witnesses, exhibits, and the like. The comment urged that pre-trial disclosures should be mandatory absent either agreement of the parties to waive pre-trial disclosures or a showing of ''good cause'' by a party seeking to avoid them by replacing the phrase ''The hearing officer may'' with ''Absent good cause shown, the hearing officer shall''.

Response: The suggestion that § 11.52(e) be amended to remove the hearing officer's discretion to require pretrial disclosure has not been adopted. This section should not limit the ability of the hearing officer under § 11.39(c) to manage the hearing, including whether to require pretrial disclosures. In proceedings under former § 10.152(e), administrative law judges frequently required pretrial disclosures in proceedings. The provisions of § 11.52(e) are not inconsistent with some states.

Comment 54: One comment said that § 11.52(f), which provides that after a witness testifies for a party, if the opposing party requests, the party may be required to produce, prior to cross-examination, any documents relied upon by the witness in giving his or her testimony, is a burdensome discovery, which will only delay the proceedings, and suggested deletion of this section.

Response: The suggestion to delete § 11.52(f) has been adopted. In addition to the lack of a definition of ''written statement,'' the provision could be burdensome for both parties. For example, if a witness studied a ''written statement'' several days before the hearing and did not bring it to the proceeding, the hearing officer could grant a recess to allow the party to get the statement and provide the opposing party time to review the statement before the witness is cross-examined. The proceeding should not be so prolonged for each witness. However, the deletion of this subsection should not be construed as prohibiting the hearing officer from exercising discretion to assure a fair hearing. For example, after a witness testifies for a party, the hearing officer may grant the opposing party's motion, prior to cross-examination, to produce any documents the witness reviewed during direct examination or to refresh the witness's memory.

Comment 55: One comment suggested that the framework adopted by the American Bar Association in Rule 10(C) of the Model Rules of Lawyer Disciplinary Enforcement (MRLDE) for imposing lawyer sanctions replace the provisions of § 11.54(b) for imposing sanctions. The comment pointed out that the 1986 Standards for Imposing Lawyer Sanctions has been widely adopted and utilized in state disciplinary systems. Another comment suggested that due to inapplicability, each factor of § 11.54(b) should not be mechanically addressed, and the rule should reflect as much.

Response: The suggestion has been substantially adopted. The wide adoption and utilization of the framework of MRLDE Rule 10(C) in state disciplinary systems for imposing sanctions would benefit the Office by providing the precedent and consistency for imposing practitioner sanctions in the Office's discipline system that are necessary for fairness to the public and the practitioners. The provision of MRLDE Rule 10(C)(1), ''whether the practitioner has violated a duty owed to a client, to the public, to the legal system, or to the profession,'' has been substituted in § 11.54(b)(1) for ''[t]he public interest.'' The ''duty owed * * * to the public'' is inclusive of the ''[t]he public interest'' factor of former § 10.154(b)(1). The ''duty owed * * * to the legal system, or to the profession'' is broader than, but inclusive of, the ''integrity of the legal patent profession'' of former § 10.154(b)(4). The duty owed to the legal system and profession includes integrity with regard to the Office in patent, trademark and other non-patent matters, as well as duties beyond integrity owed to the entire legal system, including to the Office. The duty owed to ''a client'' introduces a new consideration to consider when imposing a sanction.

The provision of MRLDE Rule 10(C)(2), ''whether the practitioner acted intentionally, knowingly, or negligently,'' has been substituted in § 11.54(b)(2) for ''[t]he seriousness of the grounds for discipline.'' Actions committed intentionally, knowingly, or negligently implicitly are serious for a practitioner, and the substituted language is generally comparable in scope to the factor in former § 10.154(b). The substitution also provides the Office disciplinary system and courts with clear and well-understood actions to focus upon when imposing sanctions.

The provision of MRLDE Rule 10(C)(3), ''the amount of the actual or potential injury caused by the practitioner's misconduct,'' has replaced the factor of former § 11.54(b)(3), ''the deterrent effects deemed necessary.'' No one factor of MRLDE Rule 10(C) is expressed in terms of being a deterrent effect. Rather, all the factors together may have a deterrent effect.

The provision of MRLDE Rule 10(C)(4), ''[t]he existence of any aggravating or mitigating factors,'' has been substituted for the factor of former § 11.54(b)(4), ''any extenuating circumstances.'' The words ''mitigating factors'' are comparable with the ''extenuating circumstances'' of former § 10.54(b)(5). The inclusion of ''any aggravating * * * factor'' introduces a new consideration for imposing a sanction.

The Office concurs with the observation that inasmuch as all factors

do not necessarily obtain in each case, they need not be addressed. Therefore, § 11.54(b) provides for their consideration ''if applicable.''

In substantially adopting the framework of MRLDE Rule 10(C), the Office notes its anticipation that existing precedent applying the factors under former § 10.154(b) could still be relied upon with regard to the application of analogous factors in § 11.54(b). Also, in adopting this framework, it is appropriate that the Office present below the American Bar Association's commentary accompanying the standards. The commentary provides guidance that may and can be consulted and considered by the Office, courts, the OED Director and the representatives of the OED Director when imposing or recommending sanctions. The commentary that follows has been modified for applicability to disciplinary proceedings in the Office: These standards provide a framework to guide the courts and disciplinary agencies, including disciplinary counsel, in imposing sanctions, thereby providing the flexibility to select the appropriate sanction in each particular case of practitioner misconduct. The sanction imposed may depend on the presence of aggravating or mitigating factors. The following lists of aggravating and mitigating circumstances are found in Standard 9 of the American Bar Association's Standards for Imposing Lawyer Sanctions. Aggravating factors include: Prior disciplinary offenses; dishonest or selfish motive; a pattern of misconduct; multiple offenses; bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of the disciplinary agency; submission of false evidence, false statements or other deceptive practices during disciplinary process; refusal to acknowledge wrongful nature of conduct; vulnerability of victim; substantial experience in the practice of law; and indifference to making restitution. Mitigating factors include: absence of prior disciplinary record, absence of dishonest or selfish motive; personal or emotional problems; timely good faith effort to make restitution or to rectify consequences of misconduct; full and free disclosure to disciplinary board or cooperative attitude toward proceedings; inexperience in the practice of law; character or reputation; physical or mental disability or impairment; delay in disciplinary proceedings; interim rehabilitation; imposition of other penalties or sanctions; remorse; and remoteness of prior offenses. The Standards for Imposing Lawyer Sanctions set forth a comprehensive system for determining sanctions, permitting flexibility and creativity in assigning sanctions in particular cases of practitioner misconduct. Use of the Standards will help achieve the degree of consistency in the imposition of lawyer discipline necessary for fairness to the public and the bar.

Comment 56: One comment stated that it appears that the USPTO Director's review of the hearing officer's decision is a *de novo* decision but the standard of the decision is not explicitly stated in § 11.56, and suggested clarifying the matter by inserting ''*de novo*'' between ''shall'' and ''decide,'' or specifying some other standard that is deemed appropriate.

Response: The suggestion to specify in § 11.56(a) that the decision of the USPTO Director, upon appeal from the initial decision of the hearing officer, is *de novo* has been adopted in part. Section 11.56(a) is revised to add a sentence providing that on appeal from the initial decision, the USPTO Director has authority to conduct a de novo review of the factual record. This is consistent with Administrative Procedure Act (APA). The Office is empowered by the APA, 5 U.S.C 551, *et seq.* to conduct an independent review of the factual record before it. ''On appeal from or review of the initial decision, the agency has all the powers which it would have in making the initial decision except as it may limit the issues on notice or by rule.'' 5 U.S.C. 557(b).

Comment 57: One comment said that the Director's decision is not always as thorough as the hearing officer's decision, and suggested adding to § 11.56(a), maybe after the second sentence, ''The initial decision is adopted unless modified.''

Response: The suggestion to add a provision that the ''initial decision is adopted unless modified'' has not been adopted. The current practice is that each individual decision of the USPTO Director indicates those instances, and to what extent, the USPTO Director adopts the findings of fact and law of the administrative law judge hearing the matter. Under § 11.55(b), exceptions to the hearing officer's decision and supporting reasons must be included in the appeal if they are to be preserved. Therefore, the USPTO Director need not consider or adopt portions of the hearing officer's decision to which no exception has been filed. It is more prudent that the Office continue with that practice rather than change the rule.

Comment 58: One comment said that the duties set forth in § 11.58 that apply to lawyers who have resigned or who have been excluded or suspended should apply to lawyers placed on disability inactive status. Rule 27 of the American Bar Association's Model Rules for Lawyer Disciplinary Enforcement provides that, in state disciplinary proceedings, a lawyer placed on disability inactive status must notify clients, co-counsel and opposing counsel of the transfer and must also comply with other notice, record retention and rules relating to withdrawal from cases and return of client property and fees. The comment noted that such notice is protective of clients.

Response: Section 11.28(a)(2) provides that a practitioner on disability inactive status ''shall comply with the provisions of § 11.58.'' Nevertheless, the recommendation that the duties set forth in § 11.58 that apply to lawyers who have resigned or who have been excluded or suspended should apply to lawyers placed on disability inactive status has been construed as suggesting that § 11.58 specifically reference those on disability inactive status. The suggestion has been adopted and expanded to all practitioners, lawyers as well as patent agents, on disability inactive status. Reference to a ''practitioner transferred to disability inactive status'' or ''transfer to disability inactive status,'' as appropriate, has been added to §§ 11.58(a), 11.58(b), 11.58(b)(1), 11.58(b)(1)(i), 11.58(b)(1)(ii), 11.58(b)(1)(iii), 11.58(b)(2)(vi), 11.58(c), 11.58(d), 11.58(e), 11.58(e)(1), 11.58(e)(3), 11.58(f), 11.58(f)(1)(i), 11.58(f)(1)(ii) and 11.58(f)(2)(ii). Further, the title of § 11.58 has been revised to be ''Duties of disciplined or resigned practitioner, or practitioner on disability inactive status.''

Comment 59: One comment regarding § 11.58(b)(1)(ii) doubted that the Office intended to require, for example, a large law firm to notify every client with business before the Office of the discipline or exclusion of a practitioner who, though designated by the firm through its customer number, nonetheless has no substantive involvement in prosecuting that client's application. The comment suggested that such notice should be required only if the practitioner was substantively involved, as in 37 CFR 1.56, in any business of the client before the Office.

Response: The suggestion to limit notification of suspension or exclusion to only those clients for whom the practitioner is substantively involved in prosecuting that client's application has not been adopted. It is the intent of the Office to require the practitioner, not the firm, to notify all clients the practitioner

represents having immediate or prospective business before the Office in patent, trademark and other non-patent matters of the order of exclusion, suspension or resignation and of the practitioner's consequent inability to act as a practitioner after the effective date of the order. Consistent with compliance with the ethical duties of the firm's members, the firm must enable the practitioner to notify the clients, for example, by identifying every client and every client's applications in which the practitioner, though designation by the firm's customer number(s), has a power of attorney or authorization of agent. The requirement obtains whenever and however the practitioner is given a power of attorney to represent the client. The Office appreciates that a firm may include all practitioners in the firm or all partners on every power of attorney, including appointment through use of a firm's customer number. The practitioner, by virtue of a power of attorney, may represent all clients who have appointed the practitioner, irrespective of whether the practitioner is substantively involved in the client's case. The practitioner may share in the fees the client pays to the firm, even if the practitioner is not substantively involved in the client's applications before the Office. The client is entitled to know whether a practitioner empowered to represent the client has been disciplined.

The Office does not require that a power of attorney filed in a patent or trademark application include an appointment of all practitioners who are partners or associates in firm. The power of attorney filed in a patent or trademark application may be limited to a particular practitioner or group of practitioners. In the latter case, a practitioner in a large firm who is given a power of attorney in only a small number of the firm's cases may comply with the provisions of § 11.58(b)(1)(ii) by providing notice only to the clients in a small number of cases from whom the practitioner received a power of attorney.

Comment 60: Two comments pointed out that § 11.58(b)(2)(vi) refers to ''§ 11.11(a),'' a designation not included in the July 2004 rules, and requested clarification.

Response: Section 11.58(b)(2)(vi) should have referenced ''§ 11.11'' because subsections have not been added to § 11.11 since it was adopted. Therefore, the reference has been changed to § 11.11.

Comment 61: One comment regarding § 11.58(b) observed that some suspended or excluded practitioners may not satisfy the conditions for reinstatement, and suggested adding a third provision, ''to provide tax records or other proof of employment during discipline period'' to § 10.160(c).

Response: The suggestion to add a subsection to § 11.58(b) requiring suspended and excluded practitioners to provide tax records or other proof of employment during the period the discipline period has not been adopted. A suspended and excluded practitioner is prohibited from ''engag[ing] in any practice of patent, trademark and other non-patent law before the Office.'' See § 11.58(a). The practitioner must ''not hold himself or herself out as authorized to practice law before the Office,'' § 11.58(b)(3); ''not advertise the practitioner's availability or ability to perform or render legal services for any person having immediate or prospective business before the Office,'' § 11.58(b)(4), and ''not render legal advice or services to any person having immediate or prospective business before the Office as to that business,'' § 11.58(b)(5). The practitioner seeking reinstatement has the burden of proof by clear and convincing evidence, and a practitioner who has violated any provision of § 11.58 is not eligible for reinstatement. See § 11.60(c). If the OED Director has good cause to believe a suspended or excluded practitioner has continued to practice before the Office after being ordered suspended or excluded, the rules are sufficiently broad to permit the OED Director to request records showing the sources of a practitioner's income and employment following the order of suspension or exclusion.

Comment 62: One comment recommended that § 11.59(a) be revised to include reports to the American Bar Association's National Lawyer Regulatory Data Bank (NLRDB), the only national repository of information concerning public disciplinary sanctions imposed against lawyers and other regulatory actions from all states and the District of Columbia, some Federal courts and some Federal agencies. The comment noted that the NLRDB has been receiving reports of public regulatory actions from the USPTO since 2001 and was referenced in the originally proposed rules under its former name, the National Discipline Data Bank.

Response: The recommendation to revise § 11.59(a) to specifically include reporting to the NLRB has not been adopted. It is not necessary for this section to specify every agency, institution or other member of the public to which reports are sent regarding the lawyers being disciplinarily sanctioned. The NLRB is within the scope of the public to whom public disciplinary sanctions imposed against lawyers have been and will continue to be reported.

Comment 63: One comment noted that § 11.59(c) provides that the affidavit that accompanies a request for exclusion on consent is confidential, while the order of exclusion is public. The comment recommended that the admissions leading to the sanction should be known inasmuch as the sanction imposed is public and keeping admissions private may serve to further public distrust of these proceedings. In support thereof, the comment noted that under Rules 21(E) and 10(D) of the American Bar Association's Model Rules of Disciplinary Enforcement, an affidavit accompanying a petition for discipline on consent that would result in a public sanction is public, unless covered by a protective order. The comment also noted that a disciplined practitioner is protected by the statement in § 11.59 (c) that the affidavit cannot be used in any other proceeding except by order of the USPTO Director or with the practitioner's written consent.

Response: The recommendation to revise § 11.59(c) to provide that admissions leading to the agreed upon sanction should be made known to the public unless covered by a protective order is adopted in part. This section is revised to provide that unless the USPTO Director orders that the proceeding or portion of the record be kept confidential, both the order excluding a practitioner and the affidavit required under § 11.27(a) will be available to the public. There are two exceptions. Information from the order or affidavit may be withheld as necessary to protect the privacy of third parties or as directed in a protective order under § 11.44(c). This section continues to provide that the affidavit shall not be used in any other proceeding except by order the USPTO Director or upon written consent of the practitioner.

Comment 64: One comment suggested that inasmuch as records regarding a warning are not to be made available to the public this be made clear by inserting into § 11.59(b) after ''be kept confidential'' the phrase ''or it concerns a warning issued under Section 11.21''.

Response: The suggestion to add the phrase ''or it concerns a warning issued under § 11.21'' to § 11.59(b) has not been adopted. The suggested phrase implies that matters concerning a warning are other than confidential and are protected only by reason of the suggested phrase. Section 11.59 need

not provide safeguards because information collected in an investigation is placed into a Privacy Act system of records, in this case COMMERCE/PAT–TM–2, Complaints, Investigations and Disciplinary Proceedings Relating to Registered Patent Attorneys and Agents, published at 70 FR 69522. Furthermore, the Privacy Act of 1974, 5 U.S.C. 552a, provides numerous protections for those records. Regarding the requests for release of these records under the Freedom of Information Act (FOIA), Privacy Act records may not be disclosed unless the subject of the record consents or one of twelve exceptions apply. One of the twelve exceptions provides for information that is releasable under FOIA. This is a statutory exception that cannot be altered by rule making. Generally, the information in investigation files, including warnings, is protected from disclosure by FOIA exemptions 5 and 6. See 5 U.S.C. 552(b)(5) and (6), respectively. Thus, information regarding a warning, including the warning, is among the collected information that is subject to the numerous protections of the Privacy Act, and will not be released to FOIA requesters as provided for under current Federal law.

Comment 65: One comment noted that some people may not have satisfied the conditions for reinstatement, and suggested adding ''(3) to provide tax records or other proof of employment during discipline period'' to § 11.60(c).

Response: The suggestion to add a provision to § 11.60(c) requiring suspended or excluded practitioners to provide tax records or other proof of employment during the period of discipline has not been adopted. An excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status is prohibited from practicing before the Office. See § 11.58(a). The practitioner must keep and maintain records of the steps taken under § 11.58 to provide proof in a subsequent proceeding, such as reinstatement, of compliance with the provisions of § 11.58. See § 11.58(d). The OED Director must seek evidence of compliance with § 11.58. See § 11.58(d). If the practitioner acts as a paralegal or performs services under § 11.58(e), to be reinstated the practitioner must file an affidavit explaining the acts performed in that capacity and show compliance with the provisions of § 11.58. See § 11.58(f). A practitioner who has violated any provision of § 11.58 is ineligible for reinstatement. See § 11.60(c). If the showing is insufficient, the OED Director may request additional showings, including, where appropriate, evidence of employment as a paralegal. The evidence sought may include any written employment agreement and income tax withholding statements for the relevant time period.

Rule Making Considerations

Regulatory Flexibility Act

The Deputy General Counsel for General Law, United States Patent and Trademark Office, certified to the Chief Counsel for Advocacy, Small Business Administration, that the changes in this final rule will not have a significant impact on a substantial number of small entities (Regulatory Flexibility Act, 5 U.S.C. 605(b)). The provisions of the Regulatory Flexibility Act relating to the preparation of a regulatory flexibility analysis are not applicable to this final rule because the rule will not have a significant economic impact on a substantial number of small entities. The primary purpose of the rule changes is to bring the USPTO's disciplinary procedural rules for practitioners in line with the American Bar Association Model Rules, American Bar Association Model Rules for Lawyer Disciplinary Enforcement, American Bar Association Model Federal Rules of Disciplinary Enforcement and rules adopted by other Federal agencies. This will ease the practitioners' burden in learning and complying with USPTO regulations.

The rule eliminates a fee of $130 for petitions in disciplinary cases to enable petitioners to invoke the supervisory authority of the USPTO Director.

The rule removes the $1500 cap on disciplinary proceeding costs that can be assessed, as a condition of reinstatement, against a practitioner who has been suspended or excluded from practice before the Office. Approximately five of the roughly 35,000 practitioners petition for reinstatement each year, and approximately two of these petitions occur under circumstances where disciplinary proceeding costs may be assessed. These changes, therefore, will not affect a substantial number of practitioners.

Executive Order 13132

This notice of proposed rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (August 4, 1999).

Executive Order 12866

This notice of proposed rule making has been determined to be not significant for purposes of Executive Order 12866 (September 30, 1993).

Paperwork Reduction Act

This notice of final rule making involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This notice of final rule making contains revisions that the United States Patent and Trademark Office (USPTO) is adopting to the rules governing the conduct of professional responsibility investigations and disciplinary proceedings. The principal impact of the changes in this notice of final rule making is on registered practitioners. The information collections involved in this final rule have been previously reviewed and approved by OMB under OMB control numbers 0651–0012 and 0651–0017. The revisions do not affect the information collection requirements for 0651–0012 and 0651–0017, so the USPTO is not resubmitting these collections to OMB for review and approval.

The title, description, and respondent description of the currently approved information collections for 0651–0012 and 0651–0017 are shown below with estimates of the annual reporting burdens. Included in the estimates is the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection of information.

OMB Number: 0651–0012.

Title: Admittance to Practice and Roster of Registered Patent Attorneys and Agents Admitted to Practice Before the Patent and Trademark Office (USPTO).

Form Numbers: PTO–158, PTO–158A, PTO–275, PTO–107A, PTO–1209, PTO–2126, PTO–2149 and PTO–2150.

Type of Review: Approved through December of 2010.

Affected Public: Individuals or households, businesses or other for-profit, Federal Government, and state, local, or tribal governments.

Estimated Number of Respondents: 72,122.

Estimated Time per Response: 5 minutes to 40 hours.

Estimated Total Annual Burden Hours: 89,475 hours.

Needs and Uses: The information in this collection is necessary for the United States Patent and Trademark Office to comply with Federal regulations, 35 U.S.C. 2(B)(2)(d). The Office of Enrollment and Discipline collects this information to insure compliance with the USPTO Code of Professional Responsibility, 37 CFR 10.20–10.112. This Code requires that registered practitioners maintain

complete records of clients, including all funds, securities, and other properties of clients coming into his/her possession, and render appropriate accounts to the client regarding such records, as well as report violations of the Code to the USPTO. The registered practitioners are mandated by the Code to maintain proper documentation so that they can fully cooperate with an investigation in the event of a report of an alleged violation and so that violations are prosecuted as appropriate.

OMB Number: 0651-0017.

Title: Practitioner Records Maintenance, Disclosure, and Discipline Before the United States Patent and Trademark Office (USPTO).

Form Numbers: None.

Type of Review: Approved through July of 2010.

Affected Public: Individuals or households, businesses or other for-profit, Federal Government, and state, local, or tribal governments.

Estimated Number of Respondents: 532.

Estimated Time per Response: 2 hours to 60 hours.

Estimated Total Annual Burden Hours: 10,402 hours.

Needs and Uses: The information in this collection is necessary for the United States Patent and Trademark Office to comply with Federal regulations, 35 U.S.C. 6(a) and 35 U.S.C. 2(B)(2)(d). The Office of Enrollment and Discipline collects this information to insure compliance with the USPTO Code of Professional Responsibility, 37 CFR 10.20–10.112. This Code requires that registered practitioners maintain complete records of clients, including all funds, securities, and other properties of clients coming into his/her possession, and render appropriate accounts to the client regarding such records, as well as report violations of the Code to the USPTO. The registered practitioners are mandated by the Code to maintain proper documentation so that they can fully cooperate with an investigation in the event of a report of an alleged violation and so that violations are prosecuted as appropriate.

Comments are invited on: (1) Whether the collection of information is necessary for proper performance of the functions of the agency; (2) the accuracy of the agency's estimate of the burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information to respondents.

Interested persons are requested to send comments regarding these information collections, including suggestions for reducing this burden, to Harry I. Moatz, Director of Enrollment and Discipline, Mail Stop OED-Ethics Rules, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, Virginia 22313–1450, or to the Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, NW., Washington, DC 20503, Attention: Desk Officer for the United States Patent and Trademark Office.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Patents.

37 CFR Part 2

Administrative practice and procedure, Trademarks.

37 CFR Part 7

Administrative practice and procedure, International registration, Trademarks.

37 CFR Part 10

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

37 CFR Part 11

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

37 CFR Part 41

Administrative practice and procedure, Inventions and patents, Lawyers.

■ For the reasons set forth in the preamble, the United States Patent and Trademark Office is amending 37 CFR parts 1, 2, 7, 10, 11 and 41 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

■ 1. The authority citation for 37 CFR part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2)(D).

■ 2. In § 1.4, revise paragraphs (d)(3) and (d)(4)(i), and add paragraph (d)(4)(ii)(C) to read as follows:

§ 1.4 Nature of correspondence and signature requirements.

* * * * *

(d) * * *

(3) *Forms.* The Office provides forms to the public to use in certain situations to assist in the filing of correspondence for a certain purpose and to meet certain requirements for patent applications and proceedings. Use of the forms for purposes for which they were not designed is prohibited. No changes to certification statements on the Office forms (*e.g.*, oath or declaration forms, terminal disclaimer forms, petition forms, and nonpublication request form) may be made. The existing text of a form, other than a certification statement, may be modified, deleted, or added to, if all text identifying the form as an Office form is removed. The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any Office form with text identifying the form as an Office form by a party, whether a practitioner or non-practitioner, constitutes a certification under § 11.18(b) of this chapter that the existing text and any certification statements on the form have not been altered other than permitted by EFS-Web customization.

(4) *Certifications.* (i) *Section 11.18 certifications:* The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification under § 11.18(b) of this subchapter. Violations of § 11.18(b)(2) of this subchapter by a party, whether a practitioner or non-practitioner, may result in the imposition of sanctions under § 11.18(c) of this subchapter. Any practitioner violating § 11.18(b) of this subchapter may also be subject to disciplinary action. *See* §§ 11.18(d) and 11.804(b)(9) of this subchapter.

(ii) * * *

(C) *Sanctions:* Violations of the certifications as to the signature of another or a person's own signature, set forth in paragraphs (d)(4)(ii)(A) and (B) of this section, may result in the imposition of sanctions under § 11.18(c) and (d) of this chapter.

* * * * *

■ 3. Revise § 1.8(a)(2)(iii)(A) to read as follows:

§ 1.8 Certificate of mailing or transmission.

(a) * * *

(2) * * *

(iii) * * *

(A) Correspondence filed in connection with a disciplinary

proceeding under part 11 of this chapter.

* * * * *

■ 4. Revise § 1.9(j) to read as follows:

§ 1.9 Definitions.

* * * * *

(j) Director as used in this chapter, except for part 11 of this chapter, means the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

* * * * *

PART 2—RULES OF PRACTICE IN TRADEMARK CASES

■ 5. The authority citation for 37 CFR part 2 continues to read as follows:

Authority: 15 U.S.C. 1123, 35 U.S.C. 2, unless otherwise noted.

■ 6. Revise § 2.2(c) to read as follows:

§ 2.2 Definitions.

* * * * *

(c) *Director* as used in this chapter, except for part 10 and part 11, means the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

* * * * *

■ 7. Revise § 2.11 to read as follows:

§ 2.11 Applicants may be represented by an attorney.

Representation before the Office is governed by § 11.14 of this chapter. The Office cannot aid in the selection of an attorney.

■ 8. Revise § 2.17(a) through (c) to read as follows:

§ 2.17 Recognition for representation.

(a) When an attorney as defined in § 11.1 of this chapter acting in a representative capacity appears in person or signs a document in practice before the United States Patent and Trademark Office in a trademark case, his or her personal appearance or signature shall constitute a representation to the United States Patent and Trademark Office that, under the provisions of § 11.14 and the law, he or she is authorized to represent the particular party in whose behalf he or she acts. Further proof of authority to act in a representative capacity may be required.

(b) Before any non-lawyer, as specified in § 11.14(b) of this chapter, will be allowed to take action of any kind with respect to an application, registration or proceeding, a written authorization from the applicant, registrant, party to the proceeding, or other person entitled to prosecute such application or proceeding must be filed.

(c) To be recognized as a representative, an attorney as defined in § 11.1 of this chapter may file a power of attorney, appear in person, or sign a document on behalf of an applicant or registrant that is filed with the Office in a trademark case.

* * * * *

■ 9. Revise § 2.18(a) to read as follows:

§ 2.18 Correspondence, with whom held.

(a) If an attorney transmits documents, or a written power of attorney is filed, the Office will send correspondence to the attorney transmitting the documents, or to the attorney designated in the power of attorney, provided that the attorney is an attorney as defined in § 11.1 of this chapter.

* * * * *

■ 10. Revise § 2.19(b) to read as follows:

§ 2.19 Revocation of power of attorney; withdrawal.

* * * * *

(b) If the requirements of § 10.40 of this chapter are met, an attorney authorized under § 11.14 to represent an applicant, registrant or party in a trademark case may withdraw upon application to and approval by the Director.

■ 11. Revise § 2.24 to read as follows:

§ 2.24 Designation of domestic representative by foreign applicant.

If an applicant is not domiciled in the United States, the applicant may designate by a document filed in the United States Patent and Trademark Office the name and address of some person resident in the United States on whom may be served notices or process in proceedings affecting the mark. If the applicant does not file a document designating the name and address of a person resident in the United States on whom may be served notices or process in proceedings affecting the mark, or if the last person designated cannot be found at the address given in the designation, then notices or process in proceedings affecting the mark may be served on the Director. The mere designation of a domestic representative does not authorize the person designated to prosecute the application unless qualified under paragraph (a), (b) or (c) of § 11.14 of this subchapter and authorized under § 2.17(b).

■ 12. Revise § 2.33(a)(3) to read as follows:

§ 2.33 Verified statement.

(a) * * *

(3) An attorney as defined in § 11.1 of this chapter who has an actual or implied written or verbal power of attorney from the applicant.

* * * * *

■ 13. Revise § 2.101(b) introductory text to read as follows:

§ 2.101 Filing an opposition.

* * * * *

(b) Any person who believes that he, she or it would be damaged by the registration of a mark on the Principal Register may file an opposition addressed to the Trademark Trial and Appeal Board and must serve a copy of the opposition, including any exhibits, on the attorney of record for the applicant or, if there is no attorney, on the applicant or on the applicant's domestic representative, if one has been appointed, at the correspondence address of record in the Office. The opposer must include with the opposition proof of service pursuant to § 2.119 at the correspondence address of record in the Office. If any service copy of the opposition is returned to the opposer as undeliverable, the opposer must notify the Board within ten days of receipt of the returned copy. The opposition need not be verified, but must be signed by the opposer or the opposer's attorney, as specified in § 11.1 of this chapter, or other authorized representative, as specified in § 11.14(b) of this chapter. Electronic signatures pursuant to § 2.193(c)(1)(iii) are required for oppositions filed through ESTTA under paragraphs (b)(1) or (2) of this section.

* * * * *

■ 14. Revise § 2.102(a) introductory text to read as follows:

§ 2.102 Extension of time for filing an opposition.

(a) Any person who believes that he, she or it would be damaged by the registration of a mark on the Principal Register may file in the Office a written request, addressed to the Trademark Trial and Appeal Board, to extend the time for filing an opposition. The written request need not be verified, but must be signed by the potential opposer or by the potential opposer's attorney, as specified in § 11.1 of this chapter, or authorized representative, as specified in § 11.14(b) of this chapter. Electronic signatures pursuant to § 2.193(c)(1)(iii) are required for electronically filed extension requests.

* * * * *

■ 15. Revise § 2.105(b)(1) and (c)(1) to read as follows:

§ 2.105 Notification to parties of opposition proceeding(s).

* * * * *

(b) * * *

(1) If the opposition is transmitted by an attorney, or a written power of attorney is filed, the Board will send the notification to the attorney transmitting the opposition or to the attorney designated in the power of attorney, provided that the person is an ''attorney'' as defined in § 11.1 of this chapter.

(c) * * *

(1) If the opposed application contains a clear indication that the application is being prosecuted by an attorney, as defined in § 11.1 of this chapter, the Board shall send the documents described in this section to applicant's attorney.

* * * * *

■ 16. Revise § 2.111(b) to read as follows:

§ 2.111 Filing petition for cancellation.

* * * * *

(b) Any person who believes that he, she or it is or will be damaged by a registration may file a petition, addressed to the Trademark Trial and Appeal Board, for cancellation of the registration in whole or in part. Petitioner must serve a copy of the petition, including any exhibits, on the owner of record for the registration, or on the owner's domestic representative of record, if one has been appointed, at the correspondence address of record in the Office. The petitioner must include with the petition for cancellation proof of service, pursuant to § 2.119, on the owner of record, or on the owner's domestic representative of record, if one has been appointed, at the correspondence address of record in the Office. If any service copy of the petition for cancellation is returned to the petitioner as undeliverable, the petitioner must notify the Board within ten days of receipt of the returned copy. The petition for cancellation need not be verified, but must be signed by the petitioner or the petitioner's attorney, as specified in § 11.1 of this chapter, or other authorized representative, as specified in § 11.14(b) of this chapter. Electronic signatures pursuant to § 2.193(c)(1)(iii) are required for petitions submitted electronically via ESTTA. The petition for cancellation may be filed at any time in the case of registrations on the Supplemental Register or under the Act of 1920, or registrations under the Act of 1881 or the Act of 1905 which have not been published under section 12(c) of the Act, or on any ground specified in section 14(3) or (5) of the Act. In all other cases, the petition for cancellation and the required fee must be filed within five years from the date of registration of the mark under the Act or from the date of publication under section 12(c) of the Act.

* * * * *

■ 17. Revise § 2.113(b)(1) to read as follows:

§ 2.113 Notification of cancellation proceeding.

* * * * *

(b) * * *

(1) If the petition for cancellation is transmitted by an attorney, or a written power of attorney is filed, the Board will send the notification to the attorney transmitting the petition for cancellation or to the attorney designated in the power of attorney, provided that person is an ''attorney'' as defined in § 11.1 of this chapter.

* * * * *

■ 18. Revise § 2.119(d) to read as follows:

§ 2.119 Service and signing of papers.

* * * * *

(d) If a party to an *inter partes* proceeding is not domiciled in the United States and is not represented by an attorney or other authorized representative located in the United States, the party may designate by document filed in the United States Patent and Trademark Office the name and address of a person resident in the United States on whom may be served notices or process in the proceeding. If the party has appointed a domestic representative, official communications of the United States Patent and Trademark Office will be addressed to the domestic representative unless the proceeding is being prosecuted by an attorney at law or other qualified person duly authorized under § 11.14(c) of this subchapter. If the party has not appointed a domestic representative and the proceeding is not being prosecuted by an attorney at law or other qualified person, the Office will send correspondence directly to the party, unless the party designates in writing another address to which correspondence is to be sent. The mere designation of a domestic representative does not authorize the person designated to prosecute the proceeding unless qualified under § 11.14(a), or qualified under § 11.14(b) and authorized under § 2.17(b).

* * * * *

■ 19. Revise § 2.161(b)(3) to read as follows:

§ 2.161 Requirements for a complete affidavit or declaration of continued use or excusable nonuse.

* * * * *

(b) * * *

(3) An attorney as defined in § 11.1 of this chapter who has an actual or implied written or verbal power of attorney from the owner.

* * * * *

■ 20. Revise § 2.193(c)(2) to read as follows:

§ 2.193 Trademark correspondence and signature requirements.

* * * * *

(c) * * *

(2) The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any document by a party, whether a practitioner or non-practitioner, constitutes a certification under § 11.18(b) of this chapter. Violations of § 11.18(b)(2) of this chapter by a party, whether a practitioner or non-practitioner, may result in the imposition of sanctions under § 11.18(c) of this chapter. Any practitioner violating § 11.18(b) may also be subject to disciplinary action. See §§ 11.18(d) and 11.23(c)(15).

* * * * *

PART 7—RULES OF PRACTICE IN FILINGS PURSUANT TO THE PROTOCOL RELATING TO THE MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS

■ 21. The authority citation for 37 CFR part 7 continues to read as follows:

Authority: 15 U.S.C. 1123, 35 U.S.C. 2, unless otherwise noted.

■ 22. Revise § 7.25(a) to read as follows:

§ 7.25 Sections of part 2 applicable to extension of protection.

(a) Except for §§ 2.22, 2.23, 2.130, 2.131, 2.160 through 2.166, 2.168, 2.173, 2.175, 2.181 through 2.186 and 2.197, all sections in part 2 and all sections in parts 10 and all sections in part 11 of this chapter shall apply to an extension of protection of an international registration to the United States, including sections related to proceedings before the Trademark Trial and Appeal Board, unless otherwise stated.

* * * * *

■ 23. Revise § 7.37(b)(3) to read as follows:

§ 7.37 Requirements for a complete affidavit or declaration of use in commerce or excusable nonuse.

* * * * *

(b) * * *

(3) An attorney as defined in § 11.1 of this chapter who has an actual written or verbal power of attorney or an implied power of attorney from the holder.

* * * * *

PART 10—REPRESENTATION OF OTHERS BEFORE THE PATENT AND TRADEMARK OFFICE

■ 24. The authority citation for 37 CFR part 10 continues to read as follows:

Authority: 5 U.S.C. 500; 15 U.S.C. 1123; 35 U.S.C. 2, 6, 32, 41.

■ 25. The undesignated center heading, ''Individuals Entitled to Practice Before the Patent and Trademark Office,'' is removed.

§ 10.14 [Removed and reserved]

■ 26. Section 10.14 is removed and reserved.

§ 10.15 [Removed and reserved]

■ 27. Section 10.15 is removed and reserved.

§ 10.18 [Removed and reserved]

■ 28. Section 10.18 is removed and reserved.

■ 29. The undesignated center heading ''Investigations and Disciplinary Proceedings'' is removed.

§ 10.130–10.145 [Removed and reserved]

■ 30. Sections 10.130 through 10.145 are removed and reserved.

§ 10.149–10.161 [Removed and reserved]

■ 31. Sections 10.149 through 10.161 are removed and reserved.

§ 10.170 [Removed and reserved]

■ 32. Section 10.170 is removed and reserved.

PART 11—REPRESENTATION OF OTHERS BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE

■ 33. The authority citation for 37 CFR part 11 continues to read as follows:

Authority: 5 U.S.C. 500, 15 U.S.C. 1123, 35 U.S.C. 2(b)(2), 32.

■ 34. Amend § 11.1 to add the definitions of ''Disqualified,'' ''Federal program,'' ''Federal agency,'' ''Mandatory Disciplinary Rule,'' and ''Serious crime,'' and revise the definitions of ''Attorney or lawyer'' and ''State'' as follows:

§ 11.1 Definitions.

* * * * *

Attorney or lawyer means an individual who is a member in good standing of the highest court of any State, including an individual who is in good standing of the highest court of one State and not under an order of any court or Federal agency suspending, enjoining, restraining, disbarring or otherwise restricting the attorney from practice before the bar of another State or Federal agency. A *non-lawyer* means a person who is not an attorney or lawyer.

* * * * *

Disqualified means any action that prohibits a practitioner from participating in or appearing before the program or agency, regardless of how long the prohibition lasts or the specific terminology used.

Federal agency means any authority of the executive branch of the Government of the United States.

Federal program means any program established by an Act of Congress or administered by a Federal agency.

* * * * *

Mandatory Disciplinary Rule is a rule identified in § 10.20(b) of this chapter as a Disciplinary Rule.

* * * * *

Serious crime means:

(1) Any criminal offense classified as a felony under the laws of the United States, any state or any foreign country where the crime occurred; or

(2) Any crime a necessary element of which, as determined by the statutory or common law definition of such crime in the jurisdiction where the crime occurred, includes interference with the administration of justice, false swearing, misrepresentation, fraud, willful failure to file income tax returns, deceit, bribery, extortion, misappropriation, theft, or an attempt or a conspiracy or solicitation of another to commit a ''serious crime.''

* * * * *

State means any of the 50 states of the United States of America, the District of Columbia, and any Commonwealth or territory of the United States of America.

* * * * *

■ 35. Revise §§ 11.2(a), (b)(4), (c) and (d) and add paragraphs (b)(5), (b)(6) and (e) to read as follows:

§ 11.2 Director of the Office of Enrollment and Discipline.

(a) *Appointment.* The USPTO Director shall appoint a Director of the Office of Enrollment and Discipline (OED Director). In the event of a vacancy in the office of the OED Director, the USPTO Director may designate an employee of the Office to serve as acting OED Director. The OED Director shall be an active member in good standing of the bar of the highest court of a State.

(b) * * *

(4) Conduct investigations of matters involving possible grounds for discipline of practitioners coming to the attention of the OED Director. Except in matters meriting summary dismissal, no disposition under § 11.22(h) shall be recommended or undertaken by the OED Director until the accused practitioner shall have been afforded an opportunity to respond to a reasonable inquiry by the OED Director.

(5) With the consent of a panel of three members of the Committee on Discipline, initiate disciplinary proceedings under § 11.32 and perform such other duties in connection with investigations and disciplinary proceedings as may be necessary.

(6) Oversee the preliminary screening of information and close investigations as provided for in § 11.22.

(c) *Petition to OED Director regarding enrollment or recognition.* Any petition from any action or requirement of the staff of OED reporting to the OED Director shall be taken to the OED Director accompanied by payment of the fee set forth in § 1.21(a)(5)(i) of this chapter. Any such petition not filed within sixty days from the mailing date of the action or notice from which relief is requested will be dismissed as untimely. The filing of a petition will neither stay the period for taking other action which may be running, nor stay other proceedings. The petitioner may file a single request for reconsideration of a decision within thirty days of the date of the decision. Filing a request for reconsideration stays the period for seeking review of the OED Director's decision until a final decision on the request for reconsideration is issued. A final decision by the OED Director may be reviewed in accordance with the provisions of paragraph (d) of this section.

(d) *Review of OED Director's decision regarding enrollment or recognition.* A party dissatisfied with a final decision of the OED Director regarding enrollment or recognition may seek review of the decision upon petition to the USPTO Director accompanied by payment of the fee set forth in § 1.21(a)(5)(ii) of this chapter. Any such petition to the USPTO Director waives a right to seek reconsideration from the OED Director. Any petition not filed within thirty days after the final decision of the OED Director may be dismissed as untimely. Briefs or memoranda, if any, in support of the petition shall accompany the petition. The petition will be decided on the basis of the record made before the OED

Director. The USPTO Director in deciding the petition will consider no new evidence. Copies of documents already of record before the OED Director shall not be submitted with the petition. An oral hearing will not be granted except when considered necessary by the USPTO Director. Any request for reconsideration of the decision of the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision.

(e) *Petition to USPTO Director in disciplinary matters.* Petition may be taken to the USPTO Director to invoke the supervisory authority of the USPTO Director in appropriate circumstances in disciplinary matters. Any such petition must contain a statement of the facts involved and the point or points to be reviewed and the action requested. Briefs or memoranda, if any, in support of the petition must accompany the petition. Where facts are to be proven, the proof in the form of affidavits or declarations (and exhibits, if any) must accompany the petition. The OED Director may be directed by the USPTO Director to file a reply to the petition, supplying a copy to the petitioner. An oral hearing will not be granted except when considered necessary by the USPTO Director. The mere filing of a petition will not stay an investigation, disciplinary proceeding or other proceedings. Any petition under this part not filed within thirty days of the mailing date of the action or notice from which relief is requested may be dismissed as untimely. Any request for reconsideration of the decision of the USPTO Director may be dismissed as untimely if not filed within thirty days after the date of said decision.

■ 36. Revise § 11.3 to read as follows:

§ 11.3 Suspension of rules.

(a) In an extraordinary situation, when justice requires, any requirement of the regulations of this Part which is not a requirement of statute may be suspended or waived by the USPTO Director or the designee of the USPTO Director, *sua sponte,* or on petition by any party, including the OED Director or the OED Director's representative, subject to such other requirements as may be imposed.

(b) No petition under this section shall stay a disciplinary proceeding unless ordered by the USPTO Director or a hearing officer.

Subpart B—Recognition to Practice Before the USPTO

■ 37. Revise § 11.5 to read as follows:

§ 11.5 Register of attorneys and agents in patent matters; practice before the Office.

(a) A register of attorneys and agents is kept in the Office on which are entered the names of all individuals recognized as entitled to represent applicants having prospective or immediate business before the Office in the preparation and prosecution of patent applications. Registration in the Office under the provisions of this part shall entitle the individuals so registered to practice before the Office only in patent matters.

(b) *Practice before the Office.* Practice before the Office includes, but is not limited to, law-related service that comprehends any matter connected with the presentation to the Office 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 Office for the grant of a patent or registration of a trademark, or for enrollment or disciplinary matters. Such presentations include preparing necessary documents in contemplation of filing the documents with the Office, corresponding and communicating with the Office, and representing a client through documents or at interviews, hearings, and meetings, as well as communicating with and advising a client concerning matters pending or contemplated to be presented before the Office. Nothing in this section proscribes a practitioner from employing or retaining non-practitioner assistants under the supervision of the practitioner to assist the practitioner in matters pending or contemplated to be presented before the Office.

(1) *Practice before the Office in patent matters.* Practice before the Office in patent matters includes, but is not limited to, preparing and 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 Board of Patent Appeals and Interferences, or other proceeding. Registration to practice before the Office in patent cases sanctions the performance of those services which 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. The services include:

(i) Considering the advisability of relying upon alternative forms of protection which may be available under state law, and

(ii) Drafting an assignment or causing an assignment to be executed for the patent owner in contemplation of filing or prosecution of a patent application for the patent owner, where the practitioner represents the patent owner after a patent issues in a proceeding before the Office, and when drafting the assignment the practitioner does no more than replicate the terms of a previously existing oral or written obligation of assignment from one person or party to another person or party.

(2) *Practice before the Office in trademark matters.* Practice before the Office in trademark matters includes, but is not limited to, consulting with or giving advice to a client in contemplation of filing a trademark application or other document with the Office; preparing and prosecuting an application for trademark registration; preparing an amendment which may require written argument to establish the registrability of the mark; and conducting an opposition, cancellation, or concurrent use proceeding; or conducting an appeal to the Trademark Trial and Appeal Board.

§ 11.12–11.13 [Added and Reserved]

■ 38. Add and reserve §§ 11.12 and 11.13.

■ 39. Add §§ 11.14 and 11.15 to read as follows:

§ 11.14 Individuals who may practice before the Office in trademark and other non-patent matters.

(a) *Attorneys.* Any individual who is an attorney as defined in § 11.1 may represent others before the Office in trademark and other non-patent matters. An attorney is not required to apply for registration or recognition to practice before the Office in trademark and other non-patent matters. Registration as a patent practitioner does not itself entitle an individual to practice before the Office in trademark matters.

(b) *Non-lawyers.* Individuals who are not attorneys are not recognized to practice before the Office in trademark and other non-patent matters, except that individuals not attorneys who were recognized to practice before the Office in trademark matters under this chapter prior to January 1, 1957, will be

recognized as agents to continue practice before the Office in trademark matters. Except as provided in the preceding sentence, registration as a patent agent does not itself entitle an individual to practice before the Office in trademark matters.

(c) *Foreigners.* Any foreign attorney or agent not a resident of the United States who shall file a written application for reciprocal recognition under paragraph (f) of this section and prove to the satisfaction of the OED Director that he or she is registered or in good standing before the patent or trademark office of the country in which he or she resides and practices and is possessed of good moral character and reputation, may be recognized for the limited purpose of representing parties located in such country before the Office in the presentation and prosecution of trademark matters, provided: the patent or trademark office of such country allows substantially reciprocal privileges to those permitted to practice in trademark matters before the Office. Recognition under this paragraph shall continue only during the period that the conditions specified in this paragraph obtain.

(d) Recognition of any individual under this section shall not be construed as sanctioning or authorizing the performance of any act regarded in the jurisdiction where performed as the unauthorized practice of law.

(e) No individual other than those specified in paragraphs (a), (b), and (c) of this section will be permitted to practice before the Office in trademark matters on behalf of a client. Any individual may appear in a trademark or other non-patent matter in his or her own behalf. Any individual may appear in a trademark matter for:

(1) A firm of which he or she is a member,

(2) A partnership of which he or she is a partner, or

(3) A corporation or association of which he or she is an officer and which he or she is authorized to represent, if such firm, partnership, corporation, or association is a party to a trademark proceeding pending before the Office.

(f) *Application for reciprocal recognition.* An individual seeking reciprocal recognition under paragraph (c) of this section, in addition to providing evidence satisfying the provisions of paragraph (c) of this section, shall apply in writing to the OED Director for reciprocal recognition, and shall pay the application fee required by § 1.21(a)(1)(i) of this subchapter.

§ 11.15 Refusal to recognize a practitioner.

Any practitioner authorized to appear before the Office may be suspended, excluded, or reprimanded in accordance with the provisions of this Part. Any practitioner who is suspended or excluded under this Part shall not be entitled to practice before the Office in patent, trademark, or other non-patent matters while suspended or excluded.

§ 11.16–11.17 [Added and Reserved]

■ 40. Add and reserve §§ 11.16 and 11.17.

■ 41. Add § 11.18 to read as follows:

§ 11.18 Signature and certificate for correspondence filed in the Office.

(a) For all documents filed in the Office in patent, trademark, and other non-patent matters, and all documents filed with a hearing officer in a disciplinary proceeding, except for correspondence that is required to be signed by the applicant or party, each piece of correspondence filed by a practitioner in the Office must bear a signature, personally signed by such practitioner, in compliance with § 1.4(d)(1) of this subchapter.

(b) By presenting to the Office or hearing officer in a disciplinary proceeding (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that—

(1) All statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or knowingly and willfully makes any false, fictitious, or fraudulent statements or representations, or knowingly and willfully makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. 1001 and any other applicable criminal statute, and violations of the provisions of this section may jeopardize the probative value of the paper; and

(2) To the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances,

(i) The paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of any proceeding before the Office;

(ii) The other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;

(iii) The allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and

(iv) The denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

(c) Violations of any of paragraphs (b)(2)(i) through (iv) of this section are, after notice and reasonable opportunity to respond, subject to such sanctions or actions as deemed appropriate by the USPTO Director, which may include, but are not limited to, any combination of—

(1) Striking the offending paper;

(2) Referring a practitioner's conduct to the Director of Enrollment and Discipline for appropriate action;

(3) Precluding a party or practitioner from submitting a paper, or presenting or contesting an issue;

(4) Affecting the weight given to the offending paper; or

(5) Terminating the proceedings in the Office.

(d) Any practitioner violating the provisions of this section may also be subject to disciplinary action.

■ 42. Part 11 is amended to add subpart C to read as follows:

Subpart C—Investigations and Disciplinary Proceedings; Jurisdiction, Sanctions, Investigations, and Proceedings

Sec.

11.19 Disciplinary jurisdiction; Jurisdiction to transfer to disability inactive status.
11.20 Disciplinary sanctions; Transfer to disability inactive status.
11.21 Warnings.
11.22 Investigations.
11.23 Committee on Discipline.
11.24 Reciprocal discipline.
11.25 Interim suspension and discipline based upon conviction of committing a serious crime.
11.26 Settlement.
11.27 Exclusion on consent.
11.28 Incapacitated practitioners in a disciplinary proceeding.
11.29 Reciprocal transfer or initial transfer to disability inactive status.
11.30–11.31 [Reserved]
11.32 Initiating a disciplinary proceeding.
11.33 [Reserved]
11.34 Complaint.
11.35 Service of complaint.
11.36 Answer to complaint.
11.37 [Reserved]
11.38 Contested case.
11.39 Hearing officer; appointment; responsibilities; review of interlocutory orders; stays.

11.40 Representative for OED Director or respondent.
11.41 Filing of papers.
11.42 Service of papers.
11.43 Motions.
11.44 Hearings.
11.45 Amendment of pleadings.
11.46–11.48 [Reserved]
11.49 Burden of proof.
11.50 Evidence.
11.51 Depositions.
11.52 Discovery.
11.53 Proposed findings and conclusions; post-hearing memorandum.
11.54 Initial decision of hearing officer.
11.55 Appeal to the USPTO Director.
11.56 Decision of the USPTO Director.
11.57 Review of final decision of the USPTO Director.
11.58 Duties of disciplined or resigned practitioner.
11.59 Dissemination of disciplinary and other information.
11.60 Petition for reinstatement.
11.61 Savings clause.
11.62–11.99 [Reserved]

Subpart C—Investigations and Disciplinary Proceedings; Jurisdiction, Sanctions, Investigations, and Proceedings

§ 11.19 Disciplinary jurisdiction; Jurisdiction to transfer to disability inactive status.

(a) All practitioners engaged in practice before the Office; all practitioners administratively suspended; all practitioners registered to practice before the Office in patent cases; all practitioners inactivated; all practitioners authorized under § 11.6(d) to take testimony; and all practitioners transferred to disability inactive status, reprimanded, suspended, or excluded from the practice of law by a duly constituted authority, including by the USPTO Director, are subject to the disciplinary jurisdiction of the Office. Practitioners who have resigned shall also be subject to such jurisdiction with respect to conduct undertaken prior to the resignation and conduct in regard to any practice before the Office following the resignation.

(b) *Grounds for discipline; Grounds for transfer to disability inactive status.* The following, whether done individually by a practitioner or in concert with any other person or persons and whether or not done in the course of providing legal services to a client, or in a matter pending before the Office, constitute grounds for discipline or grounds for transfer to disability inactive status.

(1) Grounds for discipline include:

(i) Conviction of a serious crime;

(ii) Discipline on ethical grounds imposed in another jurisdiction or disciplinary disqualification from participating in or appearing before any Federal program or agency;

(iii) Failure to comply with any order of a Court disciplining a practitioner, or any final decision of the USPTO Director in a disciplinary matter;

(iv) Violation of a Mandatory Disciplinary Rule identified in § 10.20(b) of Part 10 of this Subchapter; or

(v) Violation of the oath or declaration taken by the practitioner. See § 11.8.

(2) Grounds for transfer to disability inactive status include:

(i) Being transferred to disability inactive status in another jurisdiction;

(ii) Being judicially declared incompetent, being judicially ordered to be involuntarily committed after a hearing on the grounds of insanity, incompetency or disability, or being placed by court order under guardianship or conservatorship; or

(iii) Filing a motion requesting a disciplinary proceeding be held in abeyance because the practitioner is suffering from a disability or addiction that makes it impossible for the practitioner to adequately defend the charges in the disciplinary proceeding.

(c) Petitions to disqualify a practitioner in *ex parte* or *inter partes* matters in the Office are not governed by §§ 11.19 through 11.60 and will be handled on a case-by-case basis under such conditions as the USPTO Director deems appropriate.

(d) The OED Director may refer the existence of circumstances suggesting unauthorized practice of law to the authorities in the appropriate jurisdiction(s).

§ 11.20 Disciplinary sanctions; Transfer to disability inactive status.

(a) *Types of discipline.* The USPTO Director, after notice and opportunity for a hearing, and where grounds for discipline exist, may impose on a practitioner the following types of discipline:

(1) Exclusion from practice before the Office;

(2) Suspension from practice before the Office for an appropriate period of time;

(3) Reprimand or censure; or

(4) *Probation.* Probation may be imposed *in lieu* of or in addition to any other disciplinary sanction. Any conditions of probation shall be stated in writing in the order imposing probation. The order shall also state whether, and to what extent, the practitioner shall be required to notify clients of the probation. The order shall establish procedures for the supervision of probation. Violation of any condition of probation shall be cause for the probation to be revoked, and the disciplinary sanction to be imposed for the remainder of the probation period. Revocation of probation shall occur only after an order to show cause why probation should not be revoked is resolved adversely to the practitioner.

(b) *Conditions imposed with discipline.* When the USPTO Director imposes discipline, the practitioner may be required to make restitution either to persons financially injured by the practitioner's conduct or to an appropriate client's security trust fund, or both, as a condition of probation or of reinstatement. Such restitution shall be limited to the return of unearned practitioner fees or misappropriated client funds. Any other reasonable condition may also be imposed, including a requirement that the practitioner take and pass a professional responsibility examination.

(c) *Transfer to disability inactive status.* The USPTO Director, after notice and opportunity for a hearing may, and where grounds exist to believe a practitioner has been transferred to disability inactive status in another jurisdiction, or has been judicially declared incompetent; judicially ordered to be involuntarily committed after a hearing on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship, transfer the practitioner to disability inactive status.

§ 11.21 Warnings.

A warning is neither public nor a disciplinary sanction. The OED Director may conclude an investigation with the issuance of a warning. The warning shall contain a brief statement of facts and Mandatory Disciplinary Rules identified in § 10.20(b) of Part 10 of this Subchapter relevant to the facts.

§ 11.22 Investigations.

(a) The OED Director is authorized to investigate possible grounds for discipline. An investigation may be initiated when the OED Director receives a grievance, information or evidence from any source suggesting possible grounds for discipline. Neither unwillingness nor neglect by a grievant to prosecute a charge, nor settlement, compromise, or restitution with the grievant, shall in itself justify abatement of an investigation.

(b) Any person possessing information or evidence concerning possible grounds for discipline of a practitioner may report the information or evidence to the OED Director. The OED Director may request that the report be presented in the form of an affidavit or declaration.

(c) Information or evidence coming from any source which presents or alleges facts suggesting possible grounds for discipline of a practitioner will be deemed a grievance.

(d) *Preliminary screening of information or evidence.* The OED Director shall examine all information or evidence concerning possible grounds for discipline of a practitioner.

(e) *Notification of investigation.* The OED Director shall notify the practitioner in writing of the initiation of an investigation into whether a practitioner has engaged in conduct constituting possible grounds for discipline.

(f) *Request for information and evidence by OED Director.*

(1) In the course of the investigation, the OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from:

(i) The grievant,

(ii) The practitioner, or

(iii) Any person who may reasonably be expected to provide information and evidence needed in connection with the grievance or investigation.

(2) The OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from a non-grieving client either after obtaining the consent of the practitioner or upon a finding by a Contact Member of the Committee on Discipline, appointed in accordance with § 11.23(d), that good cause exists to believe that the possible ground for discipline alleged has occurred with respect to non-grieving clients. Neither a request for, nor disclosure of, such information shall constitute a violation of any of the Mandatory Disciplinary Rules identified in § 10.20(b) of this subchapter.

(g) Where the OED Director makes a request under paragraph (f)(2) of this section to a Contact Member of the Committee on Discipline, such Contact Member shall not, with respect to the practitioner connected to the OED Director's request, participate in the Committee on Discipline panel that renders a probable cause determination under paragraph (b)(1) of this section concerning such practitioner, and that forwards the probable cause finding and recommendation to the OED Director under paragraph (b)(2) of this section.

(h) *Disposition of investigation.* Upon the conclusion of an investigation, the OED Director may:

(1) Close the investigation without issuing a warning, or taking disciplinary action;

(2) Issue a warning to the practitioner;

(3) Institute formal charges upon the approval of the Committee on Discipline; or

(4) Enter into a settlement agreement with the practitioner and submit the same for approval of the USPTO Director.

(i) *Closing investigation without issuing a warning or taking disciplinary action.* The OED Director shall terminate an investigation and decline to refer a matter to the Committee on Discipline if the OED Director determines that:

(1) The information or evidence is unfounded;

(2) The information or evidence relates to matters not within the jurisdiction of the Office;

(3) As a matter of law, the conduct about which information or evidence has been obtained does not constitute grounds for discipline, even if the conduct may involve a legal dispute; or

(4) The available evidence is insufficient to conclude that there is probable cause to believe that grounds exist for discipline.

§ 11.23 Committee on Discipline.

(a) The USPTO Director shall appoint a Committee on Discipline. The Committee on Discipline shall consist of at least three employees of the Office. None of the Committee members shall report directly or indirectly to the OED Director or any employee designated by the USPTO Director to decide disciplinary matters. Each Committee member shall be a member in good standing of the bar of the highest court of a State. The Committee members shall select a Chairperson from among themselves. Three Committee members will constitute a panel of the Committee.

(b) *Powers and duties of the Committee on Discipline.* The Committee shall have the power and duty to:

(1) Meet in panels at the request of the OED Director and, after reviewing evidence presented by the OED Director, by majority vote of the panel, determine whether there is probable cause to bring charges under § 11.32 against a practitioner; and

(2) Prepare and forward its own probable cause findings and recommendations to the OED Director.

(c) No discovery shall be authorized of, and no member of the Committee on Discipline shall be required to testify about deliberations of, the Committee on Discipline or of any panel.

(d) The Chairperson shall appoint the members of the panels and a Contact Member of the Committee on Discipline.

§ 11.24 Reciprocal discipline.

(a) *Notification of OED Director.* Within thirty days of being publicly censured, publicly reprimanded, subjected to probation, disbarred or suspended by another jurisdiction, or being disciplinarily disqualified from participating in or appearing before any Federal program or agency, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing of the same. A practitioner is deemed to be disbarred if he or she is disbarred, excluded on consent, or has resigned in lieu of a disciplinary proceeding. Upon receiving notification from any source or otherwise learning that a practitioner subject to the disciplinary jurisdiction of the Office has been so publicly censured, publicly reprimanded, subjected to probation, disbarred, suspended or disciplinarily disqualified, the OED Director shall obtain a certified copy of the record or order regarding the public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification and file the same with the USPTO Director. The OED Director shall, in addition, without Committee on Discipline authorization, file with the USPTO Director a complaint complying with § 11.34 against the practitioner predicated upon the public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification. The OED Director shall request the USPTO Director to issue a notice and order as set forth in paragraph (b) of this section.

(b) *Notification served on practitioner.* Upon receipt of a certified copy of the record or order regarding the practitioner being so publicly censured, publicly reprimanded, subjected to probation, disbarred, suspended or disciplinarily disqualified together with the complaint, the USPTO Director shall issue a notice directed to the practitioner in accordance with § 11.35 and to the OED Director containing:

(1) A copy of the record or order regarding the public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification;

(2) A copy of the complaint; and

(3) An order directing the practitioner to file a response with the USPTO Director and the OED Director, within forty days of the date of the notice establishing a genuine issue of material fact predicated upon the grounds set forth in paragraphs (d)(1)(i) through (d)(1)(iv) of this section that the imposition of the identical public censure, public reprimand, probation, disbarment, suspension or disciplinary

disqualification would be unwarranted and the reasons for that claim.

(c) *Effect of stay in another jurisdiction.* In the event the public censure, public reprimand, probation, disbarment, suspension imposed by another jurisdiction or disciplinary disqualification imposed in the Federal program or agency has been stayed, any reciprocal discipline imposed by the USPTO may be deferred until the stay expires.

(d) *Hearing and discipline to be imposed.* (1) The USPTO Director shall hear the matter on the documentary record unless the USPTO Director determines that an oral hearing is necessary. After expiration of the forty days from the date of the notice pursuant to provisions of paragraph (b) of this section, the USPTO Director shall consider any timely filed response and shall impose the identical public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification unless the practitioner clearly and convincingly demonstrates, and the USPTO Director finds there is a genuine issue of material fact that:

(i) The procedure elsewhere was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process;

(ii) There was such infirmity of proof establishing the conduct as to give rise to the clear conviction that the Office could not, consistently with its duty, accept as final the conclusion on that subject;

(iii) The imposition of the same public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification by the Office would result in grave injustice; or

(iv) Any argument that the practitioner was not publicly censured, publicly reprimanded, placed on probation, disbarred, suspended or disciplinarily disqualified.

(2) If the USPTO Director determines that there is no genuine issue of material fact, the USPTO Director shall enter an appropriate final order. If the USPTO Director is unable to make such determination because there is a genuine issue of material fact, the USPTO Director shall enter an appropriate order:

(i) Referring the complaint to a hearing officer for a formal hearing and entry of an initial decision in accordance with the other rules in this part, and

(ii) Directing the practitioner to file an answer to the complaint in accordance with § 11.36.

(e) *Adjudication in another jurisdiction or Federal agency or program.* In all other respects, a final adjudication in another jurisdiction or Federal agency or program that a practitioner, whether or not admitted in that jurisdiction, has been guilty of misconduct shall establish a prima facie case by clear and convincing evidence that the practitioner violated 37 CFR 10.23, as further identified under 37 CFR 10.23(c)(5), (or any successor regulation identifying such public censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification as a basis for a disciplinary proceeding in this Office).

(f) *Reciprocal discipline—action where practice has ceased.* Upon request by the practitioner, reciprocal discipline may be imposed *nunc pro tunc* only if the practitioner promptly notified the OED Director of his or her censure, public reprimand, probation, disbarment, suspension or disciplinary disqualification in another jurisdiction, and establishes by clear and convincing evidence that the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58. The effective date of any public censure, public reprimand, probation, suspension, disbarment or disciplinary disqualification imposed *nunc pro tunc* shall be the date the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58.

(g) *Reinstatement following reciprocal discipline proceeding.* A practitioner may petition for reinstatement under conditions set forth in § 11.60 no sooner than completion of the period of reciprocal discipline imposed, and compliance with all provisions of § 11.58.

§ 11.25 Interim suspension and discipline based upon conviction of committing a serious crime.

(a) *Notification of OED Director.* Upon being convicted of a crime in a court of the United States or any State, or violating a criminal law of a foreign country, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing of the same within thirty days from the date of such conviction. Upon being advised or learning that a practitioner subject to the disciplinary jurisdiction of the Office has been convicted of a crime, the OED Director shall make a preliminary determination whether the crime constitutes a serious crime warranting interim suspension. If the crime is a serious crime, the OED Director shall file with the USPTO Director proof of the conviction and request the USPTO Director to issue a notice and order set forth in paragraph (b)(2) of this section. The OED Director shall in addition, without Committee on Discipline authorization, file with the USPTO Director a complaint against the practitioner complying with § 11.34 predicated upon the conviction of a serious crime. If the crime is not a serious crime, the OED Director shall process the matter in the same manner as any other information or evidence of a possible violation of a Mandatory Disciplinary Rule identified in § 10.20(b) of this subchapter coming to the attention of the OED Director.

(b) *Interim suspension and referral for disciplinary proceeding.* All proceedings under this section shall be handled as expeditiously as possible.

(1) The USPTO Director has authority to place a practitioner on interim suspension after hearing the request for interim suspension on the documentary record.

(2) *Notification served on practitioner.* Upon receipt of a certified copy of the court record, docket entry or judgment demonstrating that the practitioner has been so convicted together with the complaint, the USPTO Director shall forthwith issue a notice directed to the practitioner in accordance with §§ 11.35(a), (b) or (c), and to the OED Director, containing:

(i) A copy of the court record, docket entry, or judgment of conviction;

(ii) A copy of the complaint; and

(iii) An order directing the practitioner to file a response with the USPTO Director and the OED Director, within forty days of the date of the notice, establishing that there is a genuine issue of material fact that the crime did not constitute a serious crime, the practitioner is not the individual found guilty of the crime, or that the conviction was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process.

(3) *Hearing and final order on request for interim suspension.* The request for interim suspension shall be heard by the USPTO Director on the documentary record unless the USPTO Director determines that the practitioner's response establishes a genuine issue of material fact that: The crime did not constitute a serious crime, the practitioner is not the person who committed the crime, or that the conviction was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process. If the USPTO Director determines that there is no genuine issue of material fact regarding the defenses set forth in the preceding sentence, the USPTO Director shall enter an appropriate final order regarding the OED Director's request for interim suspension regardless of the

pendency of any criminal appeal. If the USPTO Director is unable to make such determination because there is a genuine issue of material fact, the USPTO Director shall enter a final order dismissing the request and enter a further order referring the complaint to a hearing officer for a hearing and entry of an initial decision in accordance with the other rules in this part and directing the practitioner to file an answer to the complaint in accordance with § 11.36.

(4) *Termination.* The USPTO Director has authority to terminate an interim suspension. In the interest of justice, the USPTO Director may terminate an interim suspension at any time upon a showing of extraordinary circumstances, after affording the OED Director an opportunity to respond to the request to terminate interim suspension.

(5) *Referral for disciplinary proceeding.* Upon entering a final order imposing interim suspension, the USPTO Director shall refer the complaint to a hearing officer to conduct a formal disciplinary proceeding. The formal disciplinary proceeding, however, shall be stayed by the hearing officer until all direct appeals from the conviction are concluded. Review of the initial decision of the hearing officer shall be pursuant to § 11.55.

(c) *Proof of conviction and guilt*—(1) *Conviction in the United States.* For purposes of a hearing for interim suspension and a hearing on the formal charges in a complaint filed as a consequence of the conviction, a certified copy of the court record, docket entry, or judgment of conviction in a court of the United States or any State shall establish a prima facie case by clear and convincing evidence that the practitioner was convicted of a serious crime and that the conviction was not lacking in notice or opportunity to be heard as to constitute a deprivation of due process.

(2) *Conviction in a foreign country.* For purposes of a hearing for interim suspension and on the formal charges filed as a result of a finding of guilt, a certified copy of the court record, docket entry, or judgment of conviction in a court of a foreign country shall establish a *prima facie* case by clear and convincing evidence that the practitioner was convicted of a serious crime and that the conviction was not lacking in notice or opportunity to be heard as to constitute a deprivation of due process. However, nothing in this paragraph shall preclude the practitioner from demonstrating by clear and convincing evidence in any hearing on a request for interim suspension there is a genuine issue of material fact to be considered when determining if the elements of a serious crime were committed in violating the criminal law of the foreign country and whether a disciplinary sanction should be entered.

(d) *Crime determined not to be serious crime.* If the USPTO Director determines that the crime is not a serious crime, the complaint shall be referred to the OED Director for investigation under § 11.22 and processing as is appropriate.

(e) *Reinstatement*—(1) *Upon reversal or setting aside a finding of guilt or a conviction.* If a practitioner suspended solely under the provisions of paragraph (b) of this section demonstrates that the underlying finding of guilt or conviction of serious crimes has been reversed or vacated, the order for interim suspension shall be vacated and the practitioner shall be placed on active status unless the finding of guilt was reversed or the conviction was set aside with respect to less than all serious crimes for which the practitioner was found guilty or convicted. The vacating of the interim suspension will not terminate any other disciplinary proceeding then pending against the practitioner, the disposition of which shall be determined by the hearing officer before whom the matter is pending, on the basis of all available evidence other than the finding of guilt or conviction.

(2) *Following conviction of a serious crime.* Any practitioner convicted of a serious crime and disciplined in whole or in part in regard to that conviction, may petition for reinstatement under conditions set forth in § 11.60 no sooner than five years after being discharged following completion of service of his or her sentence, or after completion of service under probation or parole, whichever is later.

(f) *Notice to clients and others of interim suspension.* An interim suspension under this section shall constitute a suspension of the practitioner for the purpose of § 11.58.

§ 11.26 Settlement.

Before or after a complaint under § 11.34 is filed, a settlement conference may occur between the OED Director and the practitioner. Any offers of compromise and any statements made during the course of settlement discussions shall not be admissible in subsequent proceedings. The OED Director may recommend to the USPTO Director any settlement terms deemed appropriate, including steps taken to correct or mitigate the matter forming the basis of the action, or to prevent recurrence of the same or similar conduct. A settlement agreement shall be effective only upon entry of a final decision by the USPTO Director.

§ 11.27 Exclusion on consent.

(a) *Required affidavit.* The OED Director may confer with a practitioner concerning possible violations by the practitioner of the Rules of Professional Conduct whether or not a disciplinary proceeding has been instituted. A practitioner who is the subject of an investigation or a pending disciplinary proceeding based on allegations of grounds for discipline, and who desires to resign, may only do so by consenting to exclusion and delivering to the OED Director an affidavit declaring the consent of the practitioner to exclusion and stating:

(1) That the practitioner's consent is freely and voluntarily rendered, that the practitioner is not being subjected to coercion or duress, and that the practitioner is fully aware of the implications of consenting to exclusion;

(2) That the practitioner is aware that there is currently pending an investigation into, or a proceeding involving allegations of misconduct, the nature of which shall be specifically set forth in the affidavit to the satisfaction of the OED Director;

(3) That the practitioner acknowledges that, if and when he or she applies for reinstatement under § 11.60, the OED Director will conclusively presume, for the limited purpose of determining the application for reinstatement, that:

(i) The facts upon which the investigation or complaint is based are true, and

(ii) The practitioner could not have successfully defended himself or herself against the allegations in the investigation or charges in the complaint.

(b) *Action by the USPTO Director.* Upon receipt of the required affidavit, the OED Director shall file the affidavit and any related papers with the USPTO Director for review and approval. Upon such approval, the USPTO Director will enter an order excluding the practitioner on consent and providing other appropriate actions. Upon entry of the order, the excluded practitioner shall comply with the requirements set forth in § 11.58.

(c) When an affidavit under paragraph (a) of this section is received after a complaint under § 11.34 has been filed, the OED Director shall notify the hearing officer. The hearing officer shall enter an order transferring the disciplinary proceeding to the USPTO Director, who may enter an order excluding the practitioner on consent.

(d) *Reinstatement.* Any practitioner excluded on consent under this section may not petition for reinstatement for five years. A practitioner excluded on consent who intends to reapply for admission to practice before the Office must comply with the provisions of § 11.58, and apply for reinstatement in accordance with § 11.60. Failure to comply with the provisions of § 11.58 constitutes grounds for denying an application for reinstatement.

§ 11.28 Incapacitated practitioners in a disciplinary proceeding.

(a) *Holding in abeyance a disciplinary proceeding because of incapacitation due to a current disability or addiction*—(1) *Practitioner's motion.* In the course of a disciplinary proceeding under § 11.32, but before the date set by the hearing officer for a hearing, the practitioner may file a motion requesting the hearing officer to enter an order holding such proceeding in abeyance based on the contention that the practitioner is suffering from a disability or addiction that makes it impossible for the practitioner to adequately defend the charges in the disciplinary proceeding.

(i) *Content of practitioner's motion.* The practitioner's motion shall, in addition to any other requirement of § 11.43, include or have attached thereto:

(A) A brief statement of all material facts;

(B) Affidavits, medical reports, official records, or other documents and the opinion of at least one medical expert setting forth and establishing any of the material facts on which the practitioner is relying;

(C) A statement that the practitioner acknowledges the alleged incapacity by reason of disability or addiction;

(D) Written consent that the practitioner be transferred to disability inactive status if the motion is granted; and

(E) A written agreement by the practitioner to not practice before the Office in patent, trademark or other non-patent cases while on disability inactive status.

(ii) *Response.* The OED Director's response to any motion hereunder shall be served and filed within thirty days after service of the practitioner's motion unless such time is shortened or enlarged by the hearing officer for good cause shown, and shall set forth the following:

(A) All objections, if any, to the actions requested in the motion;

(B) An admission, denial or allegation of lack of knowledge with respect to each of the material facts in the practitioner's motion and accompanying documents; and

(C) Affidavits, medical reports, official records, or other documents setting forth facts on which the OED Director intends to rely for purposes of disputing or denying any material fact set forth in the practitioner's papers.

(2) *Disposition of practitioner's motion.* The hearing officer shall decide the motion and any response thereto. The motion shall be granted upon a showing of good cause to believe the practitioner to be incapacitated as alleged. If the required showing is made, the hearing officer shall enter an order holding the disciplinary proceeding in abeyance. In the case of addiction to drugs or intoxicants, the order may provide that the practitioner will not be returned to active status absent satisfaction of specified conditions. Upon receipt of the order, the OED Director shall transfer the practitioner to disability inactive status, give notice to the practitioner, cause notice to be published, and give notice to appropriate authorities in the Office that the practitioner has been placed on disability inactive status. The practitioner shall comply with the provisions of § 11.58, and shall not engage in practice before the Office in patent, trademark and other non-patent law until a determination is made of the practitioner's capability to resume practice before the Office in a proceeding under paragraph (c) or paragraph (d) of this section. A practitioner on disability inactive status must seek permission from the OED Director to engage in an activity authorized under § 11.58(e). Permission will be granted only if the practitioner has complied with all the conditions of §§ 11.58(a) through 11.58(d) applicable to disability inactive status. In the event that permission is granted, the practitioner shall fully comply with the provisions of § 11.58(e).

(b) *Motion for reactivation.* Any practitioner transferred to disability inactive status in a disciplinary proceeding may file with the hearing officer a motion for reactivation once a year beginning at any time not less than one year after the initial effective date of inactivation, or once during any shorter interval provided by the order issued pursuant to paragraph (a)(2) of this section or any modification thereof. If the motion is granted, the disciplinary proceeding shall resume under such schedule as may be established by the hearing officer.

(c) *Contents of motion for reactivation.* A motion by the practitioner for reactivation alleging that a practitioner has recovered from a prior disability or addiction shall be accompanied by all available medical reports or similar documents relating thereto. The hearing officer may require the practitioner to present such other information as is necessary.

(d) *OED Director's motion to resume disciplinary proceeding held in abeyance.* (1) The OED Director, having good cause to believe a practitioner is no longer incapacitated, may file a motion requesting the hearing officer to terminate a prior order holding in abeyance any pending proceeding because of the practitioner's disability or addiction. The hearing officer shall decide the matter presented by the OED Director's motion hereunder based on the affidavits and other admissible evidence attached to the OED Director's motion and the practitioner's response. The OED Director bears the burden of showing by clear and convincing evidence that the practitioner is able to defend himself or herself. If there is any genuine issue as to one or more material facts, the hearing officer will hold an evidentiary hearing.

(2) The hearing officer, upon receipt of the OED Director's motion under paragraph (d)(1) of this section, may direct the practitioner to file a response. If the hearing officer requires the practitioner to file a response, the practitioner must present clear and convincing evidence that the prior self-alleged disability or addiction continues to make it impossible for the practitioner to defend himself or herself in the underlying proceeding being held in abeyance.

(e) *Action by the hearing officer.* If, in deciding a motion under paragraph (b) or (d) of this section, the hearing officer determines that there is good cause to believe the practitioner is not incapacitated from defending himself or herself, or is not incapacitated from practicing before the Office, the hearing officer shall take such action as is deemed appropriate, including the entry of an order directing the reactivation of the practitioner and resumption of the disciplinary proceeding.

§ 11.29 Reciprocal transfer or initial transfer to disability inactive status.

(a) *Notification of OED Director.* (1) Transfer to disability inactive status in another jurisdiction as grounds for reciprocal transfer by the Office. Within thirty days of being transferred to disability inactive status in another jurisdiction, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing of the transfer. Upon notification from any source that a practitioner subject to the disciplinary jurisdiction of the

Office has been transferred to disability inactive status in another jurisdiction, the OED Director shall obtain a certified copy of the order. The OED Director shall file with the USPTO Director:

(i) The order;

(ii) A request that the practitioner be transferred to disability inactive status, including the specific grounds therefor; and

(iii) A request that the USPTO Director issue a notice and order as set forth in paragraph (b) of this section.

(2) *Involuntary commitment, adjudication of incompetency or court ordered placement under guardianship or conservatorship as grounds for initial transfer to disability inactive status.* Within thirty days of being judicially declared incompetent, being judicially ordered to be involuntarily committed after a hearing on the grounds of incompetency or disability, or being placed by court order under guardianship or conservatorship in another jurisdiction, a practitioner subject to the disciplinary jurisdiction of the Office shall notify the OED Director in writing of such judicial action. Upon notification from any source that a practitioner subject to the disciplinary jurisdiction of the Office has been subject to such judicial action, the OED Director shall obtain a certified copy of the order. The OED Director shall file with the USPTO Director:

(i) The order;

(ii) A request that the practitioner be transferred to disability inactive status, including the specific grounds therefor; and

(iii) A request that the USPTO Director issue a notice and order as set forth in paragraph (b) of this section.

(b) *Notice served on practitioner.* Upon receipt of a certified copy of an order or declaration issued by another jurisdiction demonstrating that a practitioner subject to the disciplinary jurisdiction of the Office has been transferred to disability inactive status, judicially declared incompetent, judicially ordered to be involuntarily committed after a judicial hearing on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship, together with the OED Director's request, the USPTO Director shall issue a notice, comporting with § 11.35, directed to the practitioner containing:

(1) A copy of the order or declaration from the other jurisdiction,

(2) A copy of the OED Director's request; and

(3) An order directing the practitioner to file a response with the USPTO Director and the OED Director, within 30 days from the date of the notice, establishing a genuine issue of material fact supported by an affidavit and predicated upon the grounds set forth in § 11.29(d) (1) through (4) that a transfer to disability inactive status would be unwarranted and the reasons therefor.

(c) *Effect of stay of transfer, judicially declared incompetence, judicially ordered involuntarily commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship.* In the event the transfer, judicially declared incompetence, judicially ordered involuntary commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship in the other jurisdiction has been stayed there, any reciprocal transfer or transfer by the Office may be deferred until the stay expires.

(d) *Hearing and transfer to disability inactive status.* The request for transfer to disability inactive status shall be heard by the USPTO Director on the documentary record unless the USPTO Director determines that there is a genuine issue of material fact, in which case the USPTO Director may deny the request. Upon the expiration of 30 days from the date of the notice pursuant to the provisions of paragraph (b) of this section, the USPTO Director shall consider any timely filed response and impose the identical transfer to disability inactive status based on the practitioner's transfer to disability status in another jurisdiction, or shall transfer the practitioner to disability inactive status based on judicially declared incompetence, judicially ordered involuntary commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship, unless the practitioner demonstrates by clear and convincing evidence, or the USPTO Director finds there is a genuine issue of material fact by clear and convincing evidence that:

(1) The procedure was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process;

(2) There was such infirmity of proof establishing the transfer to disability status, judicial declaration of incompetence, judicial order for involuntary commitment on the grounds of incompetency or disability, or placement by court order under guardianship or conservatorship that the USPTO Director could not, consistent with Office's duty, accept as final the conclusion on that subject;

(3) The imposition of the same disability status or transfer to disability status by the USPTO Director would result in grave injustice; or

(4) The practitioner is not the individual transferred to disability status, judicially declared incompetent, judicially ordered for involuntary commitment on the grounds of incompetency or disability, or placed by court order under guardianship or conservatorship.

(5) If the USPTO Director determines that there is no genuine issue of material fact with regard to any of the elements of paragraphs (d)(1) through (4) of this section, the USPTO Director shall enter an appropriate final order. If the USPTO Director is unable to make that determination because there is a genuine issue of material fact, the USPTO Director shall enter an appropriate order dismissing the OED Director's request for such reason.

(e) *Adjudication in other jurisdiction.* In all other aspects, a final adjudication in another jurisdiction that a practitioner be transferred to disability inactive status, is judicially declared incompetent, is judicially ordered to be involuntarily committed on the grounds of incompetency or disability, or is placed by court order under guardianship or conservatorship shall establish the disability for purposes of a reciprocal transfer to or transfer to disability status before the Office.

(f) A practitioner who is transferred to disability inactive status under this section shall be deemed to have been refused recognition to practice before the Office for purposes of 35 U.S.C. 32.

(g) *Order imposing reciprocal transfer to disability inactive status or order imposing initial transfer to disability inactive status.* An order by the USPTO Director imposing reciprocal transfer to disability inactive status, or transferring a practitioner to disability inactive status shall be effective immediately, and shall be for an indefinite period until further order of the USPTO Director. A copy of the order transferring a practitioner to disability inactive status shall be served upon the practitioner, the practitioner's guardian, and/or the director of the institution to which the practitioner has been committed in the manner the USPTO Director may direct. A practitioner reciprocally transferred or transferred to disability inactive status shall comply with the provisions of § 11.58, and shall not engage in practice before the Office in patent, trademark and other non-patent law unless and until reinstated to active status.

(h) *Confidentiality of proceeding; Orders to be public*—(1) *Confidentiality of proceeding.* All proceedings under this section involving allegations of disability of a practitioner shall be kept confidential until and unless the

USPTO Director enters an order reciprocally transferring or transferring the practitioner to disability inactive status.

(2) *Orders to be public.* The OED Director shall publicize any reciprocal transfer to disability inactive status or transfer to disability inactive status in the same manner as for the imposition of public discipline.

(i) *Employment of practitioners on disability inactive status.* A practitioner on disability inactive status must seek permission from the OED Director to engage in an activity authorized under § 11.58(e). Permission will be granted only if the practitioner has complied with all the conditions of §§ 11.58(a) through 11.58(d) applicable to disability inactive status. In the event that permission is granted, the practitioner shall fully comply with the provisions of § 11.58(e).

(j) *Reinstatement from disability inactive status.* (1) *Generally.* No practitioner reciprocally transferred or transferred to disability inactive status under this section may resume active status except by order of the OED Director.

(2) *Petition.* A practitioner reciprocally transferred or transferred to disability inactive status shall be entitled to petition the OED Director for transfer to active status once a year, or at whatever shorter intervals the USPTO Director may direct in the order transferring or reciprocally transferring the practitioner to disability inactive status or any modification thereof.

(3) *Examination.* Upon the filing of a petition for transfer to active status, the OED Director may take or direct whatever action is deemed necessary or proper to determine whether the incapacity has been removed, including a direction for an examination of the practitioner by qualified medical or psychological experts designated by the OED Director. The expense of the examination shall be paid and borne by the practitioner.

(4) *Required disclosure, waiver of privilege.* With the filing of a petition for reinstatement to active status, the practitioner shall be required to disclose the name of each psychiatrist, psychologist, physician and hospital or other institution by whom or in which the practitioner has been examined or treated for the disability since the transfer to disability inactive status. The practitioner shall furnish to the OED Director written consent to the release of information and records relating to the incapacity if requested by the OED Director.

(5) *Learning in the law, examination.* The OED Director may direct that the practitioner establish proof of competence and learning in law, which proof may include passing the registration examination.

(6) *Granting of petition for transfer to active status.* The OED Director shall grant the petition for transfer to active status upon a showing by clear and convincing evidence that the incapacity has been removed.

(7) *Reinstatement in other jurisdiction.* If a practitioner is reciprocally transferred to disability inactive status on the basis of a transfer to disability inactive status in another jurisdiction, the OED Director may dispense with further evidence that the disability has been removed and may immediately direct reinstatement to active status upon such terms as are deemed proper and advisable.

(8) *Judicial declaration of competency.* If a practitioner is transferred to disability inactive status on the basis of a judicially declared incompetence, judicially ordered involuntary commitment on the grounds of incompetency or disability, or court-ordered placement under guardianship or conservatorship has been declared to be competent, the OED Director may dispense with further evidence that the incapacity to practice law has been removed and may immediately direct reinstatement to active status.

§§ 11.30–11.31 [Reserved]

§ 11.32 Instituting a disciplinary proceeding.

If after conducting an investigation under § 11.22(a), the OED Director is of the opinion that grounds exist for discipline under §§ 11.19(b)(3) through (5), the OED Director, after complying where necessary with the provisions of 5 U.S.C. 558(c), shall convene a meeting of a panel of the Committee on Discipline. The panel of the Committee on Discipline shall then determine as specified in § 11.23(b) whether a disciplinary proceeding shall be instituted. If the panel of the Committee on Discipline determines that probable cause exists to bring charges under §§ 11.19(b)(3) through (5), the OED Director shall institute a disciplinary proceeding by filing a complaint under § 11.34.

§ 11.33 [Reserved]

§ 11.34 Complaint.

(a) A complaint instituting a disciplinary proceeding under §§ 11.25(b)(4) or 11.32 shall:

(1) Name the practitioner who may then be referred to as the ''respondent'';

(2) Give a plain and concise description of the respondent's alleged grounds for discipline;

(3) State the place and time, not less than thirty days from the date the complaint is filed, for filing an answer by the respondent;

(4) State that a decision by default may be entered if an answer is not timely filed by the respondent; and

(5) Be signed by the OED Director.

(b) A complaint will be deemed sufficient if it fairly informs the respondent of any grounds for discipline, and where applicable, the Mandatory Disciplinary Rules identified in § 10.20(b) of this subchapter that form the basis for the disciplinary proceeding so that the respondent is able to adequately prepare a defense.

(c) The complaint shall be filed in the manner prescribed by the USPTO Director.

§ 11.35 Service of complaint.

(a) A complaint may be served on a respondent in any of the following methods:

(1) By delivering a copy of the complaint personally to the respondent, in which case the individual who gives the complaint to the respondent shall file an affidavit with the OED Director indicating the time and place the complaint was delivered to the respondent.

(2) By mailing a copy of the complaint by ''Express Mail,'' first-class mail, or any delivery service that provides ability to confirm delivery or attempted delivery to:

(i) A respondent who is a registered practitioner at the address provided to OED pursuant to § 11.11, or

(ii) A respondent who is a nonregistered practitioner at the last address for the respondent known to the OED Director.

(3) By any method mutually agreeable to the OED Director and the respondent.

(4) In the case of a respondent who resides outside the United States, by sending a copy of the complaint by any delivery service that provides ability to confirm delivery or attempted delivery, to:

(i) A respondent who is a registered practitioner at the address provided to OED pursuant to § 11.11; or

(ii) A respondent who is a nonregistered practitioner at the last address for the respondent known to the OED Director.

(b) If a copy of the complaint cannot be delivered to the respondent through any one of the procedures in paragraph (a) of this section, the OED Director shall serve the respondent by causing an appropriate notice to be published in

the Official Gazette for two consecutive weeks, in which case, the time for filing an answer shall be thirty days from the second publication of the notice. Failure to timely file an answer will constitute an admission of the allegations in the complaint in accordance with paragraph (d) of § 11.36, and the hearing officer may enter an initial decision on default.

(c) If the respondent is known to the OED Director to be represented by an attorney under § 11.40(a), a copy of the complaint shall be served on the attorney in lieu of service on the respondent in the manner provided for in paragraph (a) or (b) of this section.

§ 11.36 Answer to complaint.

(a) *Time for answer.* An answer to a complaint shall be filed within the time set in the complaint but in no event shall that time be less than thirty days from the date the complaint is filed.

(b) *With whom filed.* The answer shall be filed in writing with the hearing officer at the address specified in the complaint. The hearing officer may extend the time for filing an answer once for a period of no more than thirty days upon a showing of good cause, provided a motion requesting an extension of time is filed within thirty days after the date the complaint is served on respondent. A copy of the answer, and any exhibits or attachments thereto, shall be served on the OED Director.

(c) *Content.* The respondent shall include in the answer a statement of the facts that constitute the grounds of defense and shall specifically admit or deny each allegation set forth in the complaint. The respondent shall not deny a material allegation in the complaint that the respondent knows to be true or state that respondent is without sufficient information to form a belief as to the truth of an allegation, when in fact the respondent possesses that information. The respondent shall also state affirmatively in the answer special matters of defense and any intent to raise a disability as a mitigating factor. If respondent intends to raise a special matter of defense or disability, the answer shall specify the defense or disability, its nexus to the misconduct, and the reason it provides a defense or mitigation. A respondent who fails to do so cannot rely on a special matter of defense or disability. The hearing officer may, for good cause, allow the respondent to file the statement late, grant additional hearing preparation time, or make other appropriate orders.

(d) *Failure to deny allegations in complaint.* Every allegation in the complaint that is not denied by a respondent in the answer shall be deemed to be admitted and may be considered proven. The hearing officer at any hearing need receive no further evidence with respect to that allegation.

(e) *Default judgment.* Failure to timely file an answer will constitute an admission of the allegations in the complaint and may result in entry of default judgment.

§ 11.37 [Reserved]

§ 11.38 Contested case.

Upon the filing of an answer by the respondent, a disciplinary proceeding shall be regarded as a contested case within the meaning of 35 U.S.C. 24. Evidence obtained by a subpoena issued under 35 U.S.C. 24 shall not be admitted into the record or considered unless leave to proceed under 35 U.S.C. 24 was previously authorized by the hearing officer.

§ 11.39 Hearing officer; appointment; responsibilities; review of interlocutory orders; stays.

(a) *Appointment.* A hearing officer, appointed by the USPTO Director under 5 U.S.C. 3105 or 35 U.S.C. 32, shall conduct disciplinary proceedings as provided by this Part.

(b) *Independence of the Hearing Officer.* (1) A hearing officer appointed in accordance with paragraph (a) of this section shall not be subject to first level or second level supervision by either the USPTO Director or OED Director, or his or her designee.

(2) A hearing officer appointed in accordance with paragraph (a) of this section shall not be subject to supervision of the person(s) investigating or prosecuting the case.

(3) A hearing officer appointed in accordance with paragraph (a) of this section shall be impartial, shall not be an individual who has participated in any manner in the decision to initiate the proceedings, and shall not have been employed under the immediate supervision of the practitioner.

(4) A hearing officer appointed in accordance with paragraph (a) of this section shall be admitted to practice law and have suitable experience and training conducting hearings, reaching a determination, and rendering an initial decision in an equitable manner.

(c) *Responsibilities.* The hearing officer shall have authority, consistent with specific provisions of these regulations, to:

(1) Administer oaths and affirmations;

(2) Make rulings upon motions and other requests;

(3) Rule upon offers of proof, receive relevant evidence, and examine witnesses;

(4) Authorize the taking of a deposition of a witness in lieu of personal appearance of the witness before the hearing officer;

(5) Determine the time and place of any hearing and regulate its course and conduct;

(6) Hold or provide for the holding of conferences to settle or simplify the issues;

(7) Receive and consider oral or written arguments on facts or law;

(8) Adopt procedures and modify procedures for the orderly disposition of proceedings;

(9) Make initial decisions under §§ 11.25 and 11.54; and

(10) Perform acts and take measures as necessary to promote the efficient, timely, and impartial conduct of any disciplinary proceeding.

(d) *Time for making initial decision.* The hearing officer shall set times and exercise control over a disciplinary proceeding such that an initial decision under § 11.54 is normally issued within nine months of the date a complaint is filed. The hearing officer may, however, issue an initial decision more than nine months after a complaint is filed if there exist circumstances, in his or her opinion, that preclude issuance of an initial decision within nine months of the filing of the complaint.

(e) *Review of interlocutory orders.* The USPTO Director will not review an interlocutory order of a hearing officer except:

(1) When the hearing officer shall be of the opinion:

(i) That the interlocutory order involves a controlling question of procedure or law as to which there is a substantial ground for a difference of opinion, and

(ii) That an immediate decision by the USPTO Director may materially advance the ultimate termination of the disciplinary proceeding, or

(2) In an extraordinary situation where the USPTO Director deems that justice requires review.

(f) *Stays pending review of interlocutory order.* If the OED Director or a respondent seeks review of an interlocutory order of a hearing officer under paragraph (b)(2) of this section, any time period set by the hearing officer for taking action shall not be stayed unless ordered by the USPTO Director or the hearing officer.

(g) The hearing officer shall engage in no *ex parte* discussions with any party on the merits of the complaint, beginning with appointment and ending when the final agency decision is issued.

§ 11.40 Representative for OED Director or respondent.

(a) A respondent may represent himself or herself, or be represented by an attorney before the Office in connection with an investigation or disciplinary proceeding. The attorney shall file a written declaration that he or she is an attorney within the meaning of § 11.1 and shall state:

(1) The address to which the attorney wants correspondence related to the investigation or disciplinary proceeding sent, and

(2) A telephone number where the attorney may be reached during normal business hours.

(b) The Deputy General Counsel for Intellectual Property and Solicitor, and attorneys in the Office of the Solicitor shall represent the OED Director. The attorneys representing the OED Director in disciplinary proceedings shall not consult with the USPTO Director, the General Counsel, the Deputy General Counsel for General Law, or an individual designated by the USPTO Director to decide disciplinary matters regarding the proceeding. The General Counsel and the Deputy General Counsel for General Law shall remain screened from the investigation and prosecution of all disciplinary proceedings in order that they shall be available as counsel to the USPTO Director in deciding disciplinary proceedings unless access is appropriate to perform their duties. After a final decision is entered in a disciplinary proceeding, the OED Director and attorneys representing the OED Director shall be available to counsel the USPTO Director, the General Counsel, and the Deputy General Counsel for General Law in any further proceedings.

§ 11.41 Filing of papers.

(a) The provisions of §§ 1.8 and 2.197 of this subchapter do not apply to disciplinary proceedings. All papers filed after the complaint and prior to entry of an initial decision by the hearing officer shall be filed with the hearing officer at an address or place designated by the hearing officer.

(b) All papers filed after entry of an initial decision by the hearing officer shall be filed with the USPTO Director. A copy of the paper shall be served on the OED Director. The hearing officer or the OED Director may provide for filing papers and other matters by hand, by ''Express Mail,'' or by other means.

§ 11.42 Service of papers.

(a) All papers other than a complaint shall be served on a respondent who is represented by an attorney by:

(1) Delivering a copy of the paper to the office of the attorney; or

(2) Mailing a copy of the paper by first-class mail, ''Express Mail,'' or other delivery service to the attorney at the address provided by the attorney under § 11.40(a)(1); or

(3) Any other method mutually agreeable to the attorney and a representative for the OED Director.

(b) All papers other than a complaint shall be served on a respondent who is not represented by an attorney by:

(1) Delivering a copy of the paper to the respondent; or

(2) Mailing a copy of the paper by first-class mail, ''Express Mail,'' or other delivery service to the respondent at the address to which a complaint may be served or such other address as may be designated in writing by the respondent; or

(3) Any other method mutually agreeable to the respondent and a representative of the OED Director.

(c) A respondent shall serve on the representative for the OED Director one copy of each paper filed with the hearing officer or the OED Director. A paper may be served on the representative for the OED Director by:

(1) Delivering a copy of the paper to the representative; or

(2) Mailing a copy of the paper by first-class mail, ''Express Mail,'' or other delivery service to an address designated in writing by the representative; or

(3) Any other method mutually agreeable to the respondent and the representative.

(d) Each paper filed in a disciplinary proceeding shall contain therein a certificate of service indicating:

(1) The date on which service was made; and

(2) The method by which service was made.

(e) The hearing officer or the USPTO Director may require that a paper be served by hand or by ''Express Mail.''

(f) Service by mail is completed when the paper mailed in the United States is placed into the custody of the U.S. Postal Service.

§ 11.43 Motions.

Motions, including all prehearing motions commonly filed under the Federal Rules of Civil Procedure, shall be filed with the hearing officer. The hearing officer will determine whether replies to responses will be authorized and the time period for filing such a response. No motion shall be filed with the hearing officer unless such motion is supported by a written statement by the moving party that the moving party or attorney for the moving party has conferred with the opposing party or attorney for the opposing party in an effort in good faith to resolve by agreement the issues raised by the motion and has been unable to reach agreement. If, prior to a decision on the motion, the parties resolve issues raised by a motion presented to the hearing officer, the parties shall promptly notify the hearing officer.

§ 11.44 Hearings.

(a) The hearing officer shall preside over hearings in disciplinary proceedings. The hearing officer shall set the time and place for the hearing. In cases involving an incarcerated respondent, any necessary oral hearing may be held at the location of incarceration. Oral hearings will be stenographically recorded and transcribed, and the testimony of witnesses will be received under oath or affirmation. The hearing officer shall conduct the hearing as if the proceeding were subject to 5 U.S.C. 556. A copy of the transcript of the hearing shall become part of the record. A copy of the transcript shall be provided to the OED Director and the respondent at the expense of the Office.

(b) If the respondent to a disciplinary proceeding fails to appear at the hearing after a notice of hearing has been given by the hearing officer, the hearing officer may deem the respondent to have waived the right to a hearing and may proceed with the hearing in the absence of the respondent.

(c) A hearing under this section will not be open to the public except that the hearing officer may grant a request by a respondent to open his or her hearing to the public and make the record of the disciplinary proceeding available for public inspection, *provided,* a protective order is entered to exclude from public disclosure information which is privileged or confidential under applicable laws or regulations.

§ 11.45 Amendment of pleadings.

The OED Director may, without Committee on Discipline authorization, but with the authorization of the hearing officer, amend the complaint to include additional charges based upon conduct committed before or after the complaint was filed. If amendment of the complaint is authorized, the hearing officer shall authorize amendment of the answer. Any party who would otherwise be prejudiced by the amendment will be given reasonable opportunity to meet the allegations in the complaint or answer as amended, and the hearing officer shall make findings on any issue presented by the complaint or answer as amended.

§§ 11.46–11.48 [Reserved]

§ 11.49 Burden of proof.

In a disciplinary proceeding, the OED Director shall have the burden of proving the violation by clear and convincing evidence and a respondent shall have the burden of proving any affirmative defense by clear and convincing evidence.

§ 11.50 Evidence.

(a) *Rules of evidence.* The rules of evidence prevailing in courts of law and equity are not controlling in hearings in disciplinary proceedings. However, the hearing officer shall exclude evidence that is irrelevant, immaterial, or unduly repetitious.

(b) *Depositions.* Depositions of witnesses taken pursuant to § 11.51 may be admitted as evidence.

(c) *Government documents.* Official documents, records, and papers of the Office, including, but not limited to, all papers in the file of a disciplinary investigation, are admissible without extrinsic evidence of authenticity. These documents, records, and papers may be evidenced by a copy certified as correct by an employee of the Office.

(d) *Exhibits.* If any document, record, or other paper is introduced in evidence as an exhibit, the hearing officer may authorize the withdrawal of the exhibit subject to any conditions the hearing officer deems appropriate.

(e) *Objections.* Objections to evidence will be in short form, stating the grounds of objection. Objections and rulings on objections will be a part of the record. No exception to the ruling is necessary to preserve the rights of the parties.

§ 11.51 Depositions.

(a) Depositions for use at the hearing in lieu of personal appearance of a witness before the hearing officer may be taken by respondent or the OED Director upon a showing of good cause and with the approval of, and under such conditions as may be deemed appropriate by, the hearing officer. Depositions may be taken upon oral or written questions, upon not less than ten days' written notice to the other party, before any officer authorized to administer an oath or affirmation in the place where the deposition is to be taken. The parties may waive the requirement of ten days' notice and depositions may then be taken of a witness at a time and place mutually agreed to by the parties. When a deposition is taken upon written questions, copies of the written questions will be served upon the other party with the notice, and copies of any written cross-questions will be served by hand or ''Express Mail'' not less than five days before the date of the taking of the deposition unless the parties mutually agree otherwise. A party on whose behalf a deposition is taken shall file a copy of a transcript of the deposition signed by a court reporter with the hearing officer and shall serve one copy upon the opposing party. Expenses for a court reporter and preparing, serving, and filing depositions shall be borne by the party at whose instance the deposition is taken. Depositions may not be taken to obtain discovery, except as provided for in paragraph (b) of this section.

(b) When the OED Director and the respondent agree in writing, a deposition of any witness who will appear voluntarily may be taken under such terms and conditions as may be mutually agreeable to the OED Director and the respondent. The deposition shall not be filed with the hearing officer and may not be admitted in evidence before the hearing officer unless he or she orders the deposition admitted in evidence. The admissibility of the deposition shall lie within the discretion of the hearing officer who may reject the deposition on any reasonable basis including the fact that demeanor is involved and that the witness should have been called to appear personally before the hearing officer.

§ 11.52 Discovery.

Discovery shall not be authorized except as follows:

(a) After an answer is filed under § 11.36 and when a party establishes that discovery is reasonable and relevant, the hearing officer, under such conditions as he or she deems appropriate, may order an opposing party to:

(1) Answer a reasonable number of written requests for admission or interrogatories;

(2) Produce for inspection and copying a reasonable number of documents; and

(3) Produce for inspection a reasonable number of things other than documents.

(b) Discovery shall not be authorized under paragraph (a) of this section of any matter which:

(1) Will be used by another party solely for impeachment;

(2) Is not available to the party under 35 U.S.C. 122;

(3) Relates to any other disciplinary proceeding;

(4) Relates to experts except as the hearing officer may require under paragraph (e) of this section;

(5) Is privileged; or

(6) Relates to mental impressions, conclusions, opinions, or legal theories of any attorney or other representative of a party.

(c) The hearing officer may deny discovery requested under paragraph (a) of this section if the discovery sought:

(1) Will unduly delay the disciplinary proceeding;

(2) Will place an undue burden on the party required to produce the discovery sought; or

(3) Consists of information that is available:

(i) Generally to the public;

(ii) Equally to the parties; or

(iii) To the party seeking the discovery through another source.

(d) Prior to authorizing discovery under paragraph (a) of this section, the hearing officer shall require the party seeking discovery to file a motion (§ 11.43) and explain in detail, for each request made, how the discovery sought is reasonable and relevant to an issue actually raised in the complaint or the answer.

(e) The hearing officer may require parties to file and serve, prior to any hearing, a pre-hearing statement that contains:

(1) A list (together with a copy) of all proposed exhibits to be used in connection with a party's case-in-chief;

(2) A list of proposed witnesses;

(3) As to each proposed expert witness:

(i) An identification of the field in which the individual will be qualified as an expert;

(ii) A statement as to the subject matter on which the expert is expected to testify; and

(iii) A statement of the substance of the facts and opinions to which the expert is expected to testify;

(4) Copies of memoranda reflecting respondent's own statements to administrative representatives.

§ 11.53 Proposed findings and conclusions; post-hearing memorandum.

Except in cases in which the respondent has failed to answer the complaint or amended complaint, the hearing officer, prior to making an initial decision, shall afford the parties a reasonable opportunity to submit proposed findings and conclusions and a post-hearing memorandum in support of the proposed findings and conclusions.

§ 11.54 Initial decision of hearing officer.

(a) The hearing officer shall make an initial decision in the case. The decision will include:

(1) A statement of findings of fact and conclusions of law, as well as the

reasons or bases for those findings and conclusions with appropriate references to the record, upon all the material issues of fact, law, or discretion presented on the record, and

(2) An order of default judgment, of suspension or exclusion from practice, of reprimand, or an order dismissing the complaint. The hearing officer shall transmit a copy of the decision to the OED Director and to the respondent. After issuing the decision, the hearing officer shall transmit the entire record to the OED Director. In the absence of an appeal to the USPTO Director, the decision of the hearing officer, including a default judgment, will, without further proceedings, become the decision of the USPTO Director thirty days from the date of the decision of the hearing officer.

(b) The initial decision of the hearing officer shall explain the reason for any default judgment, reprimand, suspension, or exclusion. In determining any sanction, the following four factors must be considered if they are applicable:

(1) Whether the practitioner has violated a duty owed to a client, to the public, to the legal system, or to the profession;

(2) Whether the practitioner acted intentionally, knowingly, or negligently;

(3) The amount of the actual or potential injury caused by the practitioner's misconduct; and

(4) The existence of any aggravating or mitigating factors.

§ 11.55 Appeal to the USPTO Director.

(a) Within thirty days after the date of the initial decision of the hearing officer under §§ 11.25 or 11.54, either party may appeal to the USPTO Director. The appeal shall include the appellant's brief. If more than one appeal is filed, the party who files the appeal first is the appellant for purpose of this rule. If appeals are filed on the same day, the respondent is the appellant. If an appeal is filed, then the OED Director shall transmit the entire record to the USPTO Director. Any cross-appeal shall be filed within fourteen days after the date of service of the appeal pursuant to § 11.42, or thirty days after the date of the initial decision of the hearing officer, whichever is later. The cross-appeal shall include the cross-appellant's brief. Any appellee or cross-appellee brief must be filed within thirty days after the date of service pursuant to § 11.42 of an appeal or cross-appeal. Any reply brief must be filed within fourteen days after the date of service of any appellee or cross-appellee brief.

(b) An appeal or cross-appeal must include exceptions to the decisions of the hearing officer and supporting reasons for those exceptions. Any exception not raised will be deemed to have been waived and will be disregarded by the USPTO Director in reviewing the initial decision.

(c) All briefs shall:

(1) Be filed with the USPTO Director at the address set forth in § 1.1(a)(3)(ii) of this subchapter and served on the opposing party;

(2) Include separate sections containing a concise statement of the disputed facts and disputed points of law; and

(3) Be typed on 8½ by 11-inch paper, and comply with Rule 32(a)(4)–(6) of the Federal Rules of Appellate Procedure.

(d) An appellant's, cross-appellant's, appellee's, and cross-appellee's brief shall be no more than thirty pages in length, and comply with Rule 28(a)(2), (3), and (5) through (10) of the Federal Rules of Appellate Procedure. Any reply brief shall be no more than fifteen pages in length, and shall comply with Rule 28(a)(2), (3), (8), and (9) of the Federal Rules of Appellate Procedure.

(e) The USPTO Director may refuse entry of a nonconforming brief.

(f) The USPTO Director will decide the appeal on the record made before the hearing officer.

(g) Unless the USPTO Director permits, no further briefs or motions shall be filed.

(h) The USPTO Director may order reopening of a disciplinary proceeding in accordance with the principles that govern the granting of new trials. Any request to reopen a disciplinary proceeding on the basis of newly discovered evidence must demonstrate that the newly discovered evidence could not have been discovered by due diligence.

(i) In the absence of an appeal by the OED Director, failure by the respondent to appeal under the provisions of this section shall result in the initial decision being final and effective thirty days from the date of the initial decision of the hearing officer.

§ 11.56 Decision of the USPTO Director.

(a) The USPTO Director shall decide an appeal from an initial decision of the hearing officer. On appeal from the initial decision, the USPTO Director has authority to conduct a de novo review of the factual record. The USPTO Director may affirm, reverse, or modify the initial decision or remand the matter to the hearing officer for such further proceedings as the USPTO Director may deem appropriate. In making a final decision, the USPTO Director shall review the record or the portions of the record designated by the parties. The USPTO Director shall transmit a copy of the final decision to the OED Director and to the respondent.

(b) A final decision of the USPTO Director may dismiss a disciplinary proceeding, reverse or modify the initial decision, reprimand a practitioner, or may suspend or exclude the practitioner from practice before the Office. A final decision suspending or excluding a practitioner shall require compliance with the provisions of § 11.58. The final decision may also condition the reinstatement of the practitioner upon a showing that the practitioner has taken steps to correct or mitigate the matter forming the basis of the action, or to prevent recurrence of the same or similar conduct.

(c) The respondent or the OED Director may make a single request for reconsideration or modification of the decision by the USPTO Director if filed within twenty days from the date of entry of the decision. No request for reconsideration or modification shall be granted unless the request is based on newly discovered evidence or error of law or fact, and the requestor must demonstrate that any newly discovered evidence could not have been discovered any earlier by due diligence. Such a request shall have the effect of staying the effective date of the order of discipline in the final decision. The decision by the USPTO Director is effective on its date of entry.

§ 11.57 Review of final decision of the USPTO Director.

(a) Review of the final decision by the USPTO Director in a disciplinary case may be had, subject to § 11.55(d), by a petition filed in accordance with 35 U.S.C. 32. The Respondent must serve the USPTO Director with the petition. Respondent must serve the petition in accordance with Rule 4 of the Federal Rules of Civil Procedure and § 104.2 of this Title.

(b) Except as provided for in § 11.56(c), an order for discipline in a final decision will not be stayed except on proof of exceptional circumstances.

§ 11.58 Duties of disciplined or resigned practitioner, or practitioner on disability inactive status.

(a) An excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status shall not engage in any practice of patent, trademark and other non-patent law before the Office. An excluded, suspended or resigned practitioner will not be automatically reinstated at the end of his or her period of exclusion or

suspension. An excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status must comply with the provisions of this section and § 11.60 to be reinstated. Failure to comply with the provisions of this section may constitute both grounds for denying reinstatement or readmission; and cause for further action, including seeking further exclusion, suspension, and for revocation of any pending probation.

(b) Unless otherwise ordered by the USPTO Director, any excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status shall:

(1) Within thirty days after the date of entry of the order of exclusion, suspension, acceptance of resignation, or transfer to disability inactive status:

(i) File a notice of withdrawal as of the effective date of the exclusion, suspension, acceptance of resignation, or transfer to disability inactive status in each pending patent and trademark application, each pending reexamination and interference proceeding, and every other matter pending in the Office, together with a copy of the notices sent pursuant to paragraphs (b) and (c) of this section;

(ii) Provide notice to all State and Federal jurisdictions and administrative agencies to which the practitioner is admitted to practice and all clients the practitioner represents having immediate or prospective business before the Office in patent, trademark and other non-patent matters of the order of exclusion, suspension, acceptance of resignation, or transferred to disability inactive status and of the practitioner's consequent inability to act as a practitioner after the effective date of the order; and that, if not represented by another practitioner, the client should act promptly to substitute another practitioner, or to seek legal advice elsewhere, calling attention to any urgency arising from the circumstances of the case;

(iii) Provide notice to the practitioner(s) for all opposing parties (or, to the parties in the absence of a practitioner representing the parties) in matters pending before the Office of the practitioner's exclusion, suspension, resignation, or transfer to disability inactive status and, that as a consequence, the practitioner is disqualified from acting as a practitioner regarding matters before the Office after the effective date of the suspension, exclusion, resignation or transfer to disability inactive status, and state in the notice the mailing address of each client of the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status who is a party in the pending matter;

(iv) Deliver to all clients having immediate or prospective business before the Office in patent, trademark or other non-patent matters any papers or other property to which the clients are entitled, or shall notify the clients and any co-practitioner of a suitable time and place where the papers and other property may be obtained, calling attention to any urgency for obtaining the papers or other property;

(v) Relinquish to the client, or other practitioner designated by the client, all funds for practice before the Office, including any legal fees paid in advance that have not been earned and any advanced costs not expended;

(vi) Take any necessary and appropriate steps to remove from any telephone, legal, or other directory any advertisement, statement, or representation which would reasonably suggest that the practitioner is authorized to practice patent, trademark, or other non-patent law before the Office; and

(vii) Serve all notices required by paragraphs (b)(1)(ii) and (b)(1)(iii) of this section by certified mail, return receipt requested, unless mailed abroad. If mailed abroad, all notices shall be served with a receipt to be signed and returned to the practitioner.

(2) Within forty-five days after entry of the order of suspension, exclusion, or of acceptance of resignation, the practitioner shall file with the OED Director an affidavit of compliance certifying that the practitioner has fully complied with the provisions of the order, this section, and with the Mandatory Disciplinary Rules identified in § 10.20(b) of this subchapter for withdrawal from representation. Appended to the affidavit of compliance shall be:

(i) A copy of each form of notice, the names and addresses of the clients, practitioners, courts, and agencies to which notices were sent, and all return receipts or returned mail received up to the date of the affidavit. Supplemental affidavits shall be filed covering subsequent return receipts and returned mail. Such names and addresses of clients shall remain confidential unless otherwise ordered by the USPTO Director;

(ii) A schedule showing the location, title and account number of every bank account designated as a client or trust account, deposit account in the Office, or other fiduciary account, and of every account in which the practitioner holds or held as of the entry date of the order any client, trust, or fiduciary funds for practice before the Office;

(iii) A schedule describing the practitioner's disposition of all client and fiduciary funds for practice before the Office in the practitioner's possession, custody or control as of the date of the order or thereafter;

(iv) Such proof of the proper distribution of said funds and the closing of such accounts as has been requested by the OED Director, including copies of checks and other instruments;

(v) A list of all other State, Federal, and administrative jurisdictions to which the practitioner is admitted to practice; and

(vi) An affidavit describing the precise nature of the steps taken to remove from any telephone, legal, or other directory any advertisement, statement, or representation which would reasonably suggest that the practitioner is authorized to practice patent, trademark, or other non-patent law before the Office. The affidavit shall also state the residence or other address of the practitioner to which communications may thereafter be directed, and list all State and Federal jurisdictions, and administrative agencies to which the practitioner is admitted to practice. The OED Director may require such additional proof as is deemed necessary. In addition, for the period of discipline, an excluded or suspended practitioner, or a practitioner transferred to disability inactive status shall continue to file a statement in accordance with § 11.11, regarding any change of residence or other address to which communications may thereafter be directed, so that the excluded or suspended practitioner, or practitioner transferred to disability inactive status may be located if a grievance is received regarding any conduct occurring before or after the exclusion or suspension. The practitioner shall retain copies of all notices sent and shall maintain complete records of the steps taken to comply with the notice requirements.

(3) Not hold himself or herself out as authorized to practice law before the Office.

(4) Not advertise the practitioner's availability or ability to perform or render legal services for any person having immediate or prospective business before the Office as to that business.

(5) Not render legal advice or services to any person having immediate or prospective business before the Office as to that business.

(6) Promptly take steps to change any sign identifying the practitioner's or the practitioner's firm's office and the practitioner's or the practitioner's firm's stationery to delete therefrom any

advertisement, statement, or representation which would reasonably suggest that the practitioner is authorized to practice law before the Office.

(c) An excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status after entry of the order of exclusion or suspension, acceptance of resignation, or transfer to disability inactive status shall not accept any new retainer regarding immediate or prospective business before the Office, or engage as a practitioner for another in any new case or legal matter regarding practice before the Office. The excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status shall be granted limited recognition for a period of thirty days. During the thirty-day period of limited recognition, the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status shall conclude work on behalf of a client on any matters that were pending before the Office on the date of entry of the order of exclusion or suspension, or acceptance of resignation. If such work cannot be concluded, the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status shall so advise the client so that the client may make other arrangements.

(d) *Required records.* An excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status shall keep and maintain records of the various steps taken under this section, so that in any subsequent proceeding proof of compliance with this section and with the exclusion or suspension order will be available. The OED Director will require the practitioner to submit such proof as a condition precedent to the granting of any petition for reinstatement.

(e) An excluded, suspended or resigned practitioner, or practitioner on disability inactive status who aids another practitioner in any way in the other practitioner's practice of law before the Office, may, under the direct supervision of the other practitioner, act as a paralegal for the other practitioner or perform other services for the other practitioner which are normally performed by laypersons, provided:

(1) The excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status is a salaried employee of:

(i) The other practitioner;

(ii) The other practitioner's law firm; or

(iii) A client-employer who employs the other practitioner as a salaried employee;

(2) The other practitioner assumes full professional responsibility to any client and the Office for any work performed by the excluded, suspended or resigned practitioner for the other practitioner;

(3) The excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status does not:

(i) Communicate directly in writing, orally, or otherwise with a client of the other practitioner in regard to any immediate or prospective business before the Office;

(ii) Render any legal advice or any legal services to a client of the other practitioner in regard to any immediate or prospective business before the Office; or

(iii) Meet in person or in the presence of the other practitioner in regard to any immediate or prospective business before the Office, with:

(A) Any Office employee in connection with the prosecution of any patent, trademark, or other case;

(B) Any client of the other practitioner, the other practitioner's law firm, or the client-employer of the other practitioner; or

(C) Any witness or potential witness whom the other practitioner, the other practitioner's law firm, or the other practitioner's client-employer may or intends to call as a witness in any proceeding before the Office. The term ''witness'' includes individuals who will testify orally in a proceeding before, or sign an affidavit or any other document to be filed in, the Office.

(f) When an excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status acts as a paralegal or performs services under paragraph (e) of this section, the practitioner shall not thereafter be reinstated to practice before the Office unless:

(1) The practitioner shall have filed with the OED Director an affidavit which:

(i) Explains in detail the precise nature of all paralegal or other services performed by the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status, and

(ii) Shows by clear and convincing evidence that the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status has complied with the provisions of this section and all Mandatory Disciplinary Rules identified in § 10.20(b) of this subchapter; and

(2) The other practitioner shall have filed with the OED Director a written statement which:

(i) Shows that the other practitioner has read the affidavit required by paragraph (d)(1) of this section and that the other practitioner believes every statement in the affidavit to be true, and

(ii) States why the other practitioner believes that the excluded, suspended or resigned practitioner, or practitioner transferred to disability inactive status has complied with paragraph (c) of this section.

§ 11.59 Dissemination of disciplinary and other information.

(a) The OED Director shall inform the public of the disposition of each matter in which public discipline has been imposed, and of any other changes in a practitioner's registration status. Public discipline includes exclusion, as well as exclusion on consent; suspension; and public reprimand. Unless otherwise ordered by the USPTO Director, the OED Director shall give notice of public discipline and the reasons for the discipline to disciplinary enforcement agencies in the State where the practitioner is admitted to practice, to courts where the practitioner is known to be admitted, and the public. If public discipline is imposed, the OED Director shall cause a final decision of the USPTO Director to be published. Final decisions of the USPTO Director include default judgments. See § 11.54(a)(2). If a private reprimand is imposed, the OED Director shall cause a redacted version of the final decision to be published.

(b) *Records available to the public.* Unless the USPTO Director orders that the proceeding or a portion of the record be kept confidential, the OED Director's records of every disciplinary proceeding where a practitioner is reprimanded, suspended, or excluded, including when said sanction is imposed by default judgment, shall be made available to the public upon written request, except that information may be withheld as necessary to protect the privacy of third parties or as directed in a protective order issued pursuant to § 11.44(c). The record of a proceeding that results in a practitioner's transfer to disability inactive status shall not be available to the public.

(c) *Access to records of exclusion by consent.* Unless the USPTO Director orders that the proceeding or a portion of the record be kept confidential, an order excluding a practitioner on consent under § 11.27 and the affidavit required under paragraph (a) of § 11.27 shall be available to the public, except that information in the order or affidavit

may be withheld as necessary to protect the privacy of third parties or as directed in a protective order under § 11.44(c). The affidavit required under paragraph (a) of § 11.27 shall not be used in any other proceeding except by order of the USPTO Director or upon written consent of the practitioner.

§ 11.60 Petition for reinstatement.

(a) *Restrictions on reinstatement.* An excluded, suspended or resigned practitioner shall not resume practice of patent, trademark, or other non-patent law before the Office until reinstated by order of the OED Director or the USPTO Director.

(b) *Petition for reinstatement.* An excluded or suspended practitioner shall be eligible to apply for reinstatement only upon expiration of the period of suspension or exclusion and the practitioner's full compliance with § 11.58. An excluded practitioner shall be eligible to apply for reinstatement no earlier than at least five years from the effective date of the exclusion. A resigned practitioner shall be eligible to petition for reinstatement and must show compliance with § 11.58 no earlier than at least five years from the date the practitioner's resignation is accepted and an order is entered excluding the practitioner on consent.

(c) *Review of reinstatement petition.* An excluded, suspended or resigned practitioner shall file a petition for reinstatement accompanied by the fee required by § 1.21(a)(10) of this subchapter. The petition for reinstatement shall be filed with the OED Director. An excluded or suspended practitioner who has violated any provision of § 11.58 shall not be eligible for reinstatement until a continuous period of the time in compliance with § 11.58 that is equal to the period of suspension or exclusion has elapsed. A resigned practitioner shall not be eligible for reinstatement until compliance with § 11.58 is shown. If the excluded, suspended or resigned practitioner is not eligible for reinstatement, or if the OED Director determines that the petition is insufficient or defective on its face, the OED Director may dismiss the petition. Otherwise the OED Director shall consider the petition for reinstatement. The excluded, suspended or resigned practitioner seeking reinstatement shall have the burden of proof by clear and convincing evidence. Such proof shall be included in or accompany the petition, and shall establish:

(1) That the excluded, suspended or resigned practitioner has the good moral character and reputation, competency, and learning in law required under § 11.7 for admission;

(2) That the resumption of practice before the Office will not be detrimental to the administration of justice or subversive to the public interest; and

(3) That the suspended practitioner has complied with the provisions of § 11.58 for the full period of suspension, that the excluded practitioner has complied with the provisions of § 11.58 for at least five continuous years, or that the resigned practitioner has complied with § 11.58 upon acceptance of the resignation.

(d) *Petitions for reinstatement—Action by the OED Director granting reinstatement.* (1) If the excluded, suspended or resigned practitioner is found to have complied with paragraphs (c)(1) through (c)(3) of this section, the OED Director shall enter an order of reinstatement, which shall be conditioned on payment of the costs of the disciplinary proceeding to the extent set forth in paragraphs (d)(2) and (3) of this section.

(2) *Payment of costs of disciplinary proceedings.* Prior to reinstatement to practice, the excluded or suspended practitioner shall pay the costs of the disciplinary proceeding. The costs imposed pursuant to this section include all of the following:

(i) The actual expense incurred by the OED Director or the Office for the original and copies of any reporter's transcripts of the disciplinary proceeding, and any fee paid for the services of the reporter;

(ii) All expenses paid by the OED Director or the Office which would qualify as taxable costs recoverable in civil proceedings; and

(iii) The charges determined by the OED Director to be ''reasonable costs'' of investigation, hearing, and review. These amounts shall serve to defray the costs, other than fees for services of attorneys and experts, of the Office of Enrollment and Discipline in the preparation or hearing of the disciplinary proceeding, and costs incurred in the administrative processing of the disciplinary proceeding.

(3) An excluded or suspended practitioner may be granted relief, in whole or in part, only from an order assessing costs under this section or may be granted an extension of time to pay these costs, in the discretion of the OED Director, upon grounds of hardship, special circumstances, or other good cause.

(e) *Petitions for reinstatement—Action by the OED Director denying reinstatement.* If the excluded, suspended or resigned practitioner is found unfit to resume the practice of patent law before the Office, the OED Director shall first provide the excluded, suspended or resigned practitioner with an opportunity to show cause in writing why the petition should not be denied. Failure to comply with § 11.12(c) shall constitute unfitness. If unpersuaded by the showing, the OED Director shall deny the petition. The OED Director may require the excluded, suspended or resigned practitioner, in meeting the requirements of § 11.7, to take and pass an examination under § 11.7(b), ethics courses, and/or the Multistate Professional Responsibility Examination. The OED Director shall provide findings, together with the record. The findings shall include on the first page, immediately beneath the caption of the case, a separate section entitled ''Prior Proceedings'' which shall state the docket number of the original disciplinary proceeding in which the exclusion or suspension was ordered.

(f) *Resubmission of petitions for reinstatement.* If a petition for reinstatement is denied, no further petition for reinstatement may be filed until the expiration of at least one year following the denial unless the order of denial provides otherwise.

(g) *Reinstatement proceedings open to public.* Proceedings on any petition for reinstatement shall be open to the public. Before reinstating any excluded or suspended practitioner, the OED Director shall publish a notice of the excluded or suspended practitioner's petition for reinstatement and shall permit the public a reasonable opportunity to comment or submit evidence with respect to the petition for reinstatement.

§ 11.61 Savings clause.

(a) A disciplinary proceeding based on conduct engaged in prior to September 15, 2008 may be instituted subsequent to such effective date, if such conduct would continue to justify suspension or exclusion under the provisions of this part.

(b) No practitioner shall be subject to a disciplinary proceeding under this part based on conduct engaged in before the effective date hereof if such conduct would not have been subject to disciplinary action before September 15, 2008.

(c) Sections 11.24, 11.25, 11.28 and 11.34 through 11.57 shall apply to all proceedings in which the complaint is filed on or after the effective date of these regulations. Section 11.26 and 11.27 shall apply to matters pending on or after September 15, 2008.

(d) Sections 11.58 through 11.60 shall apply to all cases in which an order of suspension or exclusion is entered or resignation is accepted on or after September 15, 2008.

§§ 11.62–11.99 [Reserved]

PART 41—PRACTICE BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

■ 43. The authority citation for 37 CFR part 41 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2), 3(a)(2)(A), 21, 23, 32, 41, 134, 135.

■ 44. Revise § 41.5(e) to read as follows:

§ 41.5 Counsel.

* * * * *

(e) *Referral to the Director of Enrollment and Discipline.* Possible violations of the disciplinary rules in part 11 of this subchapter may be referred to the Office of Enrollment and Discipline for investigation. See § 11.22 of this subchapter.

Date: July 31, 2008.

Jon W. Dudas,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

[FR Doc. E8–18109 Filed 8–13–08; 8:45 am]

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