MILES & STOCKBRIDGE P.C.

Cameron K. Weiffenbach
Registered to practice before U.S. Patent & Trademark Office
(703) 610-8632
cweiffenbach@milesstockbridge.com

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Mail Stop OED
United States Patent and Trademark Office
c/o William R. Covey, Deputy General Counsel
for Enrollment and Discipline and
Director of the Office of Enrollment and Discipline
P.O. Box 1450
Alexandria, Virginia 22313–1450

RE: Comments on *Federal Register* notice dated January 5, 2012
Implementation of Statute of Limitations Provisions for Office Disciplinary Proceedings

Dear Director Covey:

I appreciate the opportunity to present comments on the two proposed rule changes in light of the amendment to 35 U.S.C. §32, in particular, that a disciplinary proceeding be commenced not later than one-year after the date on which the misconduct forming the basis of the proceeding is made known to an officer or employee of the Office. The opinions expressed herein are those of the undersigned and do not necessarily reflect the views of Miles & Stockbridge or its clients.

In order to comply with the change in the statute, the Office proposes to add paragraph 37 C.F.R. §11.22(f)(3): "The OED Director shall request information and evidence from the practitioner prior to convening a panel of the Committee on Discipline under [37 C.F.R.] §11.32" and to amend 37 C.F.R. § 11.34 to add, *inter alia*, new section (d)(3), which as proposed recites that "with respect to complaints under [37 C.F.R.] §11.32, the date [on which the misconduct forming the basis for a disciplinary proceeding] is the date on which the OED Director receives from the practitioner, who is the subject of an investigation commenced under section [37 C.F.R.] §11.22(a), a complete, written response to a request for information and evidence issued pursuant to [37 C.F.R.] §11.22(f)(1)(ii)."

My comments are only directed to the aforementioned amendments. I have no comments with respect to proposed rules 37 C.F.R. §§11.34(d), (d)(1) or (d)(2).

It appears to this commentator that the proposed addition to §11.22(f)(3) is redundant. Requests for information and evidence are already provided for in existing §11.22(f)(1), which provides:

"In the course of the investigation, the OED Director may request information and evidence regarding possible grounds for discipline of a practitioner from: ... (ii) [t]he practitioner ...." Because §11.32 provides that after conducting an investigation, the OED Director shall convene a panel of the Committee on Discipline to determine if probable cause exists to bring a disciplinary action, it is inherent that, when §§11.22(f)(1) and 11.32 are read together, the OED Director may request information and evidence regarding possible grounds for discipline from a practitioner. Thus, I do not see any purpose for adding §11.22(f)(3). Furthermore, no reference is made to it in the proposed amendment to Rule 11.34 or any other section of Rule 11.22 as amended.

As for the proposed Rule 11.34(d)(3) to set a date for tolling the one-year statute of limitations pursuant to §11.32 determinations, the standard proposed by the Office is very vague and would not set a recognizable date. The standard proposed would be the date on which there is "a complete, written response to a request for information and evidence." The proposed standard does not provide sufficient notice to practitioners as to the date that will start tolling the one year statute of limitations. The standard does not answer the basic questions of who, what, when, how and why. Who will determine that a "complete, written response" has been provided, the OED Director, the Committee on Discipline, the USPTO Director, or the practitioner? What constitutes a "complete, written response"? What are the criteria for determining whether a written response is "complete" and how would the written response be considered "complete"? When is a written response considered "complete"? What if there is no request for information and evidence required because OED decided that there was no need to request further information and/or evidence? In this case, the standard defined in the proposed rule would be meaningless. What if the practitioner does not see that his response to a request for information and evidence is "complete" before his case is taken to the Committee on Discipline or the OED Director enters into settlement negotiations? In this case, has the standard been met?

The *Federal Register* notice states on page 457 (col. 2) that the notice "proposed that the one-year statute of limitations commences, with respect to complaints [assuming this means Rule 11.32] predicated on the receipt of a probable cause determination from the Committee on Discipline ...." Proposed Rules 11.34(d)(1) and (d)(2) set certain recognizable dates, namely, the dates certain certified records are received by the USPTO. As proposed, however, Rule 11.34(d)(3) does not set a recognizable date or stipulate that the one-year period begins to toll on the date the Committee on Discipline determines probable cause. If the latter date is what the Office intended, then proposed Rule 11.34(d)(3) should so state, e.g., "with respect to complaints under § 11.32, the date on which OED Director receives a determination of probable cause from the Committee on Discipline ." This is a recognizable date.

However, if the Office did not intend to use the date the Committee determines probable cause, but rather a date prior to the Committee determination, then proposed Rule 11.34(d)(3) is very

vague because it does not clearly set a recognizable date. For reasons set forth below, an alternative is suggested that would provide a recognizable date.

The *Federal Register* notice outlines on pages 458 and 459 current investigation procedures. According to the notice, these procedures comprise four steps prior to the filing of a §11.34 disciplinary complaint against a practitioner:

> Step (1): a preliminary screening of the allegations made against the practitioner.
>
> Step (2): a request of information from the practitioner about his or her alleged conduct.
>
> Step (3): a thorough investigation is conducted after providing the practitioner an opportunity to respond to the allegations.
>
> Step (4): after the investigation, the case is submitted to the Committee on Discipline for a determination of whether there is probable cause to bring charges against the practitioner.

According to the Federal Register Notice at page 458 (col 2):

> [T]he OED Director recognizes that issuing a request for information to the practitioner—the second step—typically triggers anxiety for the practitioner, may interfere with the practitioner's practice, and may cause the practitioner to incur legal expenses in responding to investigative inquiries by OED. For this reason also, OED does not contact the practitioner automatically upon receipt of information alleging a practitioner committed an ethical violation. In short, the OED Director seeks the practitioner's side of the story, if at all, only after the OED Director preliminarily screens the information and determines that possible grounds for discipline exist. *See* 37 CFR 11.22(d).

The *Federal Register* notice, on page 459 (paragraph bridging cols. 1 and 2), further states that "[t]ypically, the OED Director does not have sufficient information to complete a thorough investigation – the third step – before the practitioner has had an opportunity to present his or her side of the story." Still further, the notice states that "[i]t is unfair to a practitioner that the basis of a disciplinary proceeding be predicated only on the allegations levied against him or her without providing the practitioner an opportunity to respond to the allegations."

Under current practice, after receiving a grievance that suggests that there may have been an ethical violation, OED does not simply request the practitioner's side of the story. The first letter that a practitioner receives from OED is accusatory and is nothing short of a Show Cause Order

why the practitioner should not be disciplined based on the allegations set forth in the grievance. The universal reaction by practitioners who have received such letters is that, even though the practitioner has not had a chance to present his or her side of the story, (i) the OED Director has already determined and formed an opinion that the grievant's allegations are true, (ii) the OED Director has formed an opinion under 37 C.F.R. §11.32 that there has been a violation of at least one disciplinary rule, and (iii) the OED Director is ready to bring a disciplinary action unless the practitioner can show cause as to why disciplinary action should not be taken. These letters often include requests for information and evidence, and sometimes include objectionable accusatory - why did you do it - questions, even though the practitioner has not had an opportunity to present his or her side of the story. Under current investigative practice by OED, there is no clear demarcation between Steps (2) and (3) as set forth in the *Federal Register* notice.

I was Director of OED for almost 10 years, and I have been representing practitioners before OED for over 10 years. Based on my experience as OED Director, there were grievances to OED that did not warrant consideration because the allegations in the grievances were either baseless or raised matters over which OED had no jurisdiction. However, a majority of grievances I reviewed had allegations that required consideration because the allegation suggested possible violations of the code of professional responsibility. But the grievance presents only the grievant's side of the story. Before any decision can be made to determine whether possible grounds for discipline exist and that an investigation is warranted, it is necessary, as pointed out *supra* in the *Federal Register* notice, to get the practitioner's side of the story first. From my experience as OED Director, after receiving a response by the practitioner to allegations contained in a grievance, it is at this point that the issues are fairly crystalized as to whether an investigation will or will not lead to a disciplinary action.

I would suggest that the Office consider the aforementioned alternative procedure, one which will provide the practitioner (1) with the opportunity to present his or her side of the story before any accusations are made by OED and (2) allow OED to have both sides of the story before opening an investigation. Also, it will set a recognizable date from which the one- year statute of limitations set forth in amended 35 U.S.C. §32 begins. I believe the alternative procedure would comport with the intent of the statutory change by Congress in setting the one-year statute of limitations.

I suggest that § 11.22(d) be amended to first require OED to request from the practitioner, his or her comments on the allegations, information and evidence contained in the grievance. In particular, I would propose the following amendment to §11.22(c):

> *Preliminary screening of information or evidence.* When the OED Director determines that the grievance identified in § 11.22(c) suggests possible grounds

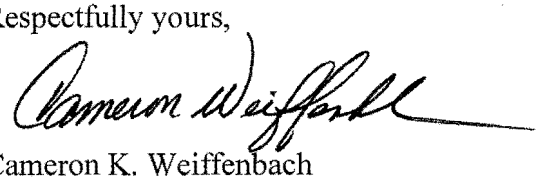
> for discipline of a practitioner, before opening an investigation, the OED Director shall notify a practitioner in writing of the grievance and shall require the practitioner to respond to the allegations in the grievance. After receiving a response from the practitioner, the OED Director shall examine all information or evidence concerning possible grounds for discipline of the practitioner. If the practitioner does not respond, the OED Director may initiate a disciplinary action for the practitioner's failure to cooperate.

The initial letter would include a statement that in responding to the allegations, the practitioner should provide supporting or corroborating evidence to support his or her responses. Irrespective of the final Rule 11.34(d)(3), I would strongly recommend Rule 11.22 be amended as suggested so that the practitioner has an opportunity to respond to a grievance before being accused that he or she may have violated a disciplinary rule to warrant an investigation.

If after receiving the response and examining all information or evidence, the OED Director finds that an investigation is warranted, the practitioner is sent a "Notification of Investigation." Current §11.22(e) prescribes: "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." The Notification would include a statement that under 35 U.S.C. § 32, after reviewing the grievance and the practitioner's response, an investigation is being initiated into whether the practitioner has engaged in conduct constituting possible grounds for discipline. At this point, the misconduct forming the basis for a disciplinary proceeding is made known to an officer or employee of the Office.

Accordingly, I would propose that 37 C.F.R. §11.34(d)(3) recite: "with respect to complaints under § 11.32, the date is the date on which the OED Director issues a Notification of Investigation pursuant to §11.22(e) of this part." In the investigation phase, as set out in existing §11.22(e) and (f), the OED Director can seek additional information and evidence in order to formulate an opinion as to whether grounds exist for discipline and presenting the case to the Committee on Discipline pursuant to 37 C.F.R. §11.32.

Respectfully yours,



Cameron K. Weiffenbach
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