Federal Register

Wednesday,
February 28, 2007

Part III

Department of Commerce

Patent and Trademark Office

37 CFR Part 11

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

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 11

[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: Supplemental Notice of Proposed Rule Making.

SUMMARY: In December 2003, the United States Patent and Trademark Office (Office) proposed amendments to, *inter alia*, the rules governing disciplinary proceedings for attorneys and agents who practice before the Office, principally rules 11.2, 11.3, 11.5, and 11.14 through 11.62. One hundred fifty-seven written comments were received. After reviewing the written comments, the Office has decided to revise several of the rules as then proposed and request additional comments on those revised proposals. Other proposed rules contained in the earlier Notice of Proposed Rule making remain under consideration by the Office. This supplemental notice of proposed rule making sets forth revisions that the Office is proposing to the rules governing the conduct of investigations and disciplinary proceedings. Interested individuals are invited to comment on the proposed revisions in the rules.

DATES: To be ensured of consideration, written comments must be received on or before May 29, 2007.

ADDRESSES: The Office seeks comments regarding the proposed revisions set forth in the proposed rules. Comments should be sent by electronic mail message over the Internet addressed to: *ethicsrules.comments@uspto.gov.* Comments may also be submitted by mail addressed to: Mail Stop OED-Ethics Rules, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, Virginia 22313–1450 or by facsimile to (571) 273–4097, marked to the attention of Harry I. Moatz. Although comments may be submitted by mail or facsimile, the Office prefers to receive comments via the Internet.

Comments may also be sent by electronic mail message over the Internet via the Federal eRulemaking Portal. See the Federal eRulemaking Portal Web site (*http://www.regulations.gov*) for additional instructions on providing comments via the Federal eRulemaking Portal.

The comments will be available for public inspection at the Office of Enrollment and Discipline, located in Madison East, Eighth Floor, 600 Dulany Street, Alexandria, Virginia, and will be available via the Office Internet Web site (address: *http://www.uspto.gov*). Because comments will be made available for public inspection, information that is not desired to be made public, such as an address or phone number, should not be included in the comments.

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: On December 12, 2003, the Office published a proposed rule in the **Federal Register** (68 FR 69441) amending 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 and disciplinary proceedings. Many of the proposed investigation and disciplinary procedural rules were in many ways similar to the approach of the current regulations. Other 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. The provisions on enrollment were adopted in final rules on July 26, 2004, 69 FR 35428. Comments on proposed changes to the substantive ethics rules remain under consideration by the Office. The current notice does not address those proposed rules.

In addition, several proposed rules referenced are directly or indirectly dependent on the development of electronic systems to implement rules governing annual dues, § 11.8, and continuing legal education. For example, §§ 11.8(d), 11.12, and 11.13 are directly dependent on development of the systems, whereas § 11.11(b) is 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 revised rules proposed below do not refer to rules that depend on implementing electronic systems, and no comments are invited regarding the omitted referrals.

A detailed analysis is not included herein of the differences between the rules proposed in December 2003 (proposed rules) and the revised rules currently proposed (revised proposed sections). A comparison of the proposed rules and the revised proposed sections is being made available on the Internet at *http://www.uspto.gov/web/offices/dcom/olia/oed/comparison_ab55.pdf.*

Comments are sought regarding the revised proposed sections that introduce significant procedural or substantive changes. *The following revised proposed sections are believed to be those introducing such changes:* 11.2, 11.5, 11.18 through 11.22, 11.24 through 11.26, 11.28, 11.44, 11.45, and 11.52. This supplemental notice includes other revised proposed sections (sections 11.1 (definition of State), 11.3, 11.14, 11.15, 11.23, 11.27, 11.29, 11.33 through 11.36, 11.38 through 11.41, 11.43, 11.50, 11.51, and 11.54 through 11.61) that are not believed to contain significant procedural or substantive changes from the December 12, 2003 notice; proposed rules that have not been revised (11.29 through 11.31, 11.37, 11.42, 11.46 through 11.49, 11.53, and 11.63 through 11.99); and two proposed rules that, as revised, have been reserved (11.16 and 11.62). The latter three groups of rules have been included to provide both context and perspective for the revised proposed sections that contain significant changes. The table below is included to assist readers in correlating the revised proposed sections with the present rules. While it is believed that further comments are unnecessary regarding rules that have not been revised at all or whose revisions are not significantly changed in procedure or substance, comments may nevertheless be submitted.

TABLE—CONCORDANCE OF SECTIONS 11.14 THROUGH 11.99 WITH PART 10 AND CURRENT PART 11

Section	Part 10 and Part 11 concordance
11.1	New definition of State.

TABLE—CONCORDANCE OF SECTIONS 11.14 THROUGH 11.99 WITH PART 10 AND CURRENT PART 11—Continued

Section	Part 10 and Part 11 concordance
11.2	37 CFR 11.2(a), (b)(4), (c) and (d) changes in language; Subsections 11.2(b)(5), (b)(6) and (e) are new.
11.3	37 CFR 10.170, changes in language.
11.5	37 CFR 10.5, Subsection (b) is new.
11.14	37 CFR 10.14, changes in language; Subsection 11.14(f) is new.
11.15	37 CFR 10.15.
11.16–11.17 [Reserved]	37 CFR 10.16–10.17.
11.18	37 CFR 10.18, changes in language.
11.19	37 CFR 10.1 and 10.130(b), changes in language; Subsections 11.19(b) and (d) are new.
11.20	New.
11.21	New.
11.22	New.
11.23	37 CFR 10.4, changes in language.
11.24	New.
11.25	New.
11.26	37 CFR 10.133(g), changes in language.
11.27	37 CFR 10.133(b) through (g), changes in language.
11.28	New.
11.29–11.31 [Reserved]	New.
11.32	37 CFR 10.132, changes in language.
11.33 [Reserved]	New.
11.34	37 CFR 10.134, changes in language; Subsection 11.134(c) is new.
11.35	37 CFR 10.135, changes in language; Subsection 11.135(a)(4) is new.
11.36	37 CFR 10.136, changes in language; Subsection 11.36(e) is new.
11.37 [Reserved]	New.
11.38	37 CFR 10.138, changes in language.
11.39	37 CFR 10.139, changes in language; Subsections 11.39(b) and (g) are new.
11.40	37 CFR 10.140, changes in language.
11.41	37 CFR 10.141, changes in language.
11.42	37 CFR 10.142.
11.43	37 CFR 10.143, changes in language.
11.44	37 CFR 10.144, changes in language.
11.45	37 CFR 10.145, changes in language and new.
11.46–11.48 [Reserved]	37 CFR 10.146–10.148.
11.49	37 CFR 10.149.
11.50	37 CFR 10.150, changes in language.
11.51	37 CFR 10.151, changes in language.
11.52	37 CFR 10.152, changes in language.
11.53	37 CFR 10.153.
11.54	37 CFR 10.154, changes in language.
11.55	37 CFR 10.155, changes in language; Subsections 11.155(b) through (g) are new.
11.56	37 CFR 10.156, changes in language.
11.57	37 CFR 10.157, changes in language.
11.58	37 CFR 10.158, changes in language, Subsection 11.158(d) is new.
11.59	37 CFR 10.159, changes in language, Subsection 11.159(c) is new.
11.60	37 CFR 10.160, changes in language, Subsections 11.160(d) through (f) are new.
11.61	37 CFR 10.61, changes in language; Subsections 11.161(c) and (d) are new.
11.62–11.99 [Reserved]	New.

Comments regarding proposed rules 11.100 through 11.900 remain under consideration. The Office expects to publish a separate supplemental notice of proposed rule making containing proposed revisions to 11.100 through 11.900 and request comments.

In response to the proposed rule making published December 12, 2003, the Office received one hundred fifty-seven communications with comments, including comments from seventeen organizations, thirteen law firms, seven businesses, one hundred fifteen individuals, and four anonymous sources.

This notice will address only comments concerning the procedural aspects of the earlier proposed rules. It will not address questions concerning the scope or substance of the Office's practitioner ethics program, which it is expected will be the subject of a separate notice. The Office has given full consideration to each and every public comment submitted during the comment period. The Office has revised proposed sections contained herein to retain and clarify, *inter alia,* the OED Director's authority and responsibility for investigations and prosecuting disciplinary matters. The revised proposed sections clarify (1) procedures whereby the OED Director may conduct investigations, (2) consequences for violating § 11.18(b)(2), (3) the disciplinary jurisdiction of the Office, (4) procedures for reciprocal discipline of practitioners who have been suspended or disbarred for ethical or professional misconduct in other jurisdictions, (5) procedures for disciplining practitioners convicted of a serious crime, and (6) procedures for practitioners to raise their own disability issues.

The revised proposed sections eliminate or introduce substantive and procedural changes to the proposed rules. Many revisions were not suggested by the comments. Accordingly, this notice will not address each comment. Instead, the chief comments pertaining to the revisions are addressed herein.

Congress has 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.

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

Discussion of Specific Rules

Title 37 of the Code of Federal Regulations, Part 11, is proposed to be amended as follows:

Section 11.1: The definition of state would be 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. The duties have been revised to clarify that investigations are conducted in matters involving possible grounds for discipline, as opposed to specifying particular violations that would be subject to investigation. The duties are further revised to require the OED Director to provide practitioners with an opportunity to respond to a reasonable inquiry by the OED Director. The OED Director will make reasonable requests for information and documents to efficiently and effectively ascertain whether grounds for discipline exist.

The revised proposed section also separates petitions to review the OED Director's decisions in disciplinary matters from petitions in enrollment matters. Subsections 11.2(c) and (d) would be limited to petitions regarding enrollment and recognition. The Office is proposing a specific procedure for petitioning to invoke the supervisory authority of the USPTO Director in disciplinary matters in subsection (e). The procedure in subsection (e) is comparable to the supervisory review procedure in § 1.181 and assures supervisory review when appropriate.

Section 11.3: Section 11.3, which provides for suspension of rules, has been revised to eliminate a prohibition in proposed rule 11.3(b) against petitioning to waive a disciplinary rule. However, elimination of the prohibition should not be construed as an indication that there could be any extraordinary situation when justice requires waiver of a disciplinary rule. The revised proposed section also eliminates the provisions in proposed rule 11.3(d) for qualified privilege for complaints submitted to the OED Director or any other official of the Office and for immunity for Office employees from disciplinary complaint under Part 11 for any conduct in the course of their official duties.

Section 11.5: The provisions of the sole paragraph of § 11.5 adopted in the final rules on July 26, 2004, would be renumbered as § 11.5(a). Revised subsection 11.5(b) defines practice before the Office. Commentators urged that Congressional approval is needed to define practice before the Office. Authority to govern conduct implicitly includes authorization to recognize activities constituting practice before the Office. The Internal Revenue Service (IRS), citing as authority the provisions in, *inter alia,* 31 U.S.C. 330, defined practice before that agency. The language of § 330(b) and 35 U.S.C. 32 are comparable. Section 330(b) provides ''[a]fter notice and opportunity for a proceeding, the Secretary may suspend or disbar from practice before the Department a representative who—(1) is incompetent; (2) is disreputable; (3) violates regulations prescribed under this section; or (4) with intent to defraud, willfully and knowingly misleads or threatens the person being represented or a prospective person to be represented.'' The relevant language of § 32 is quoted above. Congressional approval to define practice is implicit in these comparable provisions. Accordingly, it is appropriate that the Office define practice before the Office. Revised proposed § 11.5(b) covers all areas of law practiced before the Office. This definition tracks the definition of ''practice'' adopted by the IRS. See 26 CFR 601.501(b)(10) and 31 CFR 10.2(d). The definition addresses law-related services that comprehend all matters presented to the Office relating to a client's rights, privileges, duties and responsibilities under the laws and regulations administered by the Office.

Commentators also expressed concern as to whether practice before the Office was defined too broadly by including participation in drafting applications and including activities ''incident to the preparation and prosecution of patent applications before the Patent Office.'' The Office does not seek to expand its jurisdiction. Accordingly, ''participation'' in drafting applications and activities ''incident to the preparation and prosecution of patent applications before the Patent Office'' are no longer included in the definition. However, the Office has authority to inform registered practitioners whether activities are covered by their registration to practice before the Office. For example, drafting patent applications would continue to be practice before the Office. The revised proposed sections indicate that a registered practitioner must be able to provide clients with advice about relying upon alternative forms of protection that may be available under State law. The revised proposed section indicates that registered practitioners may use nonpractitioners to conduct many of the activities associated with practice before the Office, such as drafting patent applications, provided they work under the supervision of the registered practitioner. The rule permits the more than 30,000 registered patent practitioners to employ non-practitioners to assist practitioners in providing cost-efficient services to clients. It also permits every attorney practicing before the Office in trademark cases to provide cost-efficient services. Thus, practitioners may provide their legal services at lower fees, a result favored by the Office and practitioners. The revised proposed section also recognizes that attorneys representing persons in enrollment and disciplinary matters are engaged in practice before the Office.

But for limited situations noted below, a registered patent agent is not authorized by his or her registration to practice before the Office to draw up a contract or to select contract forms for a client relating to a patent, such as an assignment or a license, if the state in which the agent resides or practices considers drafting contracts the practice of law. Assignments and licenses are the creation of state, not federal, statutory law. 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. In contrast, submission for recordation of assignments and licenses is a ministerial act that does not require legal training. It has been the long-standing position of the Office that a registered patent agent may prepare a patent assignment or license if not prohibited by state law, and an agent may submit the assignment or license for recordation.

The Office solicits comment on whether it 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. For example, execution of a standard assignment document may be incidental to filing an application where the inventor is an employee of an organization, such as a corporation or partnership, and signed an agreement to assign inventions to the organization. It

would be also consistent with the law in some states for a registered patent agent who is a regular (salaried) employee of the organization acting for his or her employer to undertake to prepare assignments only for the employer. If commentators propose that the Office should provide for such situations, they should attempt to articulate standards by which actions strictly incidental to an agent's duties in preparing applications can be distinguished from actions necessitating expert knowledge of state principles for which registered practitioner status does not prepare agents.

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. Misconduct occurring in a non-lawyer or non-agent capacity would be covered by the provisions of revised proposed § 11.19, which identify several grounds for discipline, including, but not limited to, conduct that violates an imperative USPTO Rule of Professional Conduct and a conviction of a serious crime.

Section 11.16: Proposed rule 11.16, regarding financial books and records, has been withdrawn. As revised, § 11.16 would be reserved. Requests for financial records during investigations are addressed *infra* under § 11.22.

Section 11.18: Section 11.18(b) provides that a practitioner certifies the truthfulness of the content of his or her submissions to the Office. Concern was expressed that the prohibition against ''knowingly and willfully'' covering up by any ''trick, scheme or device'' a material fact is unduly broad and meaningless. However, the language in § 11.18(b), ''knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact,'' is taken from 18 U.S.C. 1001. Section 1001, titled ''Statements or entries generally,'' provides: ''Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than five years, or both.'' The Office is only repeating an obligation with which practitioners otherwise have to comply. The section applies the statutory standard of conduct applicable to the submission of material facts in courts to proceedings in the Office. Case law has identified a number of circumstances involving knowingly falsifying material facts by trick, scheme, or device. See *e.g.*, *U.S.* v. *Zavala,* 139 F.2d 830 (2d Cir. 1944). Accordingly, the language has not been changed.

Section 11.18(b)(1) has been revised to clarify that the rule prohibits knowingly or willfully making false, fictitious, or fraudulent statements or representations or knowingly or willfully making or using a false writing or document known to contain any false, fictitious, or fraudulent statement or entry. The section has also been revised to point out that whoever violates the rule is subject to penalties of criminal statutes in addition to those under 18 U.S.C. 1001. Statements in this section to the effect that violations of the rule may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom have been removed as being beyond the scope of § 10.18(b)(1). Inasmuch as an offending paper may have little or no probative value, this section has been revised to state that violation of the rule may jeopardize the probative value of such a paper.

Section 11.18(c) sets forth sanctions that may be imposed for violations of § 11.18(b). Commentators urged that the Office has no authority to impose monetary sanctions for violations of § 11.18(b). As revised, the rule sets forth a non-exhaustive list of sanctions and actions the Office may impose or take. The revised proposed section removes reference to imposition of monetary sanctions. The sanctions have been revised to include striking the offending paper, precluding a practitioner from submitting a paper, and sanctions affecting the weight given to the offending paper. Actions the Office may take include referring a practitioner's conduct to the Office of Enrollment and Discipline for appropriate action.

These sanctions 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 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 11.19: Section 11.19 sets forth the disciplinary jurisdiction of the Office. This section, as well as all other sections, have been revised to eliminate disciplinary provisions directed to ''other individuals.'' Accordingly, revised proposed § 11.19 no longer includes ''other individuals'' within the disciplinary jurisdiction of the Office.

Proposed § 11.19(b), which addressed the jurisdiction of courts and voluntary bar associations to discipline practitioners for misconduct, has been withdrawn in favor of the first paragraph of § 11.1, which is in the final rules adopted on July 26, 2004. It is believed that the first paragraph of § 11.1 sets forth in a manner superior to proposed rule § 11.19(b) that nothing in ''this Part * * * preempt[s] the authority of each State to regulate the practice of law, except to the extent necessary for the United States Patent and Trademark Office to accomplish its Federal objectives.''

''Misconduct'' was defined differently in proposed rules 11.19(c) and 11.804 in the December 12, 2003 proposed rule making. Proposed rule 11.19(c) identified misconduct constituting grounds for discipline whereas proposed rule 11.804 identified professional ''misconduct.'' Reference to ''misconduct'' has been removed from revised § 11.19. As revised, § 11.19(b) sets forth five grounds for discipline. Although § 11.804 is not included in this notice, it is anticipated that § 11.804 will be the only rule that describes professional ''misconduct.'' The grounds for discipline are clarified to provide consistency among the revised disciplinary procedural rules. The grounds for discipline are identified as conviction of a serious crime; discipline on ethical grounds imposed in another jurisdiction or disciplinary

disqualification from participating in or appearing before any Federal program or agency; failure to comply with any order of a Court disciplining a practitioner, or any final decision of the USPTO Director in a disciplinary matter; violation of the imperative USPTO Rules of Professional Conduct; and violation of the oath or declaration taken by the practitioner.

Section 11.20: Section 11.20 sets out the disciplinary sanctions the USPTO Director may impose on a practitioner after notice and opportunity for a hearing. Subsection 11.20(a)(2) has been revised to provide for suspension for an appropriate period of time. The revised proposed section removes provisions that comments suggested needed clarification, such as providing for suspension for an ''indefinite period'' and suspension for a period not in excess of five years. As revised, suspension may be imposed for a period that is appropriate under the facts and circumstances of the case. Subsection 11.20(a)(3) provides for reprimand, including both public and private reprimand. Subsection 11.20(b) provides 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 would be 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 11.21: Section 11.21 provides that a warning is not a disciplinary sanction and that the OED Director may issue a warning at the conclusion of an investigation.

Inasmuch as a warning is not a disciplinary sanction, a warning would not be made public. A provision in the proposed rule requiring the OED Director to consult with and obtain the consent of a Committee on Discipline panel before issuing a warning has been removed as procedurally unnecessary and unduly burdensome. Another provision in the proposed rule, that the warning be final and unreviewable, also has been removed. To afford an avenue for review in disciplinary matters, paragraph (e) has been added to the revised § 11.3 to enable a practitioner to invoke the USPTO Director's supervisory authority.

Section 11.22: Section 11.22 sets forth provisions regarding the conduct of investigations. Consistent with suggestions from commentators, the rule has been revised to distinguish between complaints that initiate investigations and complaints that initiate disciplinary proceedings. Section 11.22 has been revised to refer to communications that initiate an investigation as grievances. The revised proposed sections, such as § 11.34, refer to communications initiating disciplinary proceedings as complaints. The revised proposed sections also omit as unnecessary provisions specifying procedures for screening and docketing matters.

As revised, § 11.22 provides that a practitioner will be notified in writing of the initiation of an investigation into whether the practitioner has engaged in conduct constituting grounds for discipline. In conducting an investigation, the OED Director may request information or evidence 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. See revised proposed § 11.22(f).

As discussed above, proposed § 11.16, regarding financial books and records, has been withdrawn. Nevertheless, the OED Director may still request such information pursuant to revised proposed § 11.22(f) in order to protect the public from practitioners who commingle client funds or improperly fail to refund unearned client funds. For example, evidence that one account of a practitioner has not been properly maintained or that funds of one client have not been properly handled should constitute cause for verifying the accuracy of the account that the practitioner maintains or should maintain containing the funds of the client for practice before the Office. Additionally, either a check drawn on a client trust account returned, for example, due to insufficient funds, or the failure to timely refund unearned funds to a client should similarly constitute cause to verify the contents of the same account. Where the OED Director receives information or evidence involving possible financial issues, the request to the practitioner would be limited to copies of books and records maintained by or for the practitioner for practice before the Office regarding the client. The foregoing examples are the same as those the American Bar Association recommends as grounds for inquiring into a lawyer's accounts. See Rule 30, Verification Of Bank Accounts, of the American Bar Association's Rules for Lawyer Disciplinary Enforcement. The books and records received by the OED Director from the practitioner would be treated as confidential and their use will be limited to the Office's investigation and disciplinary proceeding.

As noted above, the OED Director may request information or evidence. The OED Director's letters to practitioners request information; the letters are no longer called requirements for information. The Office's regulatory ability to require information is on appeal to the Federal Circuit. Among the ethics rules that remain under consideration are the provisions of ABA Model Rule 8.1. Model Rule 8.1 provides that, but for client confidences protected by another rule, a practitioner is prohibited from knowingly failing to respond to a lawful demand for information from a disciplinary authority. A practitioner's failure to comply with the OED Director's request for information conforming to Model Rule 8.1 would risk violating the rule. The Office intends by the change in nomenclature of the OED Director's letter not to change the sanctioning ability of the Office. However, the Office's regulatory ability to take sanctions in view of failure to comply with a request will be addressed in ethics rules that will follow as the Office will be informed by any judicial decision on the question. Additionally, the OED Director, when recommending that the Committee on Discipline approve the institution of formal charges, may reference the practitioner's refusal to provide information or records. The Committee may 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. When the Committee on Discipline finds probable cause, a disciplinary proceeding can be initiated. After the practitioner files an answer, the OED Director may seek the hearing officer's permission to obtain a subpoena for production of relevant information or records. Proposed § 11.52, pertaining to discovery, has been revised to address expressed concerns that the current rule inappropriately limits discovery. Revised proposed section 11.52(a) would permit discovery when a party establishes that discovery is reasonable and relevant. Information or records refused during an investigation may be reasonable and relevant in discovery. See Rules 11.38 and 11.58(a).

Section 11.22(f)(2) provides for requesting information and evidence regarding possible grounds for discipline of a practitioner from a non-grieving client. The request cannot be made unless the OED Director has obtained either the consent of the practitioner or a finding by a Contact Member of the Committee on Discipline

that good cause exists to believe that the possible ground for discipline alleged has occurred with respect to non-grieving clients. The Office agrees with the many comments that contacts with non-grieving clients about a practitioner without contacting the practitioner first should be rare. While many jurisdictions can contact non-grieving clients without established procedures, the Office considers that adoption of procedures to govern the exercise of such authority will best assure that this extraordinary step will be taken only when warranted. The Office therefore proposes to adapt a procedure followed in California, namely Rule 2410b, for the protection of practitioners and their clients. Accordingly, if a practitioner declines to consent, communication with the non-grieving client can occur if a Contact Member finds good cause to believe that a possible ground for discipline has occurred with respect to the non-grieving client. The Contact Member will closely scrutinize a showing made by the OED Director in deciding whether to grant or deny authorization to request the information or evidence.

Requesting information and documents from practitioners, as well as from non-grieving clients enables the OED Director, and ultimately the Office, to efficiently and effectively ascertain whether grounds for disciplining a practitioner exist. The clarification of § 11.22 is intended to result in a fair and consistent application of the rules to practitioners and enable the USPTO Director to protect the public.

Section 11.24: Section 11.24 provides a procedure for reciprocal discipline of a practitioner who has been disbarred or suspended by another jurisdiction (including any federal court and any state or federal administrative body or tribunal), or disciplinarily disqualified from participating in or appearing before any Federal program or agency. The Office would define the terms ''disqualified,'' ''Federal program,'' and ''Federal agency'' for the purposes of deciding whether a practitioner has been disqualified from participating in or appearing before any Federal program or agency. For that purpose, ''disqualified'' 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. 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. For the purposes of deciding whether a practitioner has been disqualified from participating in or appearing before any Federal program or agency, ''Federal program'' would mean any program established by an Act of Congress or administered by a Federal agency and ''Federal agency'' would mean any authority of the executive branch of the Government of the United States.

If an attorney has been disbarred or suspended in another jurisdiction, reciprocal discipline before the Office applies regardless whether the practitioner remains registered as an attorney or agent. If an attorney or registered patent agent is disciplinarily disqualified from participating in or appearing before any Federal program or agency, the practitioner is subject to reciprocal discipline before the Office. The revised proposed section applies reciprocal discipline to both attorneys and registered patent agents.

The reciprocal disciplinary proceeding would be initiated before the USPTO Director. The practitioner would be served with notice of the reciprocal proceeding, and provided an opportunity to reply. The practitioner would also be provided with a copy of the record or order of disbarment, suspension or disciplinary disqualification, and a complaint.

The USPTO Director would hear the reciprocal discipline matter on the documentary record unless the USPTO Director determines that an oral hearing is necessary. After careful review of the statute and case law, it has been concluded that oral hearings are not required for all licensing proceedings. 5 U.S.C. 558 does not itself require the application of 5 U.S.C. 556 to licensing proceedings, such as a disciplinary case. 5 U.S.C. 554 requires the application of § 556 ''in every case of adjudication required by statute to be determined on the record after opportunity for agency hearing,'' with exceptions not applicable here. See § 554(a). The provision of § 554 applies only where Congress has clearly indicated that a hearing required by statute must be a ''trial-type hearing on the record.'' *R.R. Comm'n of Texas* v. *United States,* 665 F. 2d 221, 227 (D.C. Cir. 1985), citing *United States* v. *Florida E. Coast Ry.,* 410 U.S. 224, 234 (1973). There are no decisions so interpreting 35 U.S.C. 32. That statute requires ''notice and opportunity for a hearing,'' and that ''the reasons for any [resulting] suspension or exclusion shall be duly recorded.'' A requirement to record the reasons for the decision is not the same as requiring a trial-type hearing. Accordingly, it is not believed that § 32 triggers §§ 554 and 556. Procedural due process is afforded by providing notice and opportunity to be heard on a documentary record, and recording the reasons for the decision. This is consistent with enrollment proceedings where these matters have long been conducted on the documentary record. Where the USPTO Director determines an oral hearing in a reciprocal disciplinary matter is necessary, the same would be provided.

No change is contemplated to continuing to have oral hearings in disciplinary proceedings before hearing officers conducted under § 11.44. Current § 10.144 and revised proposed § 11.44 provide for conducting disciplinary proceedings before the administrative law judge or hearing officer pursuant to § 556. They also provide for the hearings to be stenographically recorded and transcribed, and the testimony of witnesses to be received under oath or affirmation.

Section 11.24(c) has been revised to address stayed discipline. If a disciplinary sanction 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.

In reciprocal discipline proceedings, the practitioner would be provided with a forty-day period to inform the USPTO Director of: (1) Any argument that the practitioner was not disbarred, suspended or disciplinarily disqualified; and (2) any claim, predicated upon the grounds set forth in §§ 11.24(d)(1)(i) through (d)(1)(iii), that the imposition of the identical discipline would be unwarranted and the reasons for that claim. After expiration of the forty-day period, the USPTO Director would consider any timely filed response.

Pursuant to §§ 11.24(d)(1)(i) through (d)(1)(iii), the practitioner or OED Director could present one or more of the only following three arguments: (1) That the procedure elsewhere was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process; (2) 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; or (3) that the imposition of the same discipline by the Office would result in grave injustice. Under § 11.24(d)(2), if the USPTO Director determines that any of the elements of §§ 11.24(d)(1)(i)

through (d)(1)(iii) exist, the USPTO Director would enter an appropriate order. For example, the USPTO Director might order a hearing before a hearing officer limited to the particular element.

Revised proposed § 11.24(f) provides for conditions when it would be permissible to impose reciprocal discipline *nunc pro tunc.* The practitioner must have promptly notified the OED Director of his or her discipline or disciplinary disqualification and must clearly and convincingly establish that the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58. In such circumstances, the effective *nunc pro tunc* date would be the date the practitioner voluntarily ceased all activities related to practice before the Office and complied with all provisions of § 11.58.

Reinstatement following reciprocal discipline is addressed in § 11.24(g). A practitioner could 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 would provide a revised procedure for interim suspension and discipline based upon conviction of committing a serious crime. Revised proposed § 11.25 parallels the procedure in Rule 19, Lawyers Found Guilty Of A Crime, of the Model Rules for Lawyer Disciplinary Enforcement of the American Bar Association. If a practitioner is convicted of a serious crime, the OED Director would initiate disciplinary action under this section without authorization of the Committee on Discipline. Serious crime was defined in proposed § 11.1 as meaning (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.'' That definition, which 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, would apply in § 11.25.

Before initiating action, the OED Director would exercise reasonable care to confirm that the crime is a ''serious crime'' and that the convicted individual is a practitioner before the Office. For example, OED would consult with either or both prosecutor or state disciplinary counsel to confirm the classification of the crime, as well as obtain information confirming the identity of the convicted individual. OED could also compare information it receives regarding convicted individuals with its records and other records in the Office, in addition to asking the practitioner whether he or she is the person who was convicted. The OED Director would file with the USPTO Director proof of the finding of guilt, and a complaint against the practitioner complying with § 11.34 predicated upon the conviction. The OED Director would request issuance of a notice and order set forth in § 11.25(b)(1). If the crime is not a serious crime, the matter would be processed 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.

Under revised proposed § 11.25(b), interim suspension could not be imposed until the practitioner has been afforded notice and opportunity to be heard. The USPTO Director would serve the practitioner with notice complying with § 11.35(a), (b) or (c) containing 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, within forty days of the date of the notice, of any predicate challenge establishing that interim suspension may not properly be ordered, such as that the crime did not constitute a ''serious crime'' or that the practitioner is not the individual who was convicted. See § 11.25(b)(2). The hearing for interim suspension would be heard on the documentary record and the practitioner's assertion of any predicate challenge. See § 11.25(b)(3). The practitioner would be placed on interim suspension immediately upon proof that the practitioner has been convicted of a serious crime regardless of the pendency of any appeal. See § 11.25(b)(3)(i). Interim suspension may be terminated in the interest of justice upon a showing of extraordinary circumstances. See § 11.25(b)(3)(ii).

Upon entering an order of interim suspension, the matter would be referred to the OED Director for institution of a formal disciplinary proceeding before a hearing officer. A disciplinary proceeding so instituted would not be brought to final hearing until all direct appeals from the conviction are concluded. Review of the initial decision of the hearing officer would be pursuant to § 11.55. See § 11.25(b)(4).

With respect to convictions in the United States, a certified copy of the court record, docket entry, or judgment of conviction in a court of the United States would be conclusive evidence that the practitioner committed the crime and was convicted. The sole issue in a formal disciplinary proceeding would be the nature and extent of the discipline to be imposed as a consequence of the conviction. See § 11.25(c)(1).

Inasmuch as not all other countries always meet minimum due process standards, a conviction in a foreign court even of a ''serious crime'' may not result in automatic disqualification. Therefore, a practitioner convicted in a foreign court of a serious crime may demonstrate in any hearing by clear and convincing evidence: that (1) the procedure in the foreign country was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process and rebut the *prima facie* evidence of guilt, or (2) there are material facts to be considered when determining if a serious crime was committed and whether a disciplinary sanction should be entered. See § 11.25(c)(ii).

Section 11.26: Section 11.26 has been revised to introduce provisions for settlement in disciplinary matters. The proposed rules did not provide for settlement. The revised proposed section codifies current practices.

Section 11.27: The provisions in § 11.27 set forth the procedure for excluding a practitioner on consent. Subsection 11.27(b) has been revised to provide that upon entering an order excluding a practitioner, the USPTO Director may include in the order provisions for other appropriate actions, such as restitution of unearned fees or misappropriated funds. See § 11.22(b).

Section 11.28: The provisions in § 11.28 regarding incapacitated practitioners have been revised to be limited to apply to disciplinary proceedings. As revised, the OED Director would not initiate efforts to have a practitioner declared incapacitated in disciplinary or non-disciplinary instances. Instead, a practitioner may move to have the proceeding held in abeyance because of a current disability or addiction. See § 11.28(a). If the practitioner's motion is granted, the practitioner will be transferred to disability inactive status

and precluded from practicing before the Office. See § 11.28(a)(2). Upon motion of the practitioner or the OED Director, the practitioner may be restored to active status, which will cause the disciplinary proceeding to resume. See §§ 11.28(b), (d) and (e). A practitioner engaging in practice before the Office or representing a party in litigation while on disability inactive status would be good cause for the OED Director to file a motion to resume a disciplinary proceeding that has been held in abeyance.

Section 11.36: Section 11.36, which provides for the practitioner's answer to a complaint, has been revised to provide that a practitioner must affirmatively state any intent to raise disability as a mitigating factor. We agree with comments that disability itself should not be a mitigating factor. Accordingly, the revised proposed section requires the respondent practitioner to specify the disability, its nexus to the misconduct, and the reason it provides mitigation. 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 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 the same standards set forth Section 9.32(i) of the American Bar Association Standards for Imposing Lawyer Sanctions (1992).

Section 11.36(c) has been revised to require a disability defense to be raised at the answer stage. A practitioner who fails to raise the defense at the answer stage cannot rely on the disability absent a showing of good cause to the hearing officer for leave to amend the answer. Revised § 11.36(c) employs language similar to the requirement in the Federal Rules of Criminal Procedure for fixing a deadline for raising an insanity defense. Rule 12.2 of the Fed. R. Crim. P. states ''A defendant who intends to assert a defense of insanity at the time of the alleged offense must so notify an attorney for the government in writing within the time provided for filing a pretrial motion, or at any later time the court sets, and file a copy of the notice with the clerk. A defendant who fails to do so cannot rely on an insanity defense. The court may, for good cause, allow the defendant to file the notice late, grant additional trial-preparation time, or make other appropriate orders.''

Section 11.39: Section 11.39(g) has been added to provide that the hearing officer not engage in *ex parte* discussions with any party regarding the merits of the complaint, beginning with appointment and concluding with the final agency decision. The addition clarifies the period during which the hearing officer is not permitted to discuss the merits of a complaint. The period is of limited duration to enable counsel representing the agency to consult, if necessary, with the hearing officer if court review is sought of the final agency decision.

Section 11.40: In view of changes in the Office's organization and the authorities of the Deputy General Counsel for Intellectual Property and Solicitor, proposed § 11.40(b) has been revised to provide that the Solicitor and attorneys in the Office of the Solicitor shall represent the OED Director in disciplinary proceedings.

Section 11.40(b) also has been revised to provide that the USPTO Director may consult with the OED Director and attorneys representing the OED Director after a final agency decision has been entered concerning any further proceedings. The need for consultation arises in the event that the practitioner seeks review of the decision in the United States District Court for the District of Columbia pursuant to 35 U.S.C. 32. There is no necessity after a final agency decision issues to continue to maintain a wall between the USPTO Director or officials representing the USPTO Director, the OED Director, or those representing the OED Director. The revision codifies current practice and provides that 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.

Section 11.44: Oral hearings before a hearing officer would be conducted as if the proceeding were subject to 5 U.S.C. 556. A hearing officer would thus continue to preside over the disciplinary proceeding. An oral hearing would be unnecessary where, for example, there is a settlement, or the hearing officer entered an order default judgment or summary judgment. If there is an oral hearing, it would also continue to be stenographically recorded and transcribed, and the testimony of witnesses would continue to be received under oath or affirmation. A copy of the transcript of the hearing would continue to become part of the record. The OED Director and respondent would make their own arrangements with the stenographer to obtain a copy of the hearing transcript. An excluded or suspended practitioner would reimburse the Office for OED's expense of the hearing transcript cost, and any fee paid for the services of the reporter. See proposed § 11.60(d)(2)(i). The expense of deposition transcripts would be borne by the party requesting depositions inasmuch as the rules are silent regarding such costs.

Section 11.45: This section has been revised to provide for amending the complaint without authorization from the Committee on Discipline. The purpose of the amendments would be to include additional charges based upon conduct committed before or after the complaint was filed. The hearing officer would have to approve amendment of the complaint and authorize amendment of the answer. The revised practice conforms to disciplinary procedural rules adopted in several states. For example, Missouri Disciplinary Rule 5.15(b) provides that ''[i]f any amendment substantially changes the charges, the respondent shall be given a reasonable time to respond.'' Florida's Rule 3–7.6(h) is a disciplinary rule governing pleadings, including complaints, in Procedures Before a Referee. Rule 3–7.6(h)(6) provides ''[p]leadings may be amended by order of the referee, and a reasonable time shall be given within which to respond thereto.'' In the First Department of New York, disciplinary procedure § 605.11 provides ''[w]henever, in the course of any hearing under these Rules, evidence shall be presented upon which another charge or charges against the Respondent might be made, it shall not be necessary to prepare or serve an additional Notice of Charges with respect thereto, but the Referee may, after reasonable notice to the Respondent and an opportunity to answer and be heard, proceed to the consideration of such additional charge or charges as if they had been made and served at the time of service of the Notice of Charges, and may render its decision upon all such charges as may be justified by the evidence in the case.'' As revised, procedural efficiencies are realized by reducing the time and resources needed to amend the complaint, while expediting resolution of all disciplinary issues that the OED

Director becomes aware of during the proceeding.

Section 11.49: This section would maintain the ''clear and convincing'' burden of proof. Comments overwhelmingly expressed a preference for maintaining the current burden of proof, as opposed to reducing the burden to a preponderance of evidence.

Section 11.52: Section 11.52(b)(1) has been revised pursuant to several suggestions to permit reasonable and relevant discovery. It also permits reasonable and relevant discovery of records and information a practitioner did not disclose or release during an investigation. The provision in the proposed rules for discovery of the identity of Government employees who have investigated the case has been eliminated as unnecessary inasmuch as the investigator(s) is or are named in and sign the inquiry letters mailed to the practitioner.

Section 11.55: Section 11.55 has been reorganized and revised to clarify the process of appealing a decision to the USPTO Director. As revised, the rule would clarify who is the appellant and require all briefs, including reply briefs, to comply with specified standards.

Section 11.56: Section 11.56(b) has been revised to provide that the final decision of the USPTO Director, in addition to disciplining a practitioner or dismissing a disciplinary proceeding, may also reverse or modify the initial decision. The revision conforms to current practice and inherent authority. Section 11.56(b) is further revised to provide that a final decision suspending or excluding a practitioner will require compliance with § 11.58. The final order also may condition reinstatement upon a showing that the practitioner has taken steps to correct or mitigate the matter forming the basis of the action or to prevent a recurrence of the same or similar conduct. Section 11.56(c) has been revised to add a ground on which a request for reconsideration or modification could be granted. Specifically, the request could be granted based on an error of law, a basis that is not provided for by the current rule.

Section 11.57: Section 11.57(a), which pertains to review of final decisions of the USPTO Director at the United States District Court for the District of Columbia, has been revised to draw the practitioner's attention to the necessity for complying with service requirements of Rule 4 of the Federal Rules of Civil Procedure and 37 CFR 104.2. Section 11.57(b), as revised, provides that 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. Excluded or suspended practitioners would be unable to represent clients before the Office or earn income from representing clients before the Office. Accordingly, such circumstances are considered to be the normal result of exclusion or suspension, and would not render a case exceptional to merit a stay of discipline pending appeal. Proof of an exceptional circumstance necessarily requires a showing that there is reason to believe the practitioner would likely succeed on appeal.

Section 11.58: Section 11.58(e) will continue to permit suspended, excluded, or resigned practitioners to act as paralegals for other registered practitioners. The public is adequately protected by requiring the practitioner to notify all clients he or she represents with immediate or prospective business before the Office of the disciplinary action and resulting suspension, exclusion, or resignation. See § 11.58(b)(1)(iii). The clients include, for example, clients for whom the practitioner has prepared and filed papers at the Office, clients for whom the practitioner has been engaged to prepare documents to be filed in the Office but has yet to file any documents, and clients whom the practitioner has billed for work performed or to be performed. The public and other affected persons are adequately protected by precluding the suspended, excluded, or resigned practitioner from communicating directly with the employing practitioner's clients, meeting with those clients, or rendering any legal advice or services to them. Proposed § 11.58(b)(1)(v) has been revised to provide that the disciplined or resigned practitioner must 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. The revision provides operational efficiencies that enable the client, or the client's new counsel in consultation with the client, to determine to whom funds should be transferred to enable the client to pursue his or her legal rights.

Proposed rule 11.58(b), regarding reactivation of practitioners on disability inactive status, has been eliminated as unnecessary. The revised proposed sections have limited disability inactive status to practitioners who are in a disciplinary proceeding and provide procedures for their reactivation in revised proposed § 11.28(b). Disability inactive status would be unavailable to practitioners who are not in a disciplinary proceeding. Accordingly, it is unnecessary to address reactivation of practitioners in disability inactive status in § 11.58.

Section 11.59: Section 11.59 has been revised 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) has been revised to provide that, but for records that the USPTO Director orders to be kept confidential, records of every disciplinary proceeding where a practitioner is reprimanded, suspended, or excluded will be available to the public upon written request. An exception is provided to enable the Office to withhold information as necessary to protect the privacy and commercial interests of third parties. The record of a proceeding that results in a practitioner's transfer to disability inactive status would not be available to the public.

Section 11.60: Section 11.60 has been revised to refer to practitioners who have been excluded on consent as resigned practitioners and to provide for their reinstatement.

Section 11.61: Sections 11.61(c) and (d) have been added to the savings clause to clarify when the specific rule changes would be effective. The provisions of §§ 11.24, 11.25, 11.28 and 11.34 through 11.57 would apply to all proceedings in which the complaint is filed on or after the effective date of these regulations. Sections 11.26 and 11.27 would apply to matters pending on or after the effective date of these regulations. Sections 11.58 through 11.60 would 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.

Classification

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 notice of proposed rule making will not have a significant economic 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 an initial flexibility analysis are not applicable to this rule making because the rules 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 does not affect the fee of $130 previously adopted for petition to the Director of Enrollment and Discipline in enrollment and registration matters.

The rule imposes a $1600 fee for a petition for reinstatement for a suspended or excluded practitioner and removes the $1500 cap on disciplinary proceeding costs that can be assessed against such a practitioner as a condition of reinstatement. Approximately five of the 30,000 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 supplemental notice of proposed 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 supplemental notice of proposed rule making contains revisions that the United States Patent and Trademark Office (USPTO) is proposing to the rules governing the conduct of professional responsibility investigations and disciplinary proceedings. The principal impact of the changes in this supplemental notice of proposed rule making is on registered practitioners. The information collections involved in this proposed rule have been previously reviewed and approved by OMB under OMB control numbers 0651–0012 and 0651–0017. The proposed 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, and PTO–1209.

Type of Review: Approved through March of 2007.

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

Estimated Number of Respondents: 20,231.

Estimated Time per Response: 10 minutes to 40 hours.

Estimated Total Annual Burden Hours: 46,567 hours.

Needs and Uses: The public uses the forms in this collection to ensure that all of the necessary information is provided to the USPTO and to request inclusion on the Register of Patent Attorneys and Agents.

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 2007.

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

Estimated Number of Respondents: 582.

Estimated Time per Response: 5 minutes to 60 hours.

Estimated Total Annual Burden Hours: 8,334 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. 31. The Office of Enrollment and Discipline collects this information to ensure 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 11 Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the United States Patent and Trademark Office proposes to amend 37 CFR Part 11 as follows:

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

1. The authority citation for 37 CFR Part 11 would continue to read as follows:

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

2. Section 11.1 is amended to add the definition of *State* as follows:

§ 11.1 Definitions

* * * * *

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.

* * * * *

3. Section 11.2 is amended to revise paragraphs (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 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 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). 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. 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). 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.

4. Section 11.3 is revised to read as follows:

§ 11.3 Suspension of rules.

(a) Except as provided in paragraph (b) of this section, 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

5. Section 11.5 is revised 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 non-practitioner assistants under the supervision of the practitioner to assist the practitioner in preparation of said presentations.

(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, considering the advisability of relying upon alternative forms of protection that may be available under State law, 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 the Board of Patent Appeals and Interferences, or other proceeding.

(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 registration 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.

6. Sections 11.14 through 11.18 are added 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 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 attorney 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 [Reserved]

§ 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;

(5) Requiring a terminal disclaimer or reducing the term of a patent for a period equal to the period the offending paper is advocated; or

(6) Terminating the proceedings in the Office.

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

7. 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.

(a) All practitioners engaged in practice before the Office; all practitioners administratively suspended under § 11.11(b); all practitioners registered to practice before the Office in patent cases; all practitioners inactivated under § 11.11(c); all practitioners authorized under § 11.6(d) to take testimony; and all practitioners 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 under § 11.11(e) 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.* 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. Grounds for discipline include:

(1) Conviction of a serious crime;

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

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

(4) Violation of the imperative USPTO Rules of Professional Conduct; or

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

(c) Petitions to disqualify a practitioner in *ex parte* or *inter partes* matters in the Office are not governed by §§ 11.19 through 11.806 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.

(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

(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.

§ 11.21 Warnings.

A warning is not 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 imperative USPTO Rules of Professional Conduct 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 Rules of Professional Conduct contained in §§ 11.100 et seq.

(g) *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.

(h) *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 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 disciplined or disciplinarily disqualified, the OED Director shall obtain a certified copy of the record or order regarding the 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 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 disciplined or disciplinarily disqualified together with the complaint, the USPTO Director shall forthwith 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 disbarment, suspension, or disciplinary disqualification;

(2) A copy of the complaint; and

(3) An order directing the practitioner to inform the USPTO Director, within forty days of the date of the notice, of:

(i) Any argument that the practitioner was not disbarred, suspended, or disciplinarily disqualified; and

(ii) Any claim by the practitioner, predicated upon the grounds set forth in paragraphs (d)(1)(i) through (d)(1)(iii) of this section, that the imposition of the identical discipline would be unwarranted and the reasons for that claim.

(c) *Effect of stay in another jurisdiction.* In the event the discipline 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 impose the identical discipline unless the practitioner or OED Director clearly and convincingly demonstrates, or the USPTO Director finds, that it clearly appears upon the face of the record from which the discipline is predicated, 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; or

(iii) The imposition of the same discipline by the Office would result in grave injustice.

(2) If the USPTO Director determines that any of the elements of paragraphs (d)(1)(i) through (d)(1)(iii) of this section exist, the USPTO Director shall enter an appropriate order.

(e) *Conclusiveness of 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 conclusively the ground for discipline for purposes of 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 discipline 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 suspension or disbarment 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, 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. 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 immediate 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 an imperative Rule of Professional Conduct coming to the attention of the OED Director.

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

(1) The USPTO Director has authority to place a practitioner on interim suspension. The USPTO Director may refer any portion of the interim suspension proceeding to a hearing officer with appropriate directions.

(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 inform the USPTO Director, within forty days of the date of the notice, of any predicate challenge establishing that interim suspension may not properly be ordered, such as the crime did not constitute a serious crime or that the practitioner is not the individual found guilty.

(3) *Hearing and interim suspension.* The matter shall be heard on the documentary record for the order for interim suspension and the practitioner's assertion of any predicate challenge.

(i) *Interim Suspension.* The USPTO Director shall place a practitioner on interim suspension immediately upon proof that the practitioner has been convicted of a serious crime, regardless of the pendency of any appeal.

(ii) *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.

(4) *Referral for disciplinary proceeding.* Upon entering an order of interim suspension, the USPTO Director shall refer the matter to the OED Director for institution of a formal disciplinary proceeding. A disciplinary proceeding so instituted 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 be conclusive evidence that the practitioner committed the crime and was convicted. The sole issue

before the hearing officer shall be the nature and extent of the discipline to be imposed as a consequence of the conviction.

(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 be conclusive evidence of the conviction and of any imposed confinement or commitment to imprisonment, and *prima facie* evidence of the practitioner's commission of the crime of which the practitioner has been convicted. However, nothing in this paragraph shall preclude the practitioner from demonstrating in any hearing by clear and convincing evidence:

(i) That the procedure in the foreign country was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process and rebut the *prima facie* evidence of guilt; or

(ii) Material facts to be considered when determining if a serious crime was committed 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 matter 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 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 § 11.24 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 setting forth or 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 fourteen 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 place the practitioner on 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.

(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.

§§ 11.29–11.31 [Reserved]

§ 11.32 Initiating 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)–(5), the OED Director, and 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)–(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 imperative USPTO Rules of Professional Conduct 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 handed 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 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 the USPTO 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 to conduct the hearing, reach a determination, and render 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 for taking action by the hearing officer 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, or the Deputy General Counsel for General Law 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 of 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 may 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 the parties prior to a decision on the motion 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 at hearings in disciplinary proceedings. If the hearing officer determines that an oral hearing is appropriate, the hearing officer shall set the time and place for a hearing. In setting a time and place, the hearing officer shall normally give preference to a Federal facility in the district where the Office's principal office is located or Washington, DC, giving due regard to the convenience and needs of the parties, witnesses, or their representatives. 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. The OED Director and respondent shall make their own arrangements to obtain a copy of the transcript.

(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,* Agreement is reached in advance to exclude from public disclosure information which is privileged or confidential under applicable laws or regulations. If a disciplinary proceeding results in disciplinary sanction against a practitioner, subject to § 11.59(b) the record of the entire disciplinary proceeding, including any settlement agreement, will be available for public inspection.

§ 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 his or her case 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.

(f) 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.

§ 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 should normally be considered:

(1) The public interest;

(2) The seriousness of the grounds for discipline;

(3) The deterrent effects deemed necessary;

(4) The integrity of the legal and patent professions; and

(5) Any extenuating circumstances.

§ 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 shall 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 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.

§ 11.56 Decision of the USPTO Director.

(a) The USPTO Director shall decide an appeal from an initial decision of the hearing officer. 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 USPTO Director in a disciplinary case may be had, subject to § 11.55(d), by a petition filed in the United States District Court for the District of Columbia in accordance with the local rule of said court. 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.

(a) An excluded, suspended or resigned practitioner 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 must comply with the provisions of this section and §§ 11.12 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 shall:

(1) Within thirty days after the date of entry of the order of exclusion, suspension, or acceptance of resignation:

(i) File 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 paragraphs (b) and (c) of this section;

(ii) Provide notice to all bars of which the practitioner is a member 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 or resignation 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 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;

(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 imperative USPTO Rules of Professional Conduct for withdrawal from representation. Appended to the affidavit of compliance shall be:

(i) A copy of each form of notice, the names and addressees 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 shall continue to file a statement in accordance with § 11.11(a), regarding any change of residence or other address to which communications may thereafter be directed, so that the excluded or suspended practitioner 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.

(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 a practitioner's or the practitioner's firm's office and 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, after entry of the order of exclusion or suspension, or acceptance of resignation, 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 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 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 shall so advise the client so that the client may make other arrangements.

(d) *Required records.* An excluded, suspended or resigned practitioner 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 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 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 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 acts as a paralegal or performs services under paragraph (c) 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, and

(ii) Shows by clear and convincing evidence that the excluded, suspended or resigned practitioner has complied with the provisions of this section and all imperative USPTO Rules of Professional Conduct; 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 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 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. 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.* The order excluding a practitioner on consent under § 11.27 shall be available to the public. However, the affidavit required under paragraph (a) of § 11.27 shall not be available to the public or made available for use 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 (2) and (3) below.

(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 in the Official Gazette 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 the effective date of these regulations 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 such effective date.

(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 the effective date of these regulations.

(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 the effective date of these regulations.

§ 11.62–11.99 [Reserved]

Dated: February 5, 2007.

Jon W. Dudas,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

[FR Doc. 07–800 Filed 2–27–07; 8:45 am]

BILLING CODE 3510–16–P