

# AIPLA

## American Intellectual Property Law Association

September 28, 2020

Via Electronic Mail: [AC91.comments@uspto.gov](mailto:AC91.comments@uspto.gov)

Mr. William R. Covey, Esquire  
Deputy General Counsel for Enrollment and Discipline  
and Director of the Office of Enrollment and Discipline  
U.S. Patent and Trademark Office  
Mail Stop OED-AC91  
P.O. Box 1450  
Alexandria, VA 22313-1450

Re: Comments in response to the Notice of Proposed Rulemaking entitled: *Changes in Representation of Others Before the United States Patent and Trademark Office* (Vol. 85, No. 147 *Federal Register*, Thursday, July 30, 2020, Proposed Rules)

Dear Director Covey:

The American Intellectual Property Law Association (“AIPLA”) is committed to promoting the education of AIPLA members and the public about intellectual property and improving professionalism and developing and coordinating a wide spectrum of such activities. AIPLA also provides advisory opinions and seeks to promote professionalism and ethics in the intellectual property profession. We write to submit comments on the Notice of Proposed Rulemaking entitled: *Changes in Representation of Others Before the United States Patent and Trademark Office* (Federal Register/Vol. 85, No. 147/Thursday, July 30, 2020) (“Proposed Rulemaking”).

Founded in 1897, the American Intellectual Property Law Association is a national bar association of approximately 8,500 members who are engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

AIPLA appreciates the USPTO’s willingness to continuously improve the conduct rules applicable to practice before the USPTO. AIPLA previously provided substantive comments to the last major revision of the USPTO Rules of Professional Conduct (“USPTO Rules”), which overhauled the landscape of practice before the USPTO from being based upon the former American Bar Association (“ABA”) Code of Professional Responsibility to the more current Model Rules of Professional Conduct. Within those comments, AIPLA addressed concerns regarding the confidentiality rules. In response to comments, USPTO clarified the ability of a representative to withdraw in certain situations. *See, e.g.*, 78 FR 21090.

Since the USPTO's 2013 rulemaking, the ABA's Model Rules of Professional Conduct have been amended on multiple occasions, and these changes have been adopted by numerous states. Nevertheless, the USPTO has declined to adopt many of these updated rules. In light of the above overview, AIPLA respectfully submits the following comments in response to the Proposed Rulemaking.

### **Registration Examination Extensions**

The Proposed Rulemaking proposes permitting examination extensions to allow an applicant for registration or limited recognition to reschedule a registration examination without re-applying for the same. While the USPTO's willingness to afford applicants an extension of time is commendable, AIPLA believes an extension fee of \$115.00 (per 37 CFR 1.21) is not appropriate, and not commensurate with the amount of time required for OED to facilitate the extension with Prometric. We request that the USPTO amend the proposal to provide this extension of time at no cost for the first request of applicants who are often facing significant challenges at this time in their careers. Should the USPTO desire to defray certain costs, we suggest that such costs be recouped for subsequent requests—not the first request for an extension of time.

### **Settlement**

The USPTO proposes amending the regulations covering settlement to add to 37 CFR 11.26, that: “[e]vidence shall not be excludable on the grounds that such evidence was presented or discussed in a settlement conference.” To the extent this rule means that settlement discussions, documents, and evidence disclosed in such a conference may be admitted into evidence in a practitioner disciplinary proceeding, the proposed revision is a drastic change from practice and procedural due process. The addition of this sentence seems intended to create an untenable situation, in which the respondent in a disciplinary matter has no motivation to cooperate in settlement negotiations in which his or her statements could be admitted against him or her. The Federal Rule of Evidence expressly exclude for most purposes evidence of compromise offers and negotiations. *See Fed. R. Evid. 408*. AIPLA believes the proposed rule change is unnecessary and may create incentives against engaging in settlement discussions with the OED.

### **Advertising Rules**

The USPTO proposes changes to 37 CFR 11.702 (advertising) and 11.703 (solicitation). The proposed changes to 11.702 and 11.703 are stated as intended to more closely align those rules with the ABA's 2012 amendments to those rules. However, in 2018, the ABA thoroughly updated the advertising and solicitation rules to reflect the current state of the practice of law, particularly in light of technological developments. *See ABA Model Rules 7.1 through 7.5; see also Executive Summary, Resolution 101 (Revised), ABA House of Delegates (2018)* (noting that the proposal “...frees bar regulators to focus on truly harmful conduct: advertising that is misleading, harassing, and coercive...[and] will increase access to legal services by freeing lawyers and clients to connect via ever expanding technologies.”). In light of the ABA's constructive revision of the advertising and solicitation rules, we suggest that the USPTO

reconsider its proposed and promulgated rules, and instead align Sections 11.701 through 11.705 with the ABA Model Rules.

### **Reciprocal Discipline**

Presently, pursuant to 37 CFR 11.24, the USPTO has the authority to discipline a practitioner when another jurisdiction has done the same. There is no question that discipline imposed on a practitioner by another jurisdiction would violate USPTO's Rules. *See* 37 CFR 11.804(h) (professional misconduct for a practitioner to be publicly disciplined on ethical grounds by a duly constituted authority of a state, the United States, or a foreign country in which the practitioner resides).

The USPTO proposes to amend 37 CFR 11.19 to add new subparagraph (e). The Proposed amendment upsets a stable, predictable, cost-efficient process for reciprocal discipline by giving the OED Director unfettered discretion to “choose” when he or she wants to follow the reciprocal discipline process in 37 CFR 11.24, or when he or she wants to follow the “original case” process of 37 CFR 11.32 through 34. The proposed rulemaking is a substantial expansion of previous powers of the OED Director, which AIPLA opposes.

Under the current regime, if a state bar suspends a USPTO practitioner for one year, the practitioner will typically receive the same one-year suspension from the USPTO. For example, case law has been interpreted by the USPTO Director to remove any discretion of the OED Director in whether to submit a case for reciprocal discipline, and the sanction imposed.

Reciprocal discipline provides consistency in decision-making between bars, without the right to relitigate the state level disciplinary case at the USPTO, save for distinct factors addressed below. It provides a cost-savings to both the practitioner and the taxpayer. For example, a practitioner who receives a public reprimand by a state bar knows that, theoretically, they will receive no worse than a public reprimand from the USPTO. The practitioner also knows that there is no re-litigation and the scope of the reciprocal proceeding will be narrow—whether he or she was denied due process in the state proceeding or whether imposition of the same sanction would impose a grave injustice or is otherwise unwarranted.

Compared with the rules of procedure for reciprocal proceedings, the rules of procedure governing “original” cases is much more complex and detailed. Under the original case process, the OED Director investigates the practitioner—often for up to a year or more—and thereafter, the OED Director can file a disciplinary complaint against the practitioner. The complaint is assigned to an ALJ, and it proceeds in a fashion similar to civil litigation (i.e., including pleadings, motions practice, summary judgment practice, expert witnesses, dismissal practice, discovery, depositions, and an evidentiary trial, followed by post-hearing briefs, proposed findings of fact and conclusions of law). Normally, after 1-2 years of litigation, an “initial decision” is rendered by the ALJ. This initial decision may then be appealed. Thus, the “original case” process is time-consuming and expensive.

Under the Proposed Rulemaking, the OED Director could decide for whatever reason (or no reason) to follow the complex and time-consuming “original case” process, even where the practitioner has already been disciplined in another jurisdiction. Discretion to ignore reciprocal discipline and file an original case could lead to inconsistent results between jurisdictions. For

example, a practitioner disbarred in a state could take a second bite at the apple and retry his or her case at the USPTO. Each side could impose substantial burdens on the other by filing motions, seeking discovery, engaging experts, and conducting a full-blown disciplinary trial. All of this is permitted in an original case, and none is permitted in a reciprocal discipline case.

The Proposed Rulemaking also appears to indicate that the OED Director could pursue reciprocal discipline under Section 11.24, while also instituting an original disciplinary proceeding under Section 11.32. *See* 85 FR 45814 (“For example, the OED Director is authorized in appropriate circumstances to pursue reciprocal discipline under § 11.24, while also instituting a disciplinary proceeding under § 11.32.”). For practitioners who cannot even afford counsel to defend one case, the possibility of the practitioner having to defend two parallel cases on essentially the same charges is unconscionable.

In the absence of any meaningful justification for these burdens and this uncertainty, we believe that such changes would be improper. AIPLA recommends that the USPTO either maintain the status quo, or provide that such re-litigation of the matter only occur if the sanction sought by the OED Director (and limited to the hearing officer) would be lower than what was originally imposed in the underlying matter.<sup>1</sup>

## Conclusion

AIPLA gratefully acknowledges the efforts by the USPTO to continually update the USPTO Rules and procedural counterparts, to conform to national standards and best practices. We provide these comments to help the USPTO and OED’s mission to protect the public and patent profession, while providing due process protections for practitioners. Thank you for the opportunity to provide these comments and we are happy to discuss them further.

Sincerely,



Barbara A. Fiocco  
President  
American Intellectual Property Law Association

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<sup>1</sup> It is noted that AIPLA believes that the USPTO is free, upon filing a complaint for reciprocal discipline, to depart downward from the state-issued sanction by pursuing a settlement.