

AIPLA

American Intellectual Property Law Association

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Via Federal eRulemaking Portal: www.regulations.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
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Re: Comments in response to the Notice of Proposed Rulemaking entitled:
*Changes to the Representation of Others Before the United States Patent
and Trademark Office* (Vol. 87, No. 173 *Federal Register*, Thursday,
Sept. 8, 2022, Proposed Rules) Docket No.: PTO-C-2021-0045

Dear Director Covey:

The American Intellectual Property Law Association (AIPLA) is pleased to offer its initial comments in response to the Notice of Proposed Rulemaking entitled: *Changes in Representation of Others Before the United States Patent and Trademark Office* (Federal Register/Vol. 87, No. 173) (“Proposed Rulemaking”).

Founded in 1897, the American Intellectual Property Law Association is a national bar association of approximately 7,000 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, including efforts to assist practitioners encountering the discipline process in achieving goals that protect the public, profession, and the practitioner. AIPLA continuously provides substantive comments to many revisions of the USPTO Rules of Professional Conduct (“USPTO Rules”), and we appreciate the USPTO’s willingness to understand the concerns of practitioners. AIPLA’s specific comments on the Proposed Rulemaking are set forth below.

Diversion Program

AIPLA supports the USPTO's proposal to formalize OED's Diversion Pilot Program. The Proposed Rulemaking states that the program exists for "practitioners whose physical or mental health issues or law practice management issues resulted in minor misconduct." AIPLA agrees that the OED Director should have the flexibility in appropriate cases to enter into diversion agreements with practitioners as such diversion programs are consistent with the legal profession's promotion of attorney and agent well-being.

AIPLA agrees that diversion works to protect the public, the profession, and clients, while also keeping in mind that practitioners who err should be afforded an opportunity to address root causes that led to their misconduct and/or to seek appropriate treatment. This includes mental health, drug, alcohol, and other concerns. We understand that the program, which began in September 2017, has had only five participants in the past five years. AIPLA strongly encourages expanded use of the program, as well as an expanded definition of who is eligible for inclusion in the program, especially in the pandemic era.

Technical Corrections to Enrollment Rules

AIPLA supports the USPTO's efforts to clarify fees, word changes, and contact information as clarifying technical corrections to make the regulation of practitioners more streamlined. For example, AIPLA supports the proposal to ensure all practitioners, including foreign attorneys who engage in practice before the USPTO based on reciprocal recognition in trademark matters, keep their contact information with the USPTO up-to-date. However, AIPLA suggests that the requirement may be best suited for inclusion under 37 CFR 11.11(a), as it is for other practitioners and those granted limited recognition. This could be accomplished by simply clarifying that those who have reciprocal recognition are granted limited recognition.

AIPLA also supports the proposed removal of the term "nonimmigrant alien" and clarifying that limited recognition status is not available to non-U.S. citizens who reside outside of the United States, which we believe comports with current practice. AIPLA also supports the proposed removal of emeritus status, which appears to be errant.

Technical Corrections to Disciplinary Rules

AIPLA supports the proposal to streamline rules to create a default period of five (5) days for a party to serve discovery once that discovery has been expressly authorized by the hearing officer, or thirty (30) days for providing a response, provided the order ruling on the motion for discovery does not provide, or is not upon request amended to provide, a different deadline. AIPLA also supports the removal of an affidavit requirement when a practitioner requests to enlarge deadlines for filing an appeal brief following issuance of the hearing officer's initial decision.

Arrangements Between Practitioners and Non-Practitioners

AIPLA recognizes the USPTO's proposed modification of its rules pertaining to affiliations between practitioners and non-practitioners to allow attorneys to share legal fees with a non-practitioner, to form partnerships with a non-practitioner, or to be part of an organization owned by a non-practitioner, provided the partnership does not conflict with appropriate state bar rules. AIPLA is aware of 3 jurisdictions that currently allow some sort of fee-sharing or ownership between practitioners and non-practitioners (i.e., Arizona, District of Columbia, and Utah).

While AIPLA supports the proposed modification in principle, AIPLA believes that the USPTO should undertake further study and review of the potential outcomes resulting from such modification, as well as the efforts of the American Bar Association and other jurisdictions, as they modify and interpret their rules to clarify existing fee-sharing prohibitions.

Substantive Disciplinary Rule Changes

AIPLA firmly opposes the substantive rule changes to the disciplinary rules, which would create a regulatory structure regarding remote hearings, as well as change the requirements for supporting motions.

Briefly, the USPTO proposes removing the requirement that motions during disciplinary proceedings be supported by a memorandum of law, except for motions to dismiss and for summary judgment. While the effort to streamline processes is appreciated, AIPLA understands that USPTO disciplinary proceedings include the same types of substantive and procedural motions typically filed in state and federal court proceedings. AIPLA has concerns that this change may impact due process rights of respondents.

For example, if the government files a motion for discovery, removing the memorandum of law could impact the ability of the respondent (and tribunal) to understand the relevant facts, the applicable law, and arguments applying the law to the facts in support of the relief requested. There may be certain limited motions in which a memorandum of law is unnecessary, including in scheduling matters where a memorandum of law would be unnecessarily burdensome. Therefore, the Office should either withdraw this proposal, or amend it to permit motions to be filed without supporting memoranda only for narrowly defined, non-substantive issues (e.g., motions for extension of time or similar types of housekeeping matters). For all other motions, parties should be required to support their motion with an appropriate memorandum of law, which need not be lengthy or complex.

AIPLA also opposes the Proposed Rulemaking to the extent it claims to "clarify that hearing may be held by videoconference." The Proposed Rulemaking states that: "the amendment reflects the current practice of scheduling and conducting remote hearings." Given the potential penalties, remote hearings may not always be appropriate. Many states have accepted this point and clarified that remote proceedings are optional, and each side has the ability to oppose such. *See, e.g.*, Interim Rules of Procedure of the State Bar of California. AIPLA recommends similar safeguards for USPTO proceedings.

AIPLA understands that it was not until the COVID-19 pandemic that OED began to allow remote interviews or hearings, yet, it appears to have done so without input from the public or practitioners (i.e., the accused). Unfortunately, the Proposed Rulemaking downplays the

proposal as a clarification. Instead, AIPLA urges the USPTO to conduct a study to understand potential bias, accuracy, and technical issues that may have arisen in “virtual” disciplinary trials, in addition to issues surrounding subpoena power.

The “remote” hearing implicates other USPTO disciplinary rules, as noted above, including a tribunal’s ability to compel witnesses to appear. For example, the limitations of Fed. R. Civ. P. 45. *See also Broumand v. Joseph*, 522 F. Supp. 3d 8, 23 (S.D.N.Y. 2021) (“To avoid Rule 45(c)’s geographical limitations, the Court would have to conclude that testimony via teleconference somehow ‘moves a trial to the physical location of the testifying person.’”) (internal citation omitted). A court’s authority to compel the personal attendance of a witness is defined with reference to physical boundaries of the state where the trial is being conducted; a federal trial subpoena compels attendance within the state, or 100 miles of the state, where the person resides, is employed, or regularly transacts business in person. *See* Fed. R. Civ. P. 45. The remote hearing rule presumes the USPTO hearing officers in disciplinary proceedings have nationwide hearing subpoena authority, which is not the case. In fact, the officers who hear USPTO cases do not have authority to issue subpoenas—they can only authorize parties to apply to the court in the jurisdiction where the trial is held to obtain a hearing subpoena and compel the *in-person* appearance of a witness, pursuant to Fed. R. Civ. P. 45. In doing so, it is unclear where the “place” of attendance shall be (*i.e.*, Washington, D.C. where the hearing officers are located).

While AIPLA appreciates options to allow respondents and the USPTO to save resources and promote efficiency and safety through virtual trials, it should remain a choice, where respondents receive a full and fair opportunity to be heard, regardless of whether they elect an in-person or virtual trial. For example, in disciplinary proceedings, a practitioner-respondent should have the right to confront the witnesses, in-person, if they desire. While OED alerts practitioners of their unbiased investigations, the USPTO should ensure procedural safeguards actually exist to ensure the disciplinary proceedings provide basic due process for practitioners.

Conclusion

AIPLA gratefully acknowledges the efforts by the USPTO to continuously update the USPTO Rules, and procedural counterparts, to conform to national standards and best practice. The comments we provide are based on our good faith efforts to help the USPTO and OED’s mission to protect the public and patent profession, while also providing due process and protections for practitioners. We thank you for the opportunity to provide such comments, and are happy to discuss further

Sincerely,



Brian H. Batzli
President

American Intellectual Property Law Association