UNITED STATES
PATENT AND TRADEMARK OFFICE
BEFORE THE ADMINISTRATIVE LAW JUDGE

HARRY I. MOATZ,	)	
Acting Director, Office of	)	
Enrollment and Discipline,	)	
	)	
Complainant,	)	
	)	
v.	)	**Proceeding No. D99-10**
	)	
	)	
MARSHALL ARTHUR BURMEISTER,	)	
	)	
Respondent.	)	

INITIAL DECISION

DATE: March 16, 2004

JUDGE: SUSAN L. BIRO, CHIEF ADMINISTRATIVE LAW JUDGE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY[1]

APPEARANCES:

For Complainant:

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U.S. Patent and Trademark Office
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For Respondent:

Marshall Arthur Burmeister, *Pro Se*
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[1] The Administrative Law Judges of the United States Environmental Protection Agency are authorized to hear cases pending before the United States Department of Commerce, Patent and Trademark Office, pursuant to an Interagency Agreement dated March 22, 1999.

I. PROCEDURAL HISTORY

On November 4. 1999, Harry I. Moatz ("Complainant"), then Acting Director of the Office of Enrollment and Discipline,[2] United States Patent and Trademark Office. Department of Commerce ("PTO"), issued a Complaint against Respondent Marshall Arthur Burmeister ("Respondent" or 'Mr. Burmeister") pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.134.[3] The Complaint charged Respondent in one count with professional misconduct sufficient to warrant suspension or exclusion from practice, by reason of violating the Regulations governing the Representation of Others Before the Patent and Trademark Office, 37 C.F.R. Part 10. Specifically, the Complaint alleged that Respondent had engaged in conduct which had resulted in the Supreme Court of Illinois suspending his law license in that jurisdiction on ethical grounds and, as such, he was in violation of Disciplinary Rules 37 C.F.R. § 10.23(b)(1), 37 C.F.R. § 10.23(b)(6), and 37 C.F.R. § 10.23(c)(5).

On December 30, 1999[4], Respondent, appearing *pro se,* filed his Answer to the Complaint in which he admitted to having engaged in conduct that resulted in his being suspended on ethical grounds by the Supreme Court of Illinois. In addition, Respondent raised two "affirmative defenses" in his Answer: (1) that he has satisfied the criteria imposed in connection with his suspension by the Supreme Court of Illinois and is preparing a petition for reinstatement as a member of the Illinois bar; and (2) that the basis of his suspension was "totally unrelated" to Respondent's practice before the PTO.[5] In accordance with the Order Scheduling Prehearing Procedures and Hearing dated January 11. 2000, Complainant submitted his Prehearing Exchange on February 10, 2000 and Respondent submitted his Prehearing Exchange on or about February 24, 2000.[6] The parties submitted a Joint Set of Stipulated Facts, Exhibits and Testimony on March 31, 2000.

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[2] On April 23, 2000, Mr. Moatz was formally appointed as the Director of the Office of Enrollment and Discipline.

[3] The Complaint was issued after the PTO Committee on Discipline issued its August 11, 1999 "Determination of Probable Cause" to bring charges against Respondent under 37 C.F.R. § 10.23(b) and 10.23(c)(5) in the "state suspension matter." *See,* Complainant's Hearing Exhibit No. 1.

[4] On or about December 3, 1999, Respondent submitted a Motion for Extension of Time Under 37 C.F.R. § 10.136(b) to answer the Complaint, which was granted by Order dated December 14, 1999.

[5] In his Answer, Respondent requested dismissal of the Complaint, or in the alternative that an order be entered either permitting him to practice before the PTO as an agent, or suspending the proceeding pending action by the State of Illinois on a petition to terminate the suspension of his license to practice in Illinois.

[6] Respondent was granted leave to amend his prehearing exchange in open court during (continued...)

A hearing was held in this matter before the undersigned on May 3, 2000 in Chicago. Illinois.[7] At the hearing, Complainant introduced no witness testimony and Respondent was the only witness on his behalf Tr. 10, 12. Complainant's exhibits numbered 1 through 6 (hereinafter cited as "C's Ex.__”) and Respondent's exhibits numbered 1 through 4 (hereinafter cited as "R's Ex. _”) were offered and admitted into evidence.[8] Tr. 77.

On June 21, 2000, Complainant filed a Consented Motion to Stay which was granted by Order dated June 26. 2000. That Order stayed the proceedings in this case for a period of up to three years from the date of the Order to provide Respondent with an opportunity to complete appellate proceedings before the Supreme Court of Illinois regarding his petition for reinstatement to the bar. That Order further required that Respondent provide status reports to the undersigned in six month increments regarding such appellate proceedings, which Respondent did.[9] *See,* Status Reports dated December 22, 2000, June 25, 2001, December 24, 2001, June 25, 2002, and December 26, 2002.

On February 20. 2003, an Order was issued reminding the parties of the expiring stay and requesting their input regarding further appropriate proceedings in the case. On June 6, 2003, the parties submitted a Joint Statement in response to that Order wherein they indicated that, since there had been no final resolution of the appellate proceedings regarding Respondent's reinstatement, they agreed that this matter should proceed and a post hearing briefing schedule established. An Order consistent with the parties' requests was issued on June 23, 2003.

On July 23, 2003, Complainant filed his Initial Post-Hearing Brief Respondent filed his

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[6](...continued)
the hearing held in this case on May 3, 2000. *See,* Transcript of hearing held on May 3, 2000, pp. 7, 28.

[7] Citation to the transcript of the hearing will be in the following.form: "Tr. __”.

[8] Attached to Respondent's Post-Hearing Brief is a lengthy Appendix containing some 30 documents, some of which were neither offered nor admitted into evidence at the hearing. Respondent has not moved to reopen the record to admit these additional documents as exhibits. Therefore, those documents contained in the Appendix which were not admitted into the record at hearing, are not being considered as evidence before this Tribunal.

[9] The Status Reports filed by Respondent indicated that, despite being given three years to do so, he had not actually filed any petition for reinstatement with the Supreme Court of Illinois because he had been unable to resolve one of the prerequisite issues to his reinstatement involving the repayment of a debt.

Post-Hearing Brief on December 17, 2003.[10] The record closed with the filing of Complainant's Reply Brief on January 14, 2004.

II. STANDARDS FOR IMPOSITION OF SANCTIONS

A. Disciplinary Rules

The Regulations governing the representation of others before the Patent and Trademark Office provide at 37 C.F.R. § 10.130(a), in pertinent part, that "[t]he Commissioner may, after notice and opportunity for a hearing, (1) reprimand or (2) suspend or exclude, ... any individual [or] attorney ... shown to be incompetent or disreputable, who is guilty of gross misconduct, or who violates a Disciplinary Rule." *See also,* 35 U.S.C. § 32 (2003).

Complainant has alleged that Mr. Burmeister violated the PTO's Disciplinary Rules set forth in 37 C.F.R. §§ l0.23(b)(1), (b)(6) and (c)(5) which provide, in relevant part, that:

(b) A practitioner shall not:

(1) Violate a Disciplinary Rule)[11]

* * *

(6) Engage in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office.

* * *

(c) Conduct which constitutes a violation of paragraph[] ....(b) of this section includes…

* * *

(5) Suspension or disbarment from practice as an attorney or agent on ethical grounds by any duly constituted authority of a State…

B. Standard of Proof

The Regulations governing the representation of others before the Patent and Trademark Office, provide at 37 C.F.R. § 10.149, that:

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[10] Based upon illness, Respondent requested and was granted three extensions of time to file his post-hearing brief. *See,* Orders dated September 8, 2003, November 13, 2003, and December 22, 2003.

[11] 37 C.F.R. §10.20(b) indicates those sections of the Code considered "Disciplinary Rules," which are defined as being "mandatory in character and state the minimum level of conduct below which no practitioner can fall without being subject to disciplinary action."

> In a disciplinary proceeding, the 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.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

Respondent, Marshall Arthur Burmeister, is now 82 years old, having been born in Illinois on July 17. 1922. Tr. 15. In 1944, Mr. Burmeister received a Bachelor of Science degree in physics from Northwestern University. *Id.* He then obtained a law degree from the University of Wisconsin Law School and was admitted to practice law in the State of Illinois on January 9, 1950. *Id.; see* also, Stipulation 1 of the Joint Set of Stipulated Facts, Exhibits and Testimony filed by the parties on March 31, 2000 (hereinafter cited in the form of "Stip __ .").

Some 54 years ago, on September 21, 1950, Respondent was registered as an attorney to practice before the PTO, Registration No. 16,701. *See,* Stip 1. Following his bar admission and PTO registration, Respondent engaged continually and almost exclusively in the practice of patent and trademark law in Illinois. Tr. 15, Stip 2.

On November 30, 1994[12] the Illinois Supreme Court entered a Judgment against Respondent suspending him "from the practice of law for a period of two years and until he makes complete restitution of the amounts due and owing as determined by the bankruptcy court in respondent's bankruptcy proceedings and the probate court in the [WRM] estate. Further, Respondent was ordered to "reimburse the Disciplinary Fund for any Client Protection payments arising from his conduct prior to the termination of the period of suspension." Stip 7; C's Ex. 6, R's Ex. 4 (emphasis in original). The Order of suspension became effective on January 6, 1995. Stip 7.

Complainant asserts in his brief, and I agree, that this case is one involving "reciprocal discipline." Complainant's Initial Brief, p. 10. Reciprocal discipline involves a disciplinary action brought against an attorney as a result of a disciplinary sanction imposed in another bar forum where the attorney is, or was, also admitted to practice law. 7 Am. Jur. 2d *Attorneys at Law* § 39 (2003); *In re Edelstein,* 214 F.3d 127, 128 (2d Cir. 2000)("reciprocal discipline" is "disbarment or suspension summarily imposed [by one court] after some other court has taken such action based upon a plenary inquiry"). The purpose of reciprocal discipline is to prevent a sanctioned attorney from avoiding the consequences of misconduct by simply moving his or her practice to another jurisdiction, *in re Disciplinary Action Against Keller,* 656 N.W.2d 398

[12] Complainant's Exhibit 6 is a copy of the Judgment of the Supreme Court of Illinois dated November 30, 1994. Respondent's Exhibit 4 is a copy of the same Judgment but is dated January 6, 1995. It is not clear from the record why the dates in these essentially identical judgments vary, however, the parties have stipulated that the Judgment of suspension was issued on November 30, 1994, but became effective on January 6, 1995. *See,* Stip 7; Tr. 65.

(Minn. 2003): *Statewide Grievance Committee v. Dey,* 1998 Conn. Super. LEXIS 2757 (September 30. 1998)(citing C.W. Wolfram, Modem Legal Ethics (1986) 3.4.6, p. 115). In reciprocal discipline proceedings, it has been held that the first forum's determination of guilty misconduct is conclusive and not subject to relitigation in the subsequent forum, unless at least one of three narrowly defined defenses can be sufficiently established. 7 Am. Jur. 2d *Attorneys at Law* § 39 (2003); *Selling v. Radfor,* 243 U.S. 46,51 (1917): *In re Kramer,* 235 A.2d 87 (N.Y. 1997). Those defenses arise where the record of the first disciplinary proceeding reveals: (1) a deprivation of due process; (2) a lack of adequate proof establishing misconduct; or (3) that the imposition of reciprocal discipline would result in a grave injustice, because, for example, the discipline is being imposed for an action that would not be a violation in the reciprocal jurisdiction.[13] *Id.*

Respondent has never contested in this proceeding and has, in fact, admitted that his suspension by the State of Illinois Supreme Court was on ethical grounds and that such constitutes a violation of the PTO rules. *See,* Respondent's Answer ¶ 4. In fact, at hearing, Mr. Burmeister explicitly stated: "I do not contest the fact that I was suspended by the Illinois Bar, and I do not argue that this is not a violation-that this is not a violation of the Patent Office rules. As far as I'm concerned, I'm here solely today for the purposes of discussing the penalty." Tr. 9. *See also,* Tr. 48 (wherein Mr. Burmeister testified "I do not argue that I did not violate Patent Office rules") and Tr. 73 (wherein Respondent does not protest this Tribunal's conclusion that liability is not at issue in this case). Thus, based upon these uncontested facts, Complainant has met his burden of proof as to his *prima facie* case of violations of Disciplinary Rules 37 C.F.R. § 10.23(b)(l), 37 C.F.R. § 10.23(b)(6), and 37 C.F.R. § l0.23(c)(5). Further, at no time during this proceeding has Respondent raised a due process, insufficient proof of misconduct, or grave injustice defense to deeming conclusive the finding of guilty misconduct by the State of Illinois Supreme Court. To the contrary, in his Post-Hearing Brief, Respondent explicitly states that he is not asking this tribunal to review the Order of the Illinois Supreme Court suspending his license. Respondent's Brief at 3. Rather, Respondent identifies the sole issue in this case as being whether he has complied with the terms of the Illinois Supreme Court's Order and thus would he be *entitled to reinstatement,* although he acknowledges he has not yet, in fact, been

[13] Sometimes, the third defense is also said to include circumstances where "the misconduct established would warrant a substantially different discipline" in the subsequent state, or the latter is stated as a separate defense. *See,* 7 Am. Jur. 2d *Attorneys at Law* § 39 and the pending proposed revisions to the PTO rules providing that a practitioner may challenge imposition of reciprocal discipline on *four* specific grounds, *i.e.,* lack of notice or opportunity to be heard, infirmity of proof of establishing misconduct, grave injustice resulting from imposing the same discipline, or the misconduct warrants imposition of a different discipline. *See,* proposed rule, Representation of Others Before the United States Patent and Trademark Office, 68 Fed. Reg. 69,442, 69,534 (December 12, 2003). Seen in that light, the Respondent here could be deemed to be challenging imposition of reciprocal discipline, but only to the extent of challenging the identical sanction, not of challenging liability based upon the principles of reciprocal discipline.

reinstated by the Illinois Supreme Court. *Id.* Relying on the Director's description of purpose the three year stay of the instant proceedings agreed to by the parties. Respondent argues that "*no sanctions* should be imposed upon him in this proceeding if he demonstrates that he has complied with the Illinois Supreme Court's Order." Respondent's Brief at 2 (italics added). This argument, being directed to the appropriate penalty to be imposed, does not affect a decision on the issue of Respondent's liability for the violations alleged. *See also,* tr. 9

Therefore, in that Respondent has neither raised nor proven any reason why the undersigned should not hold conclusive the finding of the Illinois Supreme Court that he engaged in unethical conduct warranting suspension or disbarment, I find that Respondent is in violation of Disciplinary Rules 37 C.F.R. § l0.23(b)(1), 37 C.F.R. § l0.23(b)(6), and 37 C.F.R. § 10.23(c)(5).

IV. SANCTION

The remaining issue in this case is the type of sanction to be imposed for the violations found. In his Brief, Complainant argues for the application of reciprocal discipline as to sanction and requests that Respondent be suspended "and not be eligible for reinstatement until he has complied with the Illinois Supreme Court's Order *or* has successfully resolved his proceedings before the Illinois Supreme Court and is reinstated to the Illinois Bar." Complainant's Initial Brief at 2-3 (italics added). In his Brief, Respondent asserts that the sanctions sought by the PTO are "neither justified nor appropriate," in that he has already complied with all the requirements of the Illinois Supreme Court's Order of suspension. Respondent's Brief at 21.

In reciprocal discipline cases, it has been observed that "[m]ost courts extend the reciprocity doctrine to include a practice of imposing a disciplinary sanction that normally will be the same in operative length and severity as that imposed in the first jurisdiction," but that "[a]n inappropriately lenient or severe sanction, however, will not be copied." *In re Dennis J. Iulo,* 766 A.2d 335, 339 (Pa. 2001); *Statewide Grievance Committee v. Dey,* 1998 Conn. Super. LEXIS 2757 at * 9 (September 30, 1998). *See also, In re Hoare,* 155 F.3d 937 (8th Cir. 1998) (federal courts generally defer to state court findings in disbarment proceedings and typically impose the identical discipline).

In support of imposing the same sanction here as was imposed by the Supreme Court of Illinois, Complainant asserts in his Initial Brief that during the Illinois disciplinary proceedings the tribunals adjudicating the matter considered essentially the same factors in regard to the penalty as those applicable to PTO cases (set out in 37 C.F.R. § 10.154(b)), found that Respondent's conduct was "inexcusable and a gross breach of fiduciary duty and his actions were dishonest, unprofessional and damaging to the integrity of the legal profession," and determined the appropriate sanction to be a two year suspension with restitution. Complainant's Initial Brief pp. 13-14. Further, Complainant argues that there are no mitigating factors justifying the imposition of a lesser sanction than that imposed by Illinois at this point in time. In this regard, Complainant cites the fact that by agreement the proceedings in this case were stayed three years to give Respondent an opportunity to either produce evidence of compliance

with the Illinois Supreme Court's Order or to successfully complete the appellate process and obtain reinstatement to the bar in Illinois. Despite the passage of such time, Complainant asserts, "Respondent has not produced evidence of either." Complainant's Initial Brief at 14.

In contrast, Respondent argues in his brief that he can, and has, produced evidence that he has fully complied with the January 6, 1995 Illinois Supreme Court's Order of suspension. Respondent's Brief at 21. Specifically, Respondent asserts that the Illinois Order imposed three requirements upon him: (1) that he be suspended for two years; (2) that he make complete restitution of the amounts due and owing that relate to the Estate of [WRM]; and (3) that he reimburse the Disciplinary Fund for any Client Protection payments arising from his conduct prior to the termination of his period of suspension. Respondent states the he fulfilled all these requirements in that the two year suspension period has expired, he has made complete restitution of the amounts due and owing to the Estate of [WRM], and since the Disciplinary Fund never made any payments relating to his conduct there is nothing for him to reimburse. Respondent's Brief pp. 6-7.

In response to Respondent's arguments regarding having fully complied with the Illinois Supreme Court's Order, Complainant in his Reply Brief asserts that "[t]his Tribunal, however, is not in a position to determine whether the Supreme Court of Illinois has determined its order has been satisfied. Only the Supreme Court of Illinois can make such a determination.. To date, Respondent has not proffered any evidence that the Supreme Court of Illinois has determined its order has been satisfied. Moreover, Respondent has not produced any evidence that he has been removed from 'suspended status' before the Illinois Bar." Complainant's Reply Brief pp. 2-3.

It is clear from the two briefs that the parties are to some extent talking at cross purposes. It appears now that when Complainant requested in his Initial Brief that Respondent "be suspended from the USPTO bar and not be eligible for reinstatement *until he has complied with the Illinois Supreme Court's Order* or has successfully resolved his proceedings before the Illinois Supreme Court and is reinstated to the Illinois Bar," what Complainant was anticipating was an *Order from the Illinois Court* determining that Respondent had complied with the suspension order, perhaps separate and apart from reinstating him, something Respondent may or may not desire to obtain at this point in his career. Further, it appears that Complainant was and is requesting that obtaining such an Order be imposed by this Tribunal as a *condition of reinstatement* to practice before the PTO, after suspension is imposed, based upon Respondent's underlying conduct. On the other hand, Respondent read this same phrase as providing that Complainant was agreeable to his continuing to practice before the PTO so long as he could show *to it or this Tribunal,* that he had complied with the Illinois Supreme Court's Order. Thus, he went to great lengths in his Brief to evidence his compliance.

However, Complainant is correct, it is not for this Tribunal to determine whether Respondent has complied with the Supreme Court's Order of suspension. Such a determination falls exclusively within the jurisdiction of that Court. Moreover, the fact that Respondent has been sanctioned in another jurisdiction for the same conduct, and has satisfied that sanction, does not prevent him from also being sanctioned here. *See, e.g., In re Caranchini,* 160 F.3d 420, 423 (U.S. App. 1998)(holding multiple disbarment proceedings by various jurisdictions for same

conduct do not violate double jeopardy): *Marenangeli v. Lehman,* 32 F. Supp. 2d 1,6 (D.D.C. 1998)(even though attorney disciplined in another state and suspension imposed in that statc expired, he can still be disciplined by the PTO). The issue here is what would be an appropriate sanction to be imposed for Respondent's violation *of the PTO's disciplinary rules.*

In brief, the record reflects that the factual history leading up to Respondent's suspension by the Illinois Supreme Court involves two separate matters, an estate matter and a billing matter. As to the estate matter, the record shows that Respondent was both the executor and 50% beneficiary of the estate of his uncle, [WRM], who died testate in 1984. Tr. 18-19; C's Ex 5 (Report and Recommendation of the Hearing Board, pp. 2-3. hereinafter cited as "RRHB"). Respondent's cousin [Mrs. S] a/k/a [Mrs. S] was the other 50% beneficiary. *Id..* The estate, valued at approximately $500,000. consisted primarily of three parcels of real estate which Respondent and his uncle co-owned and which were encumbered by installment contracts on which Respondent was the contract purchaser for his uncle's half share. *Id.,* Tr. 17, 19, R's Ex. 1 (transcript of ARDC hearing), p. 19. This was the first probate estate Respondent had handled (HHRB at 14), he was having personal financial problems at the time (Tr. 17-18, 20), and he did not properly manage the estate. He did not file tax returns or pay estate, state or real estate taxes on behalf of the estate. R's Ex 1, pp. 9, 27. He failed to comply with the state probate act with regard to sales and mortgaging of estate property. He failed to pay and collect income of the estate and what income he collected on estate assets he did not pay into the estate. C's Ex. 5 (HHRB pp.7-8), R's Ex 1, pp. 8, 26, 31. He did not advise the other estate beneficiary of the potential conflict of interest which existed and failed to make proper distributions. C's Ex. 5 (HHRB at pp.20-21). Eventually, Mrs. [S] filed suit against Respondent in regard to the estate. Tr. 23-24. By Court Order entered on March 21, 1989, Respondent was terminated as executor of the estate. C's Ex. 5 (HHRB at 4); Tr. 26. A final accounting filed for the estate reflected that Respondent owed approximately $34,000 to the estate and $83,000 to [S].[14] C's Ex. 5 (HHRB at 4)

In regard to the billing matter, the record reflects that from 1988 to 1990, Respondent, through his prior firm, retained a Canadian firm to undertake patent searches on behalf of clients. R's Ex. 1, p. 10. Although Respondent was reimbursed by his clients for the work performed on their behalf by the Canadian firm, he failed to pay the Canadian firm for its services. *Id.* Moreover, Respondent paid personal bills from the account into which the clients' payments of expenses were deposited. *Id.* Eventually, the Canadian firm sued Respondent to collect its fees and obtained a default judgment against him for approximately $11,000. *Id.;* C's Ex 5 (HHRB at 9).

[14] During the hearing held before the Illinois Disciplinary Hearing Board on July 30, 1992, the executor who took over the estate claimed that Respondent owed the estate between $100,000 and $150,000 which included attorney's fees, unpaid interest of contracts for deed and real estate taxes. C's Ex. 5 (HHRB p.12-13). Respondent submitted as an exhibit in this proceeding an Affidavit from his bankruptcy counsel which indicated that the estate made a claim in his bankruptcy proceeding for $298,099, but the counsel believed the amount of the claim was "excessive." *See,* R's Ex. 2.

On March 19. 1992, the Administrator of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois (ARDC) filed a six count amended complaint against Respondent. Five of the counts related to his handling of the Estate of [WRM] and the sixth to the Canadian firm's bills. C's Ex 5 (HHRB at 1-5). After a hearing held on March 31. 1993, the ARDC Hearing Board found that the Administrator had proven the misconduct alleged involving the estate and, with regard to the charges of the Canadian firm, that Respondent had "engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation." C's Ex 5 (HHRB at 19). The Hearing Board recommended that "Respondent be suspended from the practice of law for two years and until further order of the court pending restitution of all of the amounts due to the aggrieved parties." C's Ex 5 (HHRB at 23).

The Respondent then filed exceptions to the report of the Hearing Board. On May 13, 1994, the ARDC Review Board affirmed the factual findings leading to suspension, but reduced the suspension to one year and, in light of Respondent's then pending bankruptcy proceedings,[15] determined that an order conditioning the suspension on restitution of all amounts due to aggrieved parties was inappropriate. C's Ex. 5 (Report and Recommendation of Review Board at p. 3-4, hereinafter cited as "RRRB"). The Review Board found that the record of misconduct in Respondent's case established conflict of interest and deceit. C's Ex. 5 RRRB at 3.

The Administrator of the ARDC then filed exceptions to the decision of the Review Board with the Illinois Supreme Court. As indicated above, on November 30, 1994, the Illinois Supreme Court issued an Order, which became effective on January 6, 1995, suspending Respondent "from the practice of law for two years and until he makes complete restitution of the amounts due and owing as determined by the bankruptcy court in respondent's bankruptcy proceedings and the probate court in the [WRM] estate." In addition, Mr. Burmeister was ordered to "reimburse the Disciplinary Fund for any Client Protection payments arising from his conduct prior to the termination of the period of suspension." C's Ex. 5; R's Ex. 4.

On February 14, 2000, Respondent, through counsel, filed a lengthy and detailed request for reinstatement with the ARDC asserting that he had satisfied the restitution requirements in the Illinois Supreme Court's Order of suspension.[16] R's Ex. 3; Tr. 33-40. Respondent

[15] The record reflects that Respondent filed for Chapter 11 bankruptcy on June 22, 1992. C's Ex 5, HHRB p. 8; Tr. 27-28. The Estate filed a claim against Respondent in the bankruptcy proceedings and the parties entered into an Agreed Order providing that the claim of the Estate would not be discharged in bankruptcy and the amount of the claim would be determined in a proceeding to be conducted in another court. R's Ex. 2; Tr. 32. Respondent's bankruptcy action closed on July 30, 1996. Respondent testified that the Canadian firm received a percentage of the $11,000 it claimed for services rendered and the balance of its claim was discharged in the bankruptcy. Tr. 58-59.

[16]As Respondent acknowledged at the hearing, the ARDC does not have the authority to reinstate him to the bar but may recommend to the Illinois Supreme Court that he be reinstated.

(continued...)

acknowledged at the hearing held in this matter in May 2000, that his request for reinstatement was denied and that he remained suspended from the bar)[17] Tr. 49, 60-61. Respondent acknowledges in his recently filed post-hearing brief that he has not been restored to "the roll of attorney's [sic] licensed to practice in Illinois." Respondent's Brief at 3. Nevertheless, in his Brief, Respondent again asserts that he has satisfied the Supreme Court's Order. Specifically. Respondent argues that: (1) the two year period of suspension imposed in January 1995 has long since expired; (2) that no amounts are due and owing in his bankruptcy proceedings in that his plan of reorganization was approved and his bankruptcy proceeding closed on July 30. 1996: (3) that no amounts are due and owing as determined by the probate court in the [WRM] matter in that the Estate closed on September 25, 1996, and that no legal action for any additional sums is currently pending, that a prior action was dismissed for want of prosecution, and the time for pursuing such an action has expired: and (4) that no reimbursements are due to the Disciplinary Fund in that it made no payments arising from his conduct. Further, Respondent states that he has paid approximately $4,000 for all court costs and fees expended by the Commission in connection with his disciplinary matter. Respondent's Brief pp. 7-20.

In deciding on the appropriate sanction "[w]e must keep in mind that the real and vital issue to be determined in disbarment proceedings is whether or not the accused, from the whole of the evidence as submitted, is a fit and proper person to be permitted to continue in the practice of law." *In re Walker,* 254 N.W. 2d 452 (S.D. 1977) *citing In re Van Rushed,* 160 N.W. 1006 (S.D. 1917). "We start from the premise that protection of the public and bar, not punishment, is the primary purpose of attorney discipline and that we must accordingly consider relevant mitigating and aggravating circumstances." *Coombs v. State Bar of California,* 779 P.2d 298, 306 (Cal. 1989).

As to factors for determining a sanction, the Rules governing this proceeding provide at 37 C.F.R. § 10.154(b) that, "In determining any penalty, the following should normally be considered: (1) The public interest; (2) The seriousness of the violation of the Disciplinary Rule: (3) The deterrent effects deemed necessary; (4) The integrity of the legal profession; and (5) Any extenuating circumstances." *See also,* Tr. 6. The analysis of these factors is interrelated.

After consideration of the whole of the evidence as submitted, I find that imposition of a

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[6](...continued)
It would be up to the Illinois Supreme Court to decide if reinstatement was appropriate. Tr. 61. It appears from the record that Respondent has never filed a petition with the Supreme Court of Illinois seeking reinstatement.

[17] Respondent testified at the hearing that, in response to his letter, the ARDC indicated to him that in order to fulfill the requirements of the Supreme Court Order he still needed to make additional restitution to the Estate and Mr. [S], Mrs. [S]'s surviving spouse. Mr. Burmeister explained that Mr. [S] was demanding an additional $70,000 in restitution and that was an amount he could not afford to pay. Tr. 63.

modified reciprocal sanction is appropriate. Specifically, I find a two year suspension is appropriate, with such suspension stayed and probation imposed during that period, and without conditioning reinstatement on restitution as provided for in the Order of the Supreme Court in Illinois.

In reaching this decision, I have taken into account many factors both in aggravation and mitigation of the penalty. First, I find that Respondent's handling of both the Estate matter and the matter involving the Canadian firm's bills involved "commingling" of someone else's money with his own. Commingling of client funds has been described as the "cardinal sin" of the legal profession. *Haimes v. Miss. Bar,* 601 So. 2d 851, 854 (Miss. 1992). "When a lawyer mixes a client's money with his own, an appearance of gross impropriety arises even if the transaction is otherwise benign." *Id.* "There can be no legal profession in the absence of scrupulous honesty by attorneys with other people's money. Public confidence here is vital. There may be worse sins, but the ultimate wrong of a lawyer to his profession is to divert clients' and third parties' funds entrusted to him to an unauthorized use. A lawyer guilty of such conduct exhibits a character trait totally at odds with the purposes, ideals and objectives of our profession….. If creditors are hounding a lawyer, he can take bankruptcy. If he is hungry, he can go to the Salvation Army. But mishandling other peoples' money is a thought he should never entertain." *Haimes v. Miss. Bar,* 601 So. 2d 851, 855 (Miss. 1992) citing *Mississippi Bar v Reid,* 586 So. 2d 786 (Miss. 1991). *See als, Attorney Grievance Committee of Maryland v. Ezrin,* 541 A.2d 966, 969 (Md. 1988) ("Misappropriation of funds by an attorney is an act infected with deceit and dishonesty and ordinarily will result in disbarment in the absence of compelling extenuating circumstances justifying a lesser sanction"). As such, I find that the public has a significant interest in the violations Respondent committed, that the violations are all of a serious nature, that there is a strong interest in imposing a sanction sufficiently severe to deter such conduct by Respondent and others in the future, and that the violations all reflect adversely on the integrity of the legal profession.

On the other hand, I am impressed by the fact that it appears from the record that these violations are the only instances of misconduct in which Mr. Burmeister was found to have engaged during his extremely lengthy professional career, spanning over fifty years. At the hearing, he testified that prior to the matter which led to his suspension by the Supreme Court of Illinois, no other claim for violation of professional standards had ever been filed against him. Tr. 49. Further, he stated that in the five years since being suspended as an attorney, during which he was practicing as a patent agent, no claims relating to unprofessional conduct had been filed against him and that he has paid all the contractors who have provided services to his clients.[18] Tr. 49, 64. In addition, he credibly testified that he has been very thoughtfully

[18] However, at the hearing, Respondent did acknowledge that while he was practicing as a patent agent one anonymous letter of complaint was submitted to the ARDC alleging that he was practicing patent law without a license. Tr. 49, 67. Respondent responded to the letter asserting his right to practice as a patent agent, including practicing trademark law, under the exception provided for in 37 C.F.R. § 10.14(b) because of his registration prior to 1957, and no

(continued...)

practicing as a patent agent, aware of decisions thereon and limitations in regard thereto. Tr. 16. 52-53.

I am also impressed by the fact that, on his own initiative, Respondent very timely notified the PTO of his suspension in Illinois. *See,* C's Ex. 5. Tr. 53. Further, he has handled the instant disciplinary proceeding, with one glaring exception, in a forthright manner.[19] He honestly and directly answered the allegations of the Complaint filed in this matter, he timely submitted the many status reports he was required to file while the matter was stayed, he entered into stipulations with Complainant as to undisputed matters, and he made no frivolous arguments and filed no frivolous motions.

In addition, there are other extenuating circumstances and/or mitigation factors which must be considered in molding an appropriate penalty in this case, not the least of which is Mr. Burmeister's age. Mr. Burmeister is now 82 years old. Tr. 15. At the hearing held almost four years ago, in May of 2000, he testified that he was working as a solo practitioner and his practice consisted almost entirely of matters before the PTO. Tr. 16. Specifically, at that point he said he was making a modest net income by writing five patent applications per year, he had twenty-five trademark applications pending and handled twenty renewals per year, along with some international matters. Tr. 57. While Mr. Burmeister testified that he has loyal, longstanding clients (tr. 40), even he acknowledged the fact that "(o)nce you shut your office down, you can't reopen it because you don't have any clients. So you have to maintain what you have if you're going to try to keep practicing." Tr. 55. Thus, given his age and practice, it is likely that even a short suspension may effectively end his career. This is similar to the situation faced by the court in *Jaskiewicz v. Mossinghoff,* 822 F.2d 1053 (Fed. Cir. 1987). In that case, a comparatively young 63 year old patent practitioner was found to have violated the PTO's rules by fraudulently responding to a PTO request for information. Although the court characterized the violation as "a grave offense," it found that "[a] two-year suspension will very likely preclude him from ever again practicing before the PTO; he will probably lose his practice and be unable to regain it after the lapse of the two years. We think that consequence is too severe a sanction for his offense, bad though it was, in the light of his heretofore blameless record and the fact that no patentee or applicant lost any rights because of his actions. The consequences of

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[18](...continued)
action was taken by the ARDC in regard thereto. Tr. 49-50.

[19] In his Answer to the Complaint filed in this matter Respondent asserted that "[t]he facts that are the basis of the Illinois Supreme Court's Order suspending Respondent's license to practice law are totally unrelated to Respondent's practice before the Patent and Trademark Office and that "[t]he sole basis for the Supreme Court of Illinois's order. . . was his prosecution of the estate of [WRM]." *See,* Respondent's Answer p. 4. In light of the fact that Respondent's failure to reimburse the Canadian firm for the services it rendered to his clients in regard to patent matters was also a basis of his suspension, these assertions were, to say the least, misleading. Respondent was advised of this issue at the conclusion of the hearing (tr. 72-73) and he made no such claim in his brief filed in this matter. *See,* R's Post-Hearing Brief.

effective disbarment are especially serious because the attorney is not only deprived of professional honor but also stripped permanently of his chosen means to a livelihood.. The PTO should therefore reconsider the sanction in the light of all the circumstances of the case." *Jaskiewicz,* 822 F.2d at 1061 (citations omitted).[20] On remand, the PTO Commissioner reimposed upon Mr. Jaskiewicz the two year suspension, but stayed execution of the period of suspension and placed the respondent on probation instead. *Jaskiewicz v Mossinghoff,* 6 U.S.P.Q.2d (BNA) 1159 (Comm'r Pat. & Trademarks, Dec. 21, 1987)

In determining an appropriate penalty in this matter, I have also considered Respondent's request, that if he is suspended in this action as a registered *patent attorney,* that he be allowed to continue to practice as a *patent agent. See,* Answer, p. 5. This is in effect the result which occurs when a registered attorney is suspended from the state in which he is licensed to practice *but not, or not yet,* suspended from practice before the PTO through its rules and proceedings. The PTO rules recognize two types of registered practitioners - attorneys and agents - as authorized to practice before it. 37 C.F.R. §§ 10.1(r); 10.6; Tr. 51. An "attorney" is defined in the rules as "an individual who is a member in good standing of the bar of any United States Court or the highest court of any State." 37 C.F.R. § 10.1(c). Attorneys meeting the PTO's registration requirements are registered as "patent attorneys," while other patent practitioners who are not licensed to practice law by a state, but meet the PTO registration requirements, are registered as "agents." 37 C.F.R. § 10.6(b). *See also. Sperry v. Florida,* 373 U.S. 379 (1963)(holding that Federal laws relating to patent agents preempts state law providing that the preparation and prosecution of patent applications for others constitutes the practice of law). The PTO Rules provide that both attorneys and agents can handle patent matters before the Agency; however, only registered attorneys may handle non-patent matters, such as those involving trademarks.[21] 37 C.F.R. § 10.14(b); Tr. 51. Thus, under the Rules, once a registered attorney practitioner is suspended by the state in which he is licensed, he is limited to practicing before the PTO as an "agent." and may not handle trademark and other non-patent cases. *See,* 37 C.F.R. § 10.1(r)(defining a

[20] Mr. Burmeister indicated at the hearing held almost four years ago, that he only intended to continue practicing for two to three more years. Tr. 55. Thus, depriving Respondent of his livelihood at this stage of his life and career may seem to some insignificant, but it seems clear to me from the evidence in the record regarding his health and financial history that Respondent may not only desire to work, but may well *need to work,* to provide financially for himself and his family. *See,* C's Ex. 5 (Petitioner's Petition for Leave to File Exceptions at p.4, wherein it notes that prior to Respondent's bankruptcy he had personal and family medical expenses which limited his earnings); Tr. 17-18 (same). In addition, allowing Respondent to continue earning increases the likelihood that he will be able to fulfill the Order of the Illinois Supreme Court and make the full restitution required, whereas terminating his employment decreases the chances of that occurring.

[21] The exception to this Rule referred to by Respondent in his testimony at hearing is that non-lawyers who were recognized to practice before the Office in trademark cases *prior to January 1, 1957,* will continue to be recognized to practice before the PTO in trademark cases. Tr. 49-50; 37 C.F.R. § 10.14(b).

"suspended or excluded practitioner" only as one "suspended or excluded under 10.156," thus excluding from the definition of "suspended or excluded practitioner" attorneys suspended in state or federal disciplinary proceedings). However, once a practitioner is suspended or excluded from practice before the Office *under 10.156(b),* the Rules provide that he cannot engage in the "practice of patent, trademark and other non-patent law before the Office, i.e., may not practice before the Office in any capacity. 37 C.F.R. §§ 10.15. 10.158(a).

It is within the discretion of the PTO to initiate disciplinary proceedings against an attorney practitioner who has been suspended or excluded from practice by his licensing state. *Marinangeli v. Lehman,* 32 F. Supp. 2d 1, 9 (D. D.C. 1998)("The Commissioner has broad discretion to sanction attorneys admitted to practice before the PTO."). Thus, the PTO may exercise its discretion and chose not to initiate its own action and thereby permit such a practitioner to continue to practice before it as an agent, or it may choose to initiate an action and terminate the registered practitioner from appearing in any capacity before the Agency. However, by virtue of Rule 10.158(a), once an attorney practitioner is actively suspended or excluded under the PTO rules, this tribunal has no authority to allow the practitioner to continue to practice as an agent. 37 C.F.R. § 10.158(a).

Nevertheless, this Tribunal does have the authority to exercise its discretion and *stay execution of any suspension imposed,* which would permit Respondent to continue to practice as a patent agent.[22] In deciding to do so, I have considered the fact that Complainant cannot seriously assert at this point that Respondent is incapable of competently practicing as a patent agent since the Agency has implicitly acquiesced in Respondent so practicing for almost ten years.[23] *Marinangeli v. Lehman,* 32 F. Supp. 2d 1,10 (D.D.C. 1998)(acquiescence means there is some sort of implied consent to a certain action.). Respondent voluntarily and timely notified the PTO of his Illinois bar suspension and his intent to continue to practice as a patent agent in December 1994. In its response to Respondent's notification issued three months later, the PTO did not raise any issues or challenge in any way Respondent's stated intent to continue to practice in such capacity.[24] Tr. 54. Thus, in reliance on this apparent understanding between

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[22] In light of his on-going suspension as an attorney in Illinois, staying the suspension imposed in this action would have no effect on his ability to practice as a patent *attorney* before the Agency in that he cannot so practice unless and until his license is restored in Illinois. At that point, he could apply for reinstatement assuming his period of suspension before the PTO has passed. *See,* 37 C.F.R. § 10.160.

[23] This Tribunal specially raised this issue at the conclusion of the hearing and requested the parties discuss it in their briefs. Tr. 70-72.

[24] In response to Respondent's letter of December 13, 1994, notifying PTO of his suspension as well as his request that the PTO continue to recognize him as authorized to practice before it and "intention to engage in patent law as an employee of a patent department," on March 27, 1995, the PTO sent Respondent what appears to be a form letter acknowledging

(continued...)

himself and the PTO regarding his continuing to practice as an agent, Mr. Burmeister entered into leases and maintained his office. Tr. 55. Moreover, after that, the PTO continued to engage in what Respondent described as "normal relations" with him accepting patent and other applications from him, year after year, and never once contacting him in regard to his right to make such filings. Tr. 49-50, 53, 66, 68. In fact, it was not until four years after Respondent's bar suspension, in November of 19**99**, that the PTO instituted this action to terminate Respondent's right to appear before it in any capacity. Further, as indicated above, even after this matter was filed, the PTO consented to staying a final determination in this case for a period of three years, during which Respondent was allowed to continue to practice before it as a patent agent. Finally, there is no evidence in the record which suggests that in the past ten years, since he was suspended as an attorney, that Respondent has not competently practiced as a patent agent. Thus, it seems unfair to Mr. Burmeister as well as to his clients, at least one of which has relied on Mr. Burmeister to handle an on-going patent matter for some ten years (tr. 58). that he be required to cease his practice as a patent agent at this time.

I have also considered Complainant's request that Respondent's suspension be conditioned and that he "not be eligible for reinstatement until he has complied with the Illinois Supreme Court's Order *or* has successfully resolved his proceedings before the Illinois Supreme Court and is reinstated to the Illinois Bar." Complainant's Initial Brief at 2-3 (italics added). I deem imposition of such a condition in this proceeding inappropriate. First, I do not believe it within the province of the PTO, anymore than it is within the province of this Tribunal, to decide whether Respondent has fulfilled his responsibilities under the Illinois Supreme Court's Order of suspension. That is an equitable Order and only the authority issuing it can determine whether the conditions of such an Order have been met. Second, the imposition of such a condition to prevent Respondent from practicing as a *patent attorney* before the PTO is unnecessary. As indicated above, "attorney" is defined in 37 C.F.R. §§ 10.1(c) as "an individual who is a member in good standing of the bar of any United States court or the highest court of any State." Thus, it is clear that Respondent cannot practice as a patent attorney before the PTO unless and until he has satisfied the Illinois Supreme Court's Order and has been reinstated to that bar. Thus, adding such a condition would in no way affect Respondent's right to practice before the PTO as a patent attorney, and would only prevent his right to continue to practice as a patent agent, a

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[24] (…continued)
receipt of his letter, stating that it would act "as expeditiously as possible to give your letter thorough consideration," but noting that "because of the large volume of matters before this office, it is not possible to provide periodic status reports on the effects or outcomes with regard to your letter." *See,* C's Ex. 4. The record further reflects that, over four years later, on June 22, 1999, the PTO sent an inquiry to the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois regarding Mr. Burmeister's bar status. C's Ex. 3. Approximately a month later, the PTO was informed that Respondent remained suspended. C's Ex. 2.

limitation that I deem inappropriate in light of all the circumstances of this case.

ORDER

After careful and deliberate consideration of the above facts and conclusions as well as the factors identified in 37 C.F.R. § 10.154(b), it is concluded that, in regard to the violations as to which Respondent is found liable, a two year suspension is appropriate.

THEREFORE, IT IS HEREBY ORDERED that Respondent **Marshall Arthur Burmeister**, PTO Registration No. 16,701, is hereby suspended for a period of two (2) years from practice before the Patent and Trademark Office; *however,* execution of the period of suspension is hereby stayed and Respondent is placed on probation, subject to the following conditions: If, within the period of probation, Respondent should fail to comply with any disciplinary rule applicable to patent practitioners practicing before the Patent and Trademark Office, his probation may be revoked and the remaining period of the suspension executed after due notice and opportunity for a hearing.

The Respondent's attention is directed to 37 C.F.R.§ 10.158 regarding responsibilities in the case of suspension or exclusion, and 37 C.F.R. § 10.160 concerning petitions for reinstatement.

The facts and circumstances of this proceeding shall be fully published in the Patent and Trademark Office's official publication.

/s/
Susan-Li Biro
Chief Adniinistrative Law Judge

Date: March 16, 2004
Washington, D.C.

Pursuant to 37 C.F.R. § 10.155, any appeal by the Respondent from this Initial Decision, issued pursuant to 35 U.S.C. § 32 and 37 C.F.R. § 10.154, must be filed in duplicate with the Director, Office of Enrollment and Discipline, U.S. Patent and Trademark Office, P.O. Box 16116, Arlington, Va. 22215, within 30 days of the date of this Decision. Such appeal must include exceptions to the Administrative Law Judge's Decision. Failure to file such

an appeal in accordance with § 10.155, above, will be deemed to be both an acceptance by the Respondent of the Initial Decision and a waiver by the Respondent of the right to further administrative and judicial review.

In the Matter of Harry I. Moatz v. Marshall A. Burmeister, Respondent
Proceeding D99- 10

CERTIFICATE OF SERVICE

I hereby certify that a true copy of **Initial Decision**, dated March 16, 2004. was sent this day in the following manner to the addressees listed below:

____
Maria Whiting-Beale
Legal Staff Assistant

Dated: March 16, 2004

Copy by Regular Mail to:

U.S. Patent and Trademark Office
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