

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE ADMINISTRATIVE LAW JUDGE**

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|-------------------------------|---|------------------------------|
| HARRY I. MOATZ, |) | |
| Director of Enrollment |) | |
| and Discipline |) | |
| |) | |
| Complainant, |) | |
| |) | Proceeding No. D06-07 |
| v. |) | |
| |) | |
| Marshall E. Rosenberg |) | |
| |) | |
| Respondent |) | |

INITIAL DECISION

This disciplinary proceeding was initiated under 35 U.S.C. § 32 and 37 C.F.R. Part 10 against Marshall E. Rosenberg (“Respondent”), of Woodland Hills, California. Respondent is a practitioner registered (Registration No.34,003) before the United States Patent and Trademark Office (“PTO”), engaging in the prosecution of patent applications before PTO, and subject to PTO Disciplinary Rules of Professional Conduct, as set forth in Section 10 of Title 37, Code of Federal Regulations. On June 23, 2006, the Director of Enrollment and Discipline for the PTO, Harry I. Moatz (“Complainant”), filed a Complaint and Notice of Proceedings Under 35 U.S.C. § 32 (“Complaint”) alleging, in six counts, that Respondent committed several violations of the PTO Code of Professional Responsibility in 36 C.F.R §§ 10.23-10.112, regarding Respondent’s representation of clients with respect to patent applications.

Count I alleges that Respondent represented [REDACTED] during the patent application process for a fruit peeler. [REDACTED] paid Respondent a \$4,000 fee, plus filing expenses. Respondent filed a Patent Application with PTO but did not submit the required filing fee. PTO sent a Notice to File Missing Parts to Respondent, informing him that the fee was missing. Respondent did not reply. Over the next two years, PTO declared the application to be abandoned at which point Respondent agreed with [REDACTED] to file another application and bear the costs. Again, Respondent did not submit the required fee and again PTO sent notice that the fee was missing and eventually declared, as with the prior application, that the application had been abandoned. [REDACTED] then filed a grievance with the Director of Enrollment and Discipline for PTO. This Count asserts Respondent’s actions violated PTO Disciplinary Rules 10.23(b)(4), various subsections within 10.23(c), 10.40(a), 10.77(b) and (c), 10.84, 10.85, and 10.112.

Counts II through VI arise from very similar factual circumstances with regard to five different patent applications. In all five situations, Respondent filed a patent application on behalf of a client without the required filing fee.¹ PTO responded by sending notice of the missing fee. Respondent did not respond to any of the notices at which point PTO sent Notices of Abandonment with respect to all 5 applications. The Complaint alleges Respondent's actions violated PTO Disciplinary Rule 10.77 in all five instances.

A copy of the Complaint was sent on June 23, 2006, via certified mail, to two different addresses. Respondent provided one address, a post office box, verbally during a telephone conversation with Counsel for the Director of Enrollment and Discipline. Respondent provided the second address to PTO in April 2003 in connection with a survey of registered patent attorneys. On July 23, 2006, Respondent informed Complainant that he was unable to claim the complaint and reiterated that service could be made to the post office box. Thereafter, Complainant received back copies of the Complaint it had sent to both addresses that were returned as "unclaimed." On August 3, 2006, Complainant attempted a second service via four different modes of delivery. Complainant received no Answer or other contact from Respondent. Complainant then attempted service by publishing an appropriate notice in the *Official Gazette* for four consecutive weeks between October 10, 2006 and October 24, 2006, setting the deadline for Respondent's Answer as November 30, 2006. To date, Respondent has not filed an Answer.

On December 13, 2006, Complainant filed a Motion for Default Judgment,² asserting that every allegation in the Complaint should be deemed as admitted and that the Court should enter judgment against Respondent and order the relief requested. See 37 C.F.R. §§ 10.136(d) ("Failure to timely file an answer will constitute an admission of the allegations in the complaint"), 10.134(a)(4) ("a decision by default may be entered against the respondent if an answer is not timely filed"); see also Fed. R. Civ. P. 55 (allowing entry of default against a party who has failed to plead or otherwise defend).

FINDINGS

1. Based on the Court's determination and finding that the Complainant has fully complied with the requirements for proper service of the Complaint, per 37 C.F.R. § 10.135, and that, despite such proper service, Respondent failed to file an Answer, Respondent is hereby found to be in **DEFAULT**.

¹As set forth *infra*, the other clients were [REDACTED] (Count 2), [REDACTED] (Count 3), [REDACTED] (Count 4), and [REDACTED] (Counts 5 and 6).

²The Certificate accompanying the Motion for Default certifies that the Respondent was mailed a copy of the Motion to his Post Office Box address. No response to the Motion, to the Court or to Complainant, was ever made by the Respondent.

2. The Court finds that Respondent's failure to timely file an answer, or for that matter, to ever file any answer to the Complaint, constitutes an admission of each of the allegations in the Complaint, as recounted below, and it also incorporates by reference the allegations in the Complaint into this Initial Decision,³ as well as the assertions in the Director's Motion for Default, which Motion includes accompanying Exhibits A through F. Based upon the assertions in PTO's Motion for Default Judgment, it is obvious that the Respondent was fully aware that PTO had filed a Complaint against him but he simply decided to be evasive regarding service of the Complaint. For example, the Motion relates that Respondent provided his post office box address to PTO Counsel during a telephone conversation in May 2006. Thereafter, on July 23, 2006, Respondent sent a letter by facsimile to the PTO Director, informing that the previous post office address remained in effect. Yet, despite PTO's action of then mailing the Complaint again by certified mail, by first-class mail, and by Express Mail, the certified mailing was returned as "unclaimed," while the first-class and Express Mail mailings were not returned to PTO. PTO even sent a copy of the Complaint via facsimile to the number Respondent used to deliver his July 23, 2006 letter to PTO. None of these actions by PTO were to any avail.

Count I The [REDACTED] matter

3. Respondent spoke with [REDACTED] on April 9, 2001 regarding a U.S. patent application for a fruit peeler. Following the conversation, Respondent sent [REDACTED] a letter of agreement for preparation of the application that outlined a fee of \$4,000 plus filing fees and also requested an advance retainer of \$2,000. On April 17, [REDACTED] sent a \$2,000 retainer.
4. Respondent faxed [REDACTED] a copy of the application on July 20, 2001 and [REDACTED] signed the application and mailed it back on July 29, 2001, along with a check for \$2,430. This figure represented the remaining \$2,000 fee in addition to application fees.
5. After cashing [REDACTED] check, Respondent filed U.S. Patent Application No. [REDACTED] on August 22, 2001. He did not submit the filing fee nor did he inform [REDACTED] that he did not submit the fee. Respondent did, however, inform [REDACTED] that he could use the word "pending" when referring to the patent on the fruit peeler.
6. On September 26, 2001, PTO sent notice to Respondent that it had not received the filing fee. Respondent neither submitted payment nor informed [REDACTED] of the notice from PTO.

³In the event of any conflict between the findings in this Initial Decision and the allegations in the Complaint, the terms of the Complaint shall control.

7. [REDACTED] telephoned Respondent several times in 2002 but never received a response.
8. In September 2003, [REDACTED] contacted PTO and learned that his application had been abandoned on November 27, 2001 for failure to pay the filing fee.
9. In response to a telephone call from [REDACTED] Respondent sent a facsimile stating that Respondent had paid the filing fee. Respondent included a copy of the face, and only the face, of the check he allegedly submitted to PTO and informed [REDACTED] that Respondent would "keep [REDACTED] posted." PTO has no record of receiving the check and Respondent never followed up with [REDACTED]
10. On November 19, 2003, PTO notified Respondent that the application had been abandoned. Respondent suggested that [REDACTED] re-file an application. [REDACTED] refused to pay any additional fees and Respondent told [REDACTED] that he would "take care of it."
11. Respondent filed a second application, U.S. Patent Application No. [REDACTED] on January 26, 2004 but again did not submit the fee. Respondent sent a letter informing [REDACTED] that PTO had assigned a serial number to his continuing application.
12. In a telephone call by [REDACTED] to Respondent, Respondent did not explain the term "continuing application" or that PTO could apply prior art to the second application that could not have been applied to the first application had that first application been revived or if abandonment of that application had been withdrawn.
13. On May 3, 2004, PTO sent notice that the filing fee and declaration under 37 C.F.R. §1.63, both required for the second application, were missing.
14. Respondent did not inform [REDACTED] of the May 3, 2004 communication nor did he take any further steps in connection with the second application, nor did Respondent request permission to withdraw from the matter.
15. On February 6, 2005, [REDACTED] filed a grievance with PTO Office of Enrollment and Discipline ("OED").
16. OED contacted Respondent who asserted that "he submitted [a] check . . . in response to the Notice to file Missing Parts for the . . . application on November 11, 2001." Respondent never presented any evidence to show, beyond his assertion, that he ever submitted such a check to PTO.

17. Respondent's conduct regarding the ██████ Count violated the PTO disciplinary rules in the following manners:
- Respondent engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 10.23(b)(4);
 - Respondent knowingly gave false or misleading information or knowingly participated in a material way in giving false or misleading information to a client and to PTO in violation of Rule 10.23(c)(2)(i) and Rule 10.23(c)(2)(ii);
 - Respondent misappropriated or failed to timely remit funds received by the practitioner from a client to pay a required fee in violation of Rule 10.23(c)(3);
 - Respondent failed to inform a client of correspondence received from PTO in violation of Rule 10.23(c)(8);
 - Respondent signed a paper filed in PTO without conforming to the provisions of §10.18 and thus also violated Rule 10.23(c)(15);
 - Respondent effectively withdrew from employment in a proceeding before PTO without permission from the Office, and without having taken reasonable steps to avoid prejudice to the client, in violation of Rule 10.40(a);
 - Respondent handled a legal matter without adequate preparation in the circumstances and neglected a legal matter entrusted to a practitioner in violation of Rule 10.77(b) and 10.77(c);
 - Respondent intentionally failed to carry out a contract of employment entered into with a client for services and intentionally prejudiced or damaged the client during the course of the professional relationship in violation of Rule 10.84(a)(2) and (3);
 - Respondent knowingly used false evidence and participated in the creation of evidence that he knew to be false, or was obviously false in violation of Rules 10.85(4)-(6);
 - Respondent failed to deposit unearned funds advanced for legal services in a trust account and co-mingled funds advanced with other funds in violation of Rule 10.112(a);
 - Respondent failed to maintain complete records of all funds of a client coming into the possession of the practitioner and failed to render appropriate accounts to the client regarding funds in violation of Rule 10.112(c)(3).

Count II The [REDACTED] Matter

18. On February 2, 2004, Respondent filed U.S. Patent Application No. [REDACTED] naming [REDACTED] as the inventor. Respondent did not submit the filing fee with the application.
19. On May 3, 2004, PTO sent a Notice to File Missing Parts to Respondent on U.S. Patent Application No. [REDACTED], informing him of the missing fee.
20. On July 6, 2004, PTO sent a Notice of Abandonment in connection with U.S. Patent Application No. [REDACTED] to Respondent for lack of a reply to the Notice to File Missing Parts.
21. Respondent's conduct violated the PTO disciplinary rules in the following manners:
 - Respondent handled a legal matter without adequate preparation in the circumstances, in violation of Rule 10.77(b).
 - Respondent neglected a legal matter entrusted to a practitioner, in violation of Rule 10.77(c).

Count III The [REDACTED] Matter

22. On December 16, 2003, Respondent filed U.S. Patent Application No. [REDACTED] naming [REDACTED] as the inventor. Respondent did not submit the filing fee with the application.
23. On March 29, 2004, PTO sent a Notice to File Missing Parts to Respondent on U.S. Patent Application No. [REDACTED], informing him of the missing fee.
24. On June 1, 2004, PTO sent a Notice of Abandonment in connection with U.S. Patent Application No. [REDACTED] to Respondent for lack of a reply to the Notice to File Missing Parts.
25. Respondent's conduct violated the PTO disciplinary rules in the following manners:
 - Respondent handled a legal matter without adequate preparation in the circumstances, in violation of Rule 10.77(b).
 - Respondent neglected a legal matter entrusted to a practitioner, in violation of Rule 10.77(c).

Count IV The [REDACTED] Matter

26. On November 25, 2003, Respondent filed U.S. Patent Application No. [REDACTED] naming [REDACTED] as the inventor. Respondent did not submit the filing fee with the application.
27. On February 26, 2004, PTO sent a Notice to File Missing Parts to Respondent on U.S. Patent Application No. [REDACTED], informing him of the missing fee.
28. On April 27, 2004, PTO sent a Notice of Abandonment in connection with U.S. Patent Application No. [REDACTED] to Respondent for lack of a reply to the Notice to File Missing Parts.
29. Respondent's conduct violated the PTO disciplinary rules in the following manners:
 - Respondent handled a legal matter without adequate preparation in the circumstances, in violation of Rule 10.77(b).
 - Respondent neglected a legal matter entrusted to a practitioner, in violation of Rule 10.77(c).

Count V [REDACTED] Matter # 1

30. On November 5, 2003, Respondent filed U.S. Patent Application No. [REDACTED] naming [REDACTED] as the inventors. Respondent did not submit the filing fee with the application.
31. On November 29, 2004, PTO sent a Notice to File Missing Parts to Respondent on U.S. Patent Application No. [REDACTED] informing him of the missing fee.
32. On January 31, 2005, PTO sent a Notice of Abandonment in connection with U.S. Patent Application No. [REDACTED] to Respondent for lack of a reply to the Notice to File Missing Parts.
33. Respondent's conduct violated the PTO disciplinary rules in the following manners:
 - Respondent handled a legal matter without adequate preparation in the circumstances, in violation of Rule 10.77(b).
 - Respondent neglected a legal matter entrusted to a practitioner, in violation of Rule 10.77(c).

Count VI [REDACTED] **Matter # 2**

34. On October 9, 2003, Respondent filed U.S. Patent Application No. [REDACTED] naming [REDACTED] as the inventors. Respondent did not submit the filing fee with the application.
35. On January 6, 2004, PTO sent a Notice to File Missing Parts to Respondent on U.S. Patent Application No. [REDACTED] informing him of the missing fee.
36. On March 3, 2004, PTO sent a Notice of Abandonment in connection with U.S. Patent Application No. [REDACTED] to Respondent for lack of a reply to the Notice to File Missing Parts.
37. Respondent's conduct violated the PTO disciplinary rules in the following manners:
 - Respondent handled a legal matter without adequate preparation in the circumstances, in violation of Rule 10.77(b).
 - Respondent neglected a legal matter entrusted to a practitioner, in violation of Rule 10.77(c).

CONCLUSIONS

38. Respondent's conduct, as set forth above, constitutes conduct involving dishonesty, fraud, deceit, or misrepresentation, justifying suspension or exclusion pursuant to 37 C.F.R. § 10.23(b)(4).
39. Respondent's conduct, as set forth above, involved knowingly giving false or misleading information to a client and PTO, justifying suspension or exclusion pursuant to 37 C.F.R. §§ 10.23(c)(2)(i) and (c)(2)(ii).
40. Respondent's conduct, as set forth above, involved misappropriation or failure to timely remit funds received by the practitioner from a client to pay a required fee, justifying suspension or exclusion pursuant to 37 C.F.R. § 10.23(c)(3).
41. Respondent's conduct, as set forth above, involved a failure to inform a client of correspondence received from PTO, justifying suspension or exclusion pursuant to 37 C.F.R. § 10.23(c)(8).
42. Respondent's conduct, as set forth above, involved signing a paper filed in PTO in violation of the provisions of § 10.18, justifying suspension or exclusion pursuant to 37 C.F.R. § 10.23(c)(15).

43. Respondent's conduct, as set forth above, involved withdrawing from employment in a proceeding before PTO without permission from the Office, and without having taken reasonable steps to avoid prejudice to the client, justifying suspension or exclusion pursuant to 37 C.F.R. § 10.40(a).
44. Respondent's conduct, as set forth above, involved handling a legal matter without adequate preparation in the circumstances and neglecting a legal matter entrusted to a practitioner, justifying suspension or exclusion pursuant to 37 C.F.R. 10.77(b) and 10.77(c).
45. Respondent's conduct, as set forth above, involved intentionally failing to carry out a contract of employment entered into with a client for services and intentional prejudice or damage to the client during the course of the professional relationship, justifying suspension or exclusion pursuant to 37 C.F.R. 10.84(a)(2) and (a)(3).
46. Respondent's conduct, as set forth above, involved knowing use of false evidence and participation in the creation of evidence that he knew to be false, or was obviously false, justifying suspension or exclusion pursuant to 37 C.F.R. 10.85(4)-(6).
47. Respondent's conduct, as set forth above, involved failure to deposit unearned funds advanced for legal services in a trust account and co-mingling of funds advanced with other funds, justifying suspension or exclusion pursuant to 37 C.F.R. 10.112(a).
48. Respondent's conduct, as set forth above, involved failure to maintain complete records of all funds of a client coming into the possession of the practitioner and failure to render appropriate accounts to the client regarding funds, justifying suspension or exclusion pursuant to 37 C.F.R. 10.112(c)(3).
49. 37 C.F.R. § 10.130 provides that reprimand, suspension or exclusion from practice may be imposed where an attorney is shown to be incompetent or disreputable or guilty of gross misconduct or who violates a Disciplinary Rule. In this instance the Respondent, an attorney registered to practice before the USPTO, has been found to be in default for failing to answer the Complaint, first served on June 2, 2006, and thereafter, in the several attempts described *supra*. The effect of this failure to answer the complaint is that each of the allegations in the Complaint have been admitted by the Respondent, under operation of 37 C.F.R. § 10.136.

50. Under 37 C.F.R. § 10.154, the Initial Decision of the administrative law judge is to explain the reason for any penalty or reprimand. The Complaint sought an Order “suspending or excluding Respondent from practice before the USPTO.” Complaint at 10.⁴ The Court, in determining the appropriate sanction to be imposed, is to consider the public interest, the seriousness of the violation(s) of the Disciplinary Rule(s), the deterrent effects deemed necessary, the integrity of the legal profession, and any extenuating circumstances. 37 C.F.R. § 10.154(b)(1) through (5).
51. The Court has fully considered each of the penalty factors listed next above. The the multiple counts involved, the multiple instances of violations of the Disciplinary Rules associated with those counts, the obvious seriousness of the violations of the cited Rules, the integrity of the legal profession, and the deterrent effects deemed necessary, when considered with the absence of any extenuating circumstances, amply warrant and require the sanction of exclusion. The Respondent’s failure to file an answer only serves to underscore the appropriateness of this sanction, which would be fully warranted on the basis of the Counts alone.

ORDER

After careful and deliberate consideration of the above findings and conclusions, as well as the factors identified in 37 C.F.R. § 10.154(b),

IT IS HEREBY ORDERED that Respondent, Marshall E. Rosenberg, PTO Registration No. 34,003, be excluded from practice before the U.S. Patent and Trademark Office.

Respondent’s attention is directed toward 37 C.F.R. § 10.158 regarding responsibilities in the case of suspension or exclusion, and 37 C.F.R. § 10.160 concerning any subsequent petition for reinstatement. **Pursuant to 37 C.F.R. § 10.155, any appeal by 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 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.**

⁴The Motion for Default Judgment, obviously taking into account the unsuccessful efforts to have the Respondent answer the charges, amends the requested relief by seeking Respondent’s exclusion from practice.

Such appeal must include exceptions to the Administrative Law Judge's Decision. Failure to file such an appeal in accordance with Section 10.155 above will be deemed to be both an acceptance by Respondent of the Initial Decision and that party's waiver of rights to further administrative and judicial review. The facts and circumstances of this proceeding shall be fully published in the U.S. Patent and Trademark Office's official publication.

William B. Moran
William B. Moran
United States Administrative Law Judge⁵


Dated: **March 7, 2007**
Washington, D.C.

⁵This decision is issued by a United States Administrative Law Judge assigned to the U.S. Environmental Protection Agency ("EPA"). An Interagency Agreement authorizes Administrative Law Judges with EPA to hear cases pending before PTO.

In the Matter of *Marshall E. Rosenberg* Respondent
Docket No. D06-07

CERTIFICATE OF SERVICE

I hereby certify that the **Initial Decision**, dated, March 7, 2007 was sent this day in the following manner to the addressees listed below:



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Legal Staff Assistant

Original to:

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