

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL
PROPERTY
AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK
OFFICE**

**In re Matter of:
PATRICK N. BURKHART,
Respondent**

Proceeding No. D07-02

ORDER

A Final Order was entered in this proceeding on March 27, 2008, setting forth specific stipulated facts, legal conclusions, and discipline of Patrick N. Burkhart (Respondent). The Final Order provided for a stay of the discipline, a three-year suspension, so long as Respondent complied with the terms of the Final Order. The Director of the Office of Enrollment and Discipline (OED Director) has issued an Order To Show Cause Why The Stay Should Not Be Vacated for Respondent's failure to comply with terms of the Final Order. Respondent has replied to the Order To Show Cause Why The Stay Should Not Be Vacated. For the reasons stated below, the stay of Respondent's three-year suspension shall be VACATED.

I. BACKGROUND AND PROCEDURAL HISTORY

A. Procedural Background and Entry of Final Order

The OED Director investigated Respondent for possible violations of the Disciplinary Rules of the United States Patent and Trademark Office (USPTO). Following the investigations, the OED Director believed that Respondent had violated the

Disciplinary Rules and called a meeting of the Committee on Discipline. The Committee found probable cause existed to conclude that Respondent violated the Disciplinary Rules. Following negotiations, the OED Director and Respondent entered into a proposed settlement of the disciplinary proceeding, No. D07-02, contingent upon certain conditions, including the Director of the United States Patent and Trademark Office (USPTO Director) accepting the terms of the proposed settlement and entering a final order.

The Final Order was entered in this matter on March 27, 2008. The Final Order set forth stipulated facts, legal conclusions, and discipline. Among other things, the Final Order required Respondent to, within 30 days of the date of the Final Order, notify in writing all of the clients on the designated list of his partial refund to them of past collected legal fees and the schedule for repayment of the refunds. Final Order, ¶ 99h. The Final Order set forth specific paragraphs that were to be included in that notification. Final Order, ¶ 99h. With respect to discipline, the Final Order stated that Respondent agreed, and it is ordered, that “Respondent is suspended from practice before the USPTO for a period of three years.” Final Order, ¶ 99a. The Final Order provided: “Respondent’s suspension will be stayed, and he will be permitted to continue to practice, so long as he complies with the terms of this Final Order.” Final Order, ¶ 99b. The Final Order further provided: “In the event Respondent fails to comply with any of the terms of this Final Order, the stay of suspension will be immediately vacated and Respondent shall serve a three-year suspension, starting at the time the stay is vacated, prior to being eligible for reinstatement.” Final Order, ¶ 99c.

Before vacating the stay, the Final Order required the USPTO to provide Respondent with an Order To Show Cause Why The Stay Should Not Be Vacated and that the Order To Show Cause would give Respondent ten days to show cause to the USPTO Director why the stay should not be vacated. Final Order, ¶ 99d. The Final Order provided that the USPTO Director may then exercise his discretion to vacate the stay. Final Order, ¶ 99d.

B. Order To Show Cause

On July 9, 2008, the OED Director issued an Order To Show Cause Why The Stay Should Not Be Vacated and gave Respondent ten calendar days to file a reply demonstrating why the stay should not be vacated.¹ The July 9, 2008, Order To Show Cause stated that Respondent failed to make payments required by the Final Order. The Final Order provided that, starting on June 15, 2008, and continuing until June 15, 2010, Respondent will provide partial refunds of legal fees charged to a designated list of clients. As noted by the OED Director, the Final Order stated that Respondent will provide a \$500 or \$1000 initial payment to each client on the designated list by June 15,

¹ The OED Director previously issued Respondent an Order To Show Cause Why The Stay Should Not Be Vacated on June 5, 2008, based on Respondent's apparent lack of compliance with paragraphs 99g, 99h, and 99i of the Final Order. On that same date, however, the OED Director issued a Withdrawal Of Order To Show Cause Why The Stay Should Not Be Vacated (Withdrawal), noting that communications explaining why Respondent's unsigned letters to his former clients were sent after the 30-day time period provided in paragraph 99h of the Final Order had been received by the Office of Enrollment and Discipline but had not been referred to the OED Director. The OED Director had received copies of unsigned letters dated May 16, 2008, that Respondent had sent to the designated clients regarding their partial refunds. In the Withdrawal, the OED Director directed Respondent to confirm whether Respondent regarded the information in the unsigned letters as obligations and to comply with paragraph 99g of the Final Order, which required Respondent to notify all bars of which he is a member of the order of the stayed suspension and to promptly provide the OED Director with confirmation of the notification. Respondent replied on June 10, 2008, noting that he regarded the contents of the letters to former clients as obligations to them and that he "did not fully understand that notice by the respondent was absolutely required" under paragraph 99g once he had verified that the OED Director had communicated with Respondent's bar. On June 13, 2008, the OED Director sent a response to Respondent's counsel to communicate that the June 10 reply satisfactorily responded to the issues raised in the Withdrawal and that no further action by the OED Director was contemplated.

2008, and will make quarterly payments to each client on the designated list according to the payment schedule reflected in the Final Order. See Final Order, ¶ 99f.

The OED Director learned on June 16, 2008, that one of Respondent's designated clients, [redacted] had called the OED on that date and said he had not yet received the initial payment from Respondent. On June 19, 2008, the OED Director inquired to Respondent's attorney about the payment to [redacted]. On June 23, 2008, Respondent's attorney provided copies of communications from Respondent to the designated clients dated June 16, 2008. Each communication bore a certified mail number and states, "[e]nclosed is a check in the amount of [specified amount] for the 15 June 2008 payment referenced in my previous letter." Respondent's attorney explained that Respondent understood that he was to make payment by June 15, 2008, which happened to fall on a Sunday.

The OED Director attempted to locate the certified mail numbers with the U.S. Postal Service on June 24 and 26, 2008, but was unsuccessful.

On June 26, 2008, the OED Director was informed by another of Respondent's designated clients, [redacted] that he, too, had not received the June 15, 2008 payment. On June 26, 2008, the OED Director sent a letter to each client on the designated list asking whether they had received the initial payment from Respondent and, if so, when the client received the payment.

As of July 9, 2008, the OED Director received letters from two of Respondent's designated clients— [redacted] —in response to his letter.

[redacted] response states that she received a letter and check from Respondent on July 1, 2008. Attached to [redacted] correspondence to the OED Director were copies of

15, 2008, fell on a Sunday and that Respondent states that he prepared checks and letters to the clients so that they could be sent out on Monday, June 16, 2008. According to Respondent's counsel, "Unfortunately, the letters and checks became mixed up with other correspondence and due to inadvertent error, they were not mailed on that date."

Id. at 1. Respondent did not realize this error until _____ complaint was brought to his attention. Respondent was out of his office when he received this information but, "[a]s soon as he could, he returned to the office and sent the letters and checks." Id.

Respondent's counsel states that "Respondent sincerely regrets this error and asserts that it was due to human error. The letters and checks were prepared prior to June 15, and Respondent had intended to send the checks on the first workday after June 15."

Id. at 2. Respondent's counsel states that Respondent docketed both the preparation and sending of the next installments so that the checks will be mailed in a timely manner and that he has "expressed a willingness to hire an outside accountant to manage and docket the payments." Id. If the stay were vacated and Respondent suspended, Respondent's counsel states "it would be extremely difficult for Respondent to make further payments to the clients since he would have no income after that point. The interests of the clients would be best served if the stay were to remain in effect with Respondent continuing to make the payments he agreed to make." Id. Respondent's counsel concluded that the stay should remain in effect because Respondent's failure to send "the check" in a timely manner was not intentional, and because the "continued payments to the clients is best insured by Respondent being able to continue to work[.]" Id.

II. DECISION

For the following reasons, and consistent with the Final Order, the stay of Respondent's suspension is VACATED.

Respondent's arguments supporting his Response the Order to Show Cause have been carefully considered. It is undisputed that the Final Order required Respondent to provide partial refunds of legal fees Respondent had charged to a designated list of clients and that Respondent was required to make the initial payment to each listed client by June 15, 2008. Final Order, ¶ 99f. Respondent failed either to pay the designated clients by June 15, 2008, or to mail the initial payments by June 15, 2008. Moreover, not only did Respondent fail to make those payments by June 15, 2008, he did not even mail them to the clients until June 27, 2008—eight days after the OED Director first inquired about the failure of the clients to receive their initial payments and twelve days after the Final Order required him to make the payments. Thus, Respondent failed to comply with paragraph 99f of the Final Order.

Respondent's claim that this failure was merely the result of "human error" and was not intentional does not excuse his noncompliance with a provision that goes to the heart of the Final Order. The Final Order was clear that action was required by June 15, and Respondent knowingly did not act on or before June 15. As for his failure to act on June 16, he at best failed to exercise due diligence to ensure that the required initial payments were provided to the designated clients in the time frame specified in the Final Order. Even after receiving an inquiry from the OED Director on June 23 about the missing initial payments, Respondent did not mail them to the clients on June 23 as he had indicated he would, and did not mail them thereafter for several more days. As a

result, the designated clients did not receive the required initial payments until more than two weeks after June 15, 2008.

As noted previously, the Final Order provided: "In the event Respondent fails to comply with any of the terms of this Final Order, the stay of suspension will be immediately vacated and Respondent shall serve a three-year suspension, starting at the time the stay is vacated, prior to being eligible for reinstatement." Final Order, ¶ 99c. Pursuant to that provision, and consistent with the foregoing determinations, the stay of Respondent's three-year suspension is vacated as set forth in the Order below.

ORDER

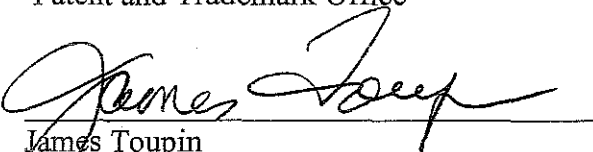
It is ORDERED that one (1) month from the date this order is entered, PATRICK N. BURKHART, whose USPTO Registration Number is 33,352 be suspended from practice before the USPTO for three (3) years from the date of this Order under the conditions set forth in 37 C.F.R. § 10.158.

APPEAL RIGHTS

If Respondent desires review of this decision, Respondent is notified that he may seek judicial review in the U.S. District Court for the District of Columbia under 35 U.S.C. § 32 and Local Rule 213 of the U.S. District Court for the District of Columbia within thirty (30) days of the date of entry of this decision.

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

September 3, 2008
Date


James Toupin
General Counsel
United States Patent and Trademark Office

cc:

Director
Office of Enrollment and Discipline
Mailstop OED
USPTO
P.O. Box 1450
Alexandria, VA 22313-1450

Thomas P. McGarry
Counsel for Respondent
Hinshaw & Culbertson LLP
222 North LaSalle Street, Suite 300
Chicago, IL 60601-1081