UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

In the Matter of:	)	
	)	
Bruce E. Lilling,	)	
	)	**Proceeding No. D09-21**
Respondent	)	
	)	
	)	

FINAL ORDER UNDER 37 C.F.R. § 11.24

Pursuant to 37 C.F.R. § 11.24(d), Bruce E. Lilling (Respondent) is hereby ordered to be excluded from the practice of patent, trademark, and other non-patent law before the USPTO for violation of the ethical standards set out in 37 C.F.R. §§ 10.23(a) and (b), as further identified under 37 C.F.R. § 10.23(c)(5).

I. BACKGROUND AND PROCEDURAL HISTORY

Respondent became registered as a patent agent with the USPTO on May 16, 1975.

Respondent was admitted to practice law in New York on January 17, 1979.

Respondent became registered as a patent attorney with the USPTO on March 22, 1979.

Respondent resigned his New York Bar membership pursuant to 22 NYCRR 691.9 via an affidavit dated April 30, 2008. 22 NYCRR 691.9 states, in part:

> An attorney who is the subject of an investigation into allegation of misconduct may tender his resignation by submitting . . . an affidavit stating that he intends to resign and that:
>
> (1) his resignation is freely and voluntarily rendered; he is not being subjected to coercion or

duress; and he is fully aware of the implications of submitting his resignation;

(2) he is aware that there is pending an investigation into allegations that he has been guilty of misconduct . . . ; and

(3) he acknowledges that if charges were predicated upon the misconduct under investigation, he could not successfully defend himself on the merits against such charges.

On September 2, 2008, the Supreme Court of New York, Appellate Division: Second Judicial Department, in Supreme Court No. 2008-03127 issued a per curium Opinion and Order accepting Respondent's resignation and disbarring him from the practice of law in New York (order of the New York Supreme Court).

On April 23, 2009, the Director of the Office of Enrollment and Discipline (OED Director) issued, inter alia, a Request for Notice and Order requesting that the USPTO Director issue a notice and order to Respondent in accordance with 37 C.F.R. § 11.24 predicated on the order of the New York Supreme Court.

On April 29, 2009, Notice and Order Under 37 C.F.R. § 11.24 (Notice and Order) directed that if Respondent seeks to contest imposition of his suspension from practice pursuant to 37 C.F.R. § 11.24(d), Respondent shall file, within 40 days, a response containing all information Respondent believes is sufficient to establish a genuine issue of material fact that the imposition of discipline identical to that imposed by the order of the New York Supreme Court would be unwarranted based upon any of the grounds permissible under 37 C.F.R. § 11.24(d)(1).

On May 19, 2009, Respondent filed a letter requesting a stay of proceedings before the USPTO. The request for a stay was predicated upon Respondent's assertion that a motion had been filed to vacate the order of the New York Supreme Court.

On August 3, 2009, a Notice of Denial of Request for Stay and Grant of Additional Time Period for Response (August 3, 2009, Notice) denied Respondent's request for a stay of proceedings but granted him an additional 40-day time period to file a response to the April 29, 2009, Notice and Order.

On September 21, 2009, Respondent filed the present letter (letter of September 21, 2009) described as a response to the April 29, 2009 Notice and Order. The letter asserts, inter alia, that it would be improper for the USPTO to impose reciprocal discipline until the New York court makes a decision with regard to Respondent's motion for vacation of the order of the New York Supreme Court.

II. LEGAL STANDARD

Under 37 C.F.R. § 11.24(e), the USPTO has codified standards for imposing reciprocal discipline based on the state's disciplinary adjudication that were set forth early in the last century in *Selling v. Radford*, 243 U.S. 46 (1917). Under *Selling*, state disbarment creates a federal level presumption that imposition of reciprocal discipline is proper unless an independent review of the record reveals 1) a want of due process, 2) an infirmity of proof of the misconduct, or 3) that grave injustice would result from the imposition of reciprocal discipline. Federal courts have generally "concluded that in reciprocal discipline cases, it is the respondent attorney's burden to demonstrate, by clear and convincing evidence, that one of the *Selling* elements precludes reciprocal discipline." *In re Kramer,* 282 F.3d 721 (9th Cir. Cal. 2002).

Specifically, 37 C.F.R. § 11.24(e) states, in part:

> . . . a final adjudication in another jurisdiction . . . or program that a practitioner . . . has been guilty of misconduct shall establish a prima facie case by clear and convincing evidence that

the practitioner violated 37 C.F.R. 10.23, as further identified under 37 CFR 10.23 (c)(5) . . .

Further, 37 C.F.R. § 11.24(d) states, in part:

. . . the USPTO Director shall consider any timely filed response and shall impose the identical . . . disbarment . . . unless the practitioner clearly and convincingly demonstrates, and the USPTO Director finds there is a genuine issue of material fact that:

(i) The procedure elsewhere was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process;

(ii) There was such infirmity of proof establishing the conduct as to give rise to the clear conviction that the Office could not, consistently with its duty, accept as final the conclusion on that subject;

(iii) The imposition of the same . . . disbarment . . . by the Office would result in grave injustice; or

(iv) Any argument that the practitioner was not . . . disbarred . . .

III. ANALYSIS

In his letter filed September 21, 2009, Respondent implies that imposition by the Office of the same disbarment, imposed by the order of the New York Supreme Court, would result in a grave injustice. Specifically, he asserts that the proceedings in New York have not been concluded and that the New York court might rescind or otherwise modify its order in response to his motion to vacate. Respondent argues that if the New York court were to modify or rescind its order, the Office would have no predicate for the imposition of reciprocal discipline.

Respondent also asserts that he based his decision to resign on misinformation obtained

from his lawyer that "there would not be any negative repercussions."[1] He asserts that after submitting his resignation, he learned, inter alia, that he cannot now sell his law practice which he had planned to sell for approximately $350,000. He further asserts that if he had been properly advised by his attorney, he would not have proffered his resignation but would have instead put forth a meritorious defense in response to the assertions of the New York Ethics Committee.

The order of the New York Supreme Court is deemed a final adjudication in accordance with 37 C.F.R. § 11.24(e). Respondent's filing of a request to vacate the order of the New York Supreme Court does not, by itself, justify a stay of reciprocal discipline proceedings or a finding of a genuine issue of material fact that imposition of disbarment would result in a grave injustice. If it did, any practitioner disciplined in such a final adjudication could avoid or delay reciprocal discipline simply by seeking reconsideration. In addition, the Office appreciates the fact that the Respondent regrets having resigned from the New York bar now that he fully understands the consequences, i.e., he may not sell his law practice. However, that fact has no relevance with regard to the issue of whether the imposition of reciprocal discipline by the Office would result in a grave injustice. There is no evidence that imposition of reciprocal discipline by the Office will have any effect on the salability of Respondent's law practice under New York law. Accordingly, Respondent has not clearly and convincingly demonstrated that there is a genuine issue of material fact that the imposition of his exclusion from the practice of patent, trademark, and other non-patent law before the USPTO would result in a grave injustice.

[1] Letter of September 21, 2009, at 2.

IV. CONCLUSION

It is hereby determined that: 1) there is no genuine issue of material fact under 37 C.F.R. § 11.24(d) and 2) exclusion of Respondent from practice before the USPTO is appropriate.

ORDER

ACCORDINGLY, it is hereby **ORDERED** that:

(a) Respondent is excluded from the practice of patent, trademark, and other non-patent law before the Office beginning on the date of this Final Order;

(b) Respondent is granted limited recognition to practice before the Office beginning on the date of this Final Order and expiring thirty (30) days after the date of this Final Order;

(c) Respondent is directed, during the time of his limited recognition to wind up all client business before the Office and to withdraw from employment in all pending proceedings in accordance with 37 C.F.R. § 10.40;

(d) Respondent is directed not to accept any new clients having business before the Office during the 30 days of limited recognition afforded by this Final Order;

(e) the OED Director shall publish this Final Order;

(f) the OED Director shall publish the following notice in the Official Gazette:

NOTICE OF EXCLUSION

> Bruce E. Lilling of Jerusalem, Israel, a registered patent attorney whose Registration Number is 27,656 has been excluded from the practice of patent, trademark, and non-patent law before the United State Patent and Trademark Office for violating 37 C.F.R. §§ 10.23(a) and 10.23(b)(6), via 37 C.F.R. § 10.23(c)(5), by being disbarred from practice as an attorney on ethical grounds by a duly constituted authority of the State of New York. Mr. Lilling's disbarment in New York is predicated upon his affidavit of resignation as an attorney and counselor-at-law in New York and his acknowledgement of the

implications of his resignation, including the fact that his name would be stricken from the roll of attorneys and counselors-at-law and that he would be barred from seeking reinstatement for at least seven years. Mr. Lilling also acknowledged that the investigation of his misconduct revealed, *inter alia*, that he was guilty of certain infractions of the applicable Code of Professional Responsibility regarding the maintenance of his attorney escrow account. Mr. Lilling acknowledged: (1) the allegations against him concerned a breach of his fiduciary duty with respect to his attorney escrow accounts, a failure to cooperate with the Grievance Committee, and a failure to account for funds entrusted to him and (2) he was unable to successfully defend himself on the merits against such charges. This action is taken pursuant to the provisions of 35 U.S.C. §§ 2(b)(2)(D) and 32, and 37 C.F.R. §§ 11.24 and 11.59. Disciplinary decisions involving practitioners are posted for public reading at the Office of Enrollment and Discipline's Reading Room located at: http://des.uspto.gov/Foia/OEDReadingRoom.jsp.

(g) Respondent shall comply fully with 37 C.F.R. § 11.58;

(h) the OED Director, in accordance with 37 C.F.R. § 11.59, shall give notice of the public discipline and the reasons for the discipline to disciplinary enforcement agencies in the State where the practitioner is admitted to practice, to courts where the practitioner is known to be admitted, and the public;

(i) Respondent shall comply fully with 37 C.F.R. § 11.60 upon any request for reinstatement.

OCT 2 6 2009

Date

JAMES A. TOUPIN
General Counsel
United States Patent and Trademark Office

on behalf of

David Kappos
Under Secretary of Commerce for
Intellectual Property and Director of the
United States Patent and Trademark Office

CERTIFICATE OF SERVICE

I certify that the foregoing Final Order Under 37 C.F.R. § 11.24 was sent by Federal Express with confirmation of delivery, this day to the Respondent at the following address provided to OED pursuant to 37 C.F.R. § 11.11:

Bruce E. Lilling

OCT 2 6 2009

Date

United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

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OCT 26 2009

Date

JAMES A. TOUPIN
General Counsel
United States Patent and Trademark Office

on behalf of

David Kappos
Under Secretary of Commerce for
Intellectual Property and
Director of the United States Patent and
Trademark Office